

QUARTERLY TRADING UPDATE

FIRST QUARTER REVENUES UP OVER 20% IN CONSTANT CURRENCIES

OPERATING MARGINS ON TARGET TO IMPROVE BY 0.6% IN 2000

Revenue growth

In constant currencies, first quarter revenues rose by over 20%. As sterling weakened against the dollar, but strengthened against the major European countries, there was little net impact on reportable revenues which were up by almost 20%.

As shown in the Appendix to this release, on a constant currency basis, the geographical pattern of revenue growth varied in the first quarter. In North America, revenues were up almost 20%. In Europe, the U.K. was up over 17% and Continental Europe was over 23%. Asia Pacific, Latin America, Africa, and the Middle East grew by over 22% reflecting economic recovery in those regions.

By function, advertising and media investment management was up over 14%, information and consultancy over 28%, public relations and public affairs over 49% and branding & identity, healthcare and specialist communications over 16%.

Net new business billings of £532 million (\$878 million) were won during the first quarter. This compares to £447 million (\$738 million), up 19% on the comparable quarter last year. The Group continues to benefit from consolidation trends in the industry, winning several large assignments from existing and new clients and from growing dot.com assignments. With regard to the latter, the Group is well placed with balanced client bases in both the traditional and new economies – effectively it has a strong market position in both.

Current trading

For the first quarter, the Group was above budget and significantly ahead of last year. First quarter performance indicates that the Group will achieve its objective of a further 0.6% improvement in reported operating margins from 13.4% to 14.0% in 2000.

Balance sheet and cashflow

The Group continues to implement its strategy of using free cashflow to enhance shareowner value through a combination of strategic acquisitions and share purchases.

In the first quarter of 2000 the Group completed acquisitions in advertising in the Middle East, the Netherlands and Spain; in public relations and public affairs in Poland; and in branding & identity, healthcare and specialist communications – in direct in the United Kingdom, in identity and branding in Australia and Singapore and in interactive in Canada.

Two million WPP shares were purchased during the first quarter at an average price of £10.61p and total cost of over £21 million. The rolling buy-back programme continues at an increased target level of £100 million per annum, equivalent to approximately 1% of the current market capitalisation.

Average net debt rose during the first quarter to £230 million from £138 million in the same period last year in constant currencies and compares to a market capitalisation of approximately £7 billion. This reflects the £322 million spent on capital expenditure, acquisitions, share purchases and dividends in the previous twelve months. Free cashflow over the same period was £222 million.

Future objectives

The Group continues to focus on its key objectives of improving operating profits and margins, increasing cost flexibility (particularly in the areas of staff and property costs), using free cashflow to enhance shareowner value, continuing to develop the role of the parent company in adding value to our clients and people, developing our portfolio in high revenue growth geographic and functional areas and improving our creative quality and capabilities.

For further information:

Martin Sorrell)	(44) 20 7408 2204
Paul Richardson)	(1) 212 632 2325
Feona McEwan)	

This press release may contain forward-looking statements within the meaning of the federal securities laws. These statements are subject to risks and uncertainties that could cause actual results to differ materially including adjustments arising from the annual audit by management and the company's independent auditors. For further information on factors which could impact the company and the statements contained herein, please refer to public filings by the company with the Securities and Exchange Commission. The statements in this press release should be considered in light of these risks and uncertainties.

Appendix: Revenue and revenue growth by region and sector

3 months ended March 31, 2000

Region	2000 £m	1999 £m	Revenue Growth Reported 2000/1999 %	Constant currency growth ¹ 2000/1999 %
North America	260.0	212.9	22.1	19.9
United Kingdom	111.1	94.5	17.6	17.6
Continental Europe	101.5	91.5	10.9	23.3
Asia Pacific, Latin America, Africa, Middle East	85.4	66.9	27.7	22.2
Total Group	<u>558.0</u>	<u>465.8</u>	<u>19.8</u>	<u>20.4</u>

Sector	2000 £m	1999 £m	Revenue Growth Reported 2000/1999 %	Constant currency growth ¹ 2000/1999 %
Advertising, Media Investment Management	249.5	219.5	13.7	14.5
Information & Consultancy	113.5	89.1	27.4	28.4
Public Relations & Public Affairs ²	56.2	37.4	50.3	49.3
Branding & Identity, Healthcare and Specialist Communications	138.8	119.8	15.9	16.0
Total Group	<u>558.0</u>	<u>465.8</u>	<u>19.8</u>	<u>20.4</u>

¹ Constant currency growth excludes the effects of currency movements.

² The revenue figures submitted to the O'Dwyer Report reflect some public relations income which is included here in advertising, media investment management and branding, identity, healthcare and specialist communications. Total public relations and public affairs revenues grew by almost 46% to \$106 million in the three months to March 31st.