



WPP

2010 Interim Results London

August 2010



WPP

1

2010 Interim Results

2

Key Priorities, Objectives and Strategy

3

Conclusions



WPP

1

2010 Interim Results



2010 Interim Results

- ✧ Billings up 8.5% at £20.333 billion.
- ✧ Reported revenue up 3.5%. On a constant currency basis, revenue up 2.7%. Like-for-like revenue up 2.5%.
- ✧ Headline PBIT up 33.1% to £455.3m from £342.2m.
- ✧ Headline operating margins up 2.3 margin points to 10.3% and up 3.7 margin points pre-incentives to 13.1%.
- ✧ Headline gross margin margins up 2.5 margin points to 11.2%.

2010 Interim Results

- ✧ Headline PBT up 41.2% to £356.2m from £252.2m.
- ✧ Tax rate on headline profits improved 0.9 percentage points to 23.9% from 24.8%.
- ✧ Diluted headline EPS up 48.1% to 19.1p from 12.9p.
- ✧ First ordinary interim dividend up 15% at 5.97p per share.
- ✧ Estimated net new business billings of £2.114 billion (\$3.382 billion), almost double last year and leading all industry net new business tables.

2010 Interim Results

Summary Headline Results at a Glance

	2010 £m	2009 £m	Change %
Revenue	4,441	4,289	3.5
Gross Margin	4,080	3,955	3.2
Staff Costs ex Severance & Bonus	2,514	2,537	1.0
Other Expenses	940	950	1.1
Operating Profit ex Severance & Bonus	626	468	33.7
Operating Profit ex Bonus	583	402	45.0
Operating Profit	455	342	33.1
PBT	356	252	41.2
PAT	271	190	42.9
Headline diluted EPS	19.1p	12.9p	48.1
<i>Operating Profit Margin %</i>	<i>10.3%</i>	<i>8.0%</i>	<i>+2.3¹</i>
Average Debt	(3,168)	(3,507)	9.7
Average number of people	100,008	108,973	-8.2

¹ Margin points

2010 Interim Results

Unaudited IFRS Income Statement

Six months to 30 June

	2010 £m	2009 £m	Change %	Constant Currency %
Revenue	4,440.9	4,288.7	3.5	2.7
Operating Profit pre-goodwill/ intangibles	432.6	322.7	34.1	29.8
Goodwill/ intangibles charges, FA gains	(92.4)	(124.0)	25.5	25.1
Operating Profit	340.2	198.7	71.2	64.5
Income from associates	22.3	19.8	12.6	-4.6
PBIT	362.5	218.5	65.9	57.9
Net finance costs	(118.6)	(39.2)	-202.6	-228.4
Profit before tax	243.9	179.3	36.0	23.3
Tax	(61.3)	(41.0)	-49.5	-40.3
Profit after tax	182.6	138.3	32.0	18.2
Reported diluted EPS	12.0p	8.8p	36.4	20.1

2010 Interim Results

% growth vs prior period

	Revenue	Headline ³ PBIT	Headline ³ EPS
Like-for-like	2.5	n/a	n/a
Acquisitions	0.2	n/a	n/a
Constant currency	2.7	27.9	36.8
Foreign exchange	0.8	5.2	11.3
Reportable sterling	3.5	33.1	48.1
Reportable US dollars¹	5.5	30.9	41.4
Reportable Euros²	6.5	37.2	53.1

¹ Translated into US\$, using among other currencies, average exchange rates of US\$ /£ for H1 2010 of \$1.526, compared to \$1.493 for H1 2009.

² Translated into Euros using, among other currencies, average rates of €/£ for H1 2010 of €1.1505, compared to €1.1195 for H1 2009.

³ Figures before goodwill and intangibles charges, investment gains and write-downs, share of exceptional gains/(losses) of associates, revaluation of financial instruments and gains on termination of TNS hedges.

2010 Interim Results

Unaudited Headline¹ IFRS Income Statement

	Six months to 30 June		Change %	Constant Currency %
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Headline operating profit	432.6	322.7	34.1	29.8
Income from associates	22.7	19.5	16.4	-1.0
PBIT	455.3	342.2	33.1	27.9
Net finance costs	(99.1)	(90.0)	-10.1	-13.9
Profit before tax	356.2	252.2	41.2	32.8
Tax at 23.9% (2009 24.8%)	(85.2)	(62.5)	-36.3	-30.3
Profit after tax	271.0	189.7	42.9	33.6
Headline diluted EPS	19.1p	12.9p	48.1	36.8
Headline operating margin	10.3%	8.0%	2.3 ²	
Headline EBITDA	560.8	455.7	23.1	19.3

¹ Figures before goodwill and intangibles charges, investment gains and write-downs, share of exceptional gains/(losses) of associates, revaluation of financial instruments and gains on termination of TNS hedges

² Margin points

2010 Interim Results

Operating Expenses Well Controlled

(like-for-like Sterling ¹ £'m)	2010	2009	% B/(W)
Revenue	4,441	4,333	+2.5
Gross Margin	4,080	3,988	+2.3
Staff Cost	2,684	2,689	+0.2
Establishment	331	349	+5.1
Other G&A	632	625	-1.1
Total Operating Expenses	3,647	3,663	+0.4
Average number of people	100,008	109,504	8.7%

- ✧ Incentive charge of £127m (H1 2009 £64m) for the first half or ca 2.9% of revenue, 1.5 margin points higher than in 2009.
- ✧ Severance cost of £43m (H1 2009 £68m).
- ✧ Pre-incentive margin up 3.7 margin points at 13.1%

¹ Based on WPP proforma reporting – 2009 adjusted for acquisitions and FX

2010 Interim Results

Revenue by Discipline

	2010 £m	2009 £m	% Change		
			Reported	Constant Currency	Like-for- like
Advertising, Media Investment Management	1,746.2	1,672.7 ¹	4.4	3.0	3.0
Consumer Insight	1,162.5	1,123.8	3.4	2.7	2.4
Public Relations & Public Affairs	417.0	403.4	3.4	3.2	2.0
Branding & Identity, Healthcare and Specialist Communications	1,115.2	1,088.8 ¹	2.4	2.1	1.8 ²
Total	4,440.9	4,288.7	3.5	2.7	2.5

¹ In 2010 some rmg revenues have been included within JWT's advertising business and so 2009 comparatives have been restated.

² Direct, digital & interactive growth of 4.4%

2010 Interim Results

Organic Revenue Growth Trends by Discipline

2008-2010 Q2 - Quarter by Quarter



2010 Interim Results

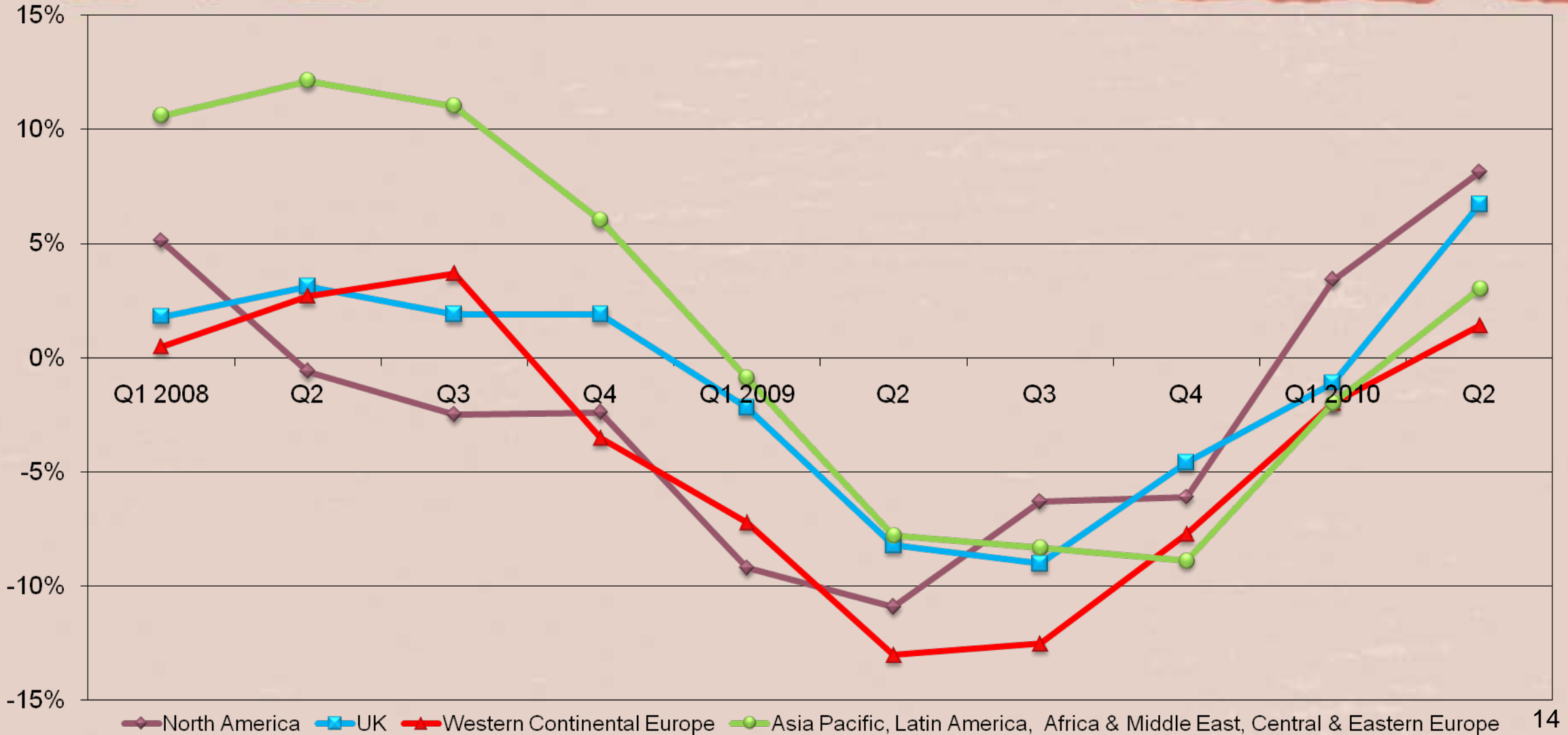
Revenue by Region

	2010	2009	% Change		
	£m	£m	Reported	Constant Currency	Like-for-like
North America	1,608.4	1,542.2	4.3	5.5	5.8
UK	523.1	509.3	2.7	2.7	2.8
Western Continental Europe	1,120.9	1,131.3	-0.9	0.8	-0.2
Asia Pacific, Latin America, Africa & Middle East, Central & Eastern Europe	1,188.5	1,105.9	7.5	0.9	0.7
Total	4,440.9	4,288.7	3.5	2.7	2.5

2010 Interim Results

Organic Revenue Growth Trends by Region

2008-2010 Q2 - Quarter by Quarter



2010 Interim Results

Headline PBIT¹ and Margin¹ by Discipline

	Headline PBIT		Headline Margin	
	2010 £m	2009 £m	2010 %	2009 %
Advertising, Media Investment Management	205.6	167.2	11.8	10.0 ²
Consumer Insight	83.7	68.6	7.2 ³	6.1 ³
Public Relations & Public Affairs	61.6	46.6	14.8	11.6
Branding & Identity, Healthcare and Specialist Communications	104.4	59.8	9.4	5.5 ²
Total	455.3	342.2	10.3	8.0

¹ Headline PBIT/margin: profit before finance income/costs, taxation, goodwill and intangibles charges, investment gains and write-downs, and share of exceptional gains/(losses) of associates

² In 2010 some rmg operations have been included within JWT's advertising business and so 2009 comparatives have been restated

³ Gross margin margins 9.8% (2009 8.3%)

2010 Interim Results

Headline PBIT¹ and Margin¹ by Region

	Headline PBIT		Headline Margin	
	2010	2009	2010	2009
	£m	£m	%	%
North America	195.7	148.0	12.2	9.6
UK	57.7	50.1	11.0	9.8
Western Continental Europe	85.1	61.1	7.6	5.4
Asia Pacific, Latin America, Africa & Middle East, Central & Eastern Europe	116.8	83.0	9.8	7.5
Total	455.3	342.2	10.3	8.0

¹Headline PBIT/ margin: profit before finance income/ costs, taxation, goodwill and intangibles charges, investment gains and write-downs, and share of exceptional gains/(losses) of associates

2010 Interim Results

Revenue growth by Country

Revenue Growth¹

Countries

>10%

Argentina, India, Russia, Singapore

5% to 10%

Greater China, USA

<5%

Belgium, Germany, Mexico, Sweden, UK, Australia,
Brazil, Canada, Denmark, France, Italy, Japan,
Netherlands, Spain

¹ Like-for-like growth

2010 Interim Results

Revenue Growth by Category

Revenue Growth¹

Categories

>10%

Computers, Financial Services, Government

5% to 10%

Automotive

<5%

Entertainment, Personal Care & Drugs, Retail, Drinks, Food, Oil, Telecommunications, Travel & Airline

¹ Like-for-like growth

2010 Interim Results

Effects of Sterling Weakness

- ✧ Currency movements accounted for a 0.8% increase in revenue, largely reflecting the weakness of the £ sterling against most currencies other than against the US\$ and the euro.
- ✧ The average rates for the half versus sterling rates were as follows:

	H1 2010	H1 2009	Sterling stronger/ (weaker)
US\$	1.526	1.493	2%
€	1.151	1.120	3%
¥	139.3	142.6	(2%)

- ✧ Headline PBT¹ of £356m would have been £336m had sterling remained at the same levels as 2009.

¹ Figures before goodwill and intangibles charges, investment gains and write-downs, share of exceptional gains/(losses) of associates, and revaluation of financial instruments

2010 Interim Results

Trade Estimates of Major New Business Wins

WPP Agency	Incumbent	Account	Office	Billings (\$m)
GroupM	IPG/OMC	Bayer	Worldwide	600
M4C	AGS/PUB/Ind	COI	UK	375
<u>WPP</u>	<u>Ind</u>	<u>Mazda</u>	<u>Mexico</u>	<u>250</u>
<u>GroupM</u>	<u>AGS</u>	<u>Wind Telecom</u>	<u>Italy</u>	<u>230</u>
<u>Grey</u>	<u>IPG</u>	<u>Direct TV</u>	<u>USA</u>	<u>200</u>
Team Bayer	Various	Bayer	Worldwide	200
GroupM	OMC	Amway Artistry	China	200
MEC	IPG	Bacardi	Worldwide	200
<u>JWT</u>	<u>OMC</u>	<u>BMW</u>	<u>France</u>	<u>154</u>
<u>Mindshare</u>	<u>IPG</u>	<u>CVS</u>	<u>USA</u>	<u>150</u>
<u>Mindshare</u>	<u>AGS</u>	<u>Radio Shack</u>	<u>USA</u>	<u>150</u>
<u>Ogilvy</u>	<u>PUB</u>	<u>IHG</u>	<u>Worldwide</u>	<u>120</u>
Maxus	PUB	BT	UK	120
MediaCom	AGS	EA Games	Europe	115

Underlined figures are Q2 wins

2010 Interim Results

Trade Estimates of Major New Business Wins

WPP Agency	Incumbent	Account	Office	Billings (\$m)
<u>Mindshare</u>	<u>OMC</u>	<u>21st Century Insurance</u>	<u>USA</u>	<u>100</u>
MediaCom	AGS	Revlon	USA	100
Ogilvy	IPG	Ikea	USA	90
<u>Brand Union</u>	<u>PUB</u>	<u>Bharti Airtel</u>	<u>Africa</u>	<u>70</u>
<u>Ogilvy</u>	<u>JWT</u>	<u>Kimberley-Clark</u>	<u>USA</u>	<u>70</u>
Ogilvy	PUB	Tsingtao Beer	China	50
<u>Schematic</u>	<u>Ind</u>	<u>Mitsubishi</u>	<u>North America</u>	<u>35</u>
Grey	Various	Santander	Europe	32
Maxus	MEC	Fiat	UK	30
Ogilvy	OMC	American Family Insurance	USA	30
MEC	PUB	South Australian Government	Australia	27
<u>GroupM</u>	<u>AGS</u>	<u>BNP Paribas</u>	<u>Italy</u>	<u>25</u>
MEC	In house	Telkomsel	Indonesia	25

Underlined figures are Q2 wins

2010 Interim Results

Trade Estimates of Major New Business Losses

WPP Agency	Winning Agency	Account	Office	Billings (\$m)
<u>RKCR/ Y&R</u>	<u>OMC</u>	<u>Virgin Media</u>	<u>UK</u>	<u>105</u>
MediaCom	AGS	Smuckers	USA	95
<u>MEC</u>	<u>PUB</u>	<u>Mars-Wrigley's</u>	<u>China</u>	<u>70</u>
<u>JWT</u>	<u>Ogilvy</u>	<u>Kimberley-Clark</u>	<u>USA</u>	<u>70</u>
<u>JWT</u>	<u>PUB</u>	<u>Diageo</u>	<u>Worldwide</u>	<u>59</u>
<u>MEC</u>	<u>Ind</u>	<u>Weight Watchers</u>	<u>Worldwide</u>	<u>40</u>
MEC	Maxus	Fiat	UK	30
MediaCom	AGS	Deutsche Bank	Worldwide	25

Underlined figures are Q2 losses

2010 Interim Results

Internal Estimates of Net New Business Wins

Billings (\$m)	Creative	Media	Total
Advertising	923	1,956	2,879
Other Businesses	503	-	503
Total First Half 2010	1,426	1,956	3,382

2010 Interim Results

Trade Estimates of Major New Business Wins Since 1 July

WPP Agency	Incumbent	Account	Office	Billings (\$m)
MediaCom	PUB	AB Inbev	China	190
Grey	Ind	Red Lobster	USA	120
MediaCom	PUB	Travelers	USA	100
Maxus	AGS	Alberto Culver	USA	100
JWT	Rediffusion Y&R ¹	Bharti Airtel	India	80
Grey	Ind	Reliance Communications	India	55
MEC	OMC	Reliance Communications	India	40
MediaCom	AGS	NRMA Insurance	Australia	36
Maxus	IPG	L'Oreal	India	30

¹ WPP Associate

2010 Interim Results

Trade Estimates of Major New Business Losses Since 1 July

WPP Agency	Winning Agency	Account	Office	Billings (\$m)
MediaCom	PUB	GSK	Europe	57
Mindshare	PUB	Telefonica/ O2	Europe	48
MediaCom	Ind	Lifetime Cable Network	USA	25

2010 Interim Results

Cash Flow

	2010	2009
	£m	£m
Operating profit	340	199
Non-cash compensation	35	31
Depreciation & amortisation	106	114
Amortisation of acquired intangibles and impairment	97	128
Net interest paid & similar charges	(107)	(105)
Tax paid	(96)	(95)
Net cash generation	375	272

2010 Interim Results

Uses of Cash Flow

	2010		2009
	£m		£m
Net cash generation	<u>375</u>		<u>272</u>
Capital expenditure			
- IT	(46)	(37)	
- Property	<u>(44)</u>	<u>(92)</u>	(129)
Acquisition payments:			
- Net initial payments ¹	(15)		(55)
- Earnout payments/loan note redemptions	(75)		(38)
	<u>(90)</u>		<u>(93)</u>
Share repurchases	(28)		(9)
Other	(1)		(11)
Net cash inflow before dividend	<u>166</u>		<u>30</u>
Dividend	<u>(127)</u>		<u>-</u>
Net cash inflow before NWC changes	<u>39</u>		<u>30</u>

¹ Net initial payments are net of cash acquired and disposal proceeds of £14m, and includes other investments including associates

2010 Interim Results

Net Finance Costs/ (Income)

£m	2010	2009	B/(W)
Net debt interest	91.6	84.0	(7.6)
Investment income	(5.7)	(5.0)	0.7
IAS 19 (Pensions)	8.2	8.6	0.4
Earnout interest	0.5	1.3	0.8
IAS 32 (Convertibles)	4.5	1.1	(3.4)
	7.5	6.0	(1.5)
Headline finance costs	99.1	90.0	(9.1)
IAS 39 (Financial Instruments)	19.5	(25.6)	(45.1)
Gains on hedge terminations on TNS debt	-	(25.2)	(25.2)
Net finance costs	118.6	39.2	(79.4)

2010 Interim Results

Net Debt - 30 June 2010

	2010 £m	2009 £m	%
Net debt at 30 June	(3,029)	(3,447)	12
YTD average net debt on constant currency basis	(3,168)	(3,422)	7
YTD average net debt on reportable currency basis	(3,168)	(3,507)	10

2010 Interim Results

Debt Maturity Profile £m

As at 30 June 2010

	Total Credit	Total Drawn	2010	2011	2012	2013	2014	2015	2016	2017	2020
£ bonds £200m (6.375% '20)	200	200									200
£ bonds £400m (6% '17)	400	400								400	
Eurobonds €750m (6.625% '16)	614	614							614		
Eurobonds €500m (5.25% '15)	410	410						410			
£ convertible £450m (5.75% '14)	450	450					450				
US bond \$650m (5.875% '14)	434	434					434				
US bond \$600m (8% '14)	401	401					401				
Eurobonds €600m (4.375% '13)	492	492				492					
Bank revolver ¹ \$1,600m	1,069	492			492						
TNS notes retained ¹ \$55m	37	37			20		17				
TNS acquisition revolver ^{1,2} £400m	400	0									
Debt facilities	4,907	3,930	-	-	512	492	1,302	410	614	400	200
Net cash & overdrafts		(901)									
Net debt		3,029									

¹ These instruments are subject to financial covenants

² Amortising facility – reduced to £200m on 9 July 2010

2010 Interim Results

Uses of Cash Flow

- ✧ Average net debt in the first half down £254 million to £3.168 billion, compared to £3.422 billion in 2009, at 2010 exchange rates.
- ✧ Net debt at 30 June down £418 million to £3.029 billion, compared to £3.447 billion last year.
- ✧ Free cash flow in the last 12 months of £769 million. In the same period, cash outflow on capital expenditure, acquisitions, share repurchases and dividends was £486 million.
- ✧ 4.5 million shares purchased at a cost of £28.6 million and average price of £6.42 per share.

2010 Interim Results

Use of Free Cash Flow

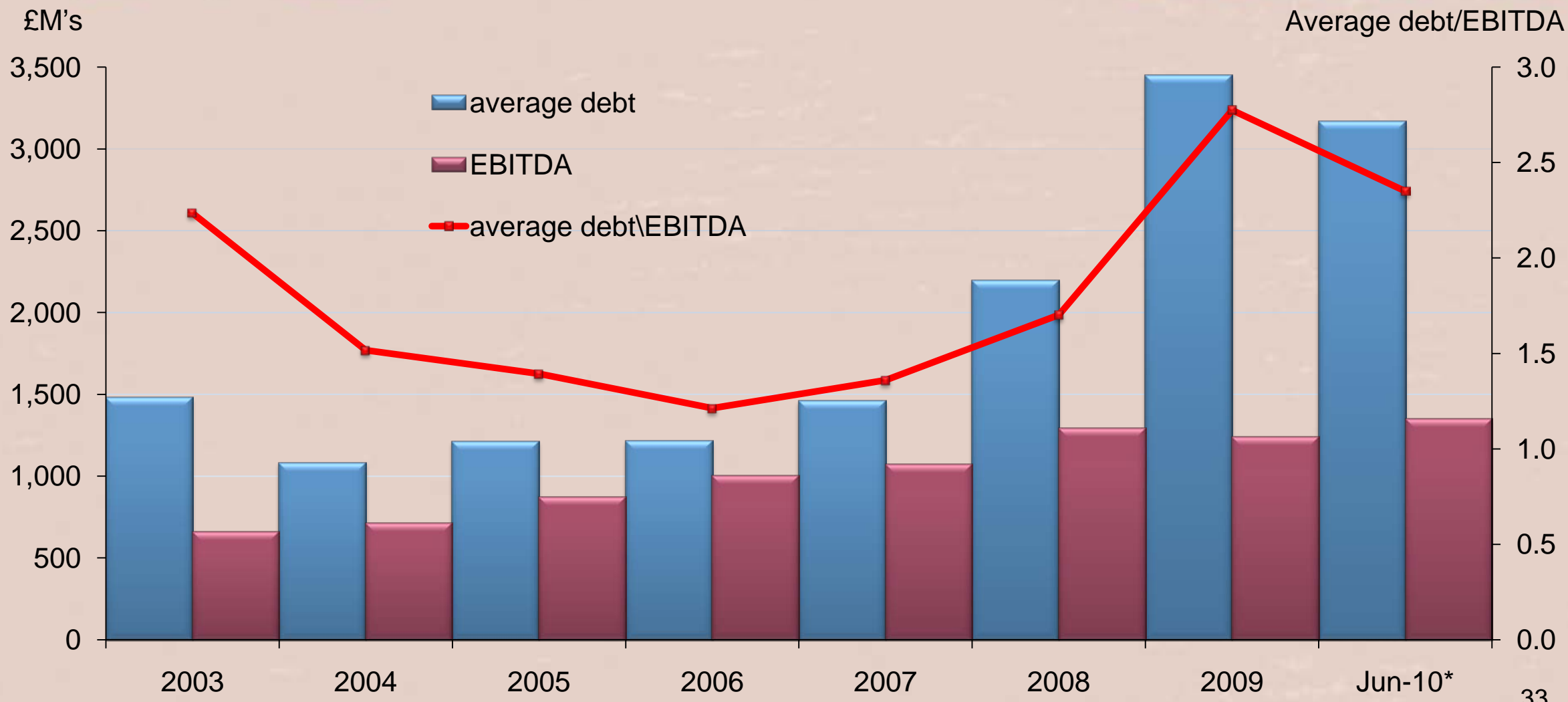
<u>Category</u>	<u>Target</u>	<u>H1 2010</u>	<u>H1 2009</u>	<u>FY 2009</u>
New acquisitions ¹	Up to £100m	£15m ²	£55m ²	£63m ²
Share purchases	Up to 1%	0.4%	0.2%	0.2%
Dividends	Growth up to 15%	15%	Flat	Flat
Headroom: Undrawn facilities & surplus cash	-	£1.9bn	£1.5bn	£2.2bn

¹ Includes investments and step-ups in subsidiaries' equity

² Net of disposal proceeds

2010 Interim Results

Average debt/EBITDA



*Rolling annual average debt

2010 Interim Results

Ordinary Shares - Basic

	June 2010 Actual	June 2009 Actual	
No. of Shares (million)			
1 January	1,256	1,255	
Option exercise	2	-	
30 June	1,258	1,255	-0.2%
Weighted Average	1,257	1,255	
ESOP/Treasury shares	(34)	(34)	
Average Basic	1,223	1,221	-0.2%

2010 Interim Results

Ordinary Shares – Diluted

	June 2010 Actual	June 2009 Actual	
No. of Shares (millions)			
Average Basic	1,223	1,221	-0.2%
Share Option Dilution	7	2	
Other Potentially Issuable Shares	24	13	
Sub-Total	1,254	1,236	
Convertibles: £450m	a/d ¹	a/d ¹	
Fully Diluted Shares	1,254	1,236	-1.5%
Fully Diluted Shares: Full Year estimate	1,300		

¹ a/d = convertible is anti-dilutive. This would convert into 76.5m shares at a price of £5.88.



WPP

2

Key Priorities, Objectives and Strategy



2010 Interim Results

State of the market

Macro

- ✧ Fear of fiscal contagion in Europe
- ✧ Uncertainty in USA for 2011
- ✧ Conservatism: Toyota, Goldman Sachs, Prudential, BP and HP
- ✧ Different speeds geographically and functionally
- ✧ Double-dip and deflation
- ✧ M&A activity

Micro

- ✧ Cost cuts, where now?
- ✧ Efficiency, effectiveness and liquidity
- ✧ New markets
- ✧ New media
- ✧ Consumer Insights
- ✧ Industry consolidation

Key Priorities, Objectives and Strategy

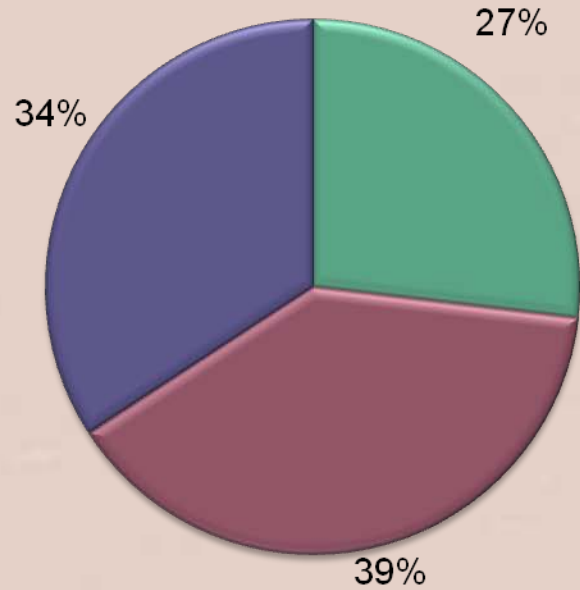
New markets, new media and consumer insight

- ✦ Faster growing markets to be one third of total Group, within three to four years.
- ✦ Marketing services including new media to be two thirds of total Group, within three to four years.
- ✦ Quantitative disciplines including consumer insight to be one half of total Group, with focus on digital and consumer insight, achieved.

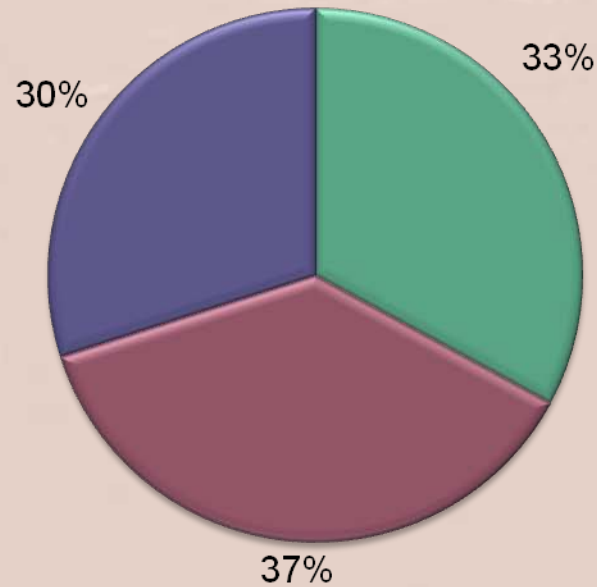
Key Priorities, Objectives and Strategy

Faster Growing Markets to be One Third of Total Group

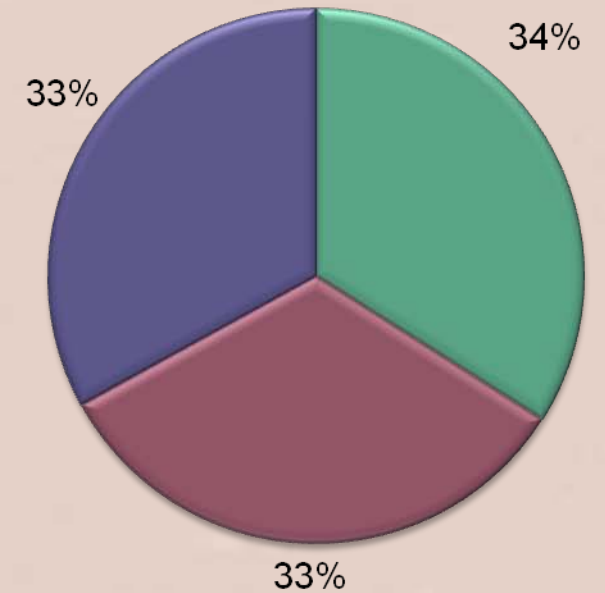
Today



Today Including Associates



Tomorrow



■ North America

■ UK & Western Continental Europe

■ Asia Pacific, Latin America, Africa & Middle East, Central & Eastern Europe

Key Priorities, Objectives and Strategy

Revenues in Faster Growing Markets 2003-2009



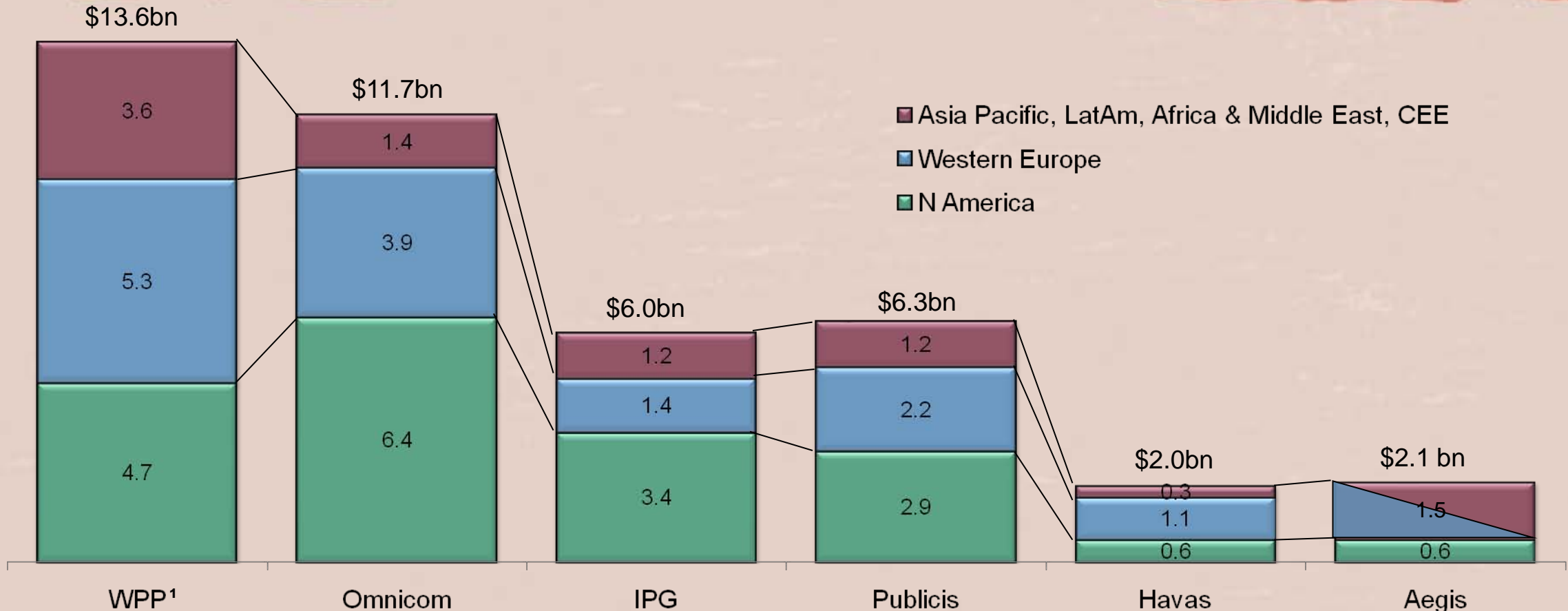
1. WPP reportable US \$'s per WPP results and peer \$ revenues as shown in annual results presentations

2. Peer data sourced from annual results translated at average exchange rate for the year (IPG, Publicis and Omnicom)

3. OMC Assumes "non-Euro currency" Europe, ie Switzerland, Turkey, Norway, Denmark, Sweden and Eastern Europe are 3% of revenue and Canada 1.5%

Key Priorities, Objective and Strategy

2009 Revenue by Geography



¹ Source: WPP – reportable US \$'s per WPP preliminary results. Omnicom, IPG, Publicis and Havas - company presentations for 2009 with CEE estimated at 3%.

² FX. Havas and Publicis assumes \$1=€0.68 based on the average for 2009.

³ OMC. Assumes “non Euro currency” Europe, ie Switzerland, Turkey, Norway, Denmark, Sweden and Eastern Europe are ca 3% of revenue and Canada is 1.5% of revenue.

⁴ IPG. Assumes Canada is ca 1.5% of revenue.

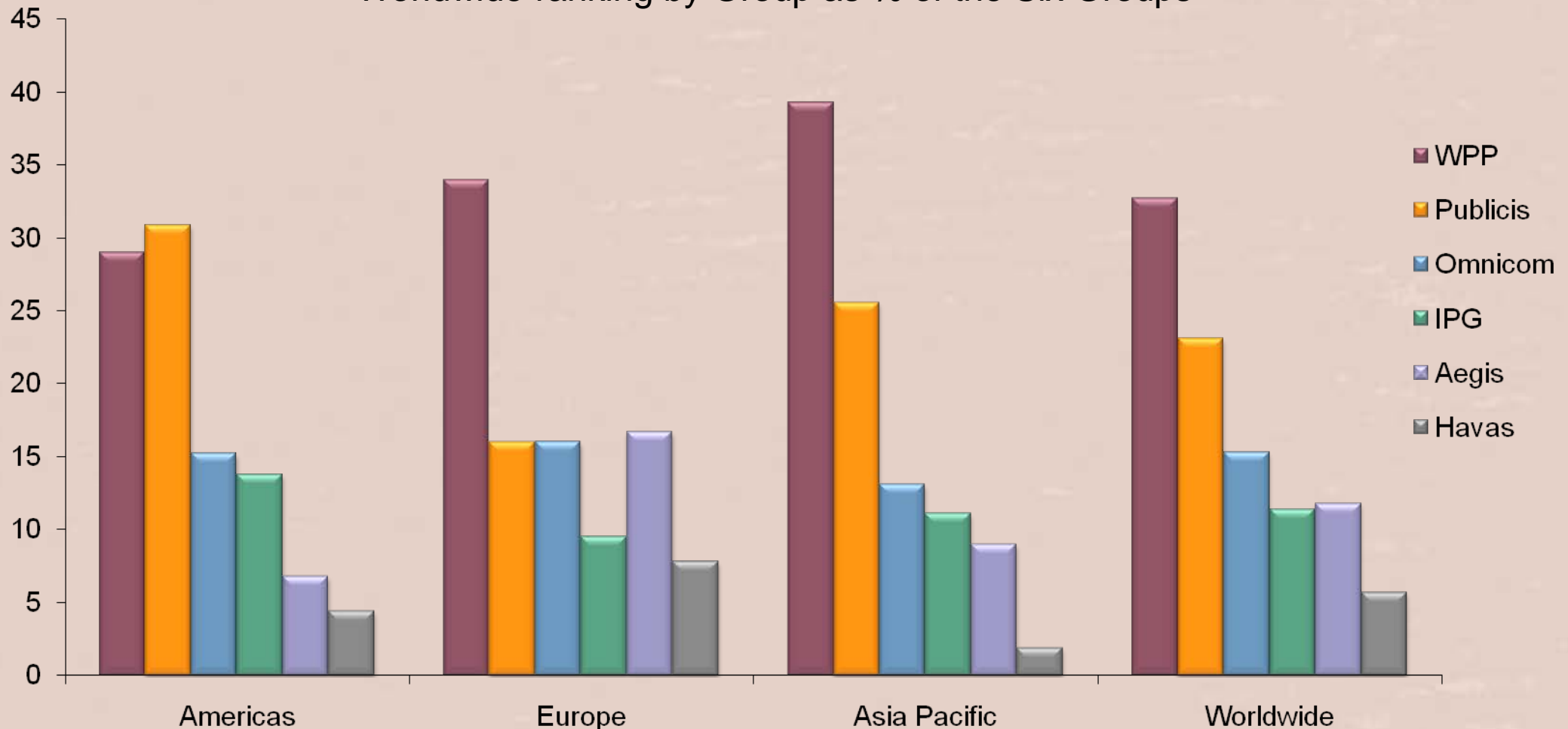
⁵ Rest of World. Asia Pacific, Latin America, Middle East and Africa.

⁶ Aegis. EMEA and Asia = \$1.6 bn.

Key Priorities, Objectives and Strategy

Media Billings by Geography

Worldwide ranking by Group as % of the Six Groups



Key Priorities, Objectives and Strategy

WPP in Faster Growing Markets

Region	Market	Billings ¹ \$bn	% Share ¹	Rank ¹	12 month ² Revenue \$bn	People ² '000
Asia	Greater China ³	4.2	37%	1	0.8	10.9
	India	1.3	39%	1	0.3	8.2
	Thailand	0.4	37%	1	0.1	1.3
LatAm	Brazil ⁴	1.8	26%	1	0.6	3.9
	Mexico	0.3	21%	2	0.1	2.4
	Argentina	0.1	21%	2	0.1	1.7
Other	Africa/ Middle East ⁵	1.7	30%	1	0.7	21.4
	Poland	0.4	31%	1	0.1	1.1
	Russia	0.9	21%	1	0.2	1.8

¹ Source RECMA 2009 Buying Billings as issued July 2010.

² Year to 30 June 2010 including associates; people at 30 June 2010.

³ Greater China is China, Hong Kong and Taiwan.

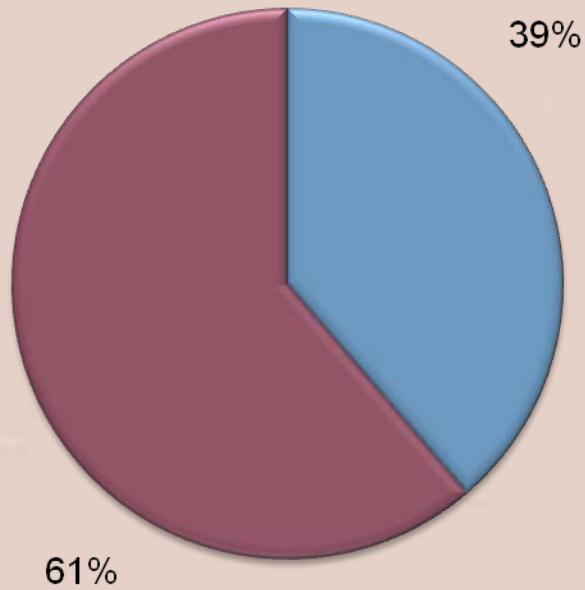
⁴ WPP estimate.

⁵ Africa is South Africa only.

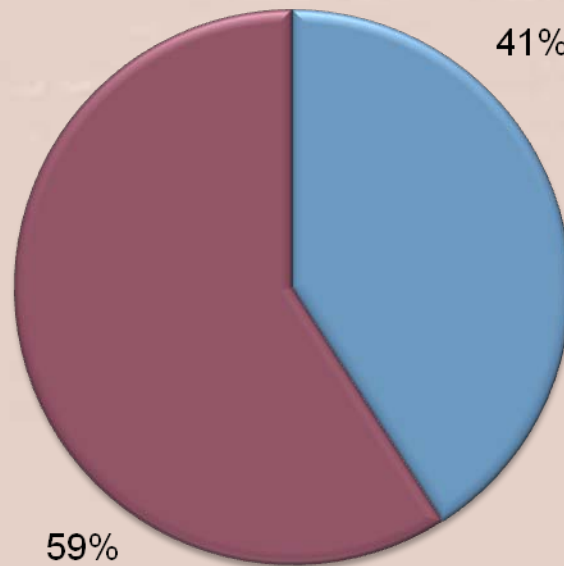
Key Priorities, Objectives and Strategy

Marketing Services to be Two Thirds of Total Group

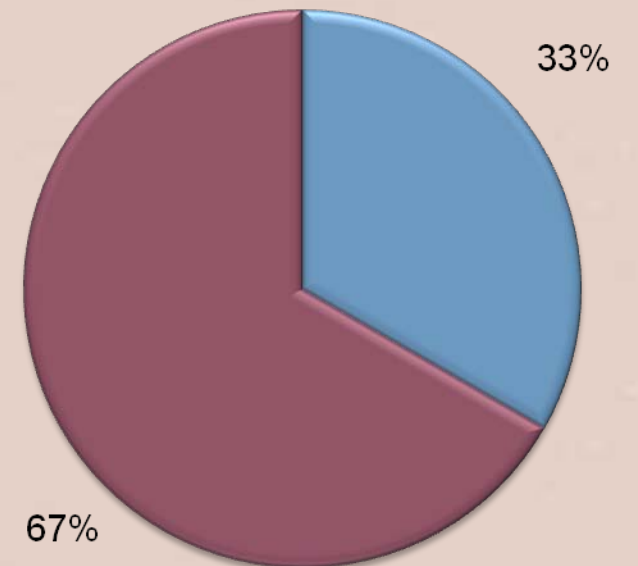
Today



Today including associates



Tomorrow

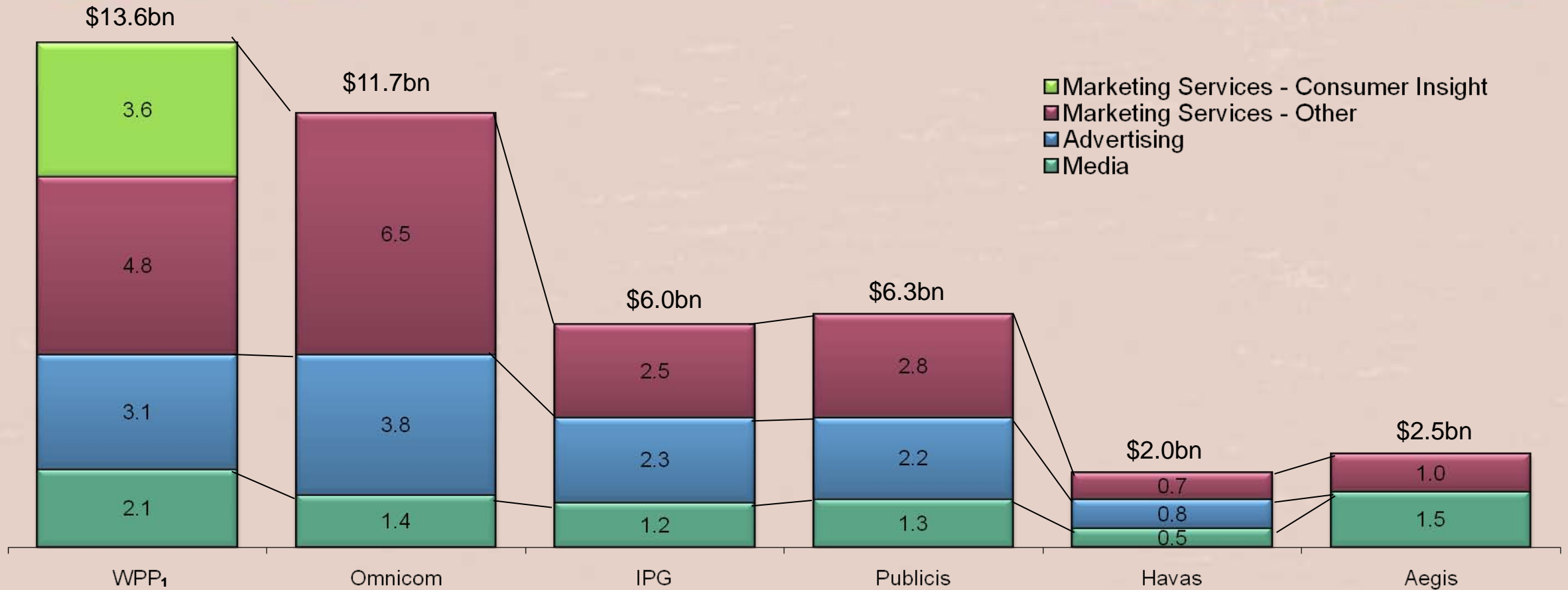


■ Marketing Services

■ Advertising & Media Investment Management

Key Priorities, Objective and Strategy

2009 Revenue by Discipline



Source: ¹ WPP reportable US \$'s per WPP preliminary results.

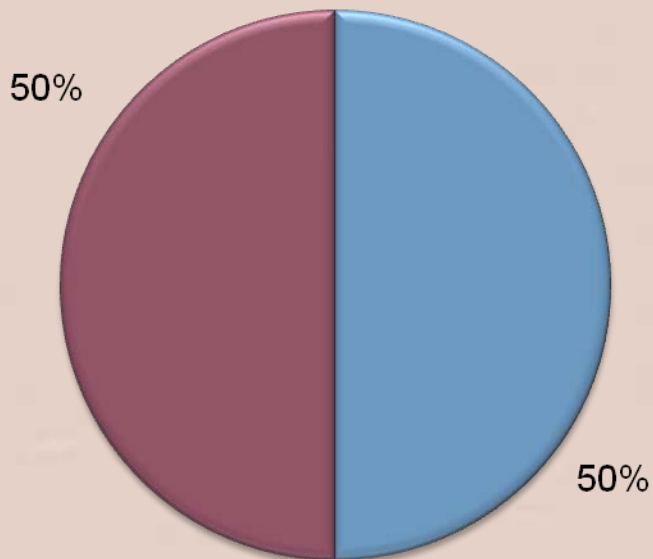
² 2009 company disclosures except: Aegis '09 consensus estimate revenue at '08 splits, Havas, and IPG media splits analyst estimates.

³ FX. Havas and Publicis assumes \$1=€0.72 based on the average for 2009.

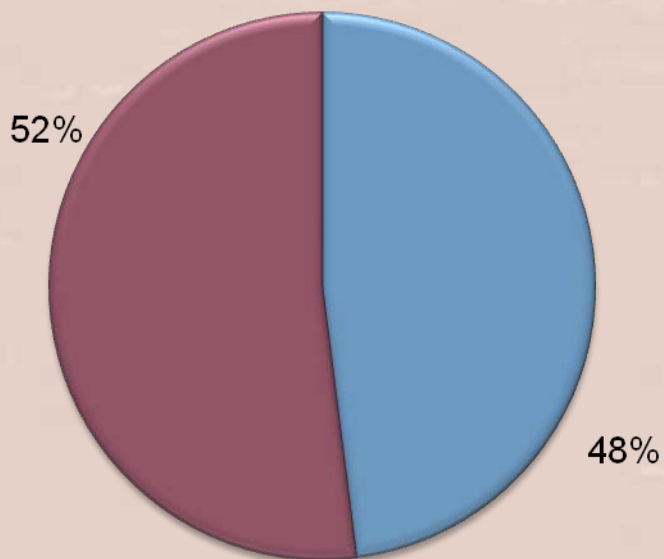
Key Priorities, Objectives and Strategy

Quantitative Disciplines to be One Half of Total Group

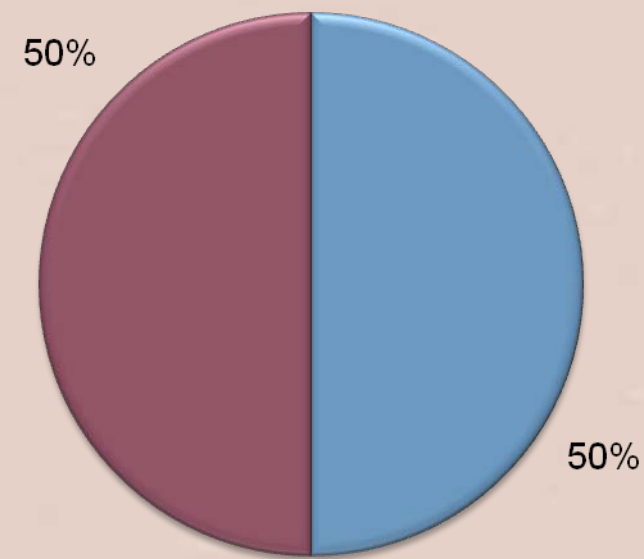
Today



Today including associates



Tomorrow



- Consumer Insight and Direct, Digital & Interactive
- Advertising, Media Investment Management & Other Marketing Services

Key Priorities, Objectives and Strategy

WPP Position in Direct, Digital and Interactive

First Half 2010	\$'m
Direct, Digital and Interactive Networks (OgilvyOne, Wunderman, G2 and WPP Digital)	1,099
<i>% of Group revenues</i>	16%
Specialist Direct, Digital and Interactive resources:	
- Consumer Insight (Millward Brown, TNS/RI and Lightspeed)	449
- GroupM	188
- Other	177
Total First Half 2010	1,913
<i>% of Group revenues</i>	28%
Total First Half 2009	1,739
<i>% of Group revenues</i>	26%

¹ Revenues are converted into US\$ at 2010 constant rates.

Key Priorities, Objectives and Strategy

WPP Position in Direct, Digital and Interactive

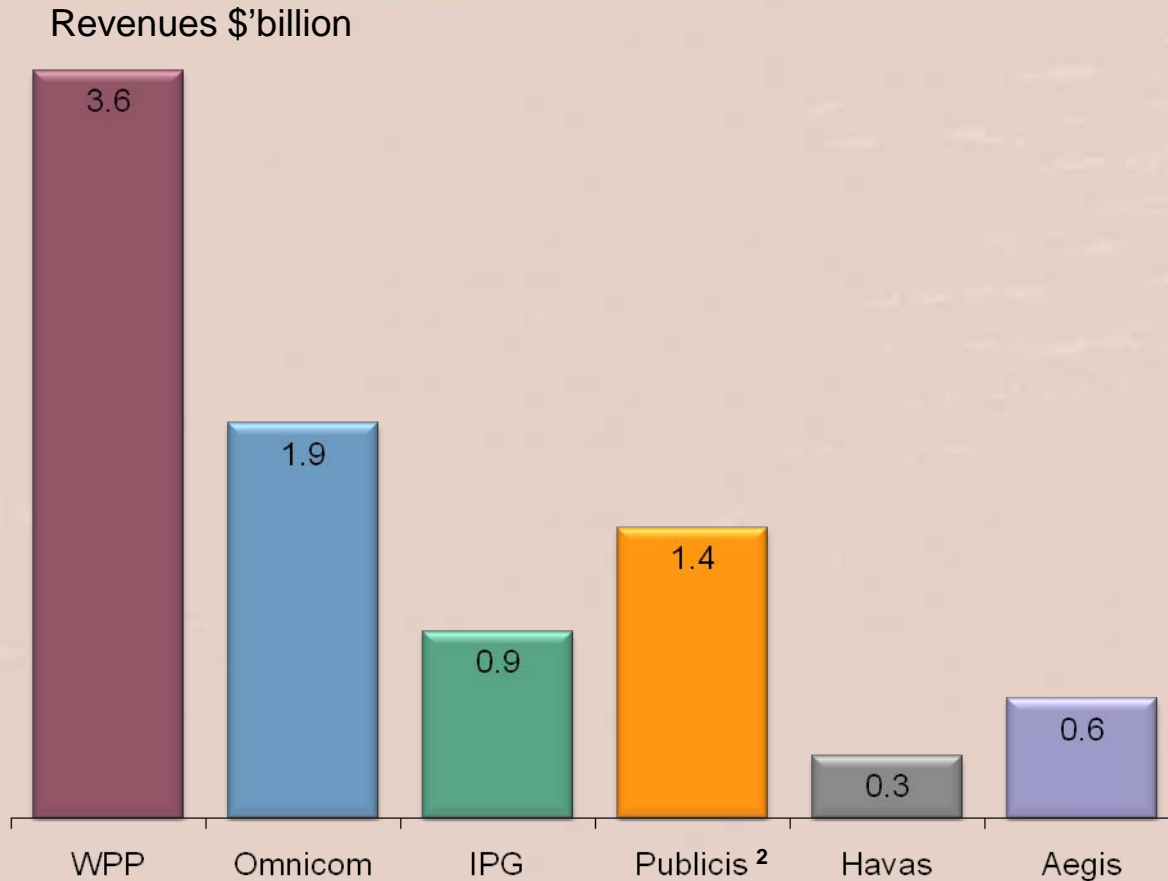
WPP with three “digital leaders”

(Leading Independent Research Firm interactive ranking)

- ✧ Key criteria for inclusion:
 - mentioned as a “top three competitor” by peers
 - covering at least 7 of 9 key service areas (digital strategy, web development, technology architecture and support, creative, email/CRM analytics, media planning and buying search and emerging media)
 - new business record
- ✧ Seven agencies named as leaders of which three were WPP agencies (OgilvyInteractive, VML and Wunderman).
- ✧ Other network agency leaders were Organic, Razorfish, RGA, and Sapient.

Digital in all our businesses

Global scale and quality



¹ Peer digital revenue according to Ad Age %'s applied to FY US\$ revenue.

² Publicis adjusted to include Razorfish for a full year.

- Most significant resource in peer group (geographic spread, strength of brands and size)
- Only Group with more than one “Leader” in Leading Independent Research Firm Interactive Agency Report – and we had **three** (OgilvyInteractive, Wunderman, VML)
- GroupM is No. 1 search and digital media buyer
- Strong Kantar digital businesses – eg Compete, Cymfony, Dynamic Logic, Lightspeed

Key Priorities, Objectives and Strategy

Digital Strategy

- ✦ 2010 run rate \$4bn of digitally driven revenues – strongest position in interactive agency space.
- ✦ Proprietary technology combined with industry partnerships improves client campaign effectiveness:
 - \$700m in digital spend on WPP platforms
 - Ability to use data across third party and internal platforms
 - Access across partners to a common data warehouse
- ✦ The proprietary platform equips WPP to interface with and manage changing industry landscape.

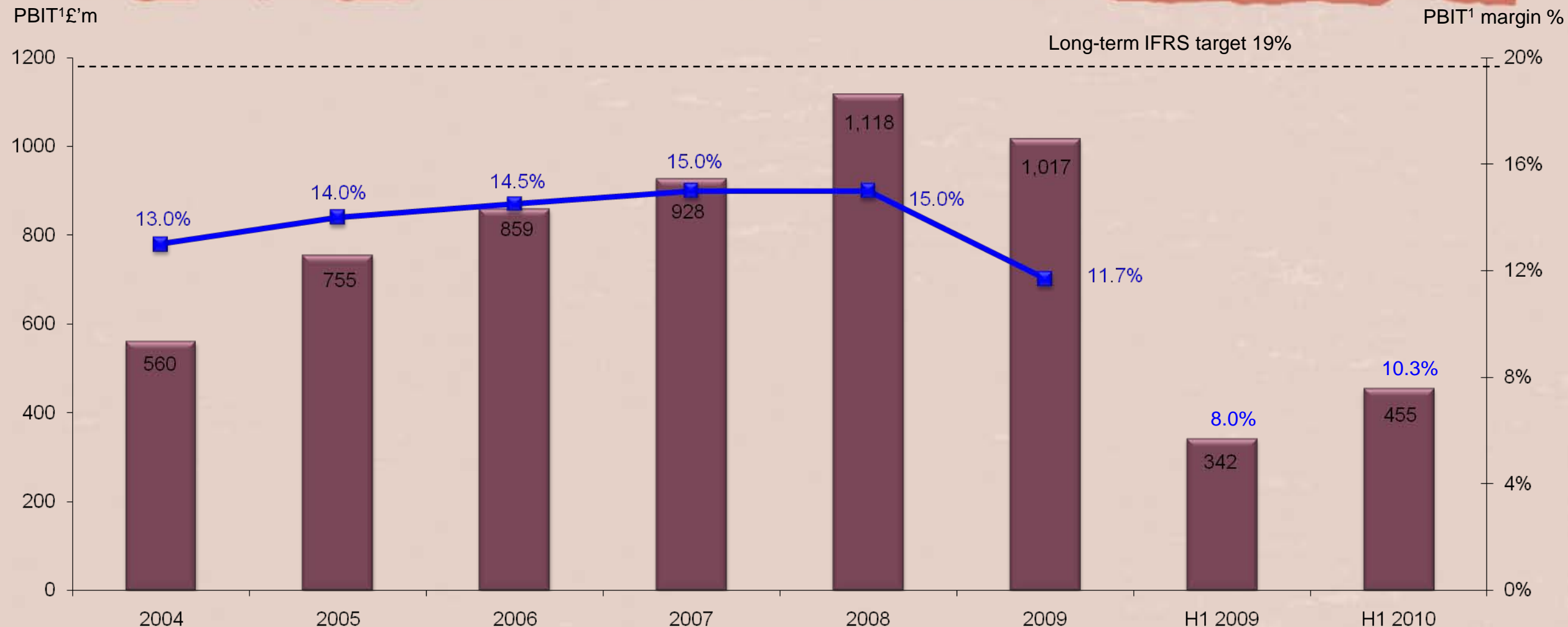
Key Priorities, Objectives and Strategy

We continue to focus on our key objectives

- ✧ Improving operating margins.
- ✧ Increasing flexibility in the cost base.
- ✧ Using free cash flow to enhance share owner value, and improve return on capital employed.
- ✧ Developing the role of the parent company.
- ✧ Emphasising revenue growth more as margins improve.
- ✧ Improving the creative capabilities and reputation of all our businesses.

Key Priorities, Objectives and Strategy

Historic headline PBIT¹ and margins



¹Headline PBIT/ margin: profit before finance income/ costs, taxation, goodwill and intangibles charges, investment gains and write-downs, and share of exceptional gains/(losses) of associates

Key Priorities, Objectives and Strategy

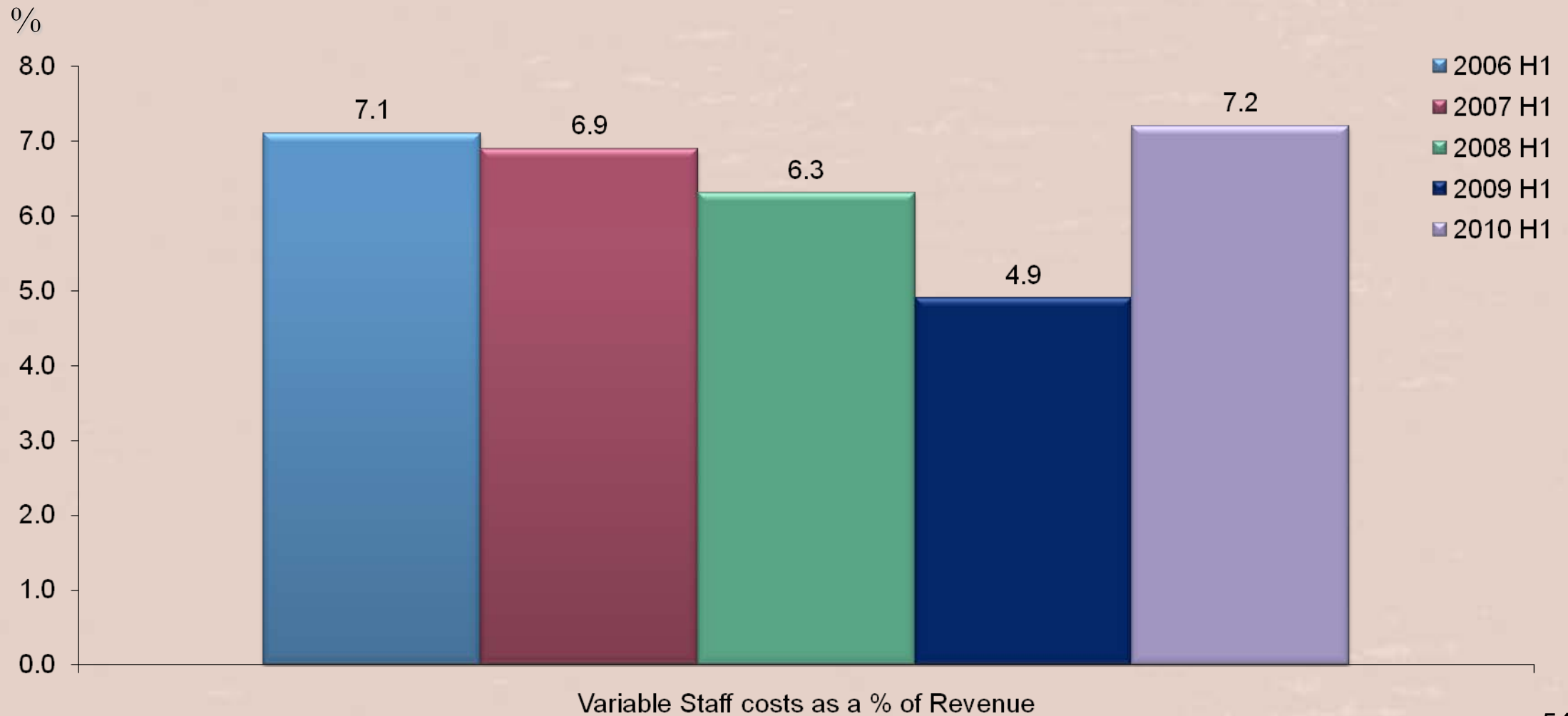
Earnings and EPS¹



¹ Diluted Headline Earnings and Diluted Headline EPS

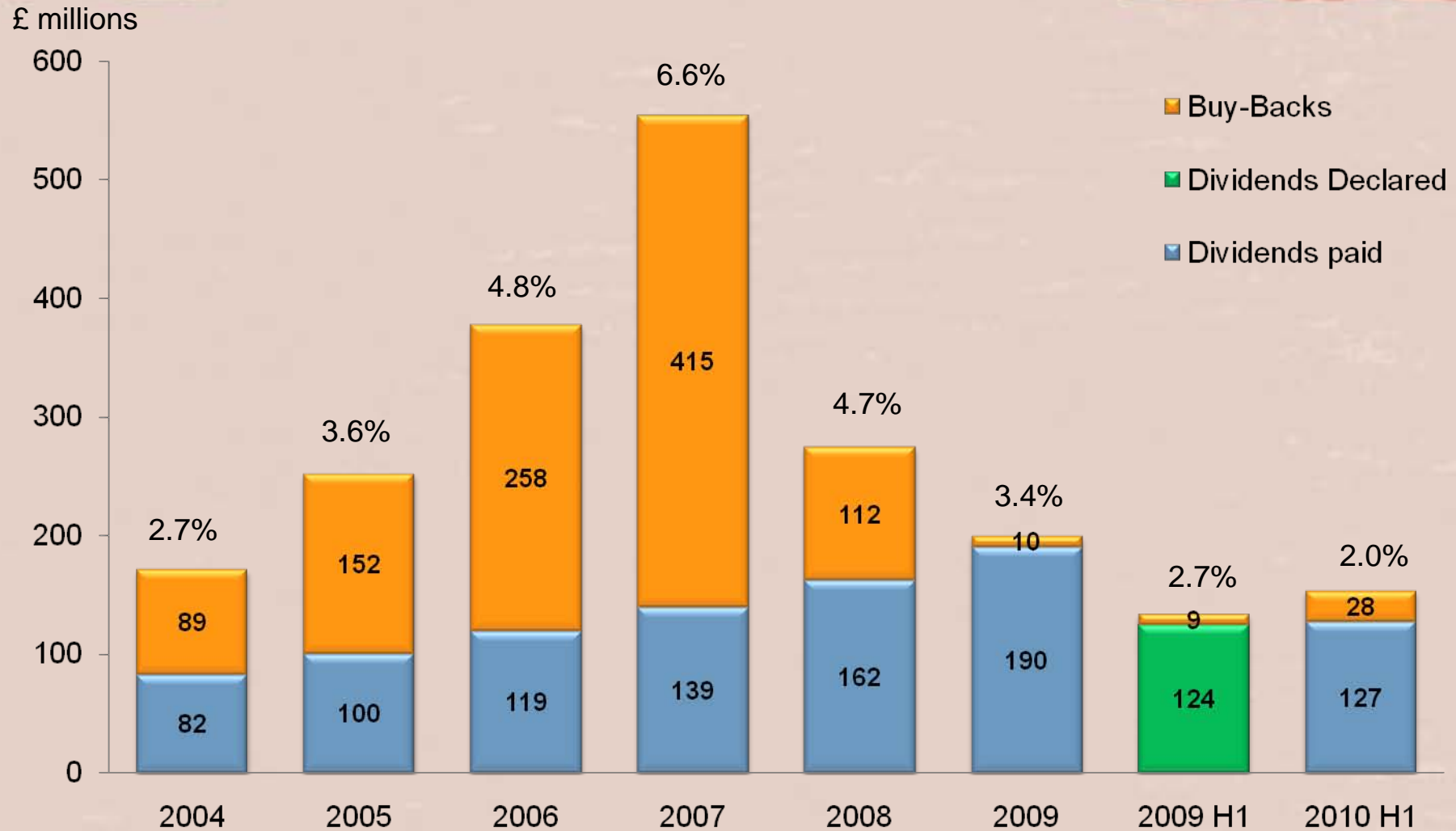
Key Priorities, Objectives and Strategy

Flexibility in the cost base
Change in variable costs



Key Priorities, Objectives and Strategy

Using Free Cashflow to Enhance Share Owner Value
Distributions to Share owners¹



¹ Sum of share buy-backs and dividends paid divided by average shares in issue for the relevant period, as a % of the average share price for the relevant period

Key Priorities, Objectives and Strategy

Using Free Cashflow to Enhance Share Owner Value
Acquisitions

- ✧ Continue to focus on the faster growing geographical areas and marketing services, particularly direct, internet & interactive and consumer insight.
- ✧ During 2010, a few small and mid size acquisitions have so far been completed in executing this strategy.
- ✧ Acquisitions in advertising are used to address specific client or local agency needs.
- ✧ We continue to find opportunities at earnings enhancing multiples, particularly outside the USA, although in some faster growing markets prices are escalating (China, Brazil).

2010 Interim Results

Acquisitions and Investments – Year to Date

Faster Growing Markets

Grey Brazil¹
 Grey Poland¹
 Solski (Poland)
 Y&R SAA (Israel)¹

Quantitative and Digital

*ACE METRIX (USA)*²
*E-COMMERA (UK)*²
*ICONMOBILE (GERMANY)*¹
INVIDI (USA)^{1,2}
 Johannes Leonardo (USA)¹
JUMPTAP (USA)^{1,2}
*MEC ACCESS (Germany)*¹
TRA (USA)^{1,2}
VIDEO EGG (USA)^{1,2}
 Visible Technologies (USA)¹

*EXPERT MONITOR (Poland)*¹
 ID Consultores (Argentina)¹
MIDIA DIGITAL (BRAZIL)
ICHERRY(BRAZIL)
Moment Systems (China)^{2,3}
 TNS Chile^{1,3}

¹ Step-ups in investments, associates and subsidiaries' equity

² Investment ³ Acquisition since 1 July

CAPITALS ARE Q2 ACQUISITIONS

2010 Interim Results

Other Acquisitions – Year to Date

Healthcare

Geoff Howe² (UK/ USA/ Czech Republic)

Public Relations & Public Affairs

Hering Schuppener¹ (Germany)

¹ Step-ups in investments, associates and subsidiaries' equity

² *August 2010 acquisition*

Key Priorities, Objectives and Strategy

Improving the Creative Capabilities and
Reputation of all our Businesses

- ✧ By placing greater emphasis on recruitment.
- ✧ By recognising creative success tangibly and intangibly.
- ✧ By acquiring highly regarded creative businesses.
- ✧ By placing greater emphasis on awards.
- ✧ 2nd as a Group at Cannes as last year considerably narrowing the gap to first place.

Cannes Awards 2010	Points
OMC	1,452
WPP	1,317
Publicis	883



WPP

3

Conclusions



2010 Interim Results

Summary

- ✧ Industry has moved from “less worse” in Q4 2009 through stabilisation in Q1 2010 to growth in Q2 2010 albeit against weak comparatives.
- ✧ The Group showed strong growth with revenue up nearly 5% in Q2 2010, driven by US up over 8% and Advertising up 4% having been down 4% in Q1 2010.
- ✧ Strong new business inflow which has continued into July and August – the Group topped all the new business tables for H1 and beyond.
- ✧ Headline PBIT Margin up 2.3 margin points and pre-incentive margin up 3.7 margin points versus H1 2009.
- ✧ Strong cash flow from operations – average net debt down £339m on reportable basis.
- ✧ Fully diluted Headline EPS up 48% to 19.1p – first interim dividend up 15% to 5.97p per share.

2010 Interim Results

Outlook

- ✧ The US has shown the sharpest turnaround confirming it will probably be the biggest source of growth in 2010.
- ✧ Faster growing markets were later into the recession but show a similar trend and will be the major source of growth in 2011 and beyond – India and Mainland China already show double digit, like-for-like growth in Q2.
- ✧ Direct, Digital & Interactive look set to outperform.
- ✧ Our Q2 revised forecast indicates:
 - revenue momentum of Q2 will be maintained in H2 2010 (July up almost 7%)
 - margin improvement of 1.0 margin point or more versus 2009 achievable
- ✧ H2 2010 operating profit projected to improve versus H2 2009 but margin comparative more difficult.
- ✧ For 2010/2011 average net debt / EBITDA should return to close to 2x levels.
- ✧ 2010 EPS may return to 2008 actual level of 55.5p.

2010 Interim Results

Conclusions

- ✧ The Group is well placed by region and discipline to benefit from industry trends.
- ✧ The investment in digital tools and infrastructure will enable the Group to optimise client campaigns and build unique advantage for clients.
- ✧ In Wunderman and OgilvyOne, WPP has the two leading direct, digital and interactive networks by revenue, footprint and headcount.
- ✧ Our ambition for 2010 is to reach 2008 Headline Fully Diluted EPS and return to our financial model for annual 10% - 15% EPS growth pa from 2011.
- ✧ As the world wrestles with the financial crisis, the Group's strategic focus on new markets, new media, consumer insight, including the application of technology and data, will prove to be even more effective.



WPP

2010 Interim Results London

August 2010

