

WPP

Results for 2007

London

February 2008

WPP

1

Results for 2007

2

Key Priorities, Objectives and Strategy

3

Conclusions

4

Structure and Competitive Position (Hard Copy Only)

WPP

1

Results for 2007

Results for 2007

- Billings up over 5% to £31.7 billion.
- Reported revenue up 4.7%. On a constant currency basis, revenue up 8.2%. Like-for-like revenue up 5.0%.
- EBITDA rises over 7% to £1.07 billion.
- Headline PBIT up 8.0% to £928m from £859m, up 10.1% in constant currency.
- Operating margin up 0.5 margin points to 15.0% from 14.5%.

Results for 2007

- Headline PBT up 6.7% to £817m from £766m, up 8.8% in constant currency.
- Tax rate on headline profits was down 1.0 percentage point to 25% from 26%.
- Diluted headline EPS up 9.5% to 46.0p from 42.0p, up 13.6% in constant currency.
- Full year dividend up 20% to 13.45p per share.
- Record estimated net new billings of over £5.0 billion (\$9.8 billion).
- Share cancellations of 4.6% of issued share capital.

Results for 2007

If Reporting as a US Company¹

- Reportable revenue up 13.6% to \$12.4 billion.
- EBITDA up 15.5% to \$2,154 million.
- Headline PBIT up 16.5% to \$1,865 million.
- Headline PBT up 14.8% to \$1,643 million.
- Diluted headline EPS up 18.1% to 92.6¢.

¹ See Appendix 2 to the Group's Results for 2007.

Results for 2007

Growth vs Prior Year

	Revenue %	PBIT ² %	Diluted EPS ² %
Like-for-like	5.0	n/a	n/a
Acquisitions	3.2	n/a	n/a
Constant currency	8.2	10.1	13.6
Foreign exchange	(3.5)	(2.1)	(4.1)
Reportable sterling	4.7	8.0	9.5
Reportable US dollars¹	13.6	16.5	18.1

¹ Translated into US\$, using among other currencies, average exchange rates of US\$ /£ for FY 2007 of \$2.002, compared to \$1.843 for FY2006.

²Headline figures before goodwill and intangibles charges, investment gains, share of 7 exceptional gains of associates, and revaluation of financial instruments.

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Results for 2007

Unaudited Income Statement

Year to 31 December

	2007 £m	2006 £m	Change %	Constant Currency %
Revenue	6,185.9	5,907.8	4.7	8.2
Operating Profit pre-goodwill/ intangibles	887.4	821.9	8.0	9.9
Goodwill/ intangibles charges, FA gains	(82.7)	(80.3)	(3.0)	(6.7)
Operating Profit	804.7	741.6	8.5	10.3
Income from associates	41.4	41.1	0.7	4.4
PBIT	846.1	782.7	8.1	10.0
Finance income	139.4	111.0		
Finance charges	(266.1)	(211.7)		
Net finance costs	(126.7)	(100.7)	(25.8)	(26.6)
Profit before tax	719.4	682.0	5.5	7.4
Tax	(204.3)	(199.4)	(2.5)	(0.8)
Profit after tax	515.1	482.6	6.7	10.2
Standard diluted EPS	38.0p	35.2p	8.0	12.0

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Results for 2007

Unaudited Headline¹ IFRS Income Statement

Year to 31 December

	2007 £m	2006 £m	Change %	Constant Currency %
Revenue	6,185.9	5,907.8	4.7	8.2
Headline operating profit	887.4	821.9	8.0	9.9
Income from associates	40.6	37.1	9.4	14.2
Headline PBIT	928.0	859.0	8.0	10.1
Net finance costs	(110.7)	(92.7)	(19.4)	(20.3)
Profit before tax	817.3	766.3	6.7	8.8
Tax at 25.0% (2006 26.0%)	(204.3)	(199.4)	(2.5)	(0.8)
Profit after tax	613.0	566.9	8.1	10.8
Headline diluted EPS	46.0p	42.0p	9.5	13.6
Headline operating margin	15.0%	14.5%	+0.5 ²	
Headline EBITDA	1,072.4	1,001.6	7.1	9.2

¹ Figures before goodwill and intangibles charges, investment gains, share of exceptional gains of associates, and revaluation of financial instruments.

² Margin points.

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Results for 2007

Headline¹ Performance Versus Consensus

	Median Consensus	Actual Results	+ / (-)
Revenue	£6,121m	£6,186m	£65m
PBIT	£918m	£928m	£10m
Net finance costs	£(106)m	£(111)m	£(5)m
PBT	£812m	£817m	£5m
Fully Diluted EPS	44.6p	46.0p	1.4p
PBIT Margin	15.0%	15.0%	-
Fully Diluted Shares	1,241m	1,227m	(14)m

¹ Figures before goodwill and intangibles charges, investment gains, share of exceptional gains of associates, and revaluation of financial instruments.

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Results for 2007

Revenue by Discipline

	2007 £m	2006 £m	% Change		
			Reported	Constant Currency	Like-for- like
Advertising, Media Investment Management	2,871.3	2,806.9	2.3%	5.1%	4.5%
Information, Insight & Consultancy	905.4	892.9	1.4%	4.5 ¹	2.7% ²
Public Relations & Public Affairs	641.4	595.7	7.7%	12.6%	8.2%
Branding & Identity, Healthcare and Specialist Communications	1,767.8	1,612.3	9.6%	14.1%	6.1%
Total	6,185.9	5,907.8	4.7%	8.2%	5.0%³

¹ Constant currency gross margin for Information, Insight & Consultancy up 5.8%

² Like-for-like gross margin for Information, Insight & Consultancy up 4.0%

³ Like-for-like gross margin for the Group up 5.1%

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Results for 2007

Revenue by Region

	2007 £m	2006 £m	% Change		
			Reported	Constant Currency	Like-for- like
North America	2,266.7	2,291.1	-1.1%	7.6%	3.8%
UK	890.3	856.3	4.0%	4.0% ¹	2.1% ²
Continental Europe	1,657.4	1,532.9	8.1%	7.0%	3.9%
Asia Pacific, Latin America, Africa & Middle East	1,371.5	1,227.5	11.7%	13.7%	10.9%
Total	6,185.9	5,907.8	4.7%	8.2%	5.0%³

¹ Constant currency gross margin for the UK up 4.8%

² Like-for-like gross margin for the UK up 3.4%

³ Like-for-like gross margin for the Group up 5.1%

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Results for 2007

Headline PBIT¹ and Margin¹ by Discipline

	Headline PBIT		Headline Margin	
	2007	2006	2007	2006
	£m	£m	%	%
Advertising, Media Investment Management	466.9	443.7	16.3	15.8
Information, Insight & Consultancy	104.3	98.7	11.5	11.1
Public Relations & Public Affairs	106.5	89.5	16.6	15.0
Branding & Identity, Healthcare and Specialist Communications	250.3	227.1	14.2	14.1
Total	928.0	859.0	15.0	14.5

¹ Headline PBIT/ margin: profit before finance income/ costs, taxation, goodwill and intangibles charges, investment gains, and share of exceptional gains of associates.

Results for 2007

Headline PBIT¹ and Margin¹ by Region

	Headline PBIT		Headline Margin	
	2007	2006	2007	2006
	£m	£m	%	%
North America	391.5	389.0	17.3	17.0
UK	107.1	97.9	12.0	11.4
Continental Europe	223.0	194.3	13.5	12.7
Asia Pacific, Latin America, Africa & Middle East	206.4	177.8	15.0	14.5
Total	928.0	859.0	15.0	14.5

¹ Headline PBIT/ margin: profit before finance income/ costs, taxation, goodwill and intangibles charges, investment gains, and share of exceptional gains of associates.

Results for 2007

Revenue Growth by Country

Revenue Growth ¹	Countries
20%+	Brazil, Greater China, India
15-20%	Singapore
10-15%	Canada, Poland, Spain
5-10%	Belgium, Italy, Netherlands, Thailand, USA
<5%	Australia, Denmark, France, Germany, Japan, Mexico, Sweden, UK

¹Constant currency

Results for 2007

Revenue Growth by Category

Revenue Growth ¹	Categories
15%+	Drinks
10-15%	Entertainment, Financial Services, Food, Retail
5-10%	Automotive, Personal Care & Drugs, Telecommunications
<5%	Computer, Oil

Results for 2007

Effects of Strength of Sterling

- Sterling was stronger on average in 2007 than in 2006 by 8.6% against the dollar, 0.3% weaker against the euro, and 10.0% stronger against the Japanese yen.
- Impact of currency reduced revenue by 3.5%, from 8.2% constant currency to 4.7% on a reportable basis.
- Headline PBT¹ of £817m would have been £834m had sterling remained at the same levels as 2006.

¹ Figures before goodwill and intangibles charges, investment gains, share of exceptional gains of associates, and revaluation of financial instruments.

Results for 2007

Trade Estimates of Major New Business Wins

Agency	Account	Office	Billings (\$m)
<u>mec</u>	<u>AT&T</u>	<u>USA</u>	<u>3,400</u>
<u>DaVinci</u>	<u>Dell</u>	<u>Worldwide</u>	<u>1,500</u>
<u>MediaCom</u>	<u>GSK</u>	<u>USA, Europe</u>	<u>600</u>
<u>MindShare</u>	<u>LG</u>	<u>Worldwide</u>	<u>350</u>
mec	Citigroup	USA	310
mec	Paramount	Worldwide	250
<u>mec</u>	<u>Sony</u>	<u>Asia</u>	<u>250</u>
<u>Y&R</u>	<u>LG</u>	<u>Worldwide</u>	<u>225</u>
mec	Macy's	USA	200
<u>Ogilvy</u>	<u>Motorola</u>	<u>USA</u>	<u>200</u>
<u>Grey</u>	<u>Fortis</u>	<u>Worldwide</u>	<u>200</u>
<u>Grey</u>	<u>E*TRADE</u>	<u>USA</u>	<u>180</u>
mec	Monster.com	USA	155
JWT	Nokia	Worldwide	150
mec	Energizer	USA	130
United	IOC	USA & Europe	120

Results for 2007

Trade Estimates of Major New Business Wins

Agency	Account	Office	Billings (\$m)
MediaCom	Michelin	USA	100
mec	SAB Miller	Worldwide	100
mec	BT	UK	100
United Berlin Cameron	Heineken	USA	100
MediaCom	Boots	UK	90
JWT	Johnson & Johnson	N America	83
<u>MindShare</u>	<u>Royal Caribbean</u>	<u>USA</u>	<u>80</u>
<u>JWT</u>	<u>Royal Caribbean</u>	<u>USA</u>	<u>80</u>
MindShare	Summit Entertainment	USA	75
Ogilvy	Kraft – Oscar Mayer ¹	USA	60
MediaCom	ICI	Europe	60
<u>JWT</u>	<u>Jenny Craig²</u>	<u>USA</u>	<u>60</u>
<u>JWT</u>	<u>Knorr</u>	<u>Worldwide</u>	<u>50</u>
<u>MediaCom</u>	<u>China Unicom</u>	<u>Asia</u>	<u>50</u>
Grey	Toshiba	EMEA	50

Underlined figures are Q4 wins

¹ Kraft (Oscar Mayer) transferred from JWT to Ogilvy

² Jenny Craig transferred from Y&R to JWT

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Results for 2007

Trade Estimates of Major New Business Losses

Agency	Account	Office	Billings (\$m)
MindShare	Sears	USA	740 ¹
MindShare	Twentieth Century Fox	USA	500 ¹
<u>MindShare</u>	<u>Mattel</u>	<u>Worldwide</u>	<u>500</u>
<u>MindShare</u>	<u>Samsung</u>	<u>Worldwide</u>	<u>500</u>
<u>mec</u>	<u>Barilla</u>	<u>Europe</u>	<u>275</u>
<u>Ogilvy</u>	<u>Numico</u>	<u>Worldwide</u>	<u>220</u>
<u>mec</u>	<u>BT</u>	<u>UK</u>	<u>100</u>
<u>United Berlin Cameron</u>	<u>Heineken</u>	<u>USA</u>	<u>100</u>
Grey	Wrigley	Asia	100
mec	United Airlines	USA	100
Y&R	Toys R Us	USA	90

Underlined figures are Q4 losses

¹ Internal MindShare estimates of billings lost is \$676m in total compared with Trade Press Estimates of \$1,240m. Actual annualised 2006 revenues lost for these two accounts is \$18m

Results for 2007

Trade Estimates of Major New Business Losses

Agency	Account	Office	Billings (\$m)
Ogilvy	Quiznos	USA	80
<u>MediaCom</u>	<u>COI</u>	<u>UK</u>	<u>75</u>
Ogilvy	American Express	USA	75
<u>Mindshare</u>	<u>Domino's</u>	<u>USA</u>	<u>75</u>
Y&R	Weight Watchers	USA	70
JWT	Kraft – Ritz/ Chips	USA	70
Batey	Singapore Airlines	Asia	60
<u>Y&R</u>	<u>Jenny Craig²</u>	<u>USA</u>	<u>60</u>
JWT	Kraft – Oscar Mayer ¹	USA	60
Brouillard	Ruby Tuesday	USA	50
Grey	PagesJaunes	Europe	50

Underlined figures are Q4 losses

¹ Kraft (Oscar Mayer) transferred from JWT to Ogilvy

² Jenny Craig transferred from Y&R to JWT

Results for 2007

Internal Estimates of Net New Business Wins in 2007

Billings (\$m)	Creative	Media	Total
Advertising	1,459	7,188	8,647
Other Businesses	1,162	-	1,162
Total 2007	2,621	7,188	9,809
Total 2006	2,050	4,361	6,411

Results for 2007

Trade Estimates of Major New Business Wins & Losses Since 1 January

	<u>Agency</u>	<u>Account</u>	<u>Office</u>	<u>Billings (\$m)</u>
WINS	Ogilvy	Motorola	EMEA	200
	MindShare	Nippon Paint	Asia	96
LOSSES	mec	Cadbury Schweppes	USA	150

Results for 2007

Cash Flow

	2007 £m	2006 £m
Operating profit (pre-goodwill & intangible charges)	888	822
Non-cash compensation	62	71
Depreciation & amortisation charges	144	143
Net interest paid & similar charges ¹	(106)	(58)
Tax paid	(151)	(162)
Net cash generation	837	816

¹ Includes £22m of 1% rolled-up coupon on maturity of the £450m 3% convertible.

Results for 2007

Uses of Cash Flow

	2007 £m	2006 £m
Net cash generation	837	816
Capital expenditure	(171)	(185)
Acquisition payments:		
– Net initial payments ¹	(579)	(112)
– Earnout payments	(94)	(92)
– Loan note redemptions	(2)	(12)
	(675)	(216)
Share repurchases	(415)	(258)
Other	32	85
Net cash (outflow)/ inflow before dividend	(392)	242
Dividend	(139)	(119)
Net cash (outflow)/ inflow before NWC changes	(531)	123

¹ Net initial payments are net of disposal proceeds.

Results for 2007

Net Finance Costs/ (Income)

£'m	2007	2006	B/(W)
Net debt interest	109.5	75.3	(45%)
Investment income	(9.2)	(5.7)	61%
IAS 32 (Convertibles)	3.0	13.9	78%
Net banking expense	103.3	83.5	(24%)
IAS 19 (Pensions)	5.7	7.2	21%
Earnout interest	1.7	2.0	15%
Other finance costs	7.4	9.2	20%
Headline finance costs	110.7	92.7	(19%)
IAS 39 (Financial Instruments)	16.0	8.0	(100%)
Net finance costs	126.7	100.7	(26%)
Average net debt	1,458	1,214	(20%)

Results for 2007

Net Debt - 31 December 2007

	2007 £m	2006 £m	% Variance
Net debt at 31 December	(1,286)	(815)	(58%)
YTD average net debt on constant currency basis	(1,458)	(1,153)	(26%)
YTD average net debt on reportable currency basis	(1,458)	(1,214)	(20%)
Headline finance costs	(111)	(93)	(19%)
Interest cover on Headline PBIT ¹	8.4x	9.3x	

¹ Headline PBIT: profit before finance income/ costs, taxation, goodwill and intangibles charges, investment gains, and share of exceptional gains of associates.

WPP

Results for 2007

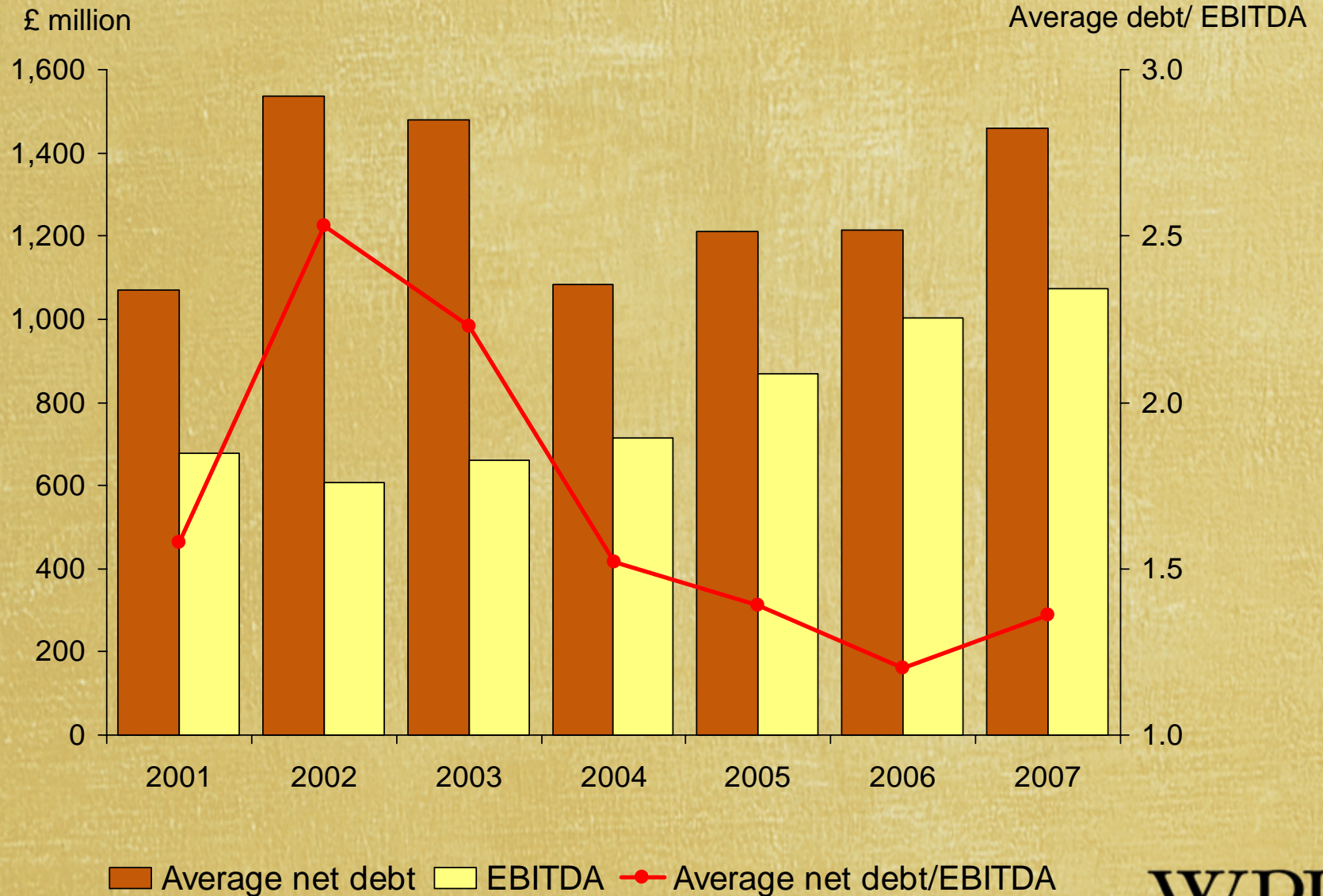
Debt Maturity Profile \$m

	Total	2008	..	2012	2013	2014	2015	2017	2020	2033
Grey 5% convertible	150									150
<u>£ bonds £200m (6.375%)</u>	390								390	
<u>£ bonds £400m (6%)</u>	780							780		
<u>Eurobonds €500m (5.25%)</u>	650						650			
US bond \$650m (5.875%)	650					650				
Eurobonds €600m (4.375%)	780				780					
Yankee bonds \$100m (6.875%)	100	100								
Eurobonds €650m (6%)	845	845								
Term debt	4,345	945		-	780	650	650	780	390	150
Committed bank facility	1,600			1,600						
Total borrowing capacity	5,945	945		1,600	780	650	650	780	390	150

Issued during 2007

Results for 2007

Historic Average Net Debt/EBITDA



Results for 2007

Share Buy-Backs and Capital Allocation

- Following a review of the capital structure the company decided to increase buy-backs from 2%-3% each year (£200-300 million), to 4%-5% (£400-500 million) in each of 2007 and 2008, when market conditions are appropriate.
- Share buy-backs in 2007 totalled 57.2m shares (£402.7 million) or 4.6% of issued capital. In addition 2.0m shares (£12.7 million) were purchased and held as treasury stock.
- In the first two months of 2008, share buy-backs totalled 10.6m shares (£63.9 million) or 0.9% of issued capital.

Results for 2007

Ordinary Shares - Basic

	December 2007 Actual	December 2006 Actual	
No. of Shares (million)			
1 January	1,241	1,253	
Share buy-back	(57) ¹	(33) ¹	
Option exercise	7	21	
31 December	1,191	1,241	-4.0%
Weighted Average	1,218	1,248	
ESOP	(41)	(47)	
Average Basic	1,177	1,201	-2.0%

Results for 2007

Ordinary Shares – Diluted

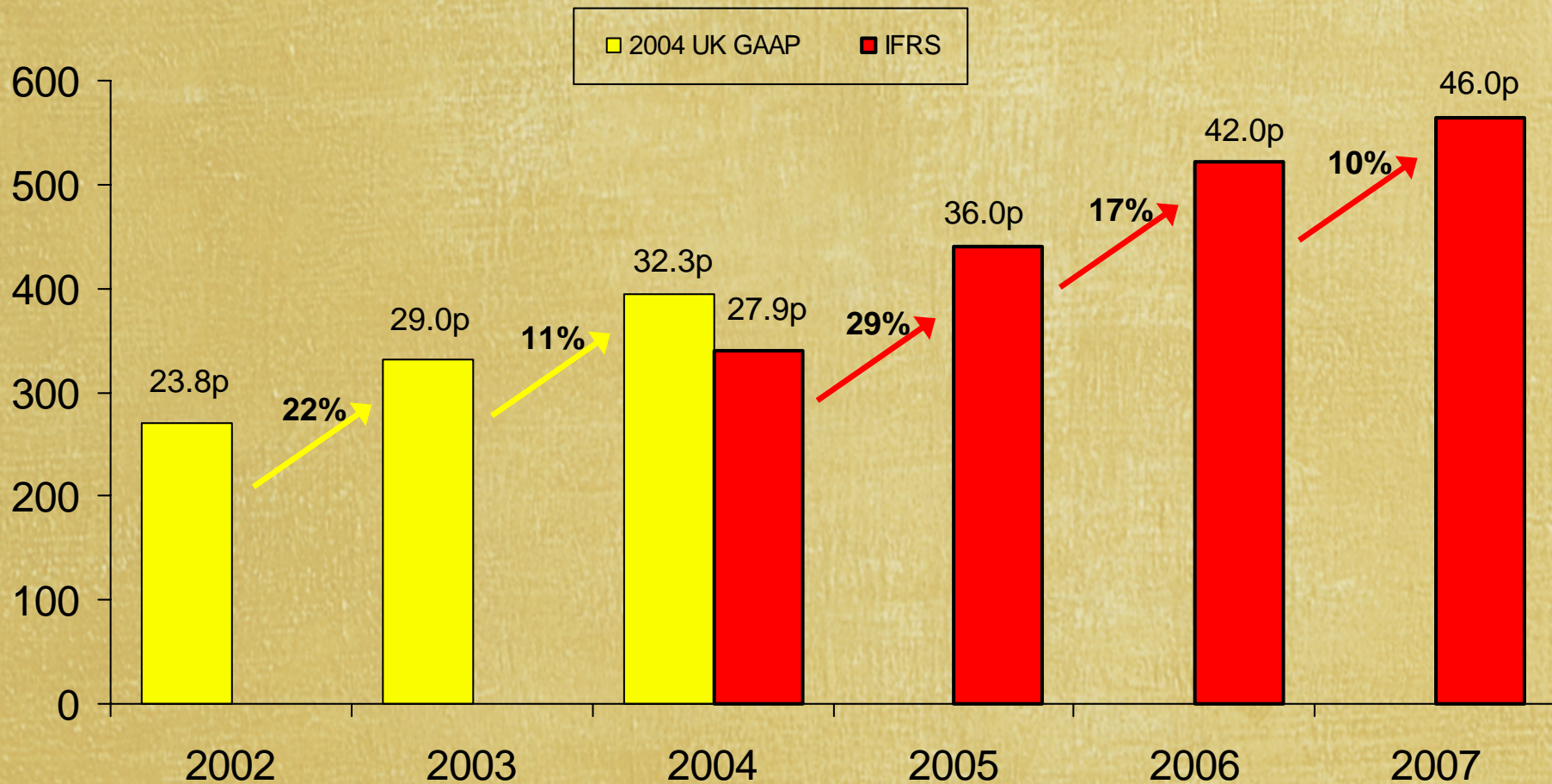
	December 2007 Actual	December 2006 Actual	
No. of Shares (millions)			
Average Basic	1,177	1,201	-2.0%
Share Option Dilution	16	15	
Other Potentially Issuable Shares	25	17	
Sub-Total	1,218	1,233	
Convertibles: WPP £450m	repaid	anti-dilutive	
Grey \$150m ¹	9	9	
Fully Diluted Shares	1,227	1,242	-1.2%

¹ Income adjustment attributable to Grey convertibles is £0.9m pa (2006 - £1.1m pa).

Results for 2007

Earnings and EPS¹

Earnings (£m)



¹ Diluted Headline Earnings and Diluted Headline EPS

WPP

2

Key Priorities, Objectives and Strategy

Key Priorities, Objective and Strategy

Long-term factors

- Globalisation /Americanisation /BRICs
- Overcapacity, shortage of human capital
- The Web (internet penetration, e-commerce, mobile)
- Internal communications
- Retail concentration
- Corporate responsibility and the environment
- Global and local structures

Key Priorities, Objectives and Strategy

- Faster growing markets to be one third of total group
- Marketing services to be two thirds of total group
- Quantitative disciplines to be one half of total group

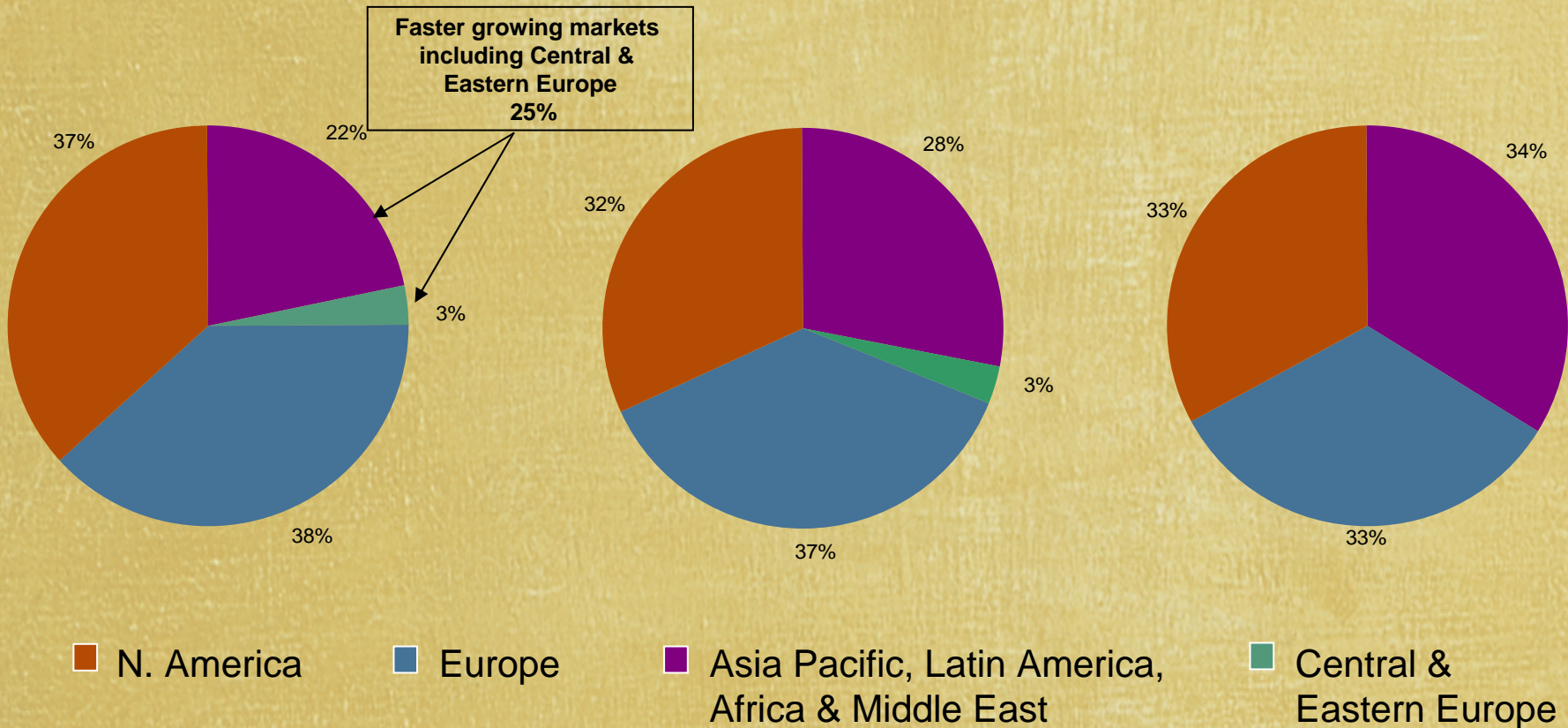
Key Priorities, Objectives and Strategy

Faster Growing Markets To Be One Third of Total Group

Today¹

Today Including Associates¹

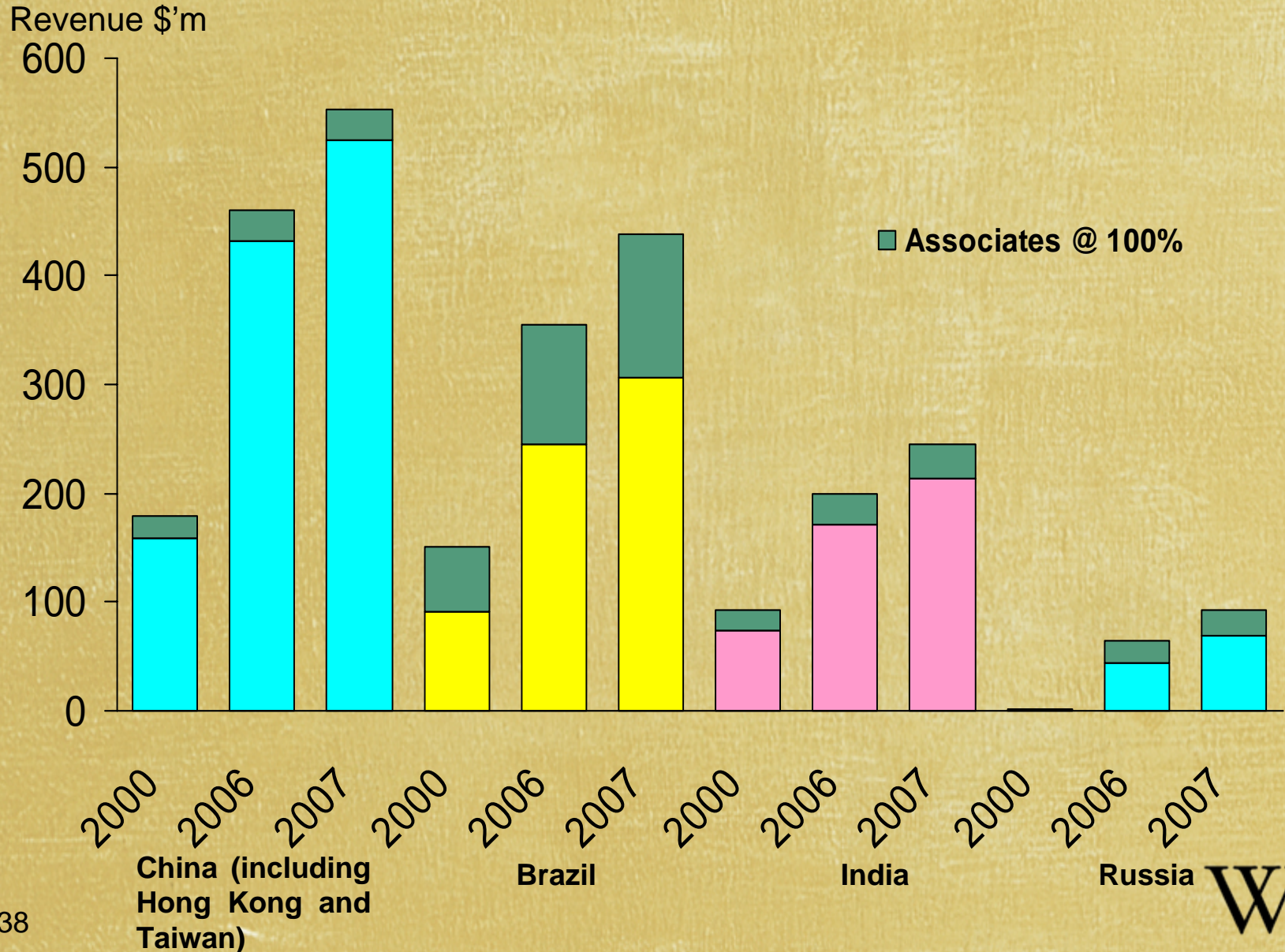
Tomorrow



¹ Based on full year 2007 reported revenue.

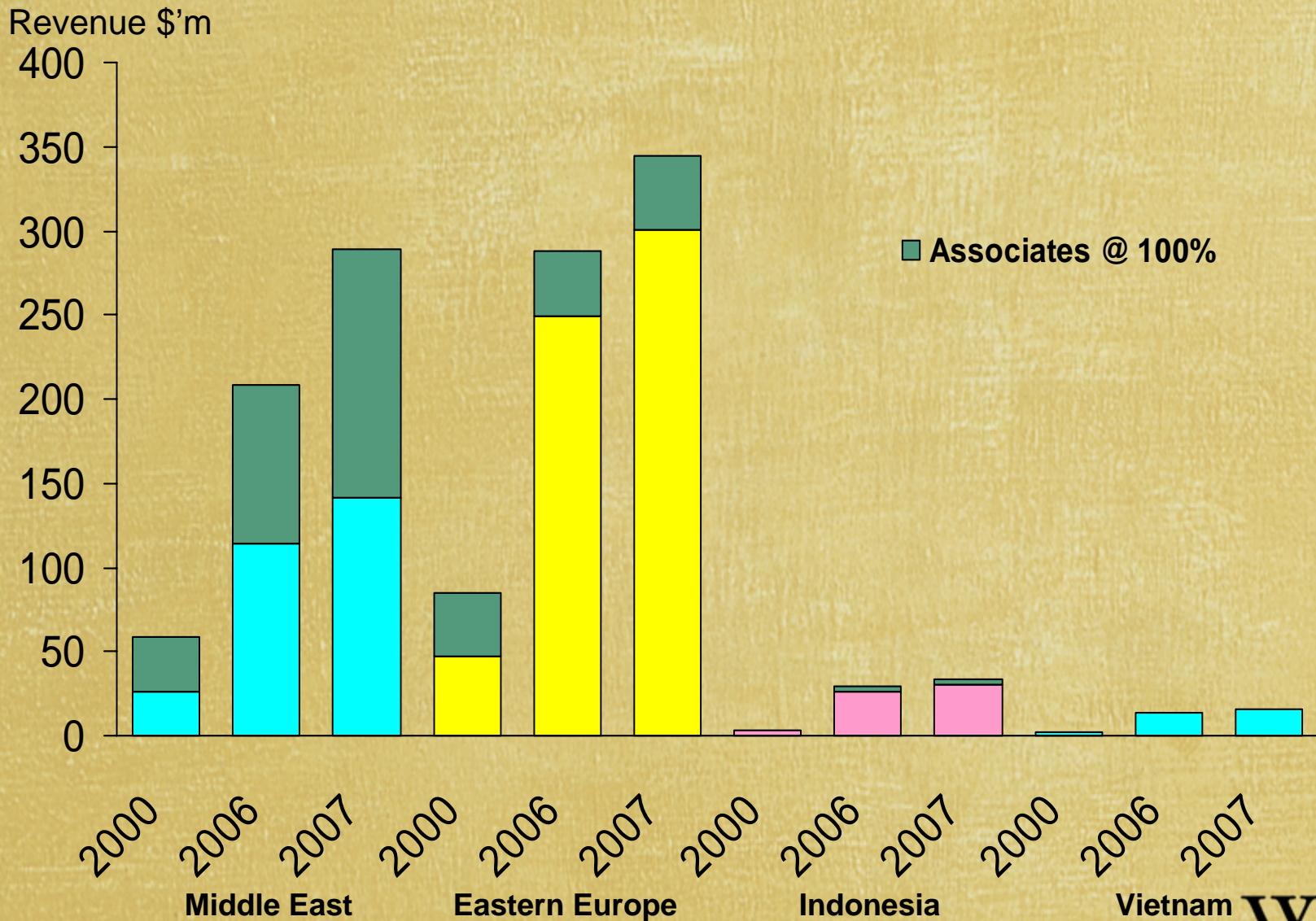
Key Priorities, Objectives and Strategy

WPP's Performance Strong in BRIC Markets



Key Priorities, Objectives and Strategy

WPP's Performance in Other Faster Growing Markets



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	2.5	36%	1	0.6	8.3
	India	1.0	56%	1	0.2	6.2
	Thailand	0.3	39%	1	0.1	1.2
LatAm	Brazil ⁵	1.1	25%	1	0.4	8.5
	Mexico	0.8	24%	2	0.1	1.5
	Argentina	0.2	19%	3	0.1	1.1
Other	Africa/Middle East ⁴	0.8	24%	2	0.5	4.8
	Poland	0.8	29%	1	0.1	1.1
	Russia	0.7	25%	2	0.1	1.1

¹ Source RECMA 2006 Definitive share of networks as issued August 2007.

² Year to 31 December 2007 including associates, people at 31 December 2007.

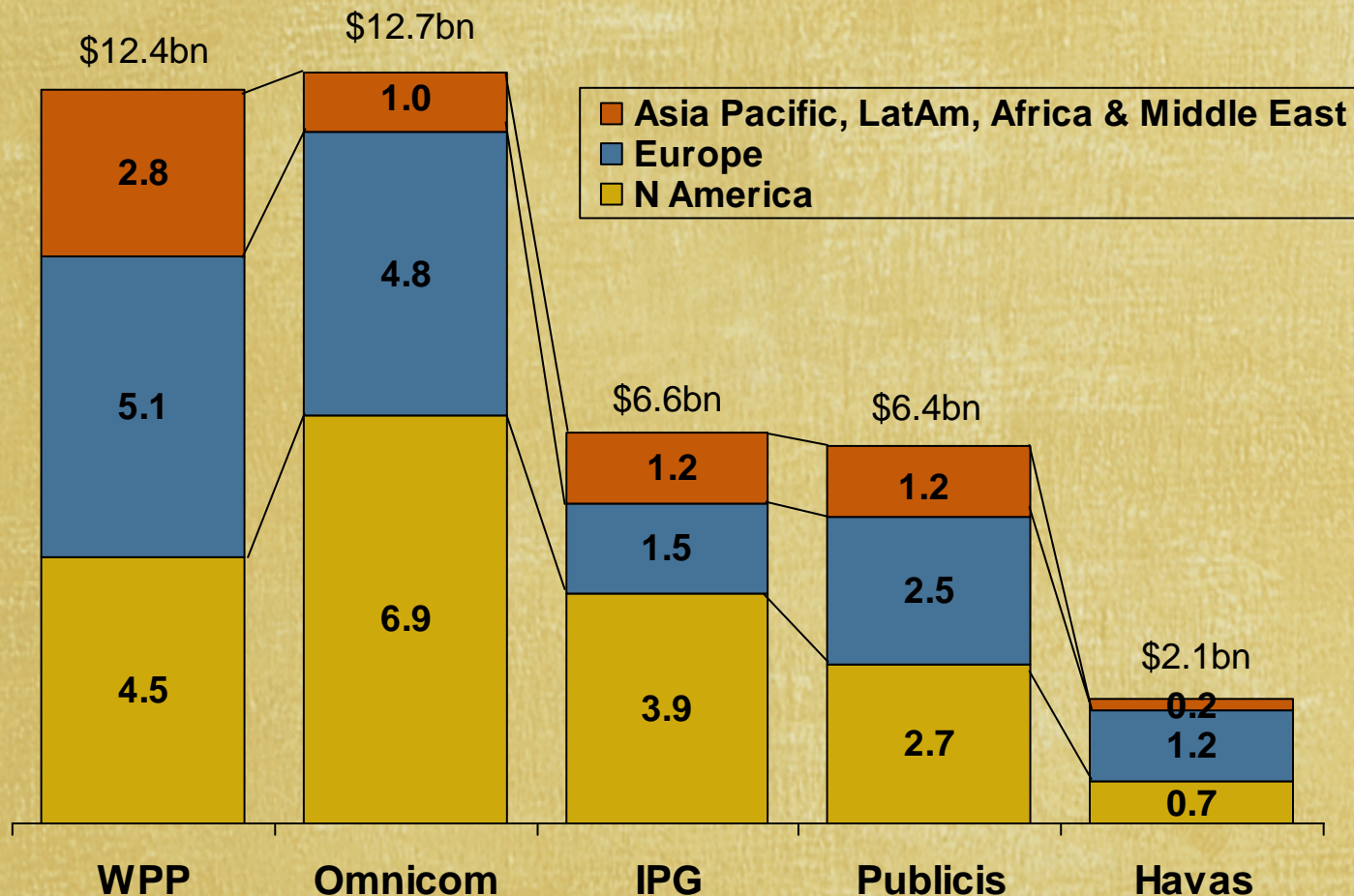
³ Greater China is China, Hong Kong and Taiwan.

⁴ Africa/Middle East has large independent media buyers with over 50% of the market.

⁵ WPP estimate.

Key Priorities, Objective and Strategy

Revenue by Geography



¹ Source: WPP - sterling revenues converted @ \$2.00= £1 based on the average for 2007. Omnicom, Publicis and Havas - company presentations for 2007. IPG – analysts' estimates.

² FX. Havas and Publicis assumes \$1=€0.731 based on the average for 2007.

³ OMC. Assumes "non Euro currency" Europe, ie Switzerland, Turkey, Norway, Denmark, Sweden and Eastern Europe are ca 5.5% of revenue and Canada is 1.5% of revenue.

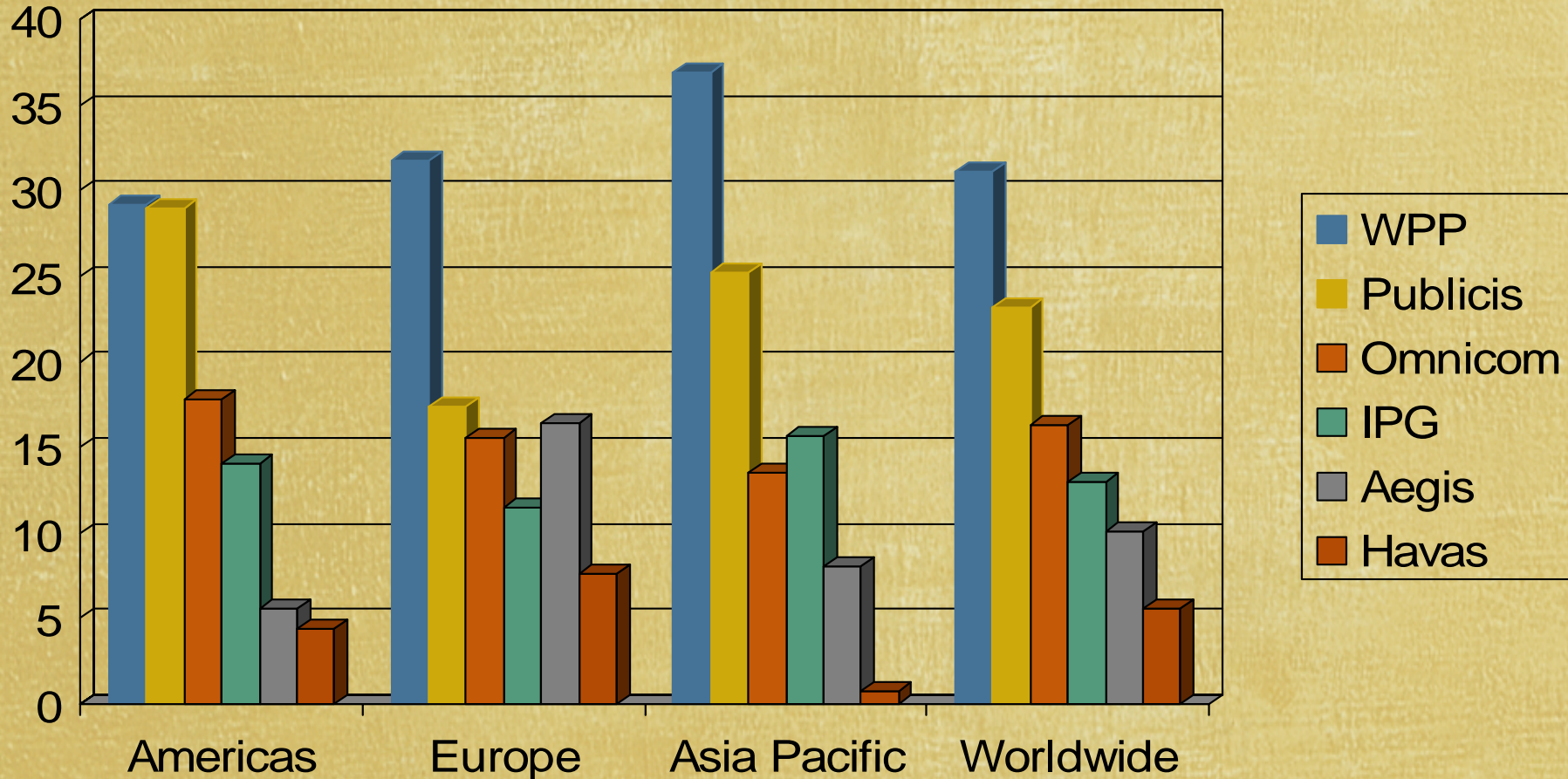
⁴ IPG. Assumes Canada is ca 1.5% of revenue.

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

Key Priorities, Objectives and Strategy

Media Billings by Geography

Worldwide ranking by Group as % of the Six Groups

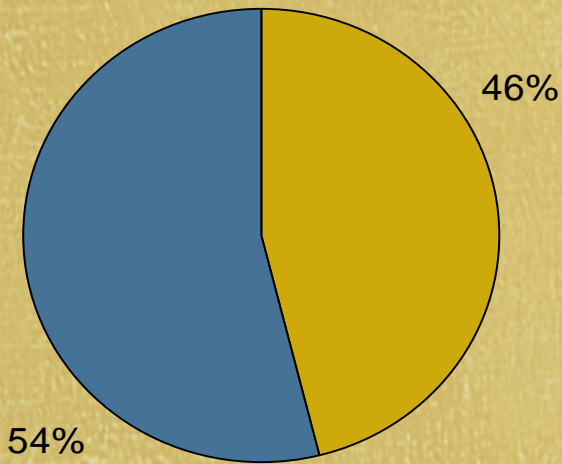


Source: RECMA Billings report – August 2007, Definitive 2006 network key data, table 1b.

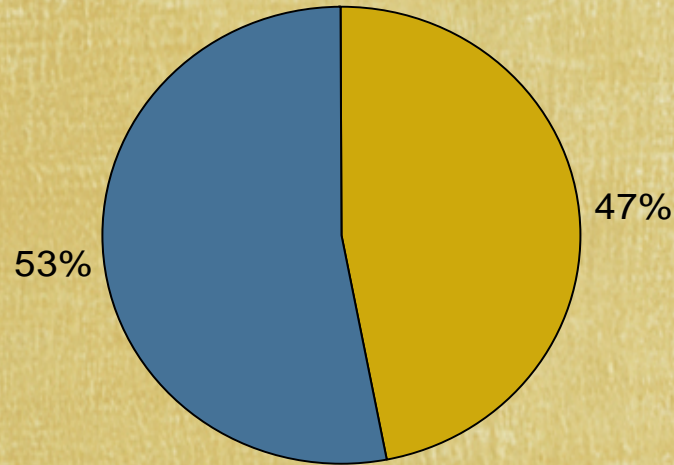
Key Priorities, Objectives and Strategy

Marketing Services To Be Two Thirds of Total Group

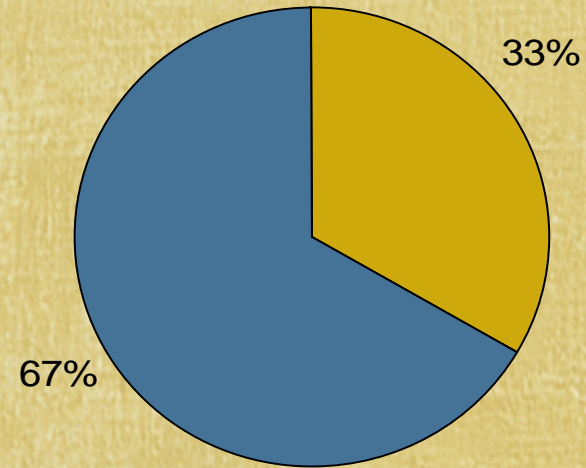
Today¹



Today including associates¹



Tomorrow

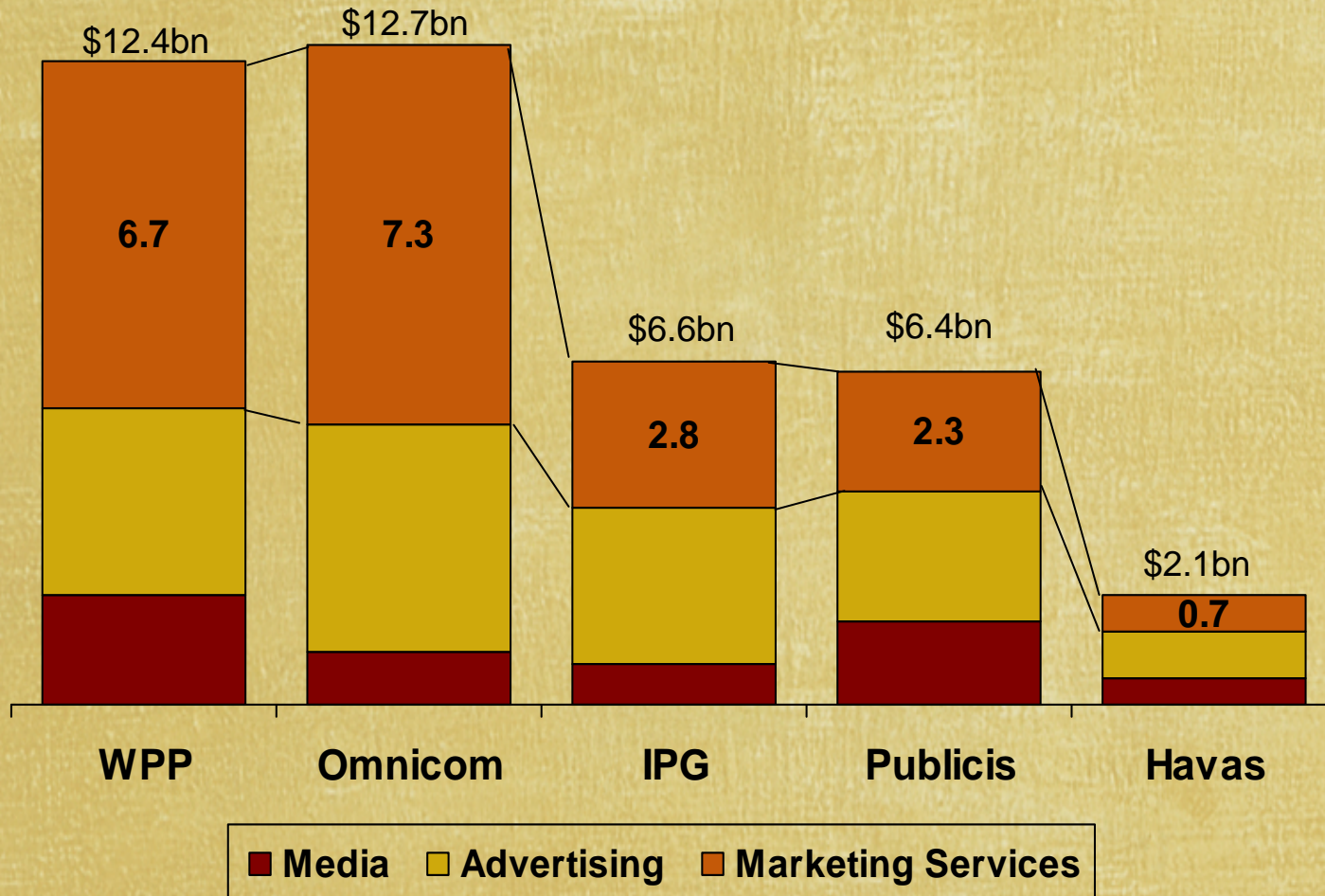


■ Marketing Services ■ Advertising & Media Investment Management

¹ Based on full year 2007 reported revenue.

Key Priorities, Objective and Strategy

Revenue by Discipline



Source: ¹ 2007 Company Presentations.

² Media based on Deutsche Bank estimates.

³ IPG revenue based on analysts' estimates.

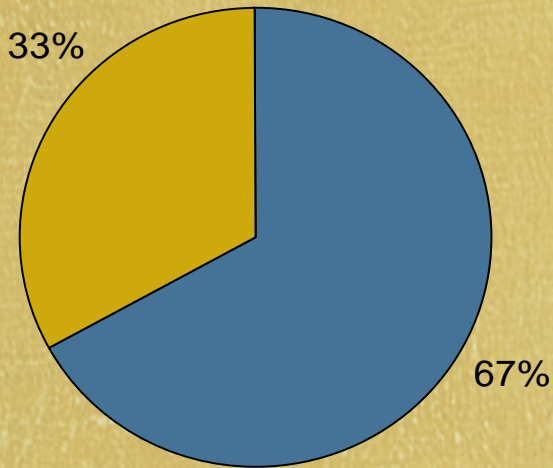
⁴ FX. Havas and Publicis assumes \$1=€0.731 based on the average for 2007.



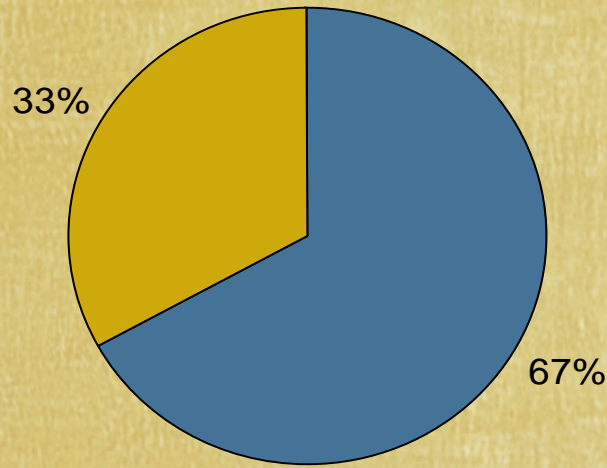
Key Priorities, Objectives and Strategy

Quantitative Disciplines To Be One Half of Total Group

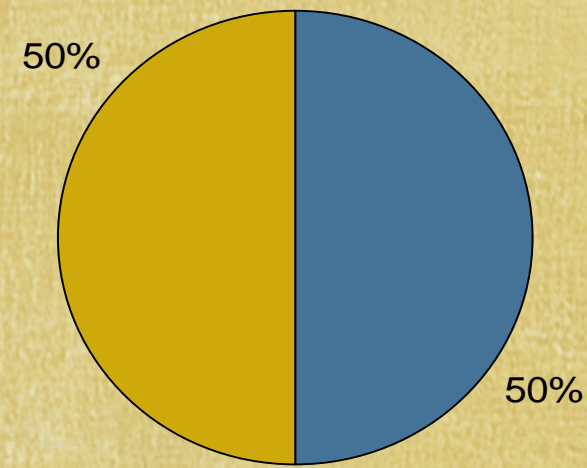
Today ¹



Today including associates ¹



Tomorrow



- Information, Insight & Consultancy and Direct, Internet & Interactive
- Advertising, Media Investment Management & Other Marketing Services

Key Priorities, Objectives and Strategy

WPP Position in Direct and Digital

Full Year \$ millions	Digital/ Interactive	Wide ¹ Definition	
Direct/Digital Networks (OgilvyOne, Wunderman, rmg:connect, G2 and WPP Digital)	774	2,128	+14% vs 2006
<i>% of Group revenues</i>	6%	17%	
Digital/Interactive resources:			
- Information, Insight & Consultancy (Millward Brown, RI and Lightspeed)	348	348	
- GroupM	238	238	
- Other	79	79	
Total 2007	1,439	2,793	+20% vs 2006
<i>% of Group revenues</i>	12%	23%	
Total 2006	974	2,317	
<i>% of Group revenues</i>	9%	21%	

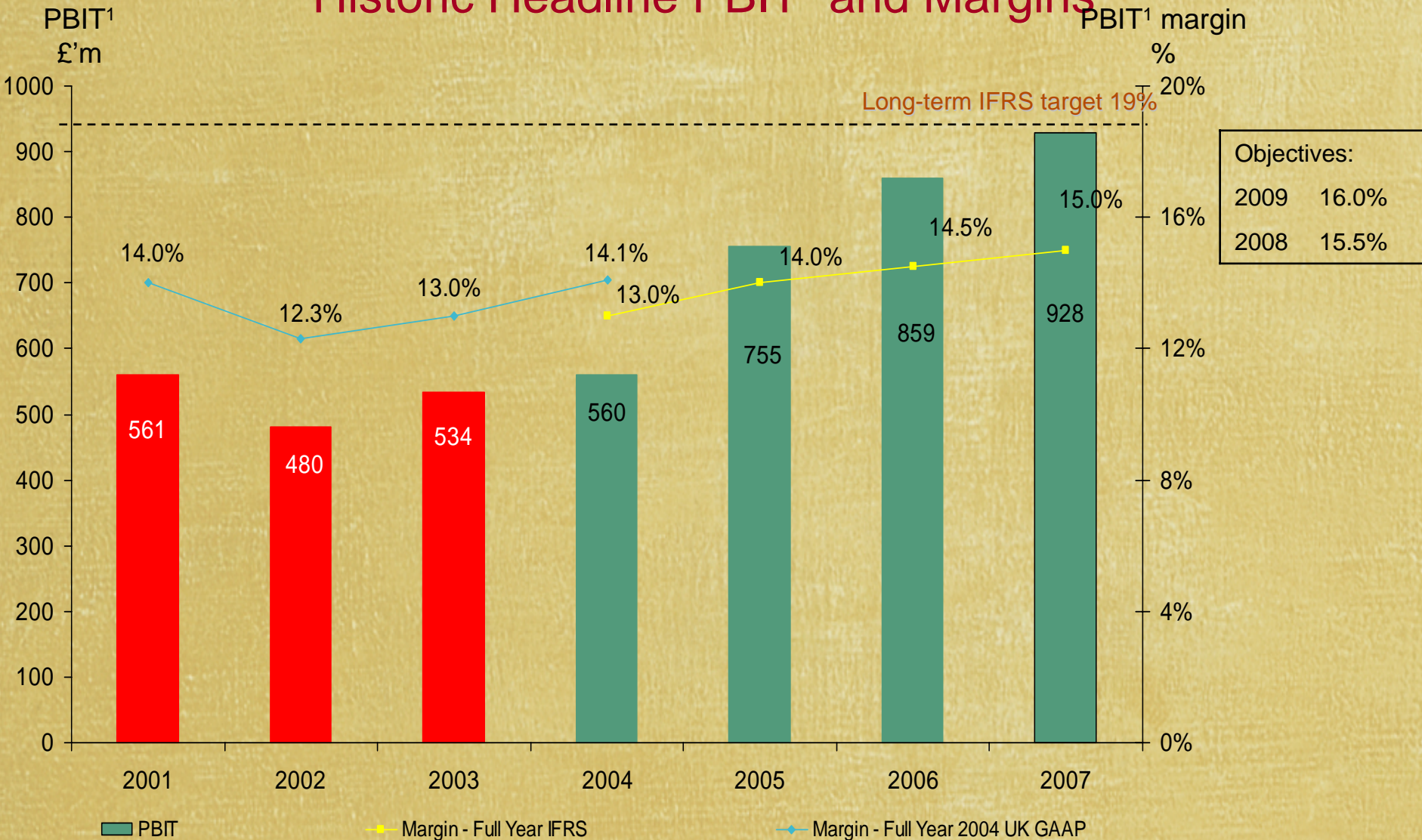
Key Priorities, Objectives and Strategy

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

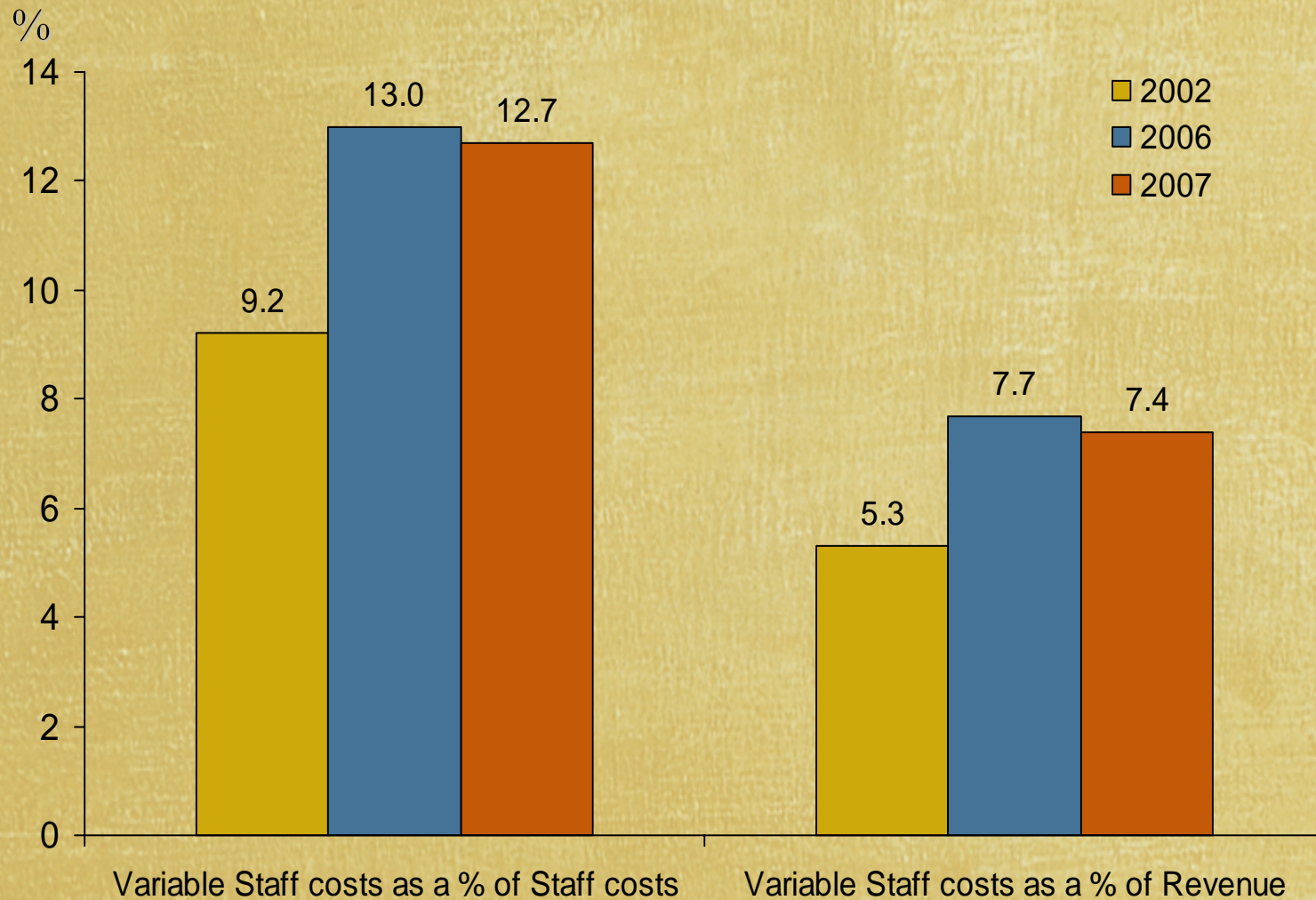


1. Headline PBIT excludes finance income/ costs, taxation, goodwill and intangibles charges, investment gains, and share of exceptional gains of associates. For 2004 onwards, Headline PBIT has been prepared under IFRS. 2003 and prior periods are in accordance with previous UK GAAP.

Key Priorities, Objectives and Strategy

Increasing flexibility in the cost base

Change in variable costs



Key Priorities, Objectives and Strategy

Using Free Cash Flow to Enhance Share Owner Value

Dividends and Share Repurchases

- 2007 dividend raised by 20% to 13.45p per share.
- Distributions to share owners:

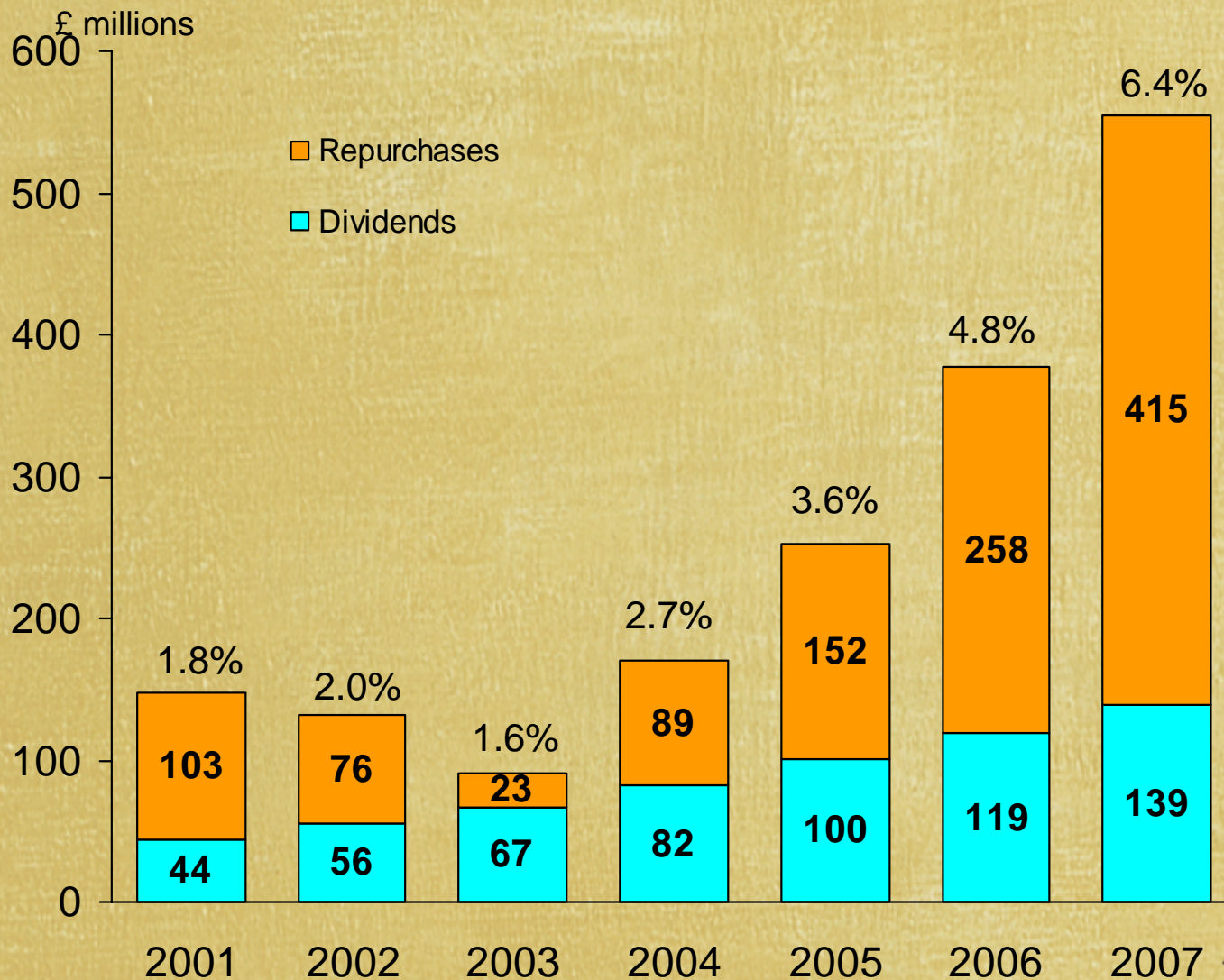
	<u>Dividends Paid</u>	<u>Share Repurchases</u>	
		<u>Amount</u>	<u>% of Share Base</u>
2000	£25.6m	£94.1m	1.3%
2001	£44.4m	£103.3m	1.4%
2002	£55.6m	£75.9m	1.1%
2003	£67.0m	£23.1m	0.5%
2004	£81.7m	£88.7m	1.4%
2005	£100.2m	£152.3m	2.1%
2006	£118.9m	£257.7m	3.1%
2007	£138.9m	£415.4m	4.7% ¹
Total 2000-2007	£632.3m	£1,210.5m	

¹ Of which 4.6% relates to share cancellations.

Key Priorities, Objectives and Strategy

Using Free Cashflow to Enhance Share Owner Value

Distributions to Share owners¹



Key Priorities, Objectives and Strategy

Using Free Cashflow to Enhance Share Owner Value

Acquisitions

- Focus on the faster growing geographical areas and marketing services, particularly direct, internet & interactive and information, insight & consultancy.
- During 2007 40 small and mid size acquisitions were completed in executing this strategy.
- During the Third Quarter, 24/7 Real Media Inc. was acquired with its strength in digital media, search and technology.
- 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.

Key Priorities, Objectives and Strategy

Acquisitions¹

Faster Growing Markets

DAWSON (CHINA)

DBA Live (Colombia)

etcO (Brazil)

GSCS (Dubai)

Interflow (Pakistan)

METHINKS (CHINA)

MindShare Russia

Pharmax (Korea)

PBN (Russia/ USA)

Plano Trio (Brazil)

Aqua Online (S. Africa)

Blue Interactive (Singapore)

Interactive TV (India)

Lee & Jang (S. Korea)

QUASAR (INDIA)

Star Echo (China)

Quantitative and Digital

24/7 Real Media (USA)

All Global (UK)

BLAST RADIUS (CANADA)

CHESKIN (USA)

DataCore (USA)

Foresight (USA)

Global Strategies (USA)

iconmobile (Germany)

OOT (Italy)

Quisma (Germany)

Reddion (Netherlands)

Refinery (USA)

Schematic (USA)

These Days (Belgium)

TRA (USA)

Tru (USA)

Key Priorities, Objectives and Strategy

Acquisitions¹

Advertising and Media Investment Management

Badjar (Australia)

Clemmow Hornby Inge (UK)

JWT Hungary

Laundry (Finland)

MediaX (Austria)

PPR WA (Australia)

Tapsa (Spain)

Healthcare

WestawayGillis (UK)

¹ Excludes equity step ups

Key Priorities, Objectives and Strategy Investments¹

Quantitative & Digital

INVIDI TECHNOLOGIES (CANADA)

JumpTap (USA)

Media Rights Capital Corp (USA)

Video Egg (USA)

¹ Interests of less than 20%

CAPITALS ARE Q4 ACQUISITIONS

Key Priorities, Objectives and Strategy

Acquisitions¹ since 1 January 2008

Faster Growing Markets

Quantitative and Digital

Encompass (India)
Rikes (Hong Kong)
Team Y&R (Middle East)

AGENDA(Asia)
NuConomy (Israel)

HeathWallace (UK)
Tagora (Belgium)
Yankelovich (USA)
immi² (USA)

LaComunidad (Advertising & Media Investment Management, Netherlands) was also completed.

¹ Excludes equity step ups

² *Investment*

Key Priorities, Objectives and Strategy

Improving the Creative Capabilities and Reputation of all our Businesses

- By placing greater emphasis on recruitment.
- By recognizing creative success tangibly and intangibly.
- By acquiring highly regarded creative businesses.
- By placing greater emphasis on awards.

WPP

3

Conclusions

Conclusions

Financial Model

- Revenue growth in line with the market (0%-5%).
- Operating margin up 0.5 margin points each year with a long term goal of 19% PBIT margin.
- PBIT growth of 5%-10% per annum.
- Use of free cash flow via share buy-backs of up to 5% of share capital and small to mid sized acquisitions to supplement growth.
- Target EPS growth of 10%-15% per annum.

Conclusions

Financial Model – 2007 Actual Performance

- Like-for-like revenue growth of 5%.
- Operating margin up 0.5 margin points.
- PBIT growth of 10.1% in constant currency.
- Share buy-backs of 4.6% of share capital.
- Acquisitions added 3.2% to revenue.
- EPS up 13.6% in constant currency.

Conclusions

Outlook

- The budgets have been prepared on a prudent basis and predict revenue growth in excess of last year's budgeted revenue growth of 4.0%-4.5%.
- The budgets indicate marketing services growing faster than Advertising & Media Investment Management.
- On the basis of this data, 2008 should be a better year than 2007.
- In spite of the crisis in the financial markets, we believe 2008 will be another strong year.
- Although 2009 may be more difficult, 2010 will benefit from the FIFA World Cup in Africa, the Winter Olympics in Vancouver and the mid-term Congressional elections in the United States.

Conclusions

Lookback at the last recession

2000 background:

- A boom year on the back of the quadrennial and dot.com IPO bubble which drove marketing services spending sharply higher.

% growth	1997	1998	1999	2000
Industry	8.1	8.0	9.1	10.1
WPP	8.4	8.0	8.0	15.0

- Faster growing markets represented 15.8% (vs 25% now).
- “Dot.com” related revenues were 5% vs a narrow definition of digital revenues today of 12%.
- Stock market valuations at all time highs with WPP at 46x earnings (vs. 12.1x 2008 consensus).

What happened in 2001 and 2002:

- Organic revenue declines of 3% in 2001, and 6% in 2002.
- PBIT margins¹ went from 14.5% in 2000 to 14.0% in 2001 and 12.3% in 2002.
- Price/earnings multiple fell to 18x (in line with historic norms).
- Gearing went to top of our comfort zone by 2002 at 2.2x EBITDA.

Conclusions

Current status

- Strong year expected in 2008 driven by US Presidential elections, Beijing Olympics and European Football Championships with expected global growth of around 4%¹.

Advertising growth	2007	2008 ²
Global	6.0	6.8
USA	3.0	3.9

- Valuation already discounting a 2% decline in organic revenue and 2% fall in margins.
- Good flexibility in the cost base, with gearing < 1.5x EBITDA.
- Market leading positions in media & investment management, digital and faster growing markets (BRICs & the “Next Eleven”³).
- Recent account wins provide some cushion to any market malaise eg AT&T \$3.4 billion and Dell \$1.5 billion.
- Only 3 financial services clients in top 50.

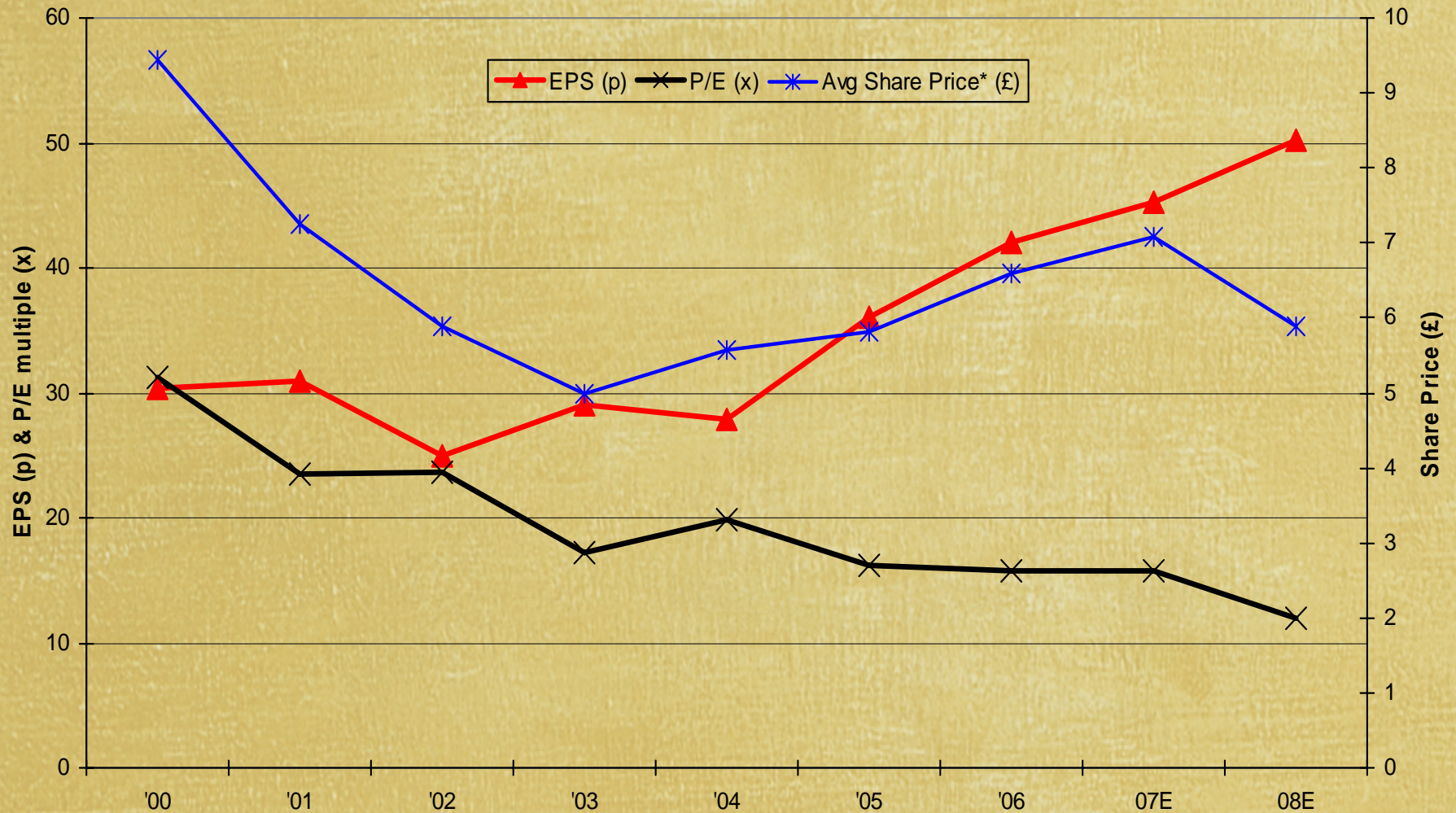
¹ IMF GDP growth forecast January 2008.

² Forecasts for 2008 advertising growth from “This Year Next Year” published by GroupM in January 2008.

³ “Next Eleven” markets as defined by “BRICs & Beyond” published by Goldman Sachs in November 2007.

Conclusions

WPP Fundamentals vs. Market Valuation



* 2008 price at 2/7/08

Conclusions

- The Group continues to be well placed by region and discipline to benefit from key industry trends.
- There is scope for further margin improvement, cost flexibility, and use of free cashflow to enhance share owner value.
- In the long term the Group will be concentrating on positioning its top line in the highest growth functional and geographic sectors and improving the effectiveness of its cost structure.

WPP

Results for 2007
London

February 2008