

WPP

2011 Interim Results London



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1 2011 Interim Results



2011 Interim Results

- Billings up 5.2% at £21.4 billion.
- Reported revenue up 6.1%. On a constant currency basis, revenue up 8.1%. Like-for-like revenue up 6.1% and gross margin up 6.8%.
- Headline PBIT up 13.7% to £517.9m from £455.3m.
- Headline operating margin up 0.7 margin points to 11.0% and up 0.8 margin points pre-incentives to 13.9%.
- On gross margin, headline operating margin up 0.7 margin points to 11.9%.
- Diluted headline EPS up 19.4% to 22.8p.
- First interim ordinary dividend up 25% at 7.46p per share.
- Average net debt down £513m to £2.6bn in first half. Average net debt / headline EBITDA in 12 months to June 2011 at 1.8x.

2011 Interim Results

Summary Headline¹ Results at a Glance (1)

Half Year to 30 June	2011 £m	2010 £m	Change %
Revenue	4,713	4,441	6.1
Gross Margin	4,353	4,080	6.7
Staff Costs	2,860	2,684	-6.6
Other Expenses	975	941	-3.6
Operating Profit pre Bonus	657	583	12.7
Operating Profit	518	455	13.7
PBT	417	356	17.1
EBITDA	620	561	10.5

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

2011 Interim Results

Summary Headline¹ Results at a Glance (2)

Half Year to 30 June	2011	2010	Change %
Operating Profit Margin:			
% of Revenue	11.0%	10.3%	+0.7 ²
% of Gross Margin	11.9%	11.2%	+0.7 ²
Diluted EPS	22.8p	19.1p	19.4
Average Net Debt £m	(2,558)	(3,168)	19.3
Average Net Debt / EBITDA ³	1.8x	2.4x	
Number of people:			
Average	107,239	102,651	4.5 ⁴
Closing	110,357	105,371	4.7 ⁴

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

² Margin points.

³ Net debt / EBITDA for 12 months to 30 June.

⁴ Like-for-like.

2011 Interim Results

Unaudited IFRS Income Statement

Half Year to 30 June	2011 £m	2010 £m	Change %	Constant Currency %
Revenue	4,713.0	4,440.9	6.1	8.1
Operating Profit pre-goodwill / intangibles	492.7	432.6	13.9	16.3
Goodwill / intangibles charges, FA gains / losses	(61.5)	(92.4)	33.4	32.8
Operating Profit	431.2	340.2	26.7	30.0
Income from associates	24.5	22.3	9.9	8.8
PBIT	455.7	362.5	25.7	28.7
Net finance costs	(121.4)	(118.6)	-2.4	-3.5
Profit before tax	334.3	243.9	37.1	41.7
Tax	(71.5)	(61.3)	-16.6	-17.4
Profit after tax	262.8	182.6	43.9	50.2
Reported diluted EPS	18.1p	12.0p	50.8	58.4

2011 Interim Results

% Growth vs Prior Year

	Revenue	Headline ³ PBIT	Headline ³ EPS
Like-for-like	6.1	n/a	n/a
Acquisitions ⁴	2.0	n/a	n/a
Constant currency	8.1	15.9	22.8
Foreign exchange	-2.0	-2.2	-3.4
Reportable sterling	6.1	13.7	19.4
Reportable US dollars¹	12.8	23.7	32.1
Reportable euros²	6.0	11.9	16.1

¹ Translated into US\$, using among other currencies, average exchange rates of US\$/£ for H1 2011 of \$1.616, compared to \$1.526 for H1 2010.

² Translated into Euros, using among other currencies, average exchange rates of €/£ for H1 2011 of €1.153, compared to €1.151 for H1 2010.

³ Figures before goodwill and intangibles charges, investment gains/losses, share of exceptional gains/losses of associates and revaluation of financial instruments.

⁴ Acquisitions net of disposals.

2011 Interim Results

Headline¹ Performance Versus Consensus

Half Year to 30 June	2011 £m	2010 £m	+/-
Revenue	4,713	4,694	+19
PBIT	518	508	+10
Net finance costs	(101)	(93)	-8
PBT	417	415	+2
Diluted EPS	22.8p	22.6p	+0.2p
Operating margin	11.0%	10.8%	+0.2 ²

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

² Margin points.

2011 Interim Results

Unaudited Headline¹ IFRS Income Statement

Half Year to 30 June	2011 £m	2010 £m	Change %	Constant Currency %
Revenue	4,713.0	4,440.9	6.1	8.1
Operating profit	492.7	432.6	13.9	16.3
Income from associates	25.2	22.7	11.0	10.0
PBIT	517.9	455.3	13.7	15.9
Net finance costs	(100.9)	(99.1)	-1.8	-3.2
Profit before tax	417.0	356.2	17.1	19.6
Tax at 22.0% (2010 23.9%)	(91.9)	(85.2)	-7.9	-8.3
Profit after tax	325.1	271.0	20.0	23.3
Diluted EPS	22.8p	19.1p	19.4	22.8
Operating margin	11.0%	10.3%	+0.7²	
EBITDA	619.5	560.8	10.5	12.7

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

² Margin points.

2011 Interim Results

Revenue by Discipline

	2011 £m	2010 £m	% Change		
			Reported	Constant Currency	Like-for- like
Advertising, Media Investment Management	1,927.1	1,746.2	10.4	12.1	8.1
Consumer Insight	1,177.3	1,162.5	1.3	2.6	2.3 ¹
Public Relations & Public Affairs	429.4	417.0	3.0	5.8	5.0
Branding & Identity, Healthcare and Specialist Communications	1,179.2	1,115.2	5.7	8.5	7.3 ³
Total	4,713.0	4,440.9	6.1	8.1	6.1²

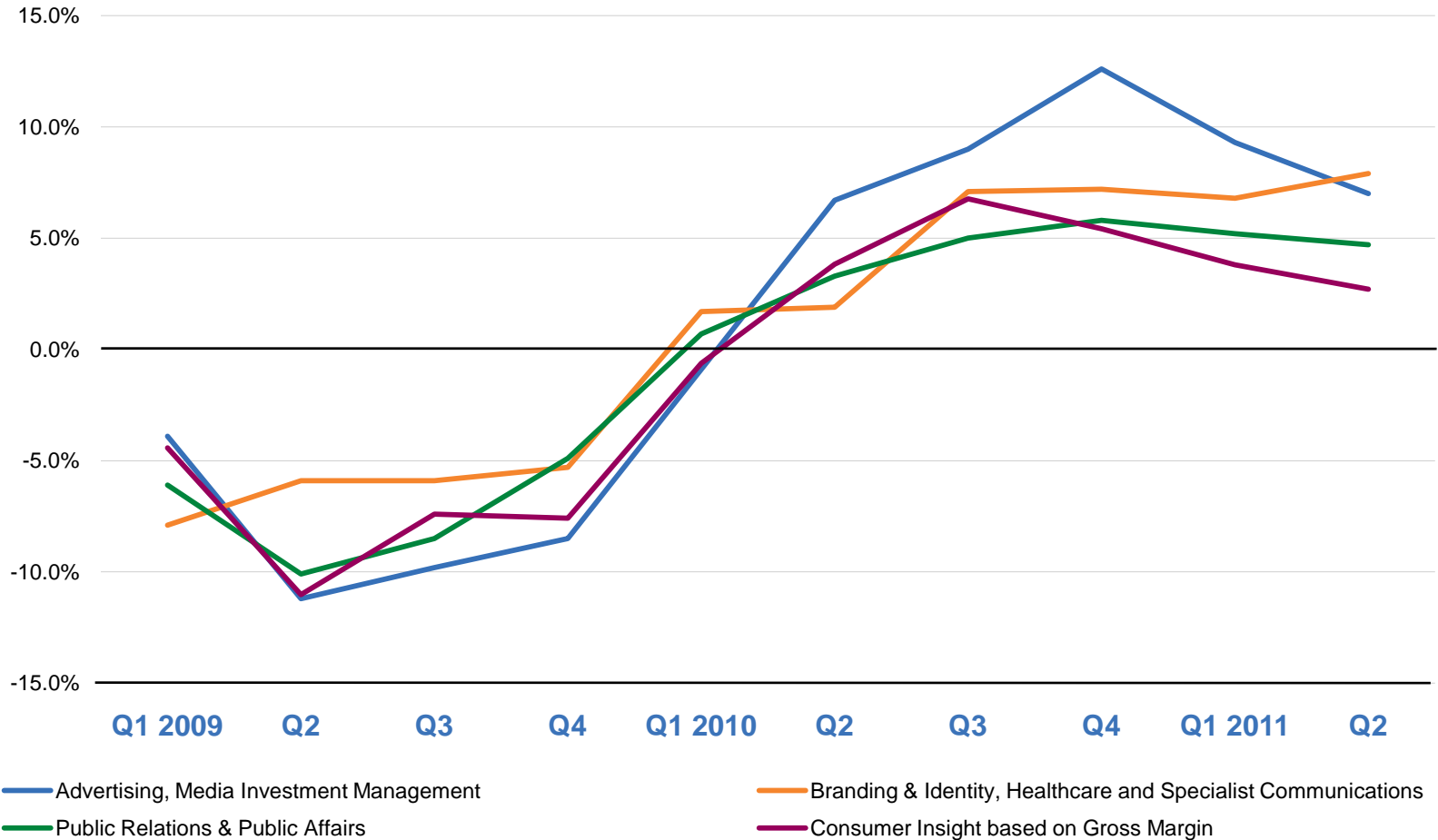
¹ Gross margin like-for-like growth of 3.2%.

² Gross margin like-for-like growth of 6.8%.

³ Direct, digital & interactive like-for-like growth of 8.0%.

2011 Interim Results

Organic Revenue Growth Trends by Discipline 2009-2011 Q2 Quarter by Quarter



2011 Interim Results

Revenue by Region

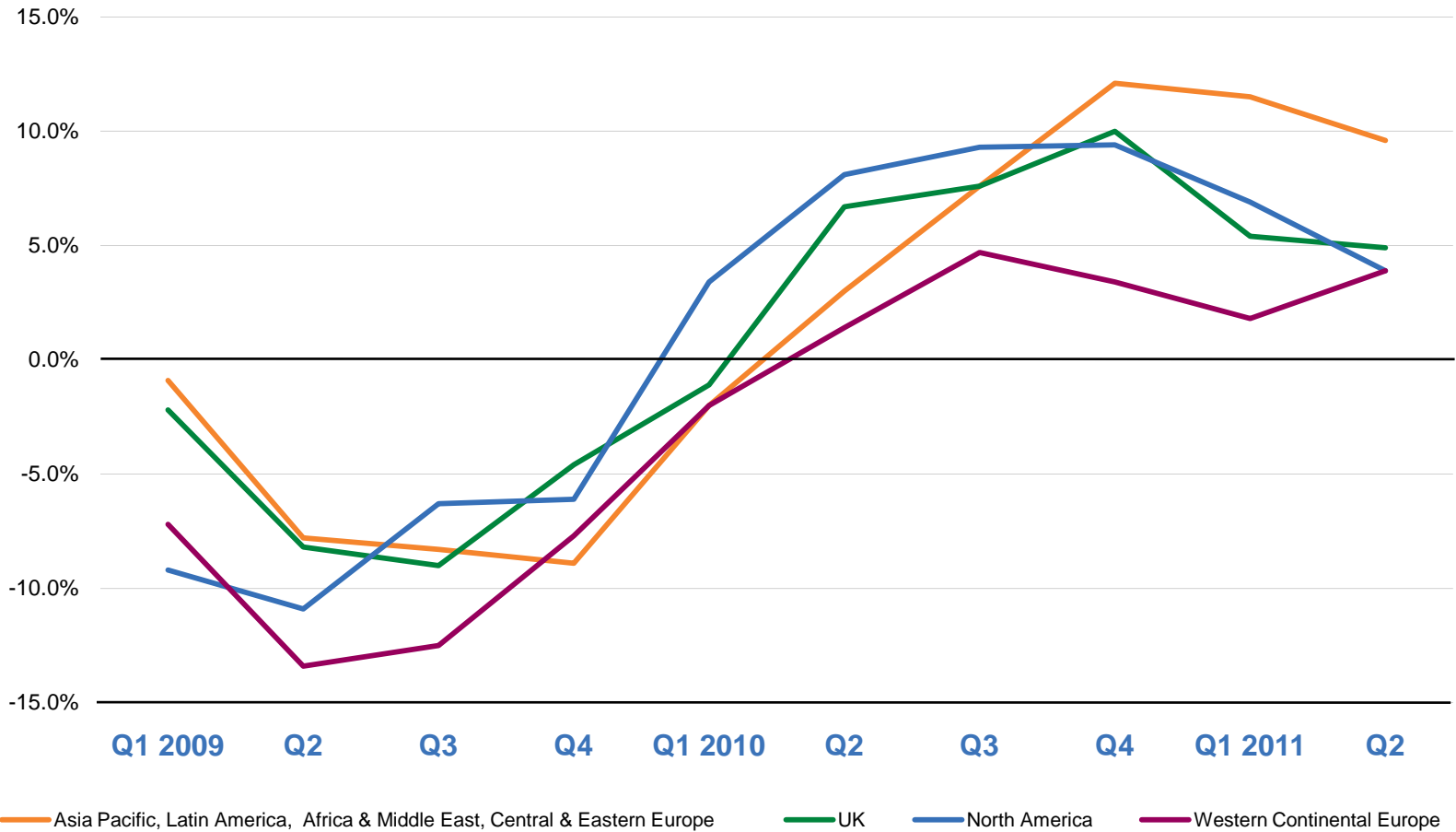
	2011 £m	2010 £m	% Change		
			Reported	Constant Currency	Like-for- like
North America	1,645.4	1,608.4	2.3	8.3	5.4
UK	560.2	523.1	7.1	7.1	5.1
Western Continental Europe	1,174.9	1,120.9	4.8	4.2	2.9
Asia Pacific, Latin America, Africa & Middle East, Central & Eastern Europe	1,332.5	1,188.5	12.1	12.0	10.5
Total	4,713.0	4,440.9	6.1	8.1	6.1¹

¹ Gross margin like-for-like growth of 6.8%.



2011 Interim Results

Organic Revenue Growth Trends by Region 2009-2011 Q2 Quarter by Quarter



2011 Interim Results

Headline PBIT¹ and Margin¹ by Discipline

	Headline PBIT		Headline Margin	
	2011 £m	2010 £m	2011 %	2010 %
Advertising, Media Investment Management	236.1	205.6	12.3	11.8
Consumer Insight	88.7	83.7	7.5 10.3 ²	7.2 9.8 ²
Public Relations & Public Affairs	66.7	61.6	15.5	14.8
Branding & Identity, Healthcare and Specialist Communications	126.4	104.4	10.7	9.4
Total	517.9	455.3	11.0	10.3

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

² Gross margin margins.

2011 Interim Results

Headline PBIT¹ and Margin¹ by Region

	Headline PBIT		Headline Margin	
	2011 £m	2010 £m	2011 %	2010 %
North America	209.2	195.7	12.7	12.2
UK	73.5	57.7	13.1	11.0
Western Continental Europe	94.2	85.1	8.0	7.6
Asia Pacific, Latin America, Africa & Middle East, Central & Eastern Europe	141.0	116.8	10.6	9.8
Total	517.9	455.3	11.0	10.3

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

2011 Interim Results

Revenue Growth by Country

Revenue Growth ¹	Countries
>20%	Argentina
15% to 20%	Brazil, India, Mexico, Russia
10% to 15%	Australia, Greater China, Korea, Mainland China ² , Netherlands, Poland
5% to 10%	Denmark, Italy, Norway, Singapore, South Africa, UK, USA
<5%	Belgium, Canada, France, Germany, Japan, Spain, Sweden

¹ Like-for-like growth

² Includes Hong Kong



2011 Interim Results

Revenue Growth by Category

Revenue Growth ¹	Categories
>20%	Travel & Airline
>15%	Automotive, Drinks
10% to 15%	Financial Services, Oil
5% to 10%	Electronics, Entertainment, Personal Care & Drugs, Retail, Telecommunications
<5%	Computers, Food, Government

¹ Like-for-like growth



2011 Interim Results

Effects of Strength of Sterling

- Currency movements accounted for a 2.0% decrease in revenue, largely reflecting the strength of the £ sterling against the US\$.
- Sterling stronger on average as follows:

	2011	2010	Sterling (stronger)/ weaker
US\$	1.616	1.526	(6%)
€	1.153	1.151	-
¥	132.4	139.3	5%

- Headline PBT¹ of £417m would have been £425m had sterling remained at the same levels as 2010.

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

2011 Interim Results

Trade Estimates of Major New Business Wins

WPP Agency	Incumbent	Account	Office	Billings (\$m)
Ogilvy	PUB	Claro	Brazil	500
Y&R/Taxi	In-house	Revlon	Global	265
Grey/G2	PUB	Ally Financial	USA	200
JWT	PUB	Indesit	Global	156
MediaCom	Ind	DFS	UK	145
Mindshare	IPG	Unilever	Australia	80
Y&R	Ind/IPG	Beeline	Russia	70
MEC	MediaCom	T-Mobile	UK	61
RKCR/Y&R	Ind	Dreams	UK	55
VML	PUB	Kellogg's	USA	51
JWT	HAV	Nestlé	Global	50
Y&R/Taxi	IPG	Kraft	Global	40
MediaCom	OMC	Mars/Wrigley	Canada	40
JWT	None	Central Vigilance Commission	India	25
MediaCom	PUB	Yum! Restaurants	Canada	25
MediaCom	Ind	Findus	Europe	25

Shaded figures are Q2 wins.

2011 Interim Results

Trade Estimates of Major New Business Losses

WPP Agency	Winning Agency	Account	Office	Billings (\$m)
Mindshare/JWT	PUB	Tourism Ireland	Global	156
MediaCom	IPG	Hasbro	USA	150
MEC	OMC	Activision Blizzard	North America	150
MediaCom	Ind	Scottish Government	UK	120
JWT	Ind	Rimmel	Global	109
MediaCom	PUB	Dairy Queen	USA	100
MediaCom	MEC	T-Mobile	UK	61
Y&R	IPG	Sears	USA	60
Y&R	OMC	Office Depot	USA	60
Y&R	OMC	Accenture	Global	50
MEC	Ind	Toshiba	USA	50
Y&R	Ind	Hilton Hotels	USA	50
Y&R	Ind/HAV	Dell	Global	40
Maxus	AGS	Friso	Hong Kong	35
Grey	Ind	Toshiba	Global	31
GroupM	IPG	Yili	China	30

Shaded figures are Q2 losses.

2011 Interim Results

Internal Estimates of Net New Business Wins

(\$m)	Creative	Media	Total
Advertising	504	894	1,398
Other Businesses	524	-	524
Total First Half 2011	1,028	894	1,922



2011 Interim Results

Trade Estimates of Major New Business Wins/ Losses Since 1 July

	WPP Agency	Incumbent	Account	Office	Billings (\$m)
WINS	Maxus	IPG	SC Johnson	Global	1,000
	Maxus/MediaCom	OMC/Ind	Comcast NBCU	Global	865
	Ogilvy	IPG	SC Johnson	Global	500
	MediaCom	Dentsu	Procter & Gamble	Japan	500
	JWT/MediaCom	n/a	US CTP	Global	200
	RKCR/Y&R	PUB	Vodafone	UK	75

	WPP Agency	Winning Agency	Account	Office	Billings (\$m)
LOSSES	Mindshare	PUB	Burger King	USA	300
	Ogilvy	OMC	TD Ameritrade	USA	165



2011 Interim Results

Cash Flow

£m	2011	2010
Operating Profit	431	340
Non-cash compensation	38	35
Depreciation & amortisation charges	102	106
Amortisation of acquired intangibles and impairment	83	97
Net interest paid & similar charges	(107)	(107)
Tax paid	(126)	(96)
Net cash generation	421	375



2011 Interim Results

Uses of Cash Flow

£m	2011	2010
Net cash generation	421	375
Capital expenditure	(107)	(90)
Acquisition payments	(229)	(90)
- Net initial payments ¹	(175)	(15)
- Earnout payments/ loan note redemptions	(54)	(75)
Share repurchases	(98)	(28)
Other	3	(1)
Net cash (outflow) / inflow before dividend	(10)	166
Dividend	-	(127)
Net cash (outflow) / inflow before NWC changes	(10)	39

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

2011 Interim Results

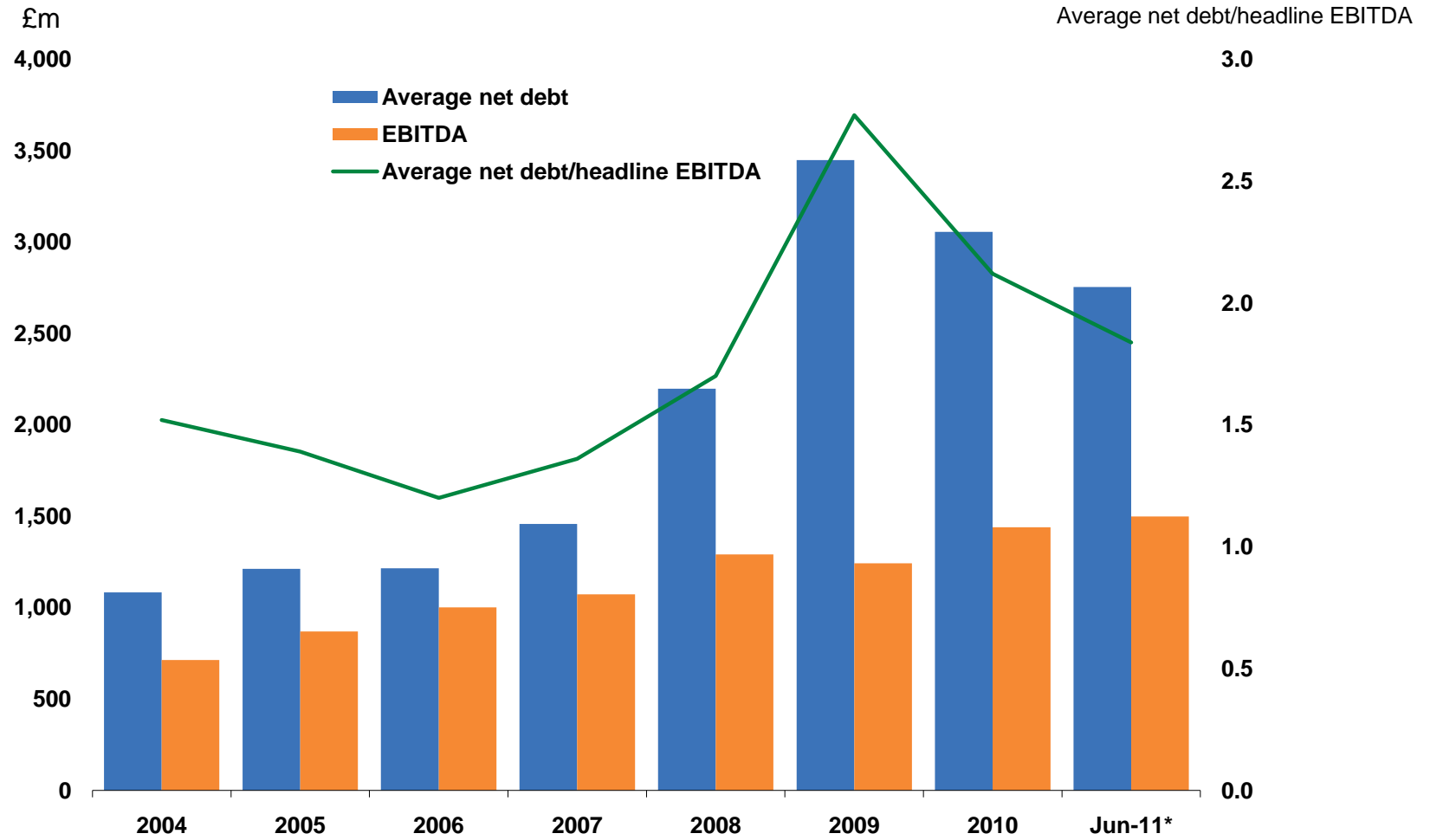
Net Debt – 30 June 2011

£m	2011	2010	% Variance
YTD average net debt on constant currency basis	(2,558)	(3,071)	+17%
YTD average net debt on reportable basis	(2,558)	(3,168)	+19%
Net debt at 30 June	(2,879)	(3,029)	+5%
YTD average net debt up to 5 August 2011 on a constant currency basis	(2,644)	(3,086)	+14%
Headline finance costs	(101)	(99)	-2%
Interest cover on headline PBIT	5.1x	4.6x	
Headline EBITDA	620	561	+11%
Average net debt / headline EBITDA¹	1.8x	2.4x	

¹ Net debt / headline EBITDA for 12 months to 30 June.

2011 Interim Results

Historic Average Net Debt/Headline EBITDA



* Rolling annual average debt

2011 Interim Results

Uses of Free Cash Flow

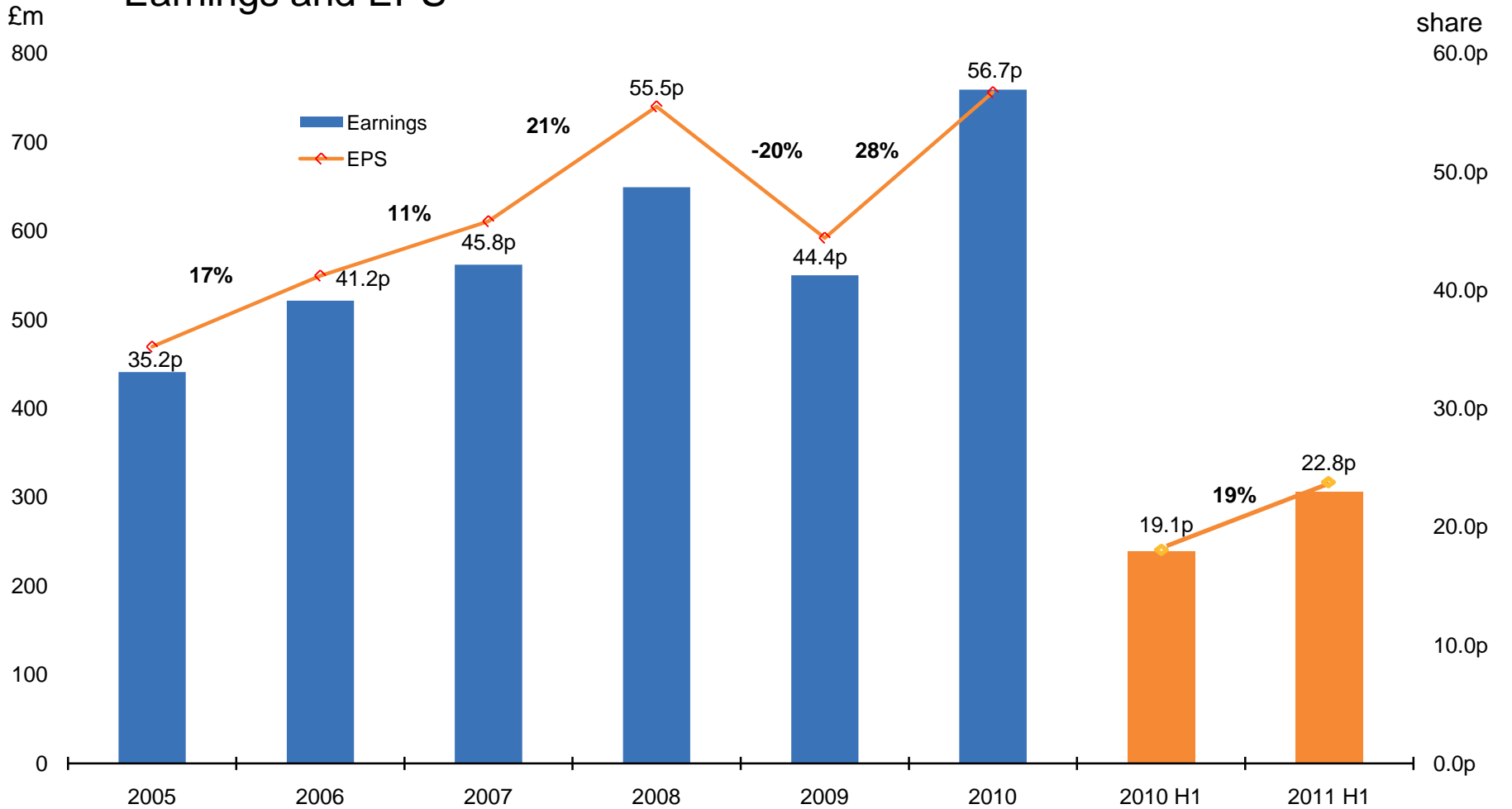
Category	H1 2011	H1 2010	FY 2010
New acquisitions ¹	£175m ²	£15m ²	£97m ²
Share purchases	1.0%	0.4%	0.5%
Dividend increase	25%	15%	15%
Headroom: Undrawn facilities & surplus cash	£1.7bn	£1.9bn	£2.8bn

¹ Includes investments and step-ups in subsidiaries equity.

² Net of disposal proceeds and net of acquired cash.

2011 Interim Results

Earnings and EPS¹



¹ Diluted Headline Earnings and Diluted Headline EPS.



2011 Interim Results

Ordinary Shares - Basic

No. of Shares (million)	June 2011 Actual	June 2010 Actual	
1 January	1,264	1,256	
Share buybacks	(2)	-	
Option exercise	4	2	
30 June	1,266	1,258	-0.6%
Weighted Average	1,266	1,257	
ESOP, Treasury & Other	(22)	(34)	
Average Basic	1,244	1,223	-1.7%

2011 Interim Results

Ordinary Shares – Diluted

	June 2011 Actual	June 2010 Actual	
No. of Shares (million)			
Average Basic	1,244	1,223	
Share Option Dilution	6	7	
Other Potentially Issuable Shares	17	24	
Sub-Total	1,267	1,254	-1.0%
Convertibles: £450m 5.75% bond	77	-	
Fully Diluted Shares	1,344	1,254	-7.2%
Fully Diluted Shares: Full Year Estimate/ Actual	c1.34bn	1,339	

2 Key Priorities, Objectives and Strategy



Key Priorities, Objectives and Strategy

Dissonance in markets

Macro

- Momentum in GDP outside the Western markets
- Fears of Euro contagion
- Concerns on US deficit
- Commodity price impact partly offset by evidence of fmcg pricing power
- Political instability in Middle East & Africa and impact on oil price
- Tragic events in Japan
- Removal of government economic stimuli and stock market turbulence

Micro

- Client comments prior to market turbulence indicate increased spend on “A” more than “P”
- Efficiency and effectiveness still key
- Client consolidation continues
- New markets, new media and consumer insights key
- Clients search for share in global growth pushes them towards “BRICs” and “Next 11”



Key Priorities, Objectives and Strategy

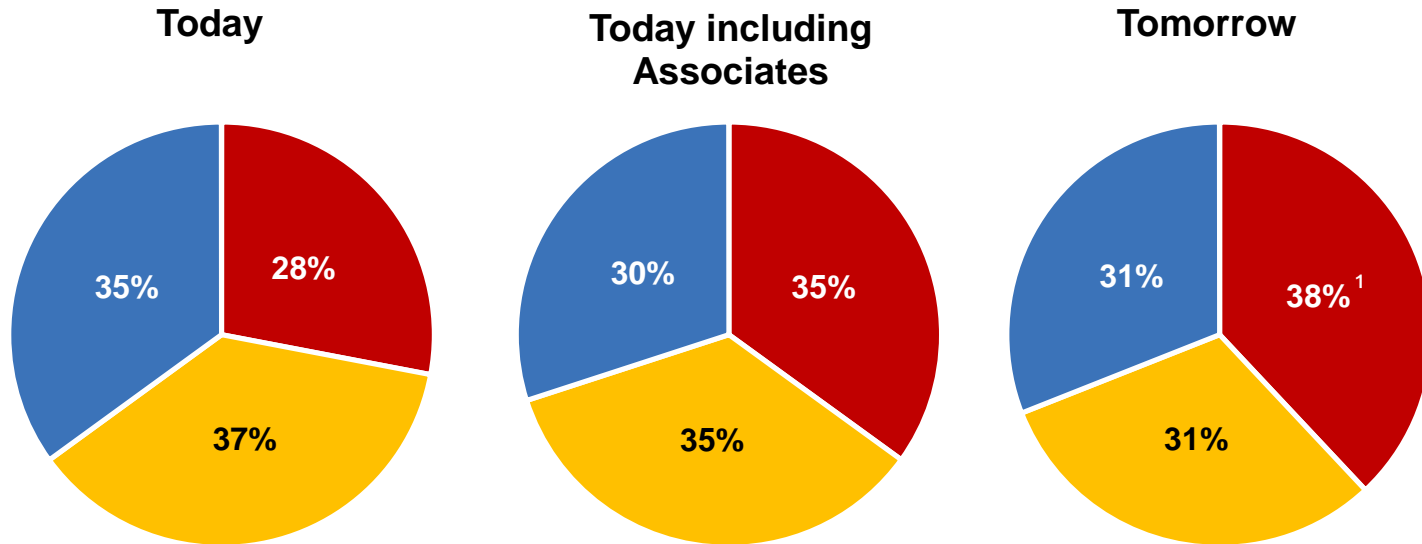
New Markets, New Media and Consumer Insight

- Faster growing markets now to be over one third of total Group (35% - 40%).
- New media now to be over one third of total Group (35% - 40%).
- Marketing Services to be two thirds of total Group.
- Quantitative disciplines including consumer insight to be over one half of total Group, with focus on digital and consumer insight.



Key Priorities, Objectives and Strategy

Faster Growing Markets to be 35% - 40% of Total Group



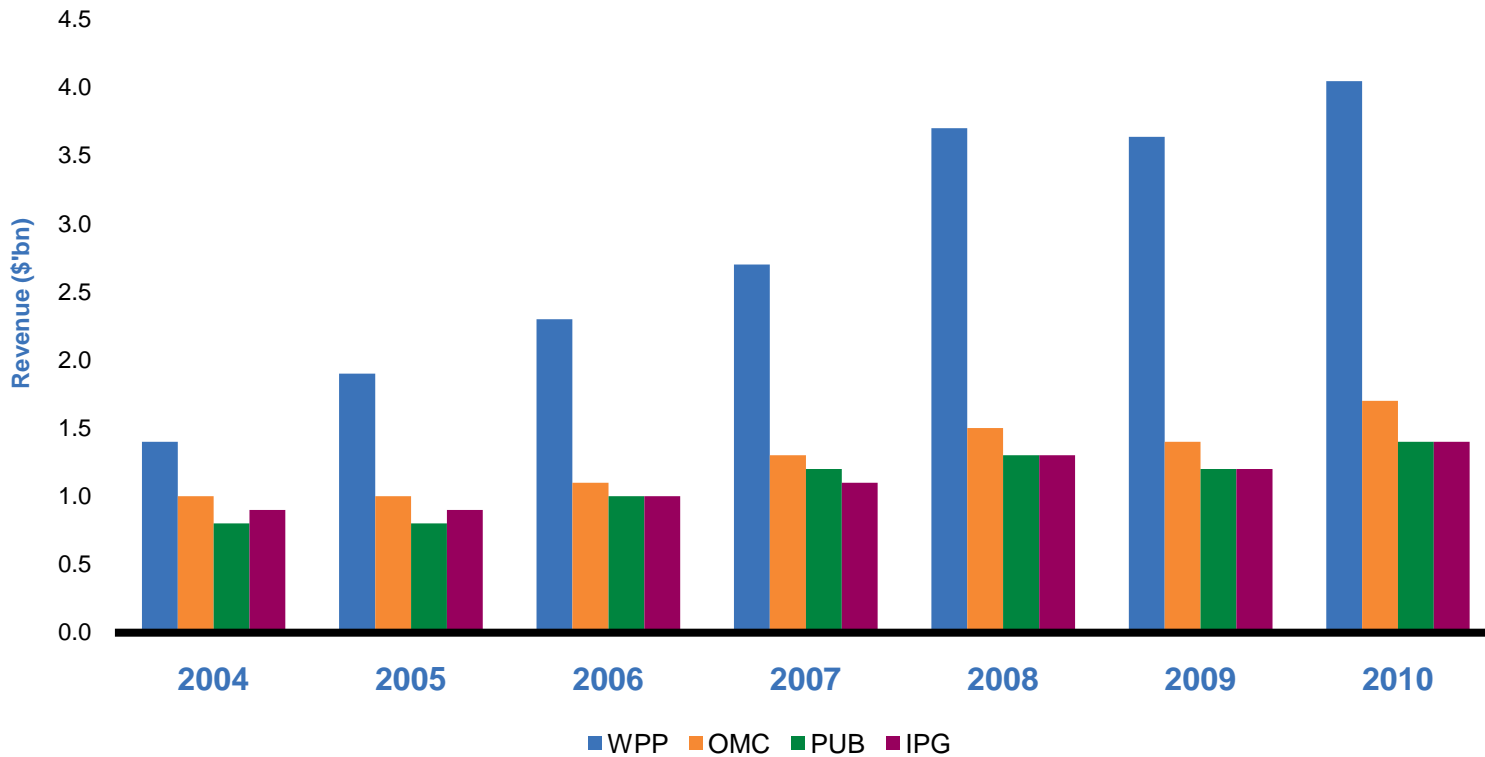
- North America
- UK & Western Continental Europe
- Asia Pacific, Latin America, Africa & Middle East, Central & Eastern Europe¹

¹ Being mid-range of 35% - 40% target for faster growing markets.



Key Priorities, Objectives and Strategy

Revenues in Faster Growing Markets 2004-2010



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, Objectives and Strategy

WPP's Performance Strong in BRIC Markets

Revenue \$'m

1,000

900

800

700

600

500

400

300

200

100

0

10 year CAGR 17%

10 year CAGR 14%

10 year CAGR 15%

10 year CAGR 57%

■ Associates @ 100%

— First half 2010

2000 2010 2011 H1
Greater China (including
Hong Kong & Taiwan)

2000 2010 2011 H1
Brazil

2000 2010 2011 H1
India

2000 2010 2011 H1
Russia

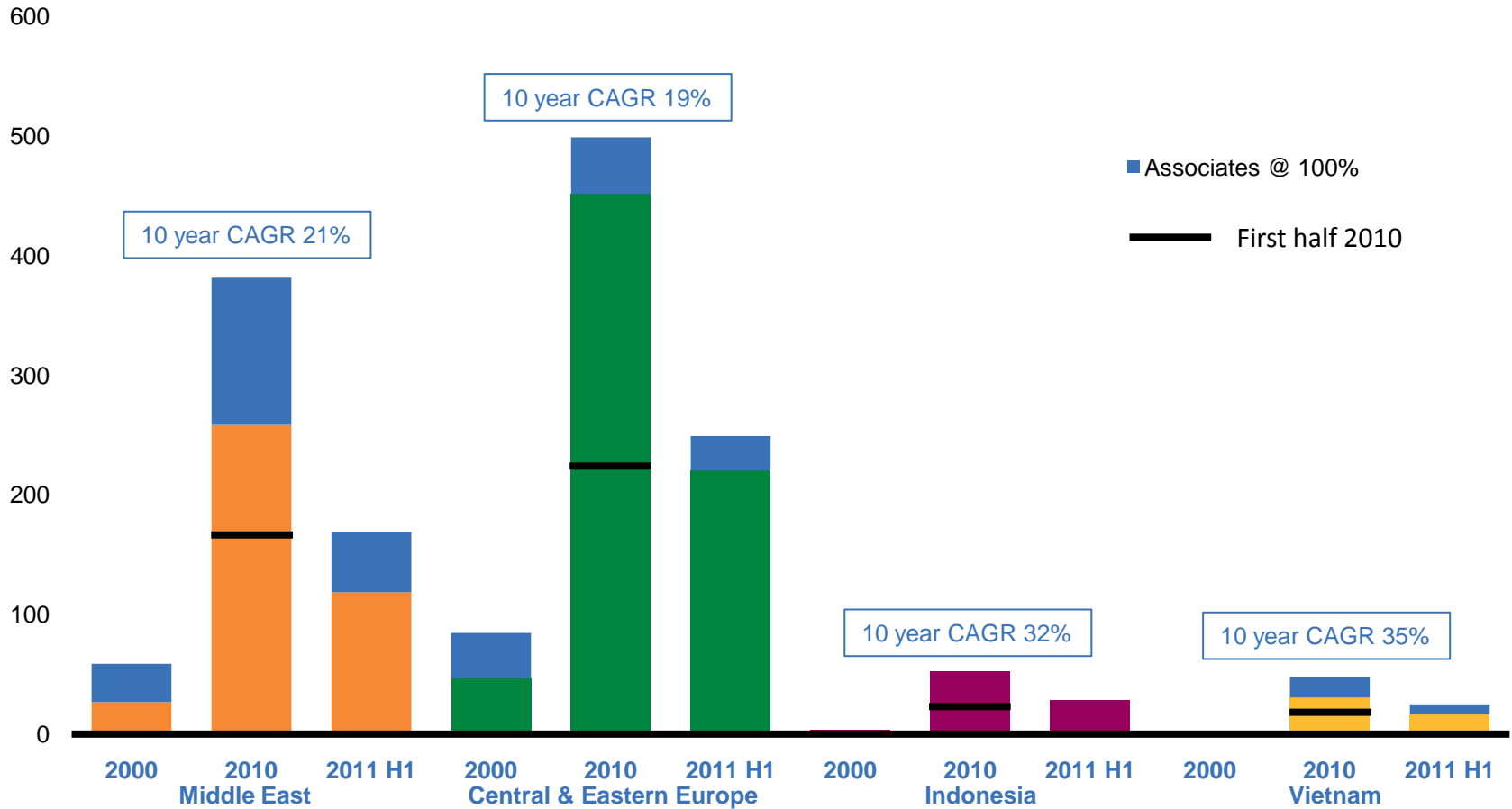


WPP

Key Priorities, Objectives and Strategy

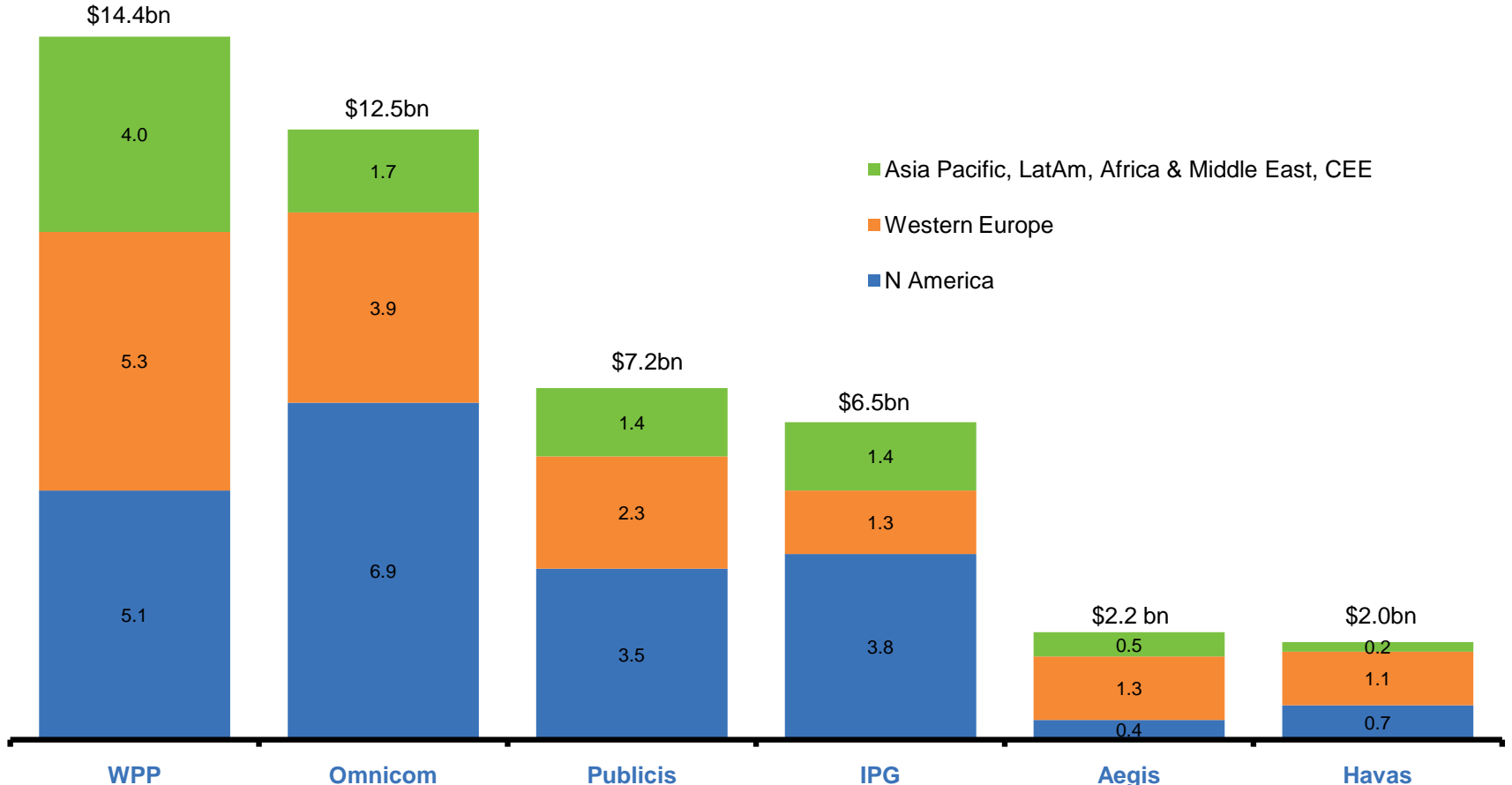
WPP's Performance Strong in Other Faster Growing Markets

Revenue \$'m



Key Priorities, Objectives and Strategy

2010 Revenue by Geography



¹ Source: WPP – reportable US \$'s per WPP preliminary results. Omnicom, IPG, Publicis and Havas - company presentations for 2010 with CEE estimated at 3%.

² FX. Havas and Publicis assumes \$1=€0.75 based on the average for 2010.

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

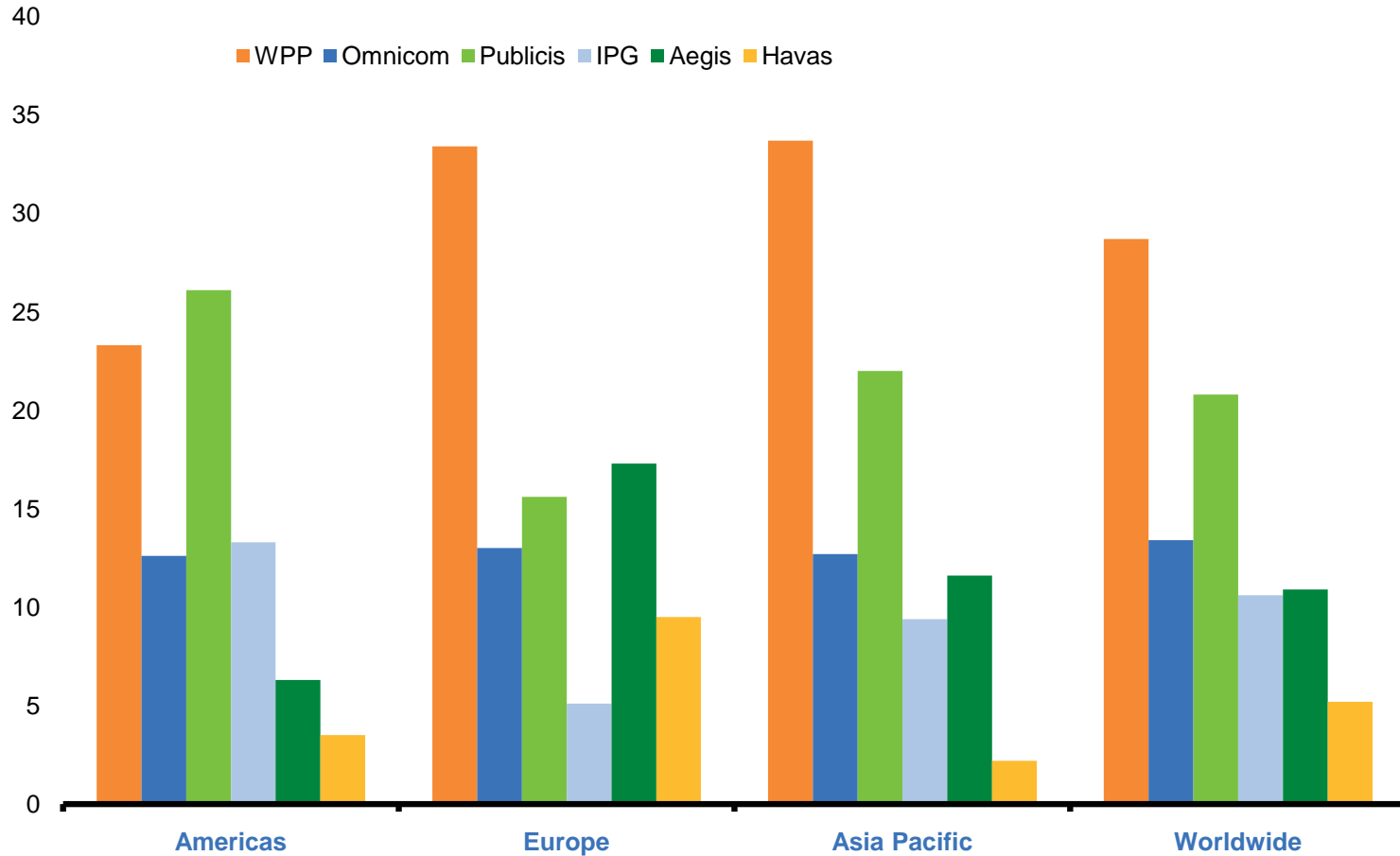
⁴ IPG. Assumes Canada is ca 1.5% of revenue. ⁵Rest of World. Asia Pacific, Latin America, Middle East and Africa. ⁶Aegis. Based on analysts' estimates.



Key Priorities, Objectives and Strategy

Media Billings by Geography

Worldwide Ranking by Group as % of the Six Groups



Source: RECMA July 2011 billings report, based on 2010 data.



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	4.8	32%	1	0.9	12.1
	India	1.9	43%	1	0.4	8.9
	Thailand	0.7	39%	1	0.1	1.5
LatAm	Brazil ⁴	2.2	26%	1	0.6	4.7
	Mexico	0.4	21%	2	0.1	2.6
	Argentina	0.3	23%	2	0.1	1.7
Other	Africa ⁵ / Middle East	1.9	28%	1	0.9	23.8
	Poland	0.5	31%	1	0.1	1.1
	Russia	1.2	24%	1	0.2	1.8

¹ Source RECMA 2010 Buying Billings as issued July 2011.

² Year to 30 June 2011 including associates, people at 30 June 2011.

³ Greater China is China, Hong Kong and Taiwan.

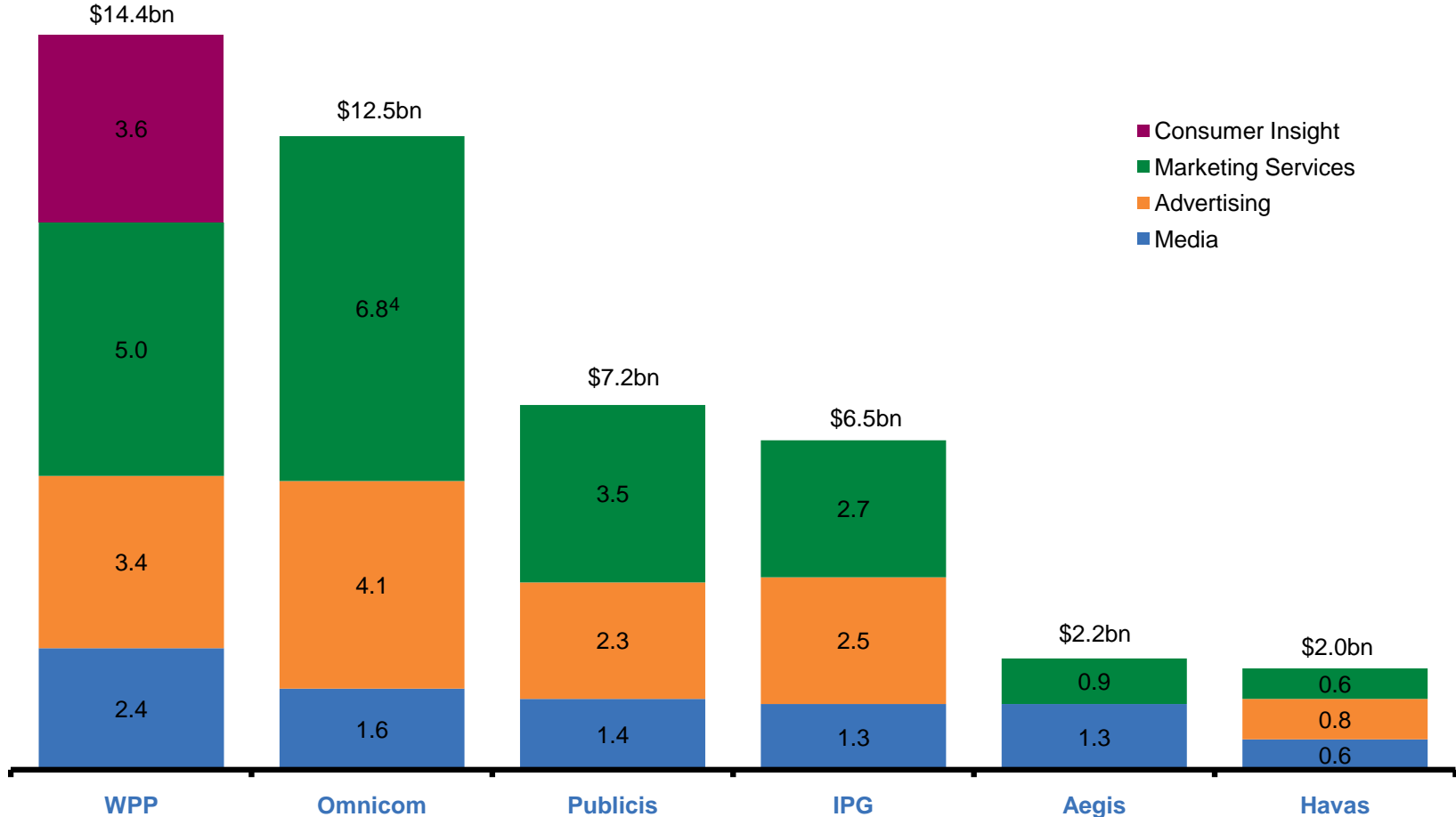
⁴ WPP estimate.

⁵ Africa is South Africa only.



Key Priorities, Objectives and Strategy

2010 Revenue by Discipline



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

² 2010 company disclosures except: Aegis '10 consensus estimate revenue at '09 splits, Havas, and IPG media splits analyst estimates.

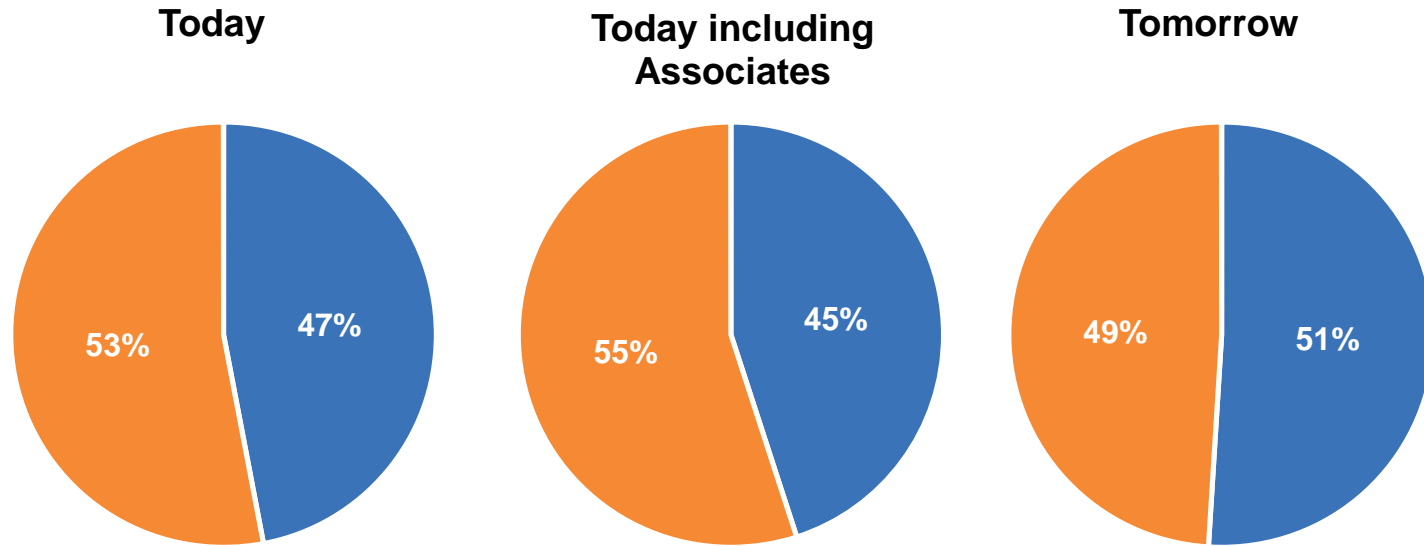
³ FX. Havas and Publicis assumes \$1=€0.75 based on the average for 2010.

⁴ Omnicom's \$6.8bn of Marketing Services revenue includes food broking, barter, SELLBYTEL and consumer insight operations.



Key Priorities, Objectives and Strategy

Quantitative Disciplines to be over One Half of Total Group



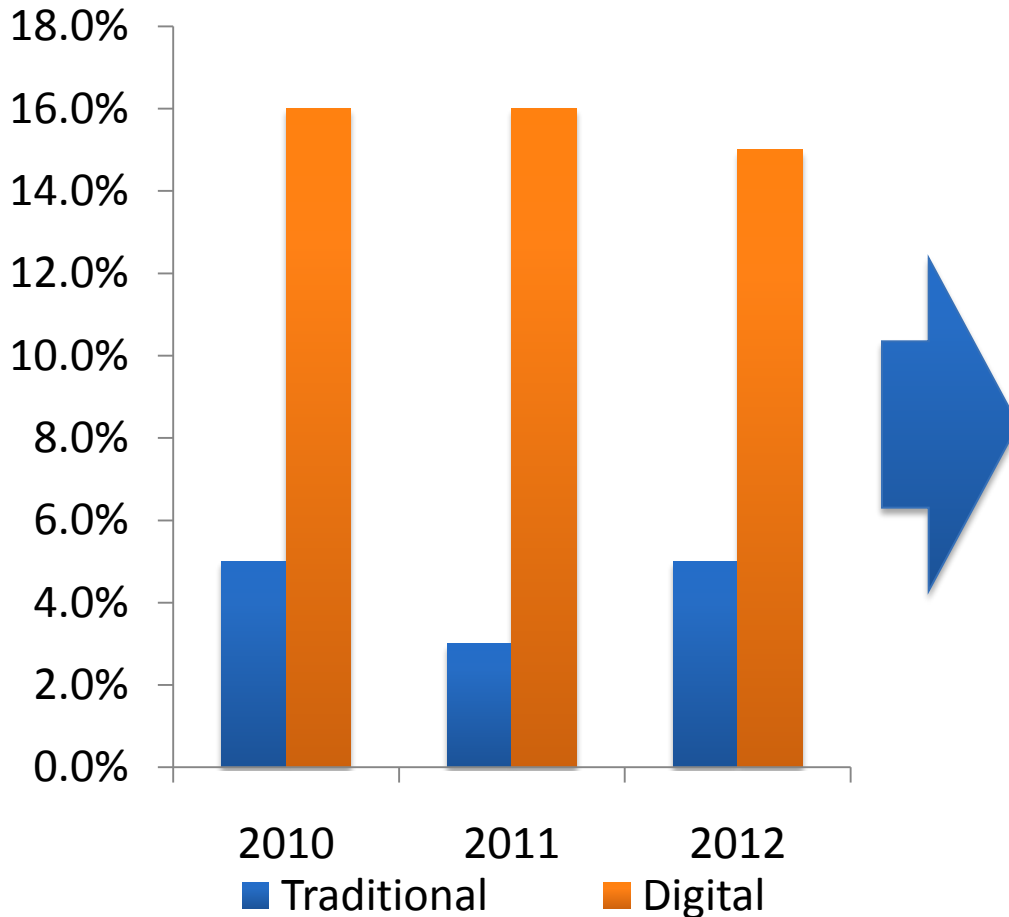
- Consumer Insight and Direct, Digital & Interactive
- Advertising, Media Investment Management & Other Marketing Services



The Digital Opportunity

Today - 17% of ad spend

Growth in Global Ad Spend



Key Areas of Client Focus

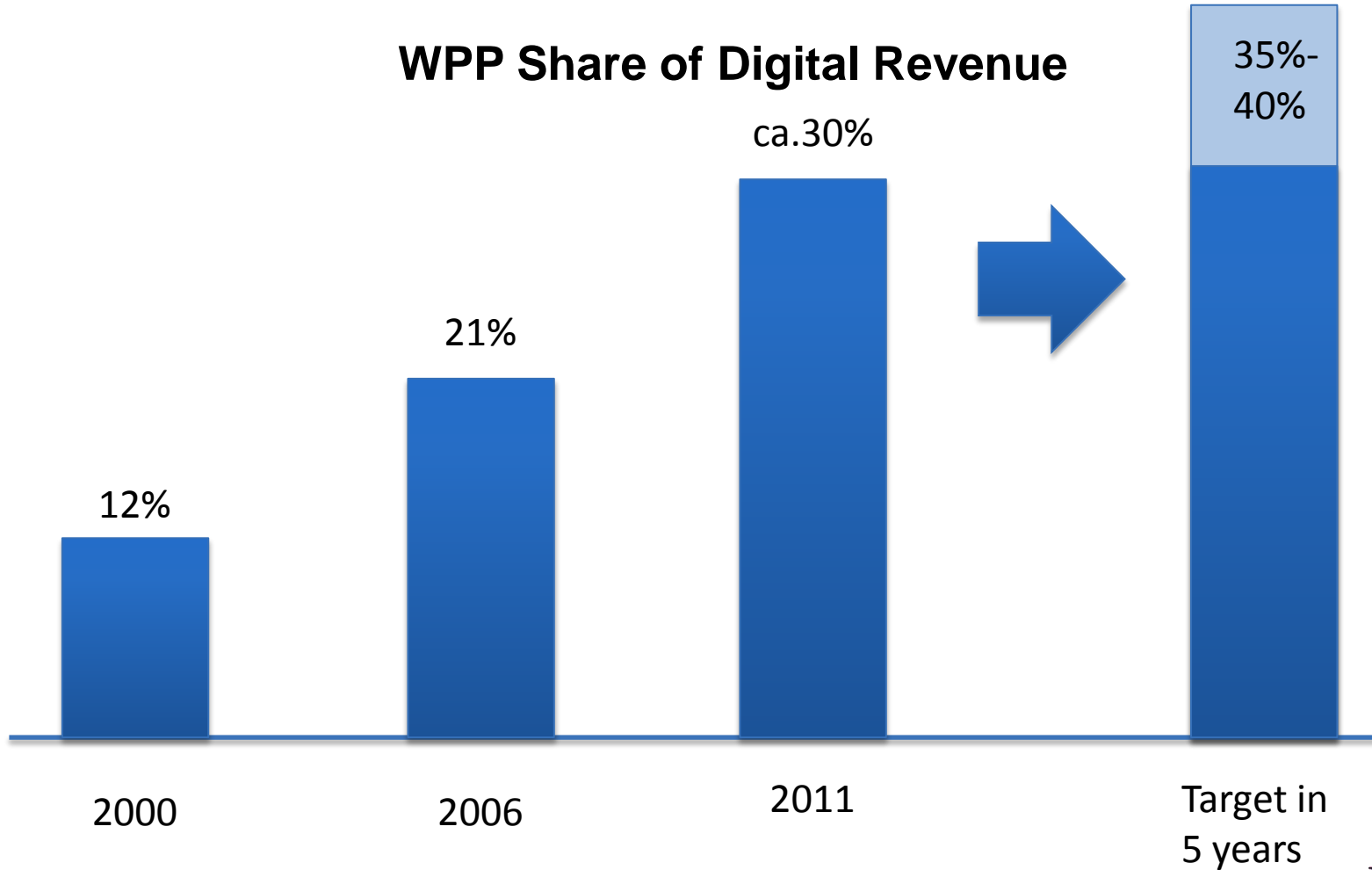
- Search and display media, particularly audience buying
- Mobile for next 4 billion consumers
- Social media – 25% of time on Facebook, Twitter, blogs, etc
- e-commerce for all categories from auto to fmcg



Delivering results

Today - 30% of WPP revenues

WPP Share of Digital Revenue



Over a decade of digital investment

Continuous and long-term development

1996-2005

- wpp.com established (1996)
- OgilvyOne, Wunderman developed global digital businesses and clients
- Acquisitions of VML, Bridge, Studiocom, Good Technology, Outrider
- Investment in Syzygy (1997)

2006-2008

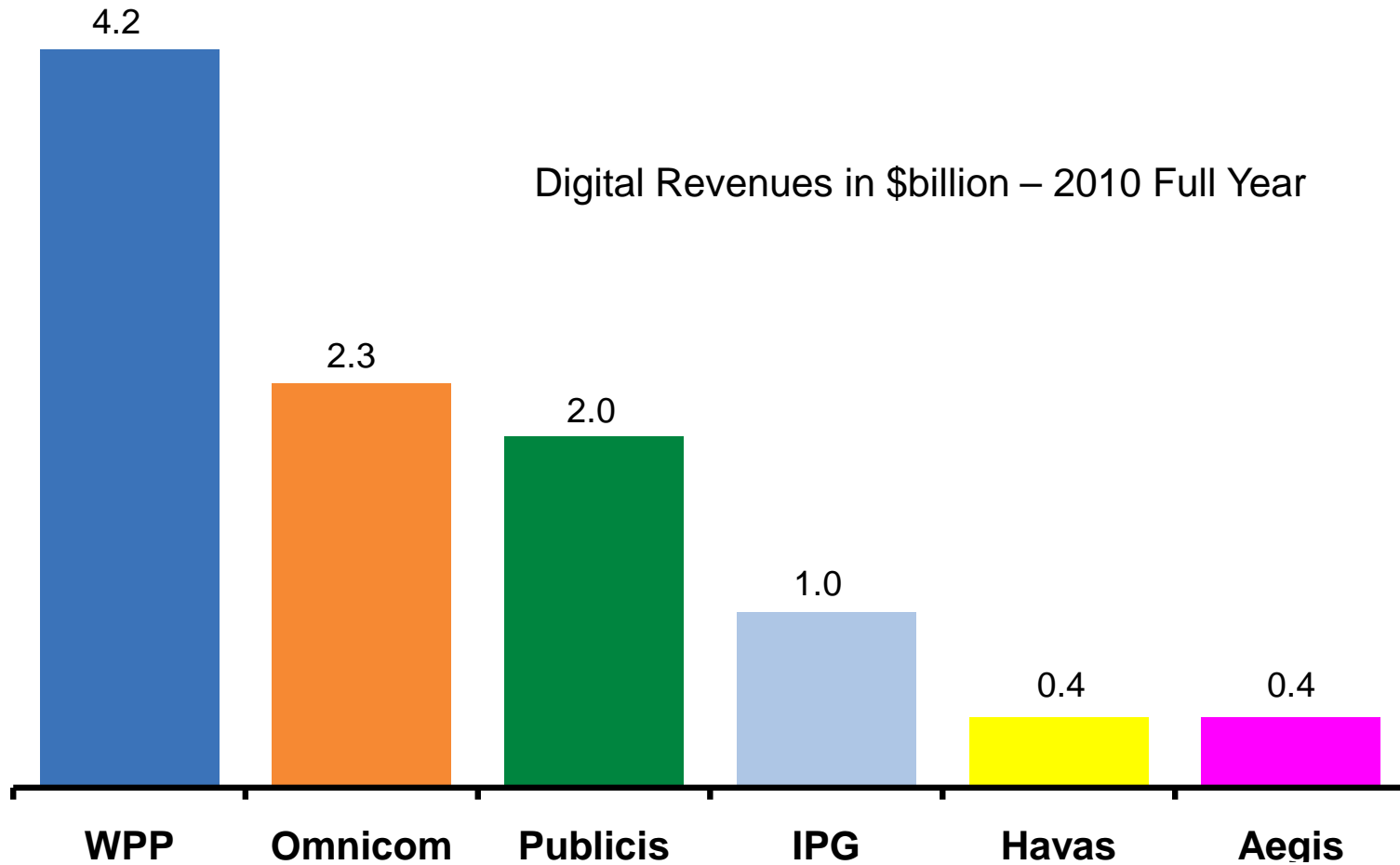
- WPP Digital launched
- 24/7 Real Media acquisition
- Media Innovation Group launched
- Acquisitions of Actis, Aqua, Agenda, Blast Radius, BLUE, Quasar, Schematic, ZAAZ, Compete, Cymfony, Design Kitchen
- Deliver launched
- Partnerships with Google, Yahoo, Microsoft, AOL, Omniture

2009-2011

- Launch of Possible Worldwide, Xaxis and tenthavenue
- Acquisitions of Blue State Digital, F.biz, Rockfish, Gringo, iBehaviour, Lunchbox, Digitaria
- Investments in Buddy Media and Omniture
- Partnerships with Apple, Facebook and Twitter

Strong competitive position

Global scale and quality



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



WPP's Digital Strategy

Digital Everywhere

- Digital in all our businesses
- Expand and develop our Global Digital Networks – G2, GroupM Search, OgilvyOne, Possible Worldwide, Wunderman, VML

New Businesses

- Possible Worldwide – global digital network launched Feb 2011
- Xaxis – the most global audience-buying business for digital media
- tenthavenue – with a focus on out-of-home media

Data and Technology

- \$1bn+ in digital spend on proprietary WPP technology platforms
- Both internal and 3rd party technologies integrated by 24/7 Real Media
- Greater flexibility to use data across clients, media, research, etc
- Allows us to launch new businesses such as Xaxis

Innovation Areas

- Mobile, social and ecommerce

WPP's Global Digital Networks

Annual Revenues	\$'m
	950
	900
	300
  	330
	100
	125



WPP's Global Digital Networks

Dominant position in BRIC markets

Revenue \$25m

Russia ~300 people

actis® **wunderman**

G2 OgilvyOne
worldwide

Revenue \$20m

India ~750

wunderman

POSSIBLE
WORLDWIDE

OgilvyOne
worldwide

G2

Revenue \$80m

China ~1250

wunderman

OgilvyOne
worldwide

AGENDA

G2

SOHO SQUARE

POSSIBLE
WORLDWIDE

Revenue \$54m

Brazil ~1200

wunderman **f.biz**

Casa

i-CHERRY

G2

OgilvyOne
worldwide

POSSIBLE
WORLDWIDE

WPP

WPP's Global Digital Networks

WPP has three “digital leaders”

- 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 digital leaders of which three were WPP agencies (OgilvyInteractive, VML and Wunderman)
- Other network agency leaders were Organic, Razorfish, RGA, and Sapient



Application of data and technology to media

Recognised leader in Audience Buying

A history of firsts – the first....

2007

- Agency acquisition of a major technology firm – 24/7 Real Media
- Technology development firm focused on audience targeting and optimization – The Media Innovation Group

2008

- User-level data management platform (DMP) – The ZAP Platform
- Agency trading desk and 1st agency-owned demand-side targeting and optimization technology – B3 and ZAP

2009

- Audience decision platform in Europe – Targ.ad
- Video exchange and proprietary products based on agency data, owned inventory and proprietary formats

2010

- Agency-owned demand side platform (DSP) technology for real-time auction-based buying of display – ZAP Trader
- Demand Side Platform in Asia Pacific

Application of data and technology to media

Launch of Xaxis - Recognised leader in Audience Buying



- **Product:** The only global audience buying solution; currently in 13 markets
- **Data:** First agency trading desk to offer clients a complete data warehousing solution
- **Technology:** Proprietary technology that protects client data and *objectively* measures all results
- **Team:** World's largest team of experienced audience trading professionals; recruited from DSPs, networks and publishers
- **Trading Power:** More direct relationships with premium publishers than any other trading desk – buying from Google, Microsoft, Yahoo, etc
- **Access:** Not just exchanges; access to media from publishers, networks, supply-side platforms
- **Channels:** Seamlessly reaches audiences across display, search, video, mobile and social media

Innovation for the future

Mobile marketing to the next 4 billion consumers

Specialist Resources

ICONMOBILE

- Leading mobile marketing and design agency
- Operations in US, Germany, UK, China, Dubai

Joule

- Full mobile media agency
- Integration of outdoor with mobile media
- Delivery of audience and outcomes
- Presence in 3 countries



Key Partnerships

- Running Android competitions to promote mobile to clients
- Mobile now element of joint client plans



- US iAd media deal
- Most iAd deals for European launch

Innovation for the future

Dedicated social initiatives for clients

Specialist Resources

blue state digital

- Responsible for Obama campaign
- 160 professionals working on campaigns for politics, commercial clients

cymfony™

- Analysis of social media and blogosphere

BUDDY MEDIA

Every brand needs a buddy™

- Investment in leading social media platform – used by 8 of the world's top 10 brands

Key Partnerships

facebook

- Joint client development plans and workshops
- Major research projects underway
- Millward Brown branding studies

twitter

- Client trials for new ad products

Investment focus on fast-growing sectors/markets

Acquisitions/investments since 1 January 2011

fbiz

- Largest independent digital agency in Brazil with 200 people
 - Clients include Unilever, Campari, Itaú Unibanco, Vivo and NetShoes
-

rockfish
INTERACTIVE

- Full-service US digital agency with strong technology credentials
 - Clients include Walmart, Sam's Club, Cisco
-

GRINGO.

- São Paulo based digital agency with 65 people
 - Key clients include Coca-Cola, Absolut
 - Very strong creative heritage with 3 Cannes cyberlions
-

WHO?
digital

- Leading full service digital agency in Vietnam, employing 25 people
 - Clients include Unilever, Megastar, HSBC, Baoviet and Sony Ericsson
-

lunchbox

- Shopper engagement agency focused on digital retail
 - Clients include Unilever, Walmart and Kimberly-Clark
-

Note: We have also increased investments in Jumtap and Visible Technologies

WPP

Key Priorities, Objectives & Strategy

WPP Position in Direct, Digital and Interactive

First Half 2011	\$'m
Direct, Digital and Interactive Networks (OgilvyOne, Wunderman, G2 and WPP Digital)	1,200
% of Group revenues	16%
Specialist Direct, Digital and Interactive resources:	
- Consumer Insight (Millward Brown, TNS and Worldpanel)	472
- GroupM	179
- Other	250
Total First Half 2011	2,101
% of Group revenues	28.1%
Total First Half 2010 Proforma	1,946
% of Group revenues	27.6%



Key Priorities, Objectives & Strategy

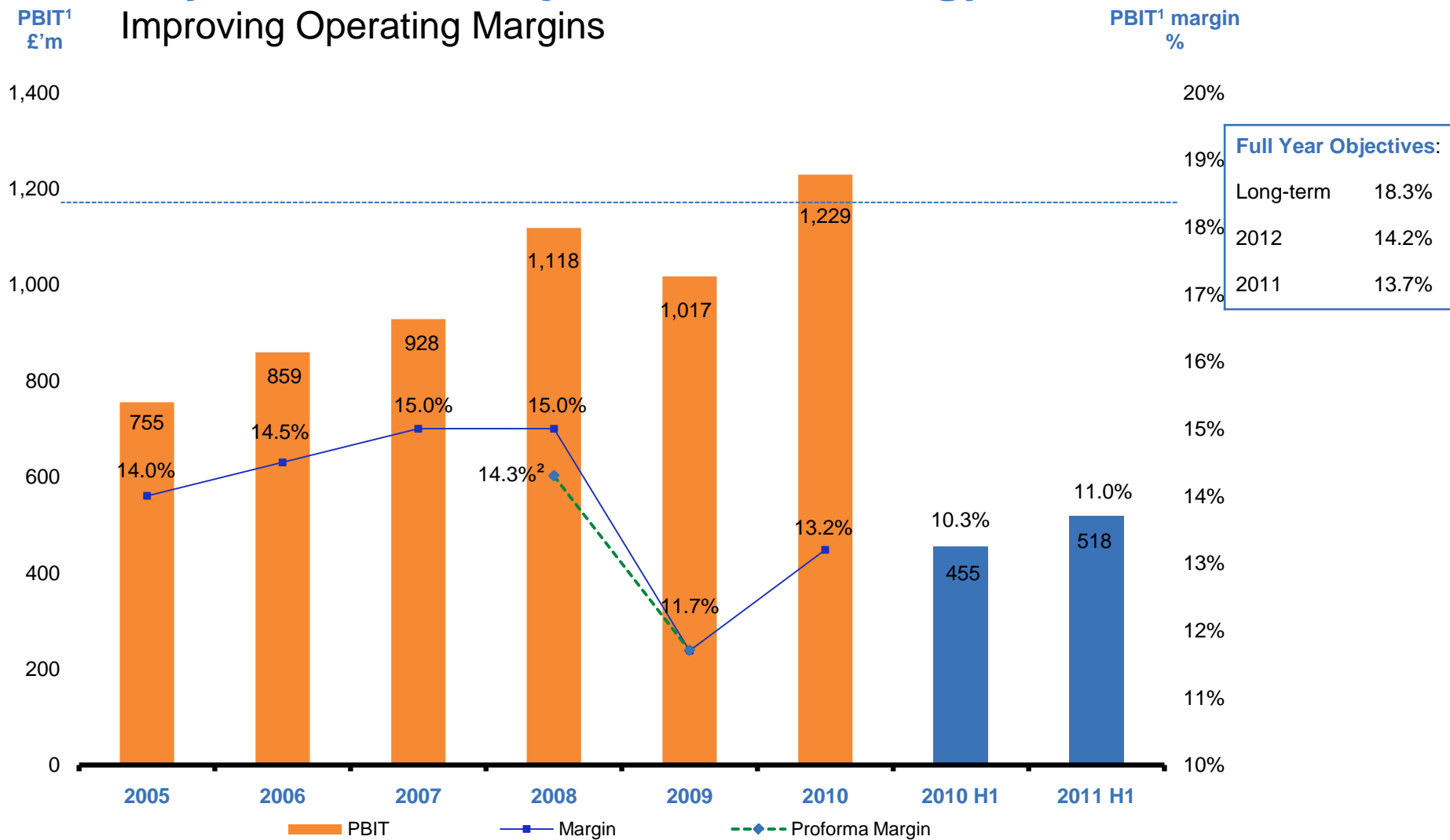
We Continue to Focus on Our Key Objectives

- 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 & Strategy

Improving Operating Margins



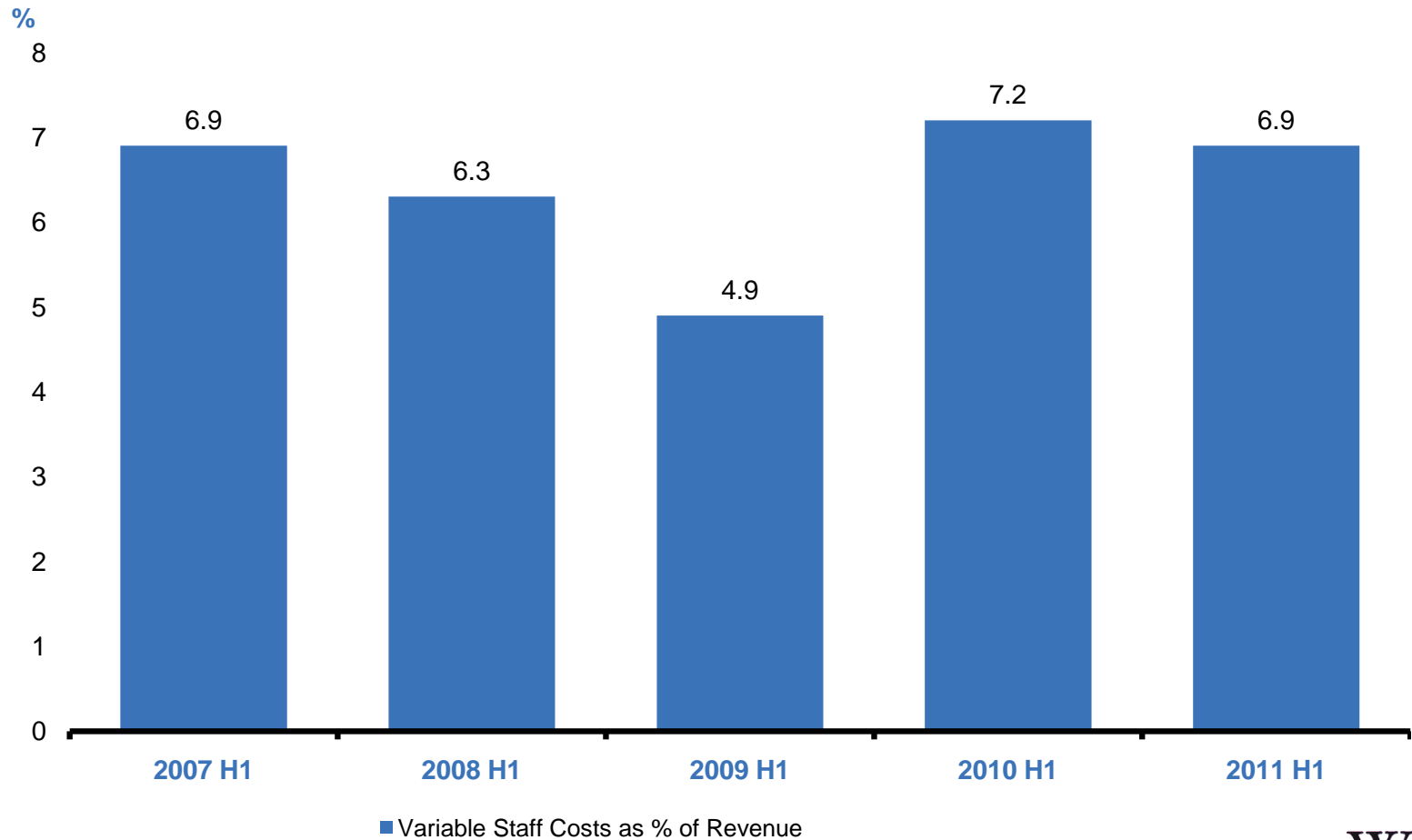
¹ Headline PBIT excludes finance income/ costs and revaluation of financial instruments, taxation, goodwill and intangibles charges, investment gains/losses, and share of exceptional gains/losses of associates.

² 2008 proforma margin of 14.3% includes full year of TNS.

Key Priorities, Objectives & Strategy

Increasing Flexibility in The Cost Base

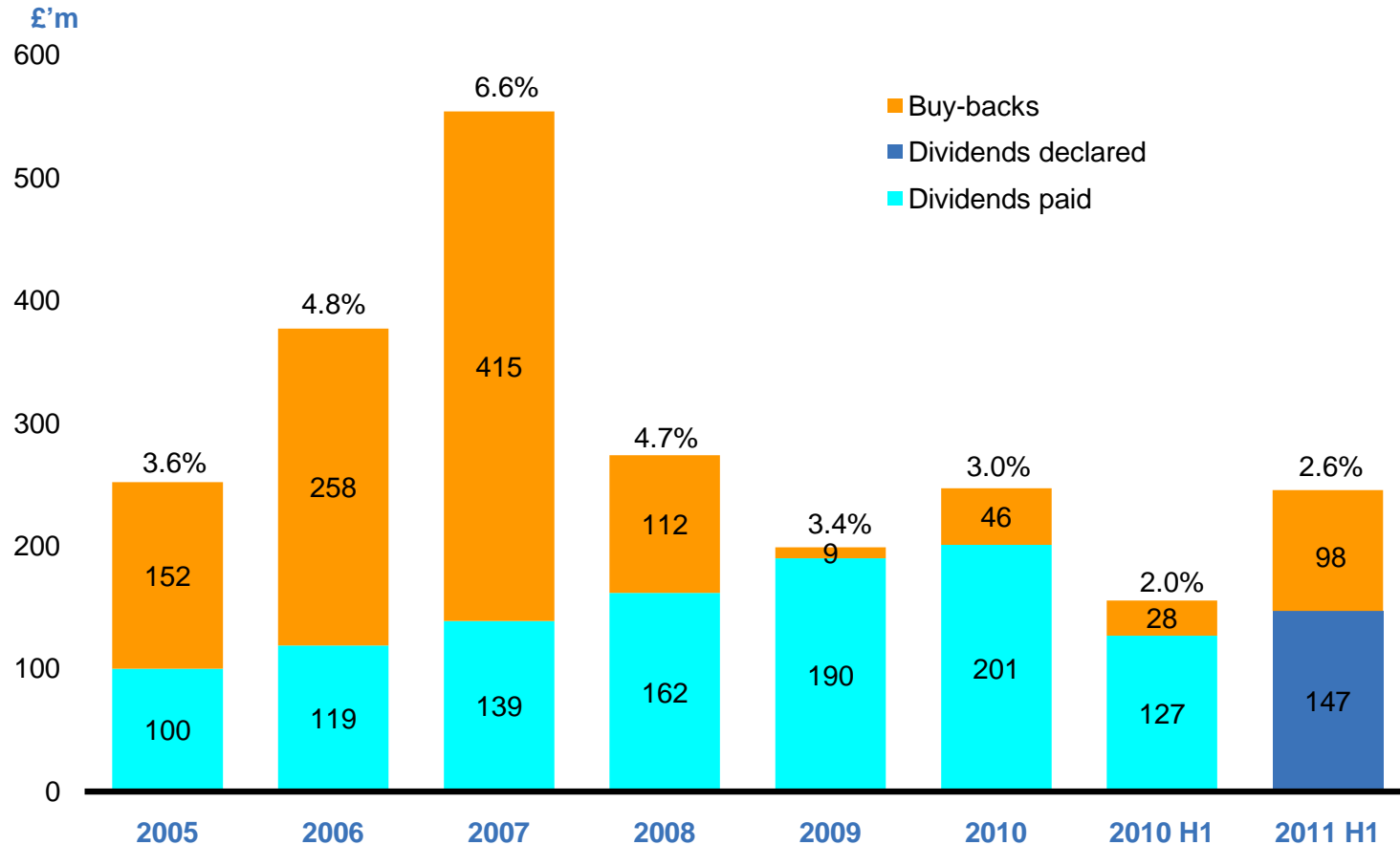
Change in Variable Costs



Key Priorities, Objectives & Strategy

Using Free Cash Flow to Enhance Share Owner Value

Distributions to Share Owners¹

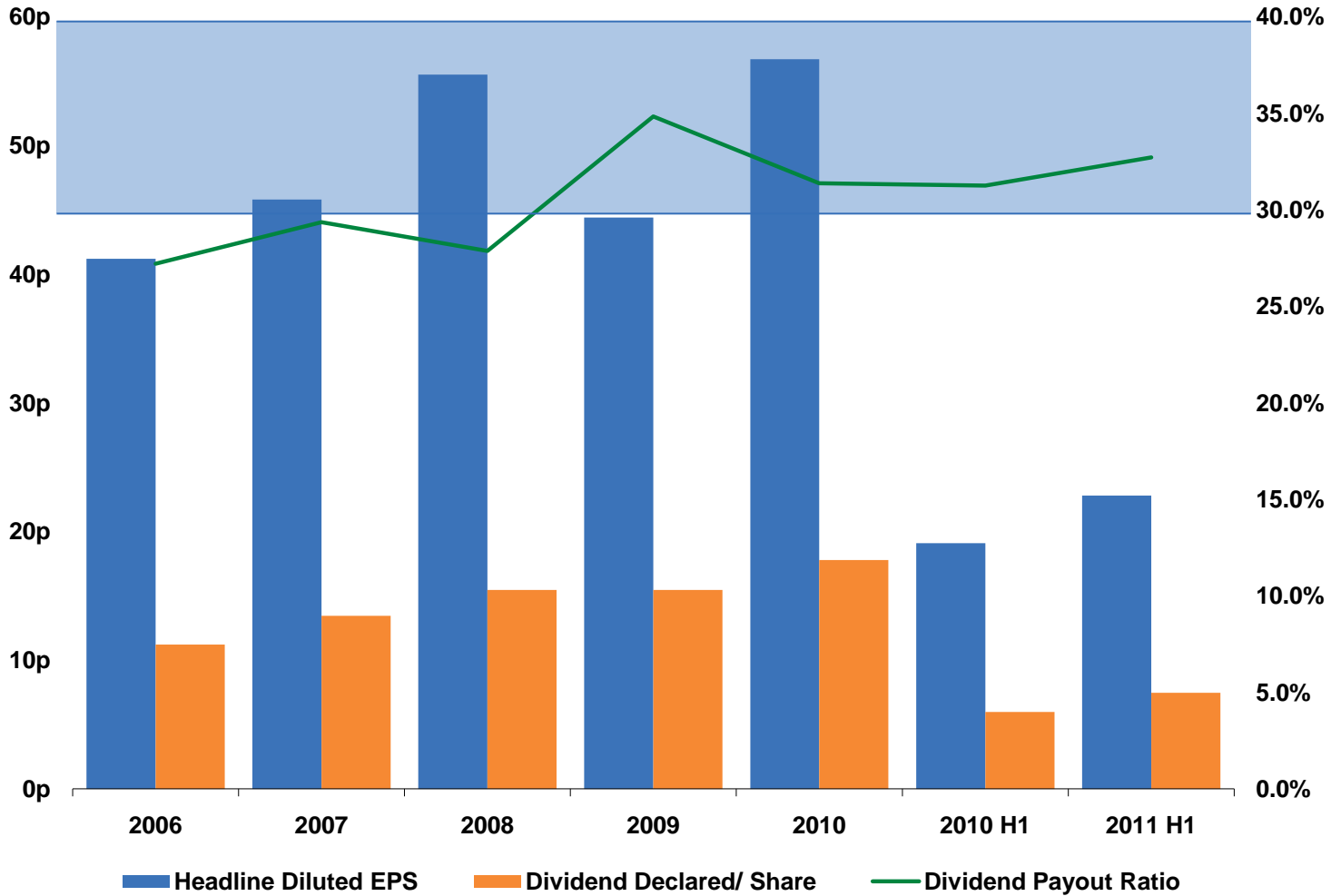


¹ Sum of share buy-backs and dividends paid divided by average shares in issue for the relevant period, as a % of the average share price for the relevant period.



Key Priorities, Objectives and Strategy

Dividend Payout Ratio



Key Priorities, Objectives and Strategy

Acquisitions

- Significant pipeline of reasonably priced small and medium sized potential acquisitions.
- Continue to focus on the faster growing geographical areas and marketing services, particularly direct, digital & interactive and consumer insight.
- So far this year, 22 small and medium size acquisitions 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.

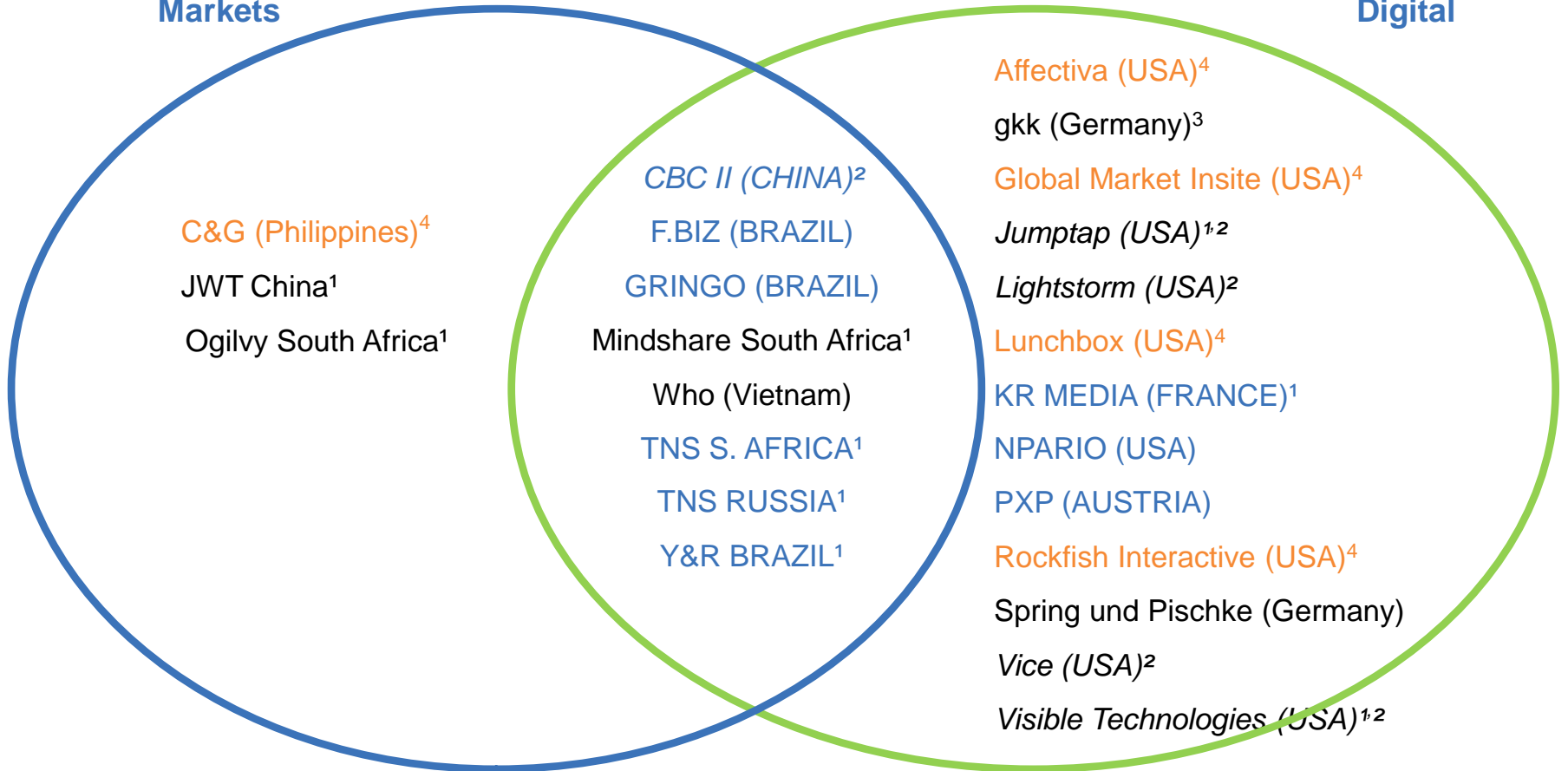


Key Priorities, Objectives and Strategy

Acquisitions and Investments – Year to Date

Faster Growing Markets

Quantitative and Digital



¹ Step-ups in investments, associates and subsidiaries' equity
CAPITALS ARE Q2 ACQUISITIONS

² Investment ³ Division of Commarco GmbH ⁴ Acquisition since 1 July

Key Priorities, Objectives and Strategy

Other Acquisitions – Year to Date

Advertising

JMI (USA)³

Scholz & Friends(Germany)²

St. John & Partners (USA)

Y&R FRANCE¹

Public Relations & Public Affairs

CHIME (UK)¹

QUILL (UK)

¹ Step-ups in investments, associates and subsidiaries' equity
CAPITALS ARE Q2 ACQUISITIONS

² Division of Commarco GmbH

³ Acquisition since 1 July

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.
- 1st as a Group at Cannes. Awarded Holding Company of the Year 2011.

Cannes Awards 2011	Points
WPP	1,219
OMC	1,152
Publicis	744



3 Conclusions



Conclusions

2011 H1 Summary

- 2011 started strongly, with the US and UK both showing like-for-like revenue growth over 5%.
- Western Continental Europe delivered almost 3% like-for-like growth despite a difficult environment.
- Faster growing markets of Asia Pacific and Latin America continue to accelerate, reaching 12% like-for-like revenue growth in Q2 as US slows.
- Continued good cost control has improved headline margins, up 0.8 margin points pre-bonus and 0.7 margin points post-bonus.
- Cash flow remains strong with average net debt down £0.5 bn versus the prior year and average net debt/headline EBITDA in the 12 months to June 2011 reduced to 1.8 times, in line with strategy.



Conclusions

Outlook

- While expectation is for US to slow, compensated by Western Continental Europe maintaining current low level of growth and Asia Pacific, Latin America and Central & Eastern Europe continuing fast growth.
- Full year Q2 revised forecast indicates very similar like-for-like revenue and gross margin growth to that of the first seven months and the potential for further operating margin improvement beyond the 0.7 margin points reported for the first half.
- The Group will continue to use its strong cash flow to take advantage of acquisition opportunities which support the growth strategy.
- Share buy-backs will continue to remain an optional use of surplus cash flow in these weak markets.



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 global direct, digital and interactive networks by revenue, footprint and headcount.
- Our ambition for 2011 is to exceed financial model EPS growth of 10% to 15% and to maintain our average net debt/ headline EBITDA around 2x, whilst investing further in the business to support our strategic goals.
- As clients focus on participating in growth in BRICs and Next 11, the Group's strategic focus on new markets, new media, consumer insight, including the application of technology and data analytics, will prove to be even more effective.



WPP

2011 Interim Results London

