Annual General Meeting

2010

Philip Lader

Chairman

Annual General Meeting

2010

Sir Martin Sorrell

CEO, WPP

Strategic Priorities

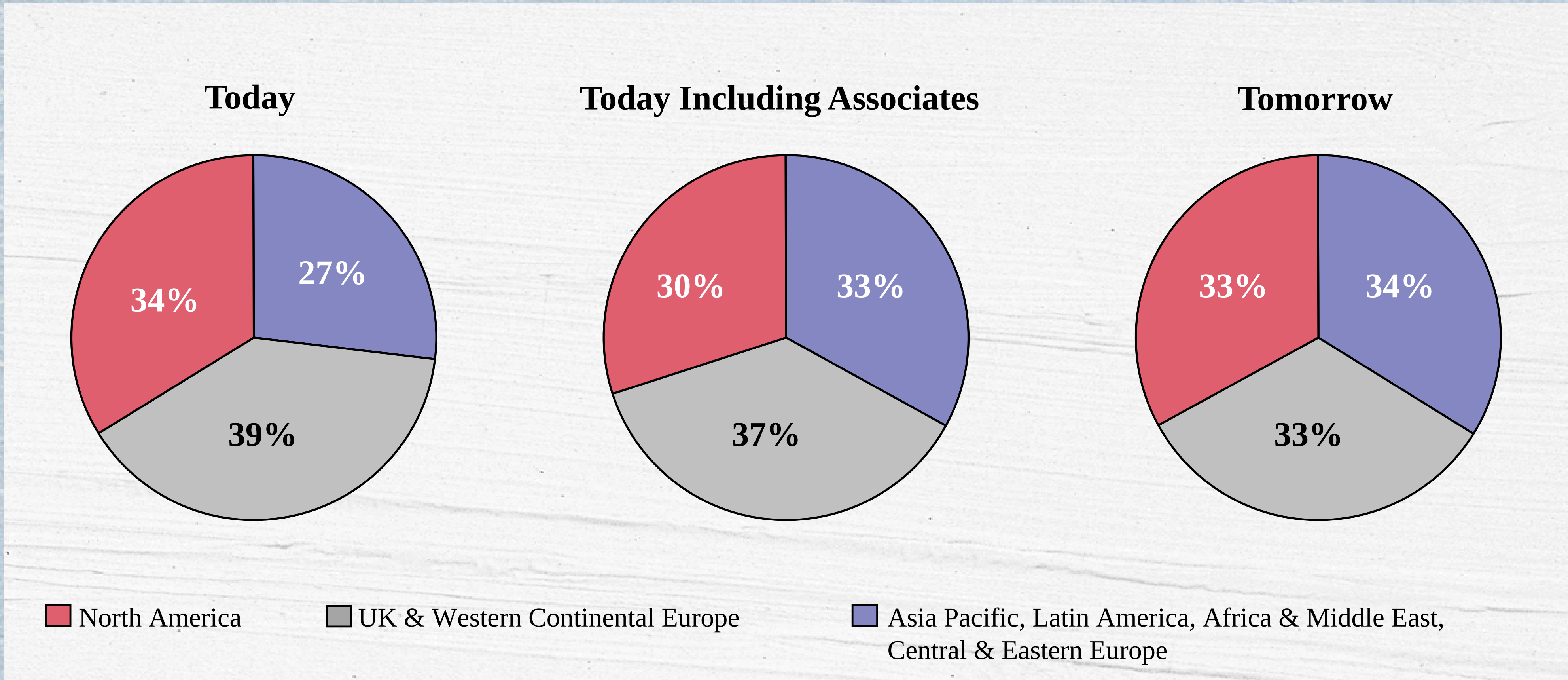
- Short term: to continue to balance revenues against staff costs and headcount
- Long term: to continue to develop our business;
  - in the faster-growing geographic areas of Asia Pacific, Latin America, Africa and the Middle East, and Central and Eastern Europe
  - in the faster-growing functional areas of marketing services, particularly direct, digital, interactive and consumer insights
  - development of digital technology platforms and data analysis throughout the group

Key Priorities, Objectives and Strategy

- Faster growing markets to be one third of total group against 27% now
- Marketing services including new media to be two thirds of total group against approximately 61% now
- Digital services to be one third of total group against 27% now
- Quantitative disciplines including consumer insight to be one half of total group which is where we are now

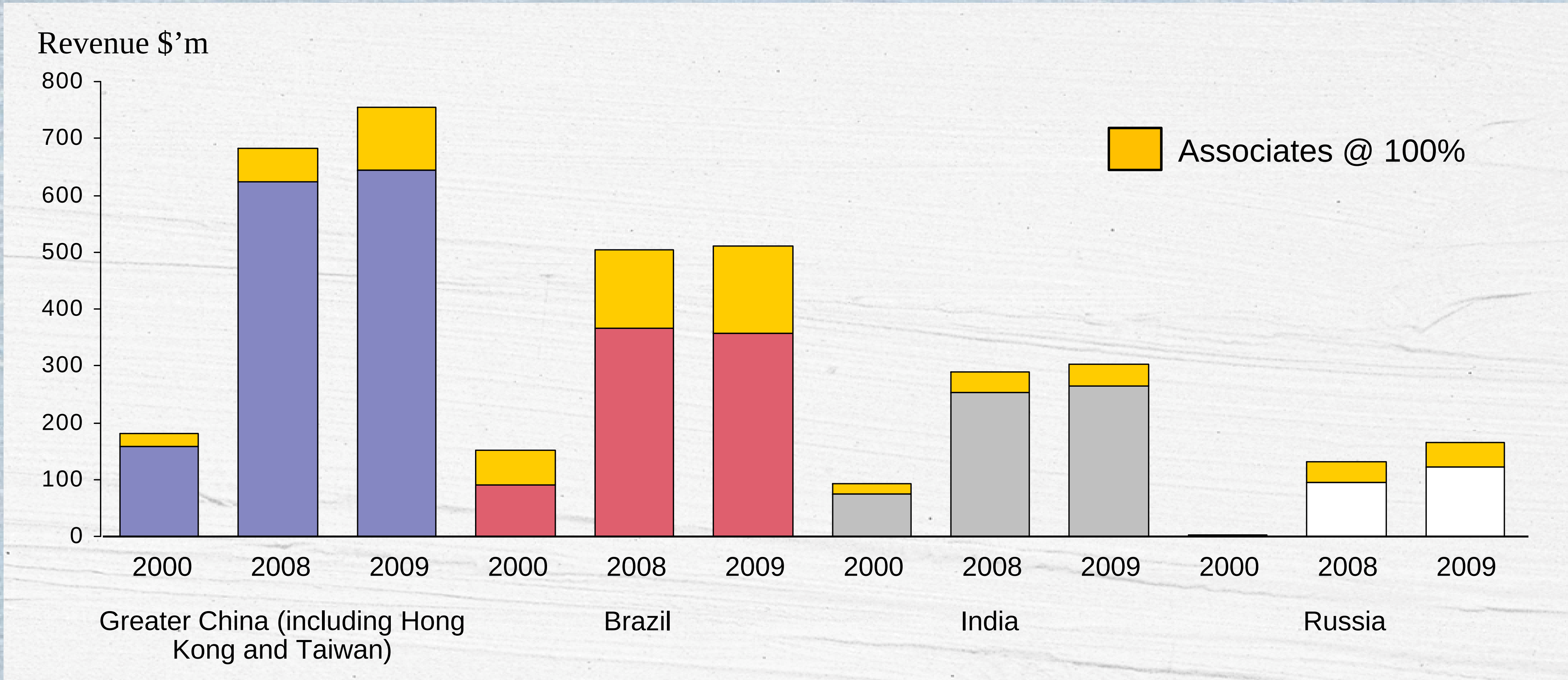
Key Priorities, Objectives and Strategy

Faster Growing Markets to be One Third of Total Group



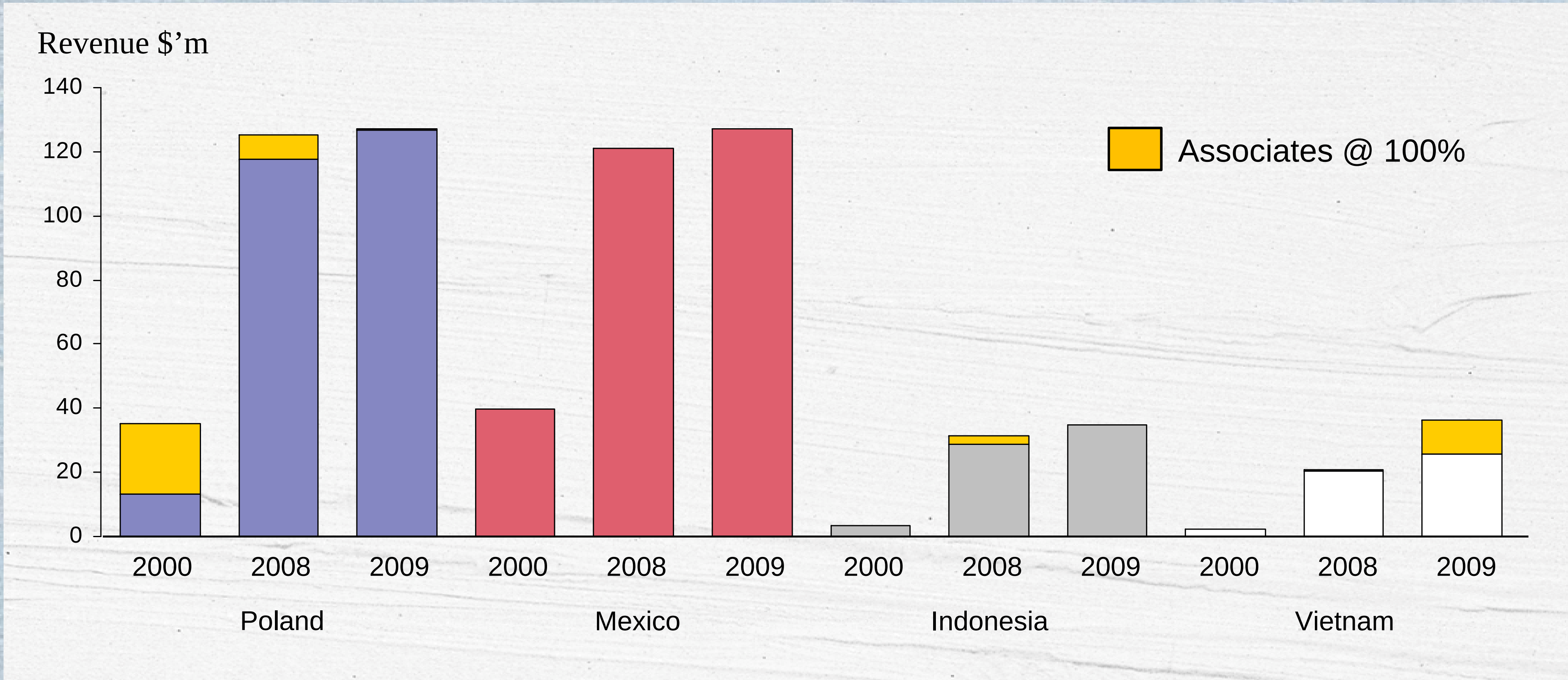
Key Priorities, Objectives and Strategy

WPP's Performance Strong in BRIC Markets



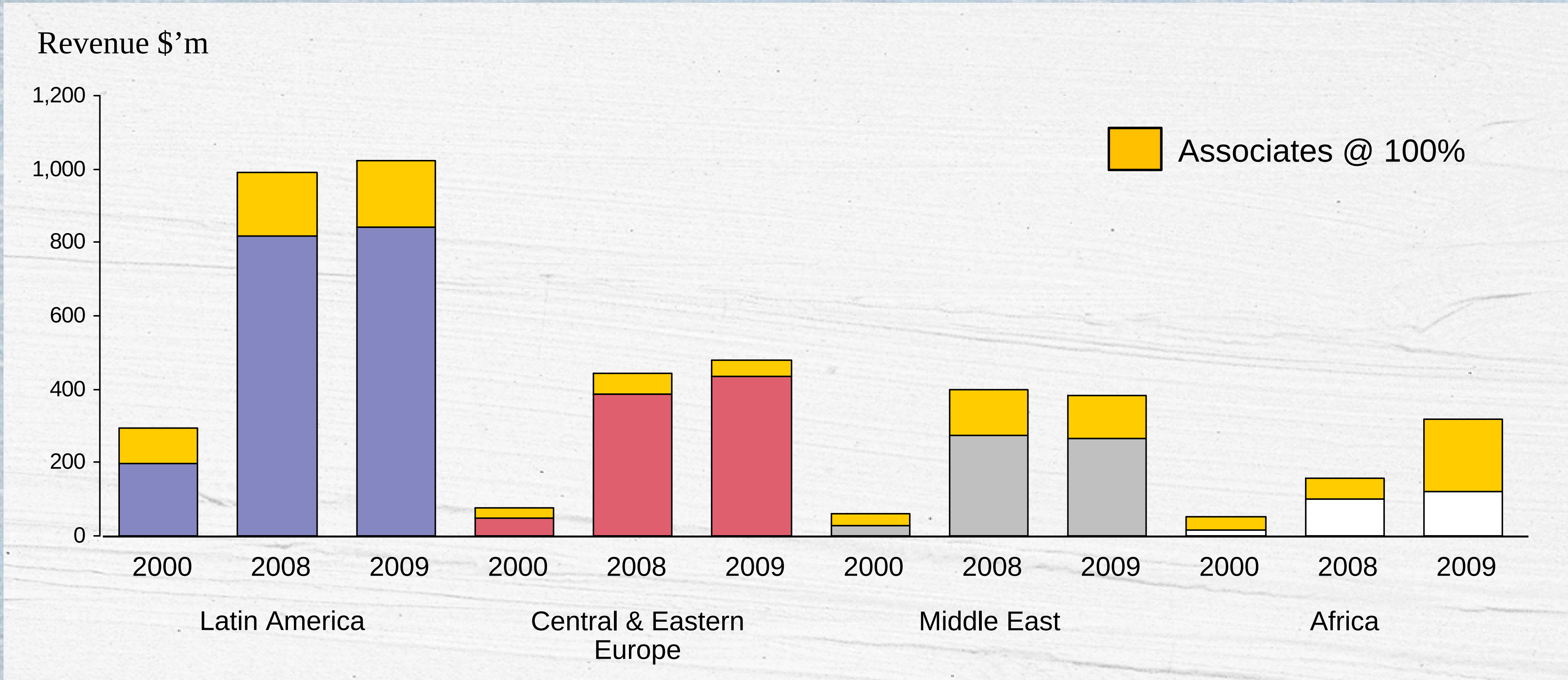
Key Priorities, Objectives and Strategy

WPP's Performance in Other Faster Growing Markets



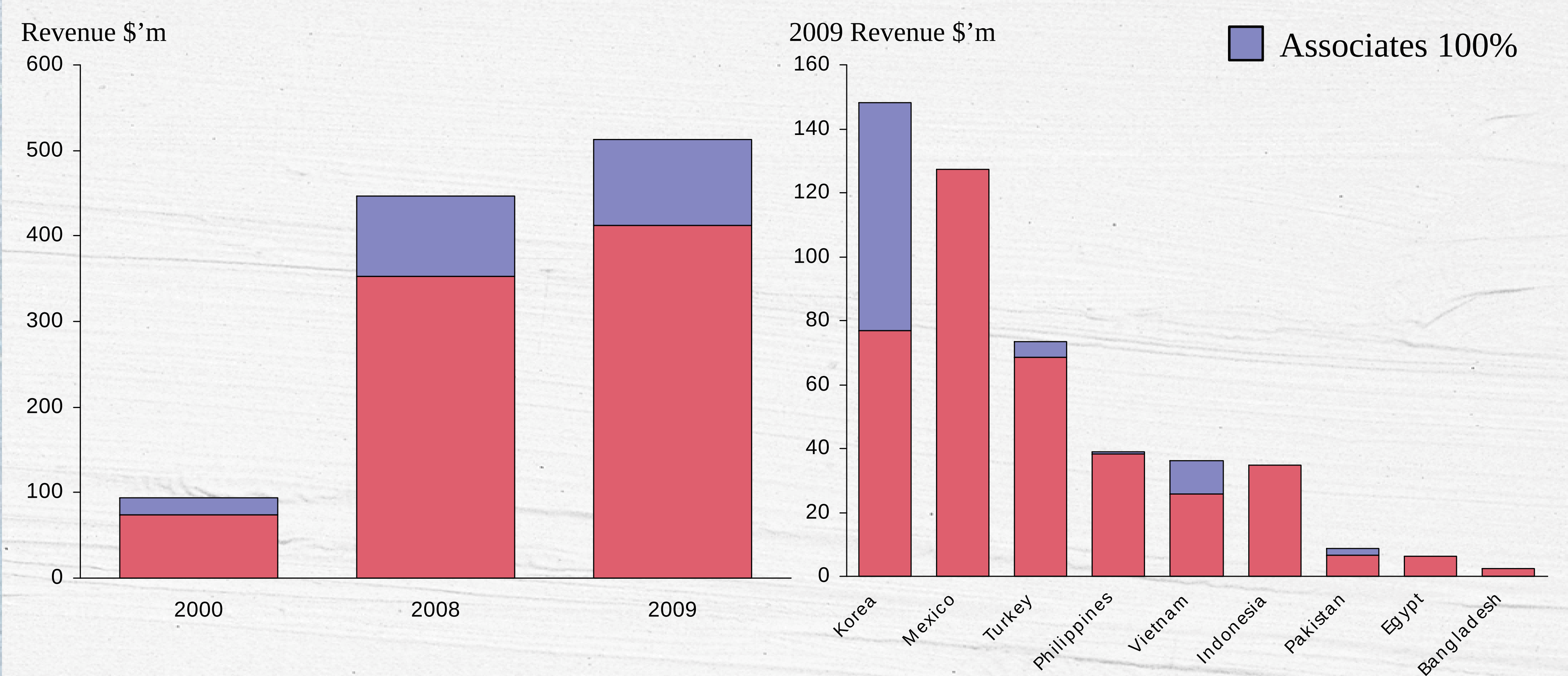
Key Priorities, Objectives and Strategy

WPP's Performance in Other Faster Growing Markets



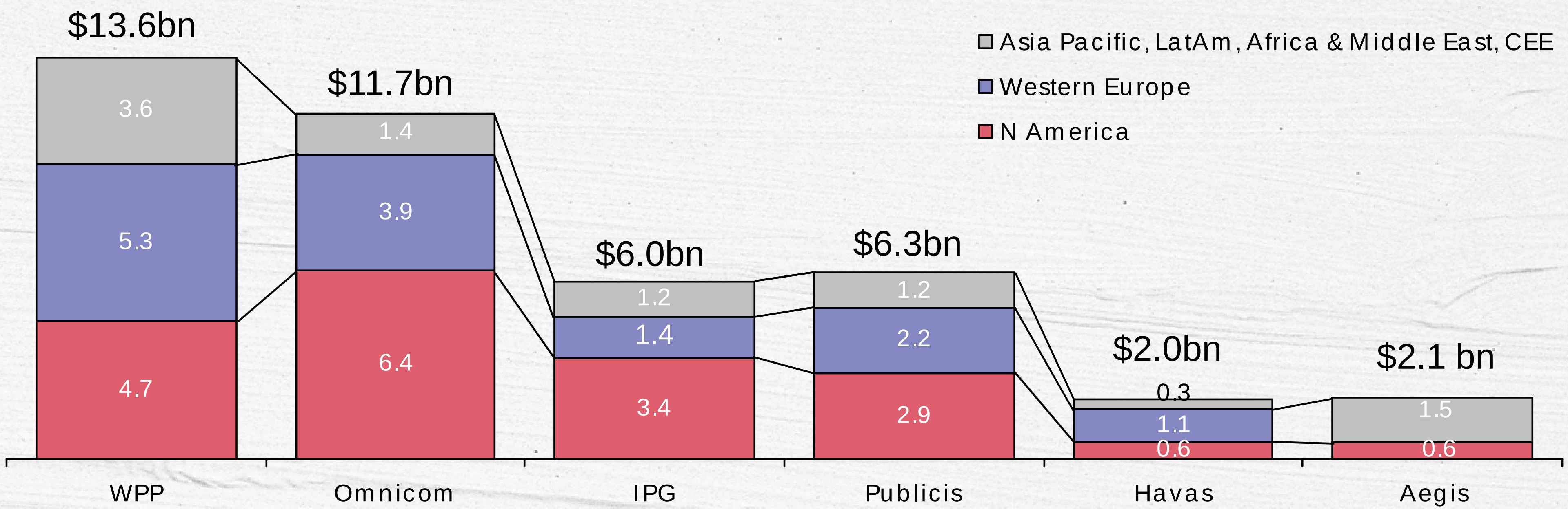
Key Priorities, Objectives and Strategy

WPP's Performance in the Next 11



Key Priorities, Objectives and Strategy

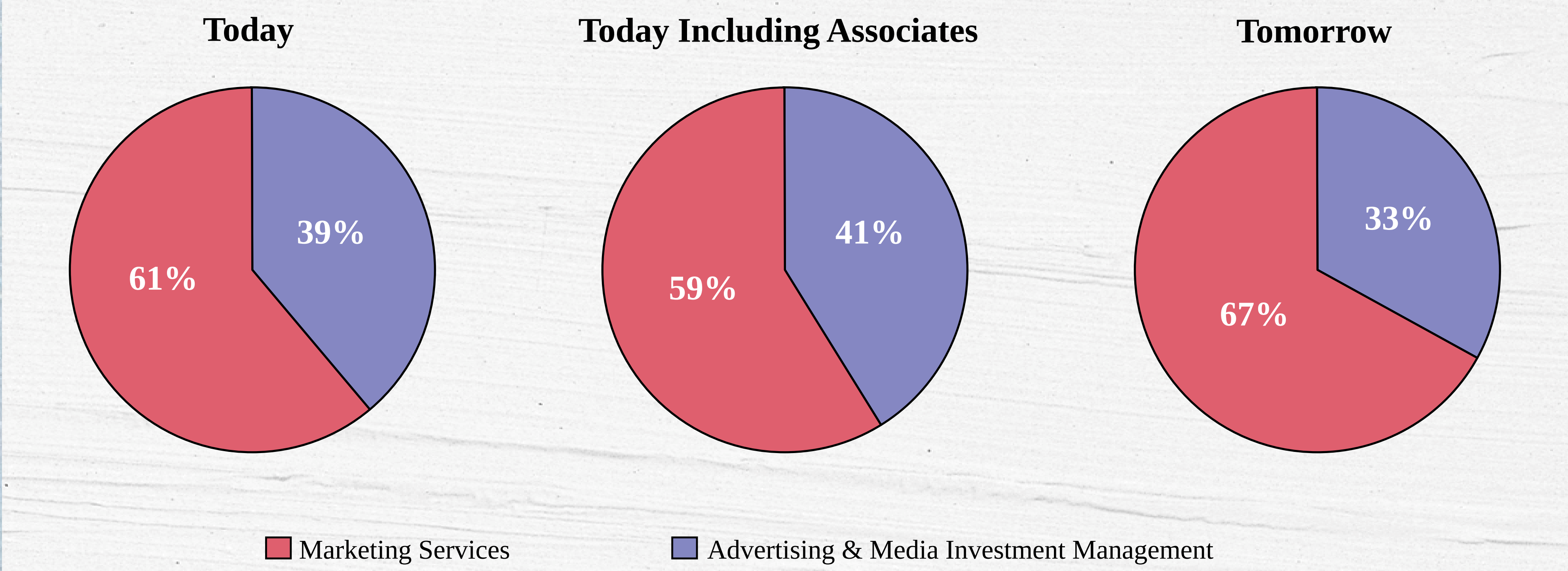
2009 Revenue by geography



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.

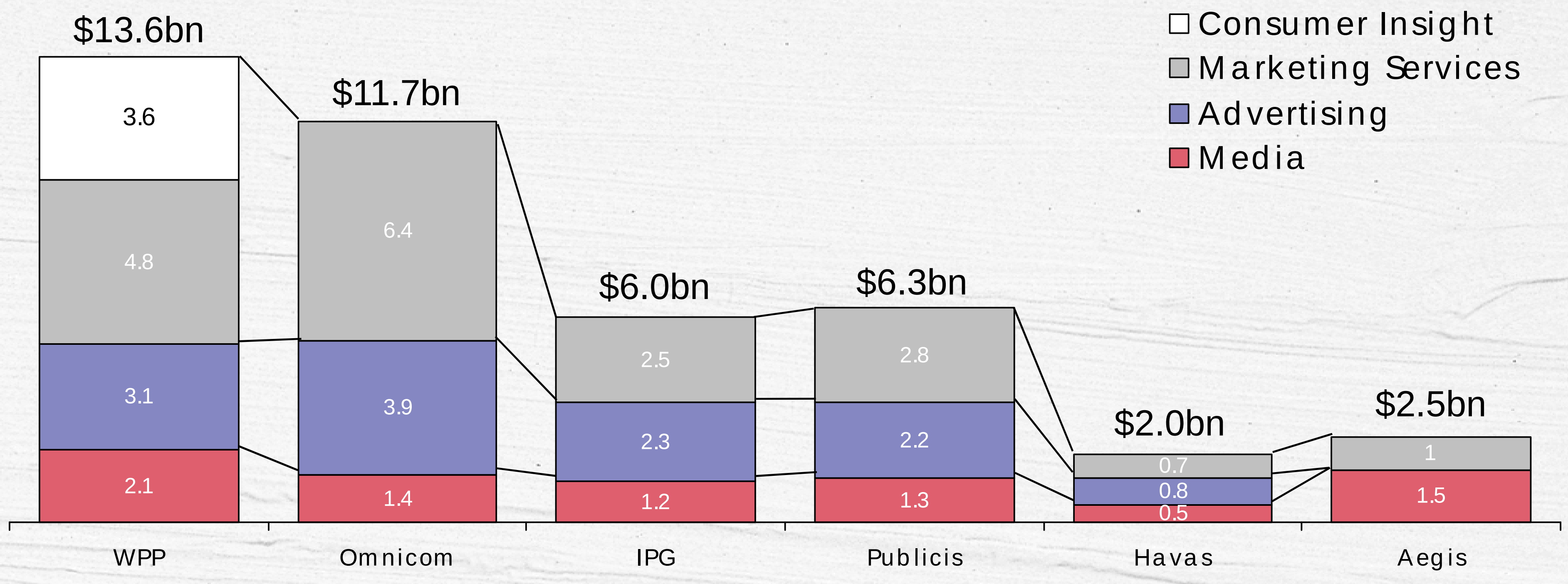
Key Priorities, Objectives and Strategy

Marketing Services to be Two Thirds of Total Group



Key Priorities, Objectives and Strategy

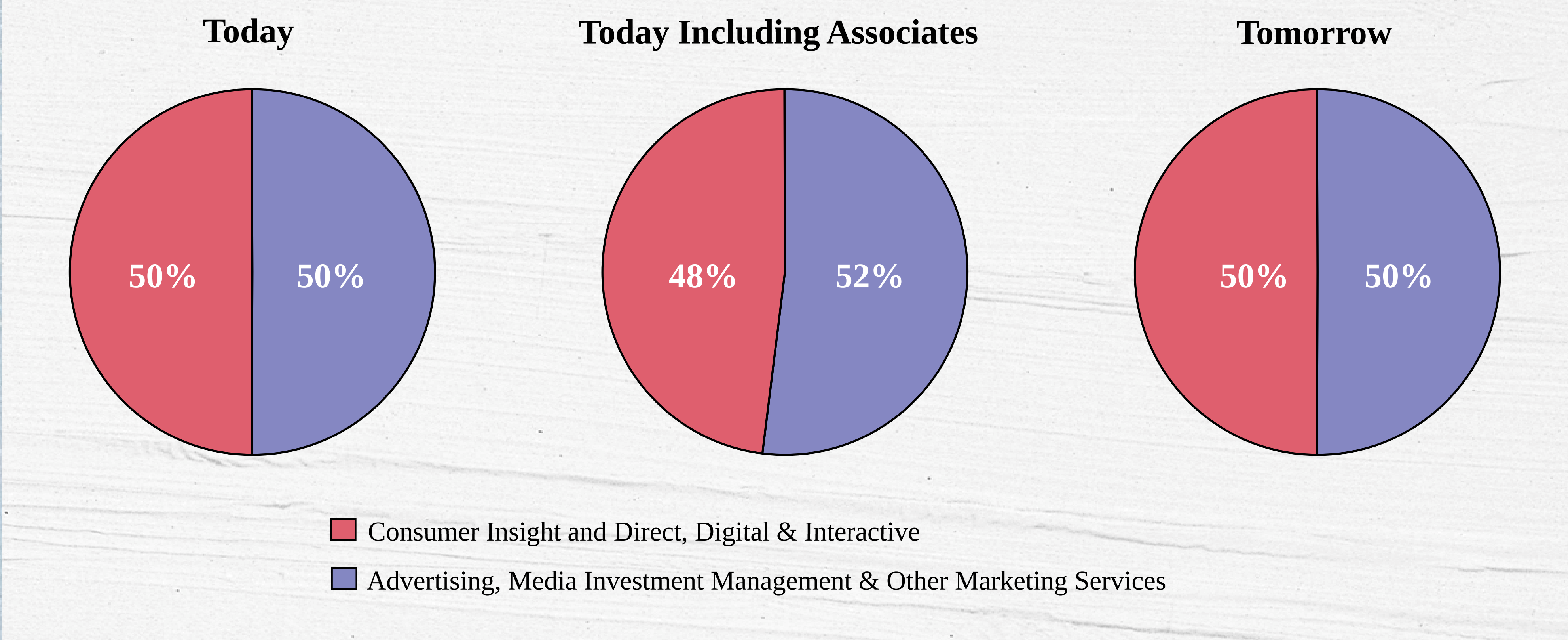
2009 Revenue by Discipline



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.
4 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



Key Priorities, Objectives and Strategy

Quantitative Disciplines to be One Half of Total Group

- Consumer Insight to represent almost $4 billion including TNS
- Creates second largest Information, Insight & Consultancy group globally
- Creates fifth largest business information group globally

Rank	Consumer Insight Groups	Revenue 2009 ($m)
1	Nielsen	4,808
2	**Kantar/TNS**	**3,627**
3	IMS	2,190
4	GfK	1,504
5	Ipsos	1,219
6	Synovate	808
7	SymphonyIRI (1)	706
8	Westat (1)	502
9	Arbitron	385

Source: Company filings
(1) 2009 from Honomichl

Rank	Information Services Companies	Revenue (1) 2009 ($m)
1	Thomson Reuters	7,535
2	Bloomberg	6,250
3	Nielsen	4,808*
4	Reed	3,681
5	**Kantar/TNS**	**3,627***
6	McGraw-Hill	2,991
7	Experian	2,608
8	IMS	2,190
9	Moodys	1,797

Source: The Research Ratings Business Information 100, March 2010
(1) Business Info Revenue
*Source: Company filings

Key Priorities, Objectives and Strategy

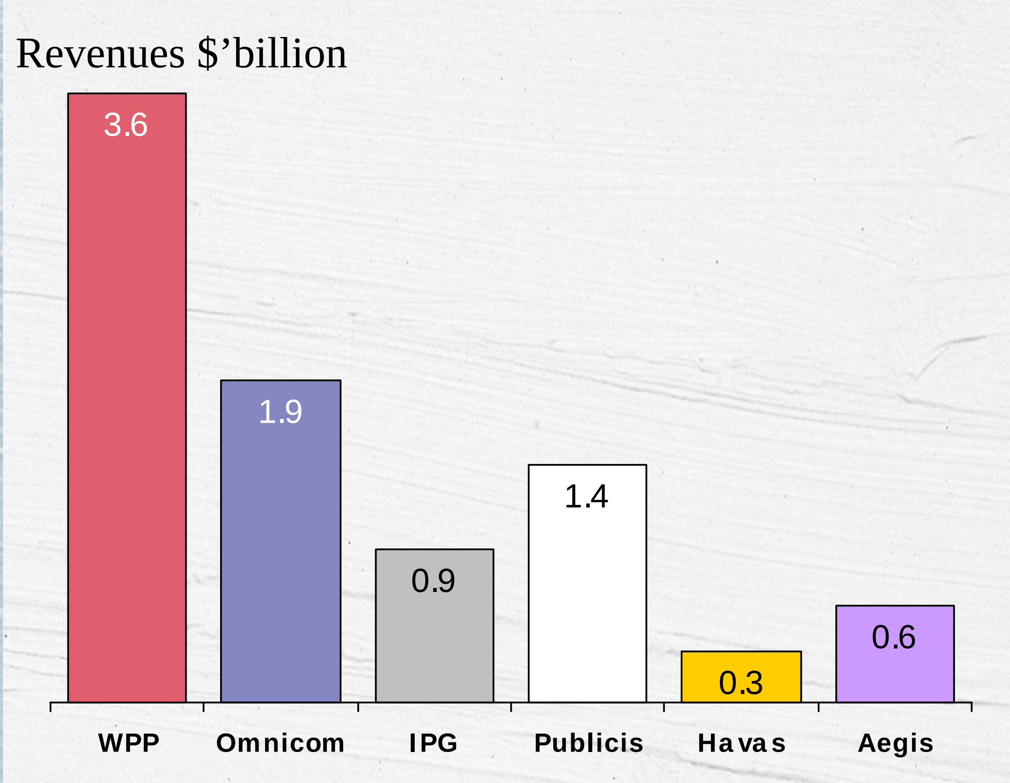
WPP Position in Direct, Digital and Interactive

		$'m
Direct, Digital and Interactive Networks (OgilvyOne, Wunderman, G2 and WPP Digital)		2,112
% of Group revenues		*15%*
Specialist Direct, Digital and Interactive resources:		
- Consumer Insight (Millward Brown, TNS/RI and Lightspeed)		798
- GroupM		349
- Other		385
Total 2009		**3,644**
	% of Group revenues	*27%*
Total 2008		3,743
	% of Group revenues	*26%*

[1] Revenues are converted into US$ at 2009 constant rates. 2008 revenue has been adjusted to include a full year of TNS

Key Priorities, Objectives and Strategy

Digital in **all** our businesses - Global scale and quality



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

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

[2] Publicis adjusted to include Razorfish for a full year.

Key Priorities, Objectives and Strategy

TNS Integration

- TNS has been integrated with Kantar during 2009 with TNS Custom business merged with RI
- Other TNS businesses merged with other Kantar businesses to form Kantar Media, Kantar Worldpanel, Kantar Retail and Kantar Health
- At December 2009 the annualised synergy benefit exceeds £40m; project on track to deliver revised merger benefits target of annualised £60m or more in 2011
  (original commitment £52m)

Strategic Objectives

We continue to focus on our key objectives:

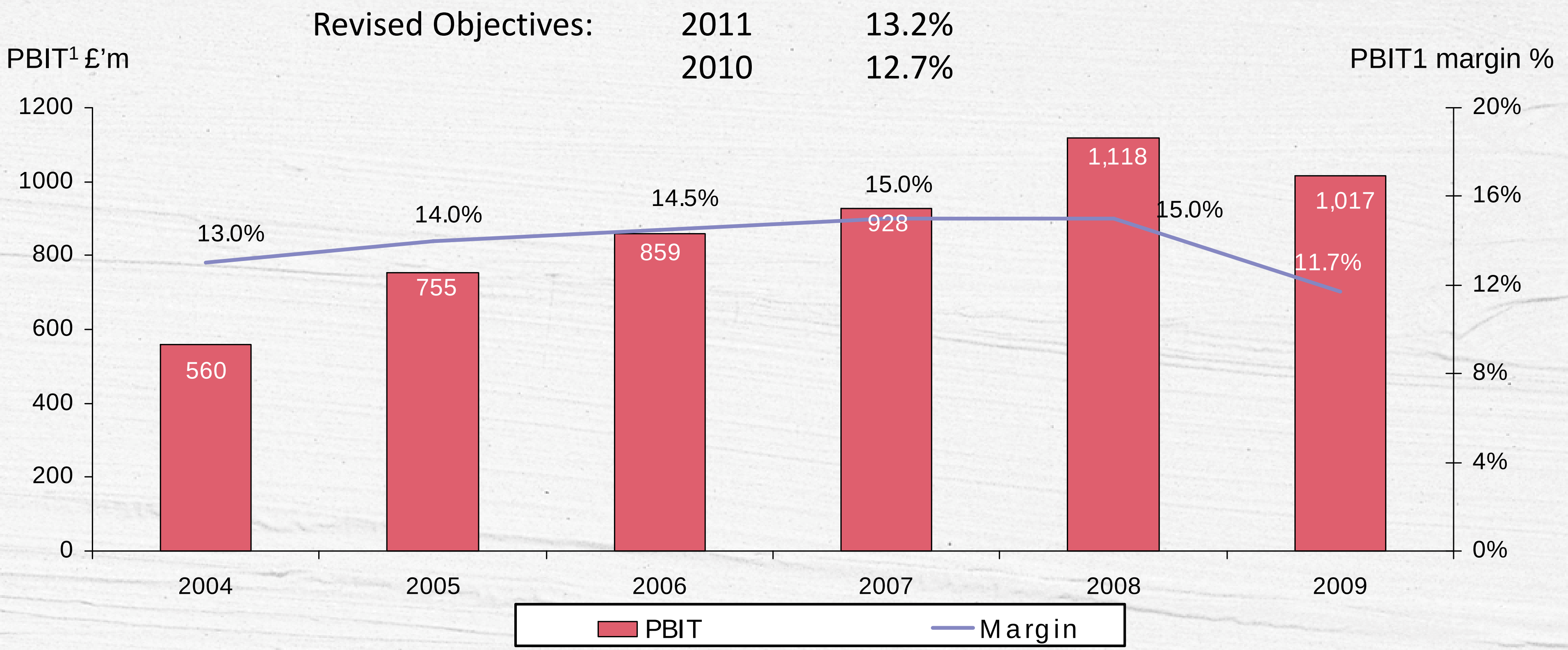
- Improving operating margins
- Increasing flexibility in the cost base
- Using free cash flow to enhance share owner value, and improve return on capital employed
- Developing the role of the parent company
- Emphasising revenue growth more as margins improve
- Improving the creative capabilities and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

Strategic Objectives

Digital Strategy

- $3.6bn in digitally driven revenues – strongest position in interactive agency space
- Proprietary technology combined with industry partnerships improves client campaign effectiveness:
  - $680m in digital spend on WPP platforms
  - Ability to use data across third party and internal platforms
  - Access across partners to a common data warehouse
- A Platform better equips WPP to manage changing industry landscape

Historic Headline PBIT[1] and Margins



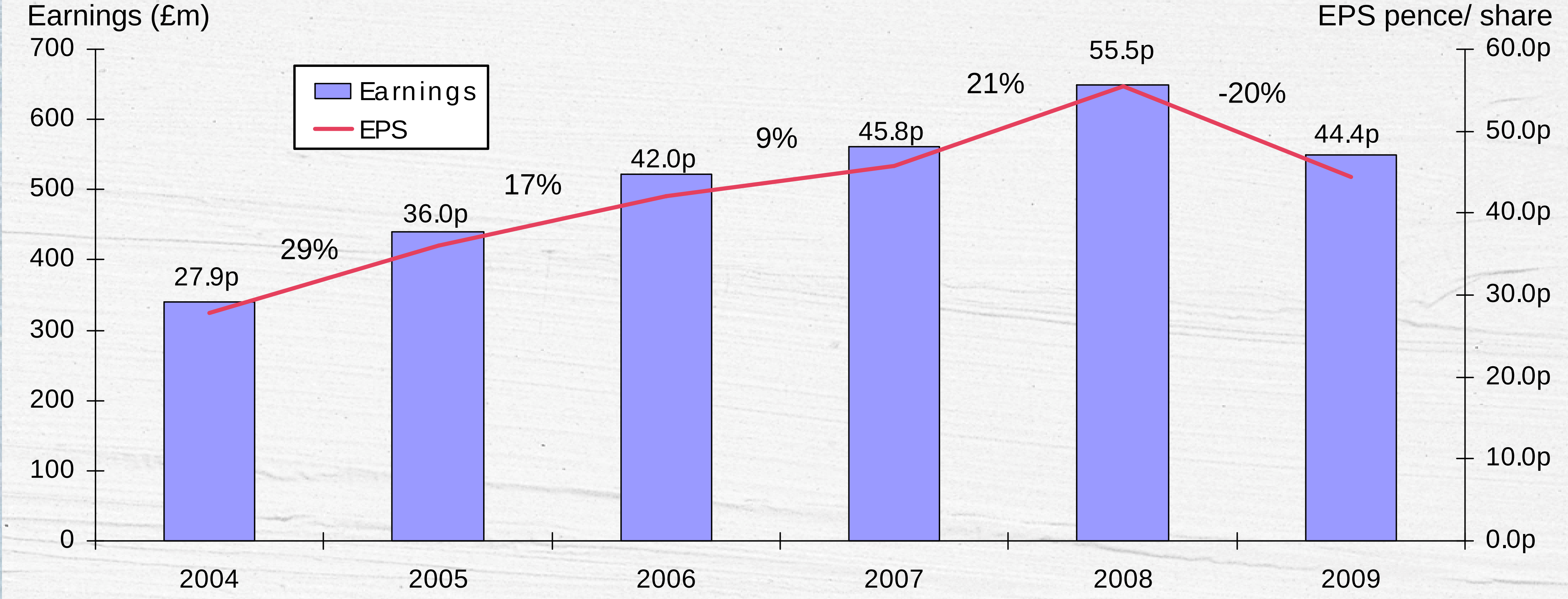
1. Headline PBIT excludes finance income/ costs and revaluation of financial instruments, taxation, goodwill and intangibles charges, investment gains/losses, and share of exceptional gains/losses of associates.

Financial Model

- Revenue growth in line with the market (0%-5%)
- Operating margin up 0.5 margin points each year
- PBIT growth of 5%-10% per annum
- Use of free cash to repay debt and small to mid sized acquisitions up to £100m in 2009 and 2010
- Target EPS growth of 10%-15% per annum

Results for 2009

Earnings and EPS[1]



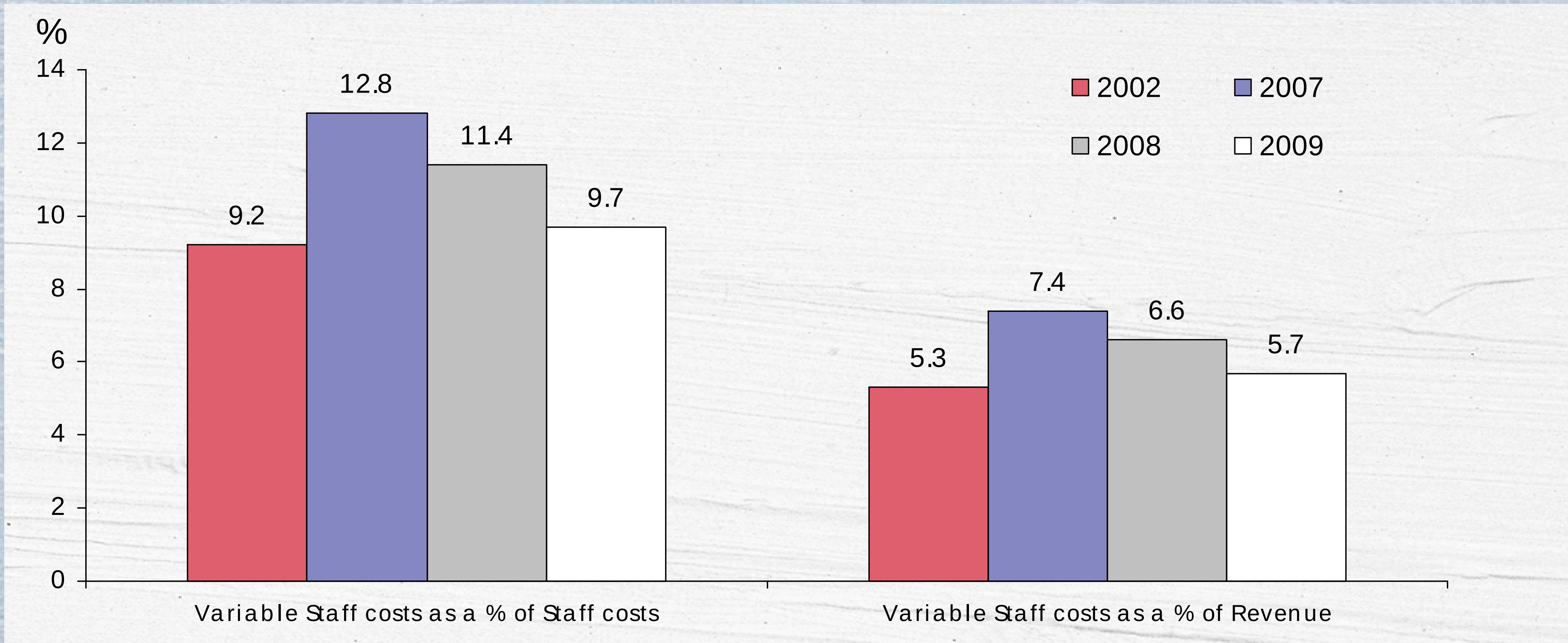
[1] Diluted Headline Earnings and Diluted Headline EPS

Increasing flexibility in the cost base

- We continue to focus on a more flexible cost structure in three key areas:
  - Staff c. 57% of revenue
  - Property c. 8% of revenue
  - Bought in services c. 21% of revenue
- Increased flexibility in all areas are important to combat the economic slowdown

Increasing flexibility in the cost base

Change in variable costs



Using Free Cash Flow to Enhance Share Owner Value - Acquisitions

- Continue to focus on the faster growing geographical areas and marketing services, particularly direct, digital & interactive and consumer insight
- During 2009, 13 small and mid size acquisitions were completed in executing this strategy
- Acquisitions in advertising used to address specific client or local agency needs
- We continue to find opportunities at earnings enhancing multiples, particularly outside the USA

Using Free Cash Flow to Enhance Share Owner Value - Dividends and Share Repurchases

- 2009 second interim dividend unchanged at 10.28p per share
- Distributions to share owners:

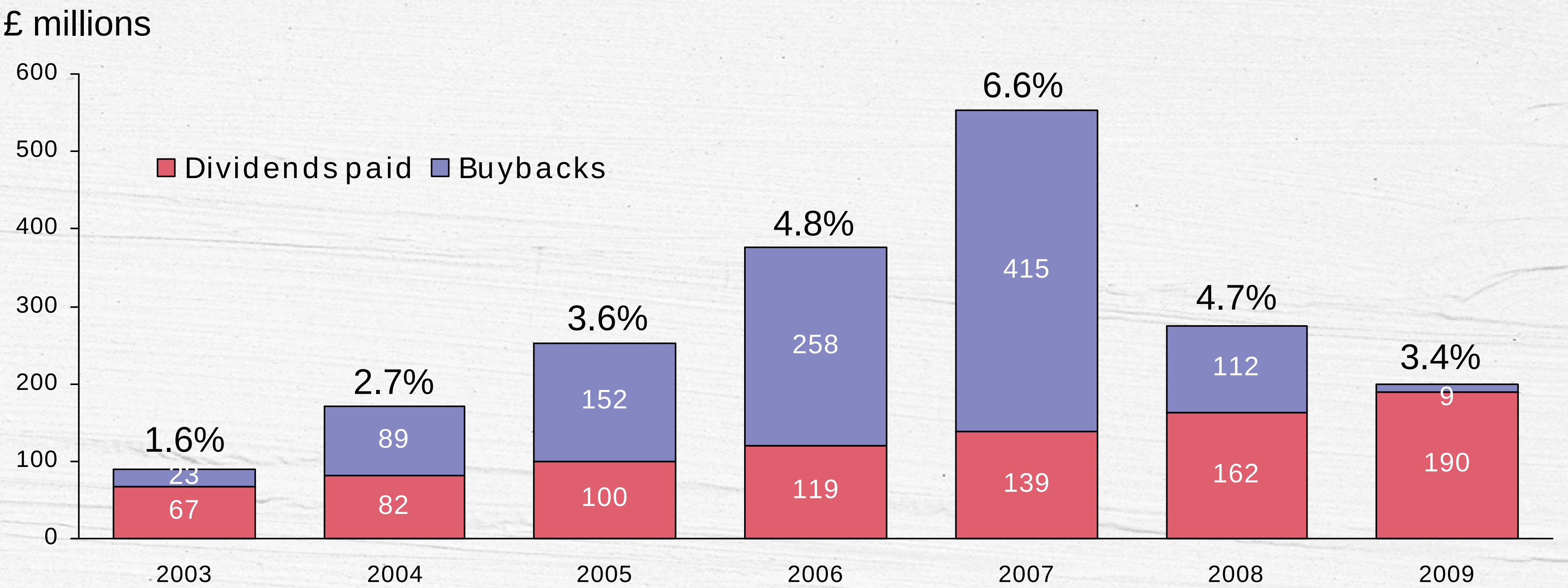
		Share Repurchases	
	Dividends Paid	Amount	% of Share Base
2003	£67.0m	£23.1m	0.5%
2004	£81.7m	£88.7m	1.4%
2005	£100.2m	£152.3m	2.1%
2006	£118.9m	£257.7m	3.1%
2007	£138.9m	£415.4m	4.7%[1]
2008	£161.8m	£112.2m	1.6%
2009	£186.5m	£9.5m	0.2%
2010 to date	£126.6m	28.6m	0.4%

[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 owners[1]



[1] Sum of share buybacks and dividends paid divided by average shares in issue for the relevant period, as a % of the average share price for the relevant period

Summary

- Businesses reacted too slowly to the rapid Q2 revenue deceleration to -10.5% in Q2 from -5.8% in Q1
- In H2 headcount reductions and cuts in discretionary spend exceeded the revenue decline and costs came into line
- H2 2009 margin, including the cost of severance, was flat with H2 2008 margin despite 7.9% like-for-like revenue decline
- Strong net new business in 2009 and so far in 2010

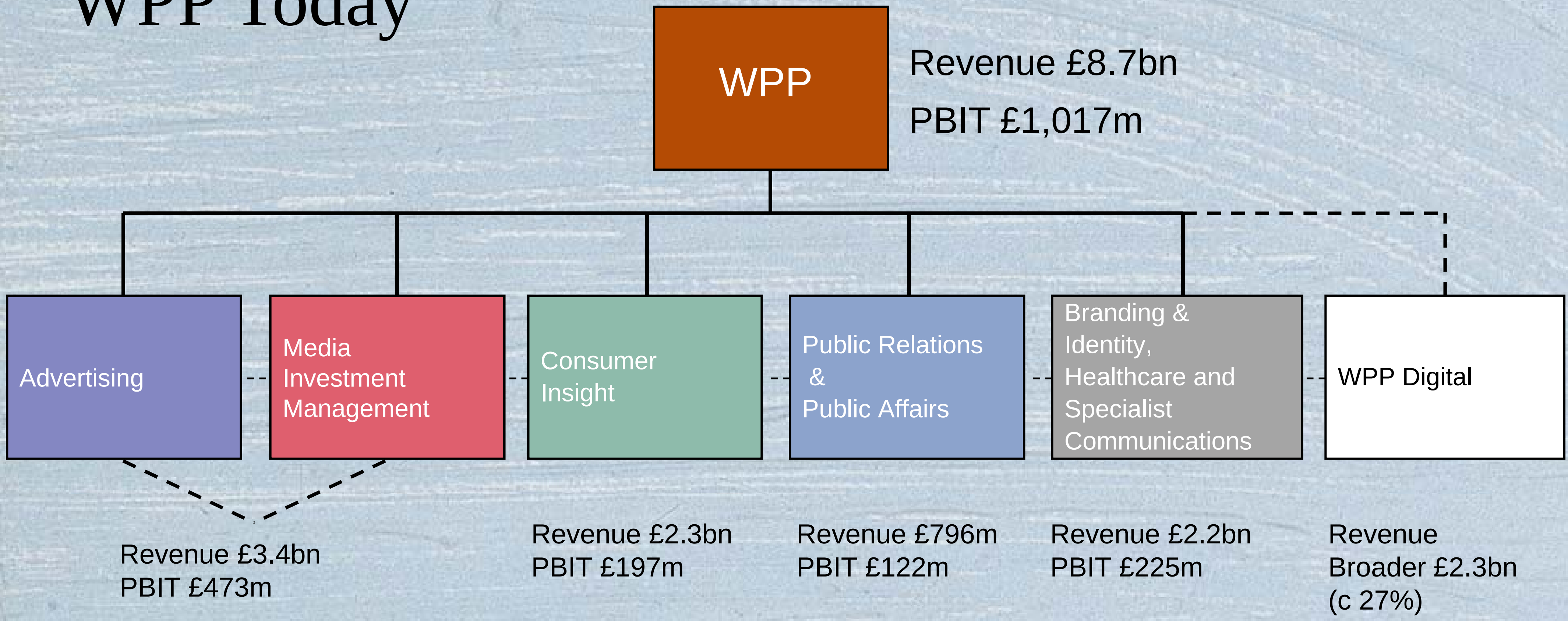
Outlook

- Industry has moved from “staring into the abyss” through “less-worse” in 2009 to stabilisation in first quarter of 2010 and now growth
- Our revised forecasts show conservatively like-for-like revenue growth of 2% with margins targeted to improve by at least 1.0 margin point
- First half should see significant margin improvement, driven by impact of 2009 actions, with second half improvement more difficult as comparatives become harder
- Some concerns on balance of 2010 because of Eurozone difficulties and concerns about USA outlook in 2011

Conclusions

- The Group is best placed competitively by region and discipline to benefit from key industry trends
- Digital structure and tools will enable Group to help clients optimise activity in the digital industry and build unique advantage
- 2009 cost reductions and H1 2010 planned actions leave the Group ready to leverage revenue growth to enhance margins and grow EPS
- As the world wrestles with the impacts of the financial crisis, the Group's strategic focus on new markets, new media, consumer insight and the application of data and technology will prove to be even more effective

WPP Today



Revenue and PBIT figures are 2009 reported sterling actuals.
PBIT is stated before goodwill and intangibles charges, investment gains/losses and share of exceptional gains/losses of associates.

WPP Today

Advertising

- **JWT (Global)**
  Chairman and CEO: Bob Jeffrey
- **Asatsu - DK (Japan) (23.2%)**
  Chairman: Masao Inagaki
  CEO: Koichiro Naganuma
- **Ogilvy & Mather Worldwide (Global)**
  CEO: Miles Young
- **Chime (UK) 20.7%**
  Chairman: Lord Bell
- **Y&R Advertising (Global)**
  Chairman & CEO: Hamish McLennan
  - **DY&R Joint Venture (Asia Pacific) (49-67%)**
    Chairman: Matthew Godfrey
- **Grey (Global)**
  Chairman & CEO: Jim Heekin
- **Red Cell**
  CEO: Laurence Mellman
- **United (Global)**
  CEO: Ewen Cameron

Annual General Meeting 2010