

WPP

Results for 2008 London

March 2009



WPP

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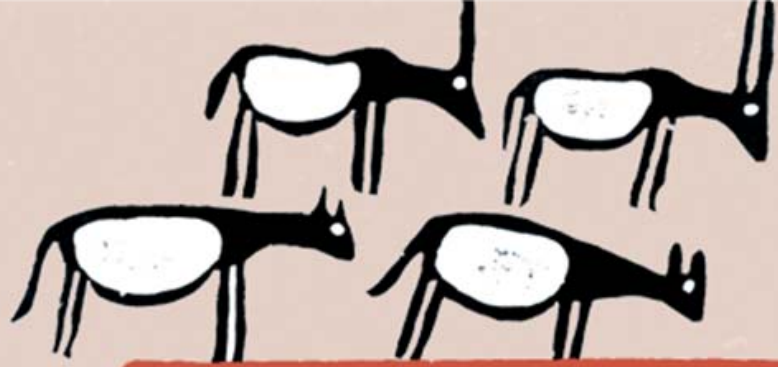
Results for 2008

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Key Priorities, Objectives and Strategy

3

Conclusions



WPP

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Results for 2008



Results for 2008

- ✦ Billings up over 16% to £36.9 billion.
- ✦ Reported revenue up almost 21%. On a constant currency basis, revenue up 9%. Like-for-like revenue up almost 3%.
- ✦ Headline PBIT up over 20% to £1,118m from £928m.
- ✦ Headline operating margin unchanged at 15.0% against target of 15.3% including TNS.

Results for 2008

- ✦ Headline PBT up over 18% to £968m from £817m.
- ✦ Diluted headline EPS up over 21% to 55.5p from 45.8p.
- ✦ Second interim dividend up 12.6% to 10.28p per share, full year dividend up 15% to 15.47p.
- ✦ Estimated net new business billings of almost £2.9 billion (\$5.6 billion).

Results for 2008

% growth vs prior year

	Revenue	Headline ² PBIT	Headline ² EPS
Like-for-like	2.7	n/a	n/a
Acquisitions	6.3	n/a	n/a
Constant currency	9.0	6.2	5.5
Foreign exchange	11.9	14.3	15.7
Reportable sterling	20.9	20.5	21.2
Reportable US dollars¹	9.7	6.4	5.6

¹ Translated into US\$, using among other currencies, average exchange rates of US\$ /£ for FY 2008 of \$1.852, compared to \$2.002 for FY 2007.

²Figures before goodwill and intangibles charges, investment gains and write-downs, share of exceptional gains of associates and revaluation of financial instruments.

Results for 2008

Unaudited Headline¹ IFRS Income Statement

	Year to 31 December		Change %	Constant Currency %
	2008 £m	2007 £m		
Revenue	7,476.9	6,185.9	20.9	9.0
Headline operating profit	1,071.7	887.4	20.8	6.6
Income from associates	46.5	40.6		
PBIT	1,118.2	928.0	20.5	6.2
Net finance costs	(149.8)	(110.7)		
Profit before tax	968.4	817.3	18.5	2.6
Tax at 25.3% (2007 25.3%)	(245.3)	(207.1)		
Profit after tax	723.1	610.2	18.5	2.6
Headline diluted EPS	55.5p	45.8p	21.2	5.5
Headline operating margin	15.0%	15.0%	-	
Headline EBITDA	1,291.2	1,072.4	20.4	6.6

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

Results for 2008

Unaudited IFRS Income Statement

Year to 31 December

	2008 £m	2007 £m	Change %
Revenue	7,476.9	6,185.9	20.9
Operating Profit pre-goodwill/ intangibles	1,071.7	887.4	
Goodwill/ intangibles charges, FA gains	(195.7)	(82.7)	
Operating Profit	876.0	804.7	8.9
Income from associates	46.0	41.4	11.1
PBIT	922.0	846.1	9.0
Net finance costs	(175.2)	(126.7)	
Profit before tax	746.8	719.4	3.8
Tax	(232.9)	(204.3)	(14.0)
Profit after tax	513.9	515.1	(0.2)
Standard diluted EPS	37.6p	38.0p	(1.1)

Results for 2008

Headline¹ Performance Versus Consensus

	Median Consensus	Actual Results	+ / (-)
Revenue	£7,271m	£7,477m	£206m
PBIT	£1,066m	£1,118m	£52m
Net finance costs	£(147m)	£(150)m	£(3)m
PBT	£919m	£968m	£49m
Fully Diluted EPS	52.7p	55.5p	2.8p
PBIT Margin	14.7%	15.0%	+3bpp
Fully Diluted Shares	1,196m	1,170m	26m

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

Results for 2008

Revenue by Discipline

	2008 £m	2007 £m	% Change		
			Reported	Constant Currency	Like-for- like
Advertising, Media Investment Management	3,329.5	2,871.3	16.0	4.4	3.6
Information, Insight & Consultancy	1,301.8	905.4	43.8	27.8	3.0
Public Relations & Public Affairs	752.3	641.4	17.3	6.9	4.9
Branding & Identity, Healthcare and Specialist Communications	2,093.3	1,767.8	18.4	7.6	0.3
Total	7,476.9	6,185.9	20.9	9.0	2.7

Results for 2008

Revenue by Region

	2008 £m	2007 £m	% Change		
			Reported	Constant Currency	Like-for- like
North America	2,603.2	2,266.7	14.8	4.6	(0.3)
UK	954.2	890.3	7.2	7.2	2.2
Continental Europe	2,127.3	1,657.4	28.4	9.6	2.3
Asia Pacific, Latin America, Africa & Middle East	1,792.2	1,371.5	30.7	16.9	8.4
Total	7,476.9	6,185.9	20.9	9.0	2.7

Results for 2008

Headline PBIT¹ and Margin¹ by Discipline

	Headline PBIT		Headline Margin	
	2008	2007	2008	2007
	£m	£m	%	%
Advertising, Media Investment Management	581.3	466.9	17.5	16.3
Information, Insight & Consultancy	147.6	104.3	11.3	11.5
Public Relations & Public Affairs	124.9	106.5	16.6	16.6
Branding & Identity, Healthcare and Specialist Communications	264.4	250.3	12.6	14.2
Total	1,118.2	928.0	15.0	15.0

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

Results for 2008

Headline PBIT¹ and Margin¹ by Region

	Headline PBIT		Headline Margin	
	2008	2007	2008	2007
	£m	£m	%	%
North America	438.3	391.5	16.8	17.3
UK	124.1	107.1	13.0	12.0
Continental Europe	303.5	223.0	14.3	13.5
Asia Pacific, Latin America, Africa & Middle East	252.3	206.4	14.1	15.0
Total	1,118.2	928.0	15.0	15.0

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

Results for 2008

Revenue Growth by Country

Revenue Growth¹

20%+

Countries

Argentina, Brazil, India

15-20%

Poland, South Africa

10-15%

Canada, Denmark, France, Sweden

5-10%

Germany, Mainland China², Mexico, UK

<5%

Australia, Italy, Japan, Netherlands, Singapore, Spain, US

¹ Constant currency

² Like-for-like growth

Results for 2008

Revenue Growth by Category

Revenue Growth¹

Categories

15-20%

Computers, Telecommunications

5-10%

Automotive, Financial Services, Food, Personal Care & Drugs, Retail

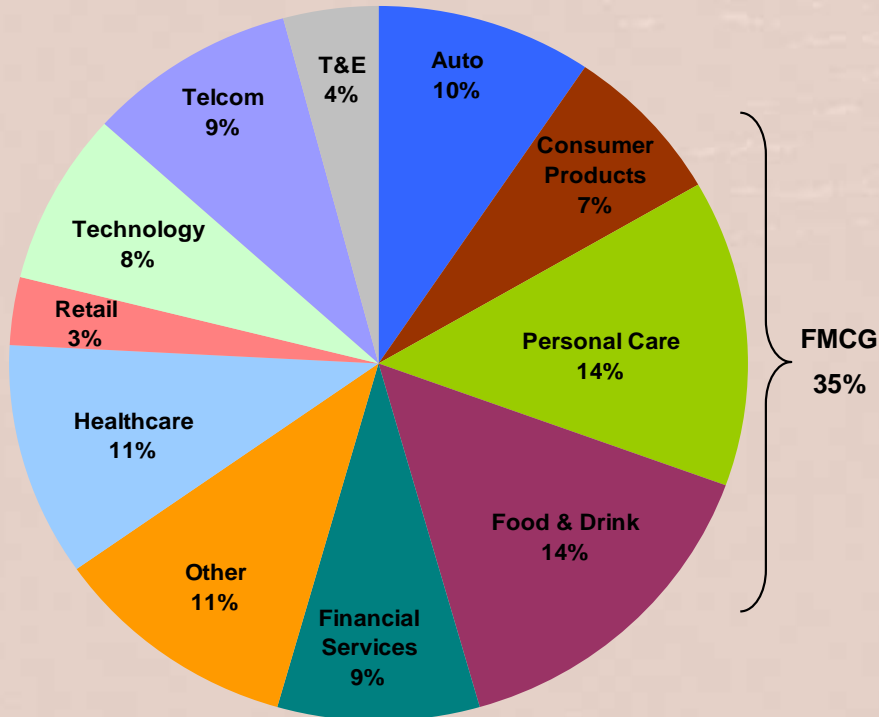
<5%

Drinks, Entertainment, Oil

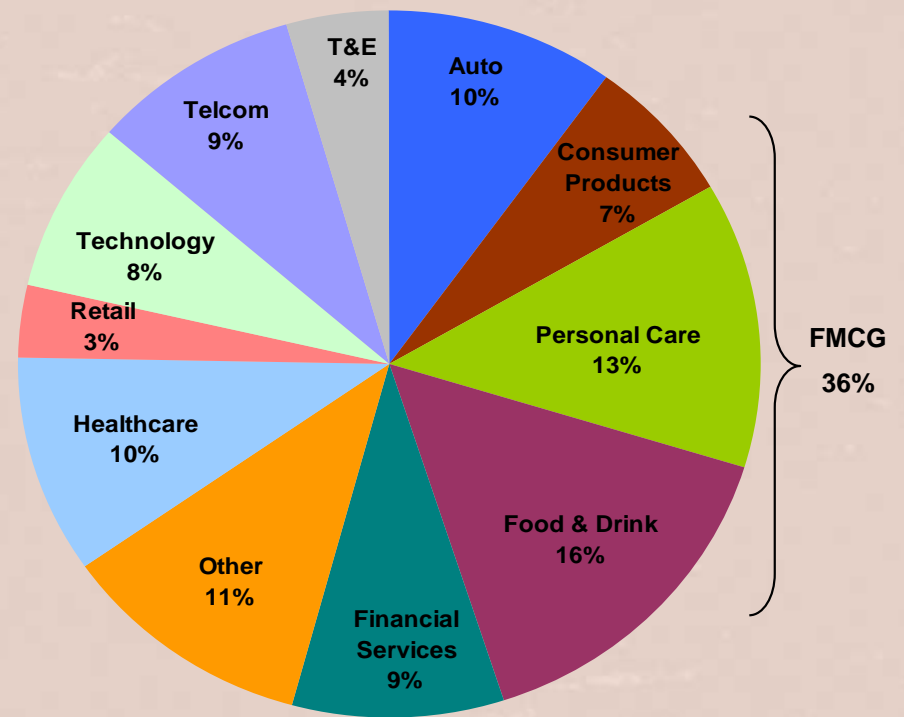
¹Constant currency

WPP 2008 – Revenue by Industry

Quarter 4 2008



Full Year 2008



Results for 2008

Effects of Strength of Sterling

- ✿ Currency movements accounted for a 12% increase in revenue, reflecting the weakness of the £ sterling against all major currencies.
- ✿ Sterling was weaker on average in 2008 than in 2007 by 7.4% against the dollar, 13.9% weaker against the euro, and 18.4% weaker against the Japanese yen.
- ✿ The balance sheet as at 31 December 2008 was translated at closing exchange rates on that day. Compared to 31 December 2007, sterling was 26.5% weaker against the dollar, 23.2% weaker against the euro and 40.3% weaker against the Japanese yen. The impact of this sterling weakness was to increase net debt by £449m.

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

Results for 2008

Trade Estimates of Major New Business Wins

Agency	Account	Office	Billings (\$m)
<u>Team Chemistry</u>	<u>Johnson & Johnson</u>	<u>USA</u>	<u>468</u>
mec	Novartis ²	USA	300
MediaCom	Time Warner	USA	250
<u>MAXUS</u>	<u>Fiat</u>	<u>Europe</u>	<u>225</u>
Mindshare	Estee Lauder ¹	Worldwide	200
Ogilvy	Motorola	EMEA	200
JWT	Microsoft	Worldwide	200
Ogilvy	Wachovia	USA	145
mec	Orange	UK	138
Y&R	Office Depot	USA	120
Mindshare	Nippon Paint	Asia	96
MediaCom	Discover	USA	90

¹ Estee Lauder transferred from MAXUS to Mindshare

² Novartis transferred from Mindshare to mec

Underlined figures are Q4 wins

Results for 2008

Trade Estimates of Major New Business Wins

Agency	Account	Office	Billings (\$m)
Mindshare	American Family Insurance	USA	90
Grey/ Mindshare	Hong Kong Tourist Board	Asia	84
JWT	Diageo	Worldwide	80
MediaCom	Procter & Gamble	Asia Pacific	80
<u>Grey</u>	<u>BMW</u>	<u>USA</u>	<u>60</u>
Y&R/MAXUS	Cellular South	USA	60
mec	Playtex ¹	USA	60
MediaCom	E.ON	UK	60
MAXUS	Miramax	USA	50
<u>MediaCom</u>	<u>P&G</u>	<u>China</u>	<u>50</u>
<u>RKCR/ Y&R</u>	<u>Virgin Media</u>	<u>UK</u>	<u>50</u>

¹ Playtex transferred from MediaCom to mec

Underlined figures are Q4 wins

Results for 2008

Trade Estimates of Major New Business Losses

Agency	Account	Office	Billings (\$m)
Mindshare	Novartis ³	Worldwide	300
MediaCom	Eli Lilly	USA	250
MAXUS	Estee Lauder ¹	USA	200
<u>JWT</u>	<u>Unilever</u>	<u>Worldwide</u>	<u>150</u>
mec	Cadbury Schweppes	USA	140
<u>mec</u>	<u>Cadbury Adams</u>	<u>USA</u>	<u>120</u>
<u>Mindshare</u>	<u>Kellogg</u>	<u>Europe</u>	<u>100</u>
mec	Payless Shoes	USA	90
<u>MediaCom</u>	<u>Boots</u>	<u>UK</u>	<u>85</u>
mec	TD AMERITRADE	USA	75
MediaCom	Playtex ²	USA	60
JWT	Unilever	Worldwide	60
Mindshare	Kraft	Asia	60
<u>Y&R</u>	<u>Sun Trust</u>	<u>USA</u>	<u>50</u>
Y&R	Miller Brewing	USA	50

¹ Estee Lauder transferred from MAXUS to Mindshare

² Playtex transferred from MediaCom to mec

Underlined figures are Q4 wins

³ Novartis transferred from Mindshare to mec

Results for 2008

Internal Estimates of Net New Business Wins in 2008

Billings (\$m)	Creative	Media	Total
Advertising	1,686	2,806	4,492
Other Businesses	1,131	-	1,131
Total	2,817	2,806	5,623

- ✿ The Group came first in two of the three leading industry new business tables for 2008.

Results for 2008

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

	Agency	Account	Office	Billings (\$m)
WINS	mec	Sony	Latam	150
	MAXUS	Yili Dairy	China	50
	Wunderman	Nokia	Worldwide	Not disclosed
LOSSES	mec	Canon	EMEA	75
	mec	Long John Silvers	USA	35

Results for 2008

Cash Flow

	2008	2007
	£m	£m
Operating profit	1,072	888
Non-cash compensation	62	62
Depreciation & amortisation charges	173	144
Net interest paid & similar charges	(134)	(106) ¹
Tax paid	(182)	(151)
Net cash generation	991	837

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

Results for 2008

Uses of Cash Flow

	2008	2007
	£m	£m
Net cash generation	991	837
Capital expenditure	(221)	(171)
Acquisition payments:		
– Net initial payments ¹		
TNS (2007 – 24/7 Real Media)	(736)	(290)
Other	<u>(242)</u>	<u>(289)</u>
– Earnout payments	(68)	(94)
– Loan note redemptions	(3)	(2)
	<u>(1,049)</u>	<u>(675)</u>
Share repurchases	(112)	(415)
Other	7	32
Net cash outflow before dividend	<u>(384)</u>	<u>(392)</u>
Dividend	<u>(162)</u>	<u>(139)</u>
Net cash outflow before NWC changes	<u>(546)</u>	<u>(531)</u>

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

Results for 2008

Net Finance Costs / (Income)

£m	2008	2007	B/(W)
Interest on net debt	155.9	108.0	(47.9)
Investment income	(9.7)	(9.2)	0.5
IAS 19 (Pensions)	9.2	7.2	(2.0)
Earnout interest	0.5	1.7	1.2
IAS 32 (Convertibles)	(6.1)	3.0	9.1
	(6.1)	2.7	8.8
Headline finance costs	149.8	110.7	(39.1)
IAS 39 (Financial Instruments)	25.4	16.0	(9.4)
Net finance costs	175.2	126.7	(48.5)

Results for 2008

Net Debt - 31 December 2008

	2008 £m	2007 £m	% Variance
YTD average net debt on constant currency basis	(2,206)	(1,592)	(39%)
YTD average net debt on reportable currency basis	(2,206)	(1,459)	(51%)
Net debt at 31 December	(3,068)	(1,286)	(139%)
Headline finance costs	(150)	(111)	
Interest cover on Headline PBIT ¹	7.5x	8.4x	

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

Results for 2008

Debt Maturity Profile £m

As at 31 December 2008

	Total Credit	Total Drawn	Maturity									
			2009	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)	718	718								718		
Eurobonds €500m (5.25% '15)	479	479							479			
US bond \$650m (5.875% '14)	446	446						446				
Eurobonds €600m (4.375% '13)	575	575					575					
Bank revolver ¹ \$1,600m	1,097	53				53						
TNS acquisition revolver ¹ £600m	600	570	170	200	200							
TNS acquisition bridge ¹ £650m	650	650		650								
Debt facilities	5,165	4,091	170	850	200	53	575	446	479	718	400	200
Net cash & overdrafts		(1,023)										
Net debt		3,068										

¹ These instruments are subject to financial covenants

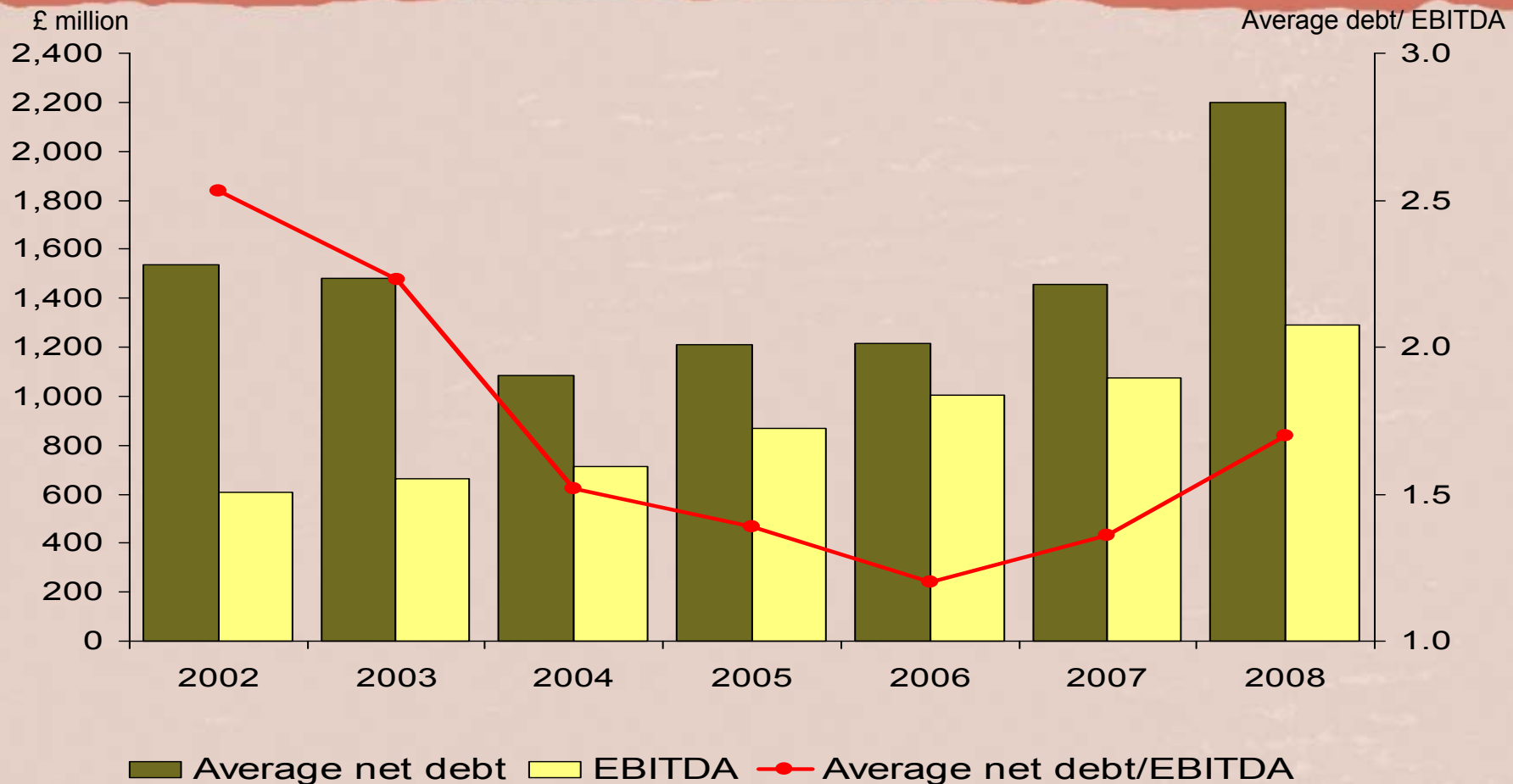
Results for 2008

Banking Facility Covenants

- ✱ No covenants or ratings triggers on public bonds.
- ✱ Bank Revolver and new TNS facilities subject to the following covenants:
 - Net Debt/EBITDA \leq 3.5 measured half yearly
 - EBITDA/Net Interest \geq 5.0 measured half yearly
 - The covenant definitions for EBITDA and net interest exclude non-cash and non-operating items.
- ✱ Based on reported results for 2008, the ratios are:
 - Net Debt/EBITDA x2.4 (banking basis x2.3)
 - EBITDA/Net Interest x8.6 (banking basis x9.4)
- ✱ Net Debt has been translated at \$1.46/ £ and €1.04/ £.
- ✱ EBITDA has been calculated using average rates of \$1.85/£ and €1.26/£.

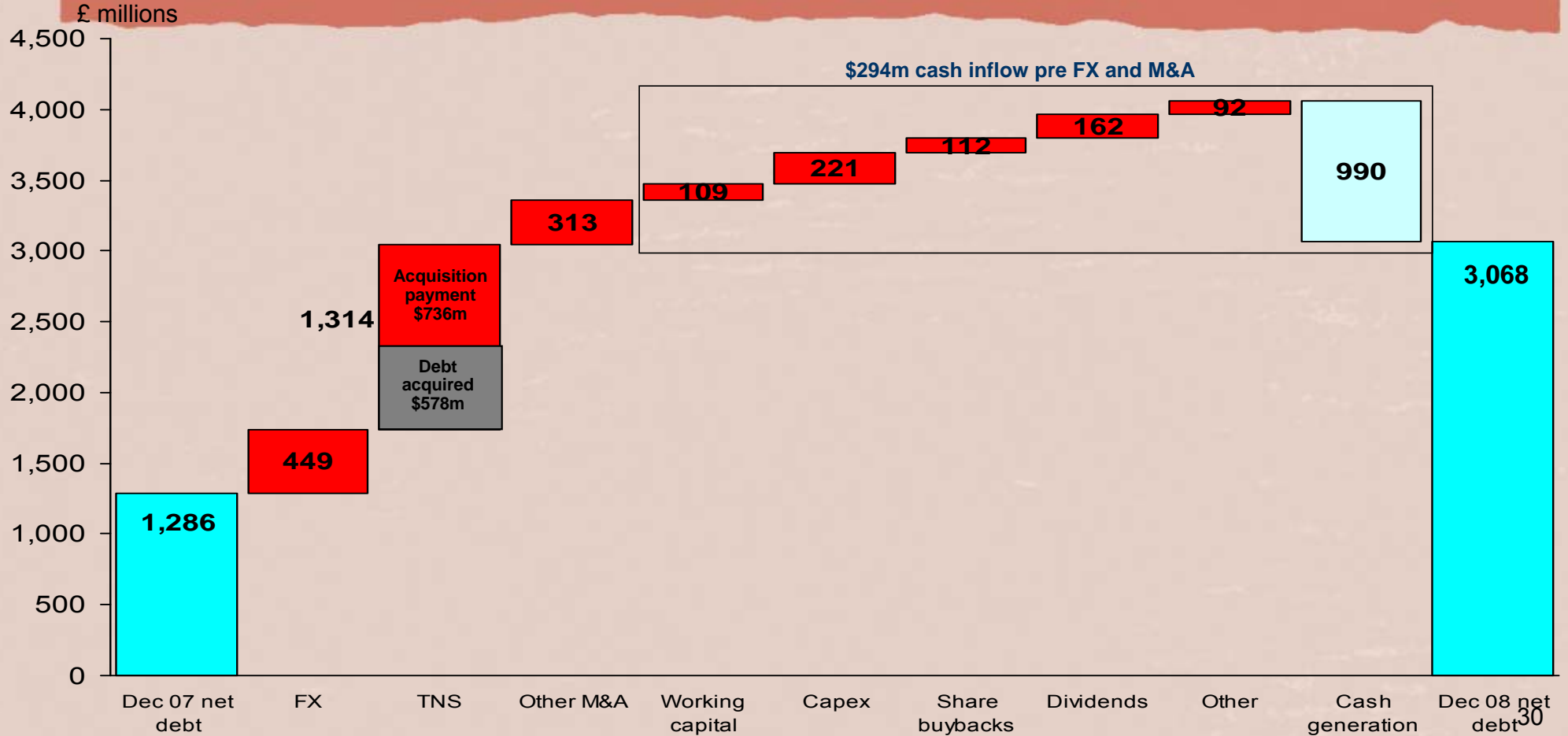
Results for 2008

Historic Average Net Debt/EBITDA



Results for 2008

Roll Forward of Net Debt



Results for 2008

Pensions Deficit

£m	<u>2008</u>	<u>2007</u>
Deficit B/F	(135)	(187)
Service cost	(17)	(14)
Deficit interest charge	(39)	(34)
Funding	44	47
Investment returns (net)	(50)	58
Acquisitions (TNS)	(16)	-
Other movements	(4)	(2)
Movements in the year excluding FX	(82)	55
Foreign exchange impact	(55)	(3)
Deficit C/F	(272)	(135)

Results for 2008

Earnout Accrual

<u>2008 Rollforward</u>	£m	<u>Expected Payments</u>	£m
31 Dec 07	319	2009	90
Earnouts paid	(68)	2010	128
Revised estimates	(32)	2011	97
New acquisitions	37	2012	53
TNS earnouts	23	2013	8
Reduction excluding FX	(40)	Total	<u>376</u>
Foreign exchange impact	97		
31 Dec 08	<u>376</u>		

Results for 2008

Share Buybacks and Capital Allocation

- ✿ In the first half of 2008 18.8m shares, equivalent to 1.6% of share capital, were acquired at a cost of £112m.
- ✿ The Group was required to withdraw from the buyback market during the TNS bid process.
- ✿ At the time of the TNS offer, the Group stated the buyback target will be 1% of share capital each year.
- ✿ Dividend growth will be targeted at 15% per annum, subject to review by the Board.

Results for 2008

Ordinary Shares - Basic

	December 2008	December 2007	
No. of Shares (million)	Actual	Actual	
1 January	1,191	1,241	
Share buybacks	(19)	(57) ¹	
Option exercise	2	7	
TNS	81	-	
31 December	1,255	1,191	-5.4%
Weighted Average	1,187	1,218	
ESOP, Treasury & Other	(43)	(41)	
Average Basic	1,144	1,177	+2.8%

¹ Buyback for cancellation

Results for 2008

Ordinary Shares – Diluted

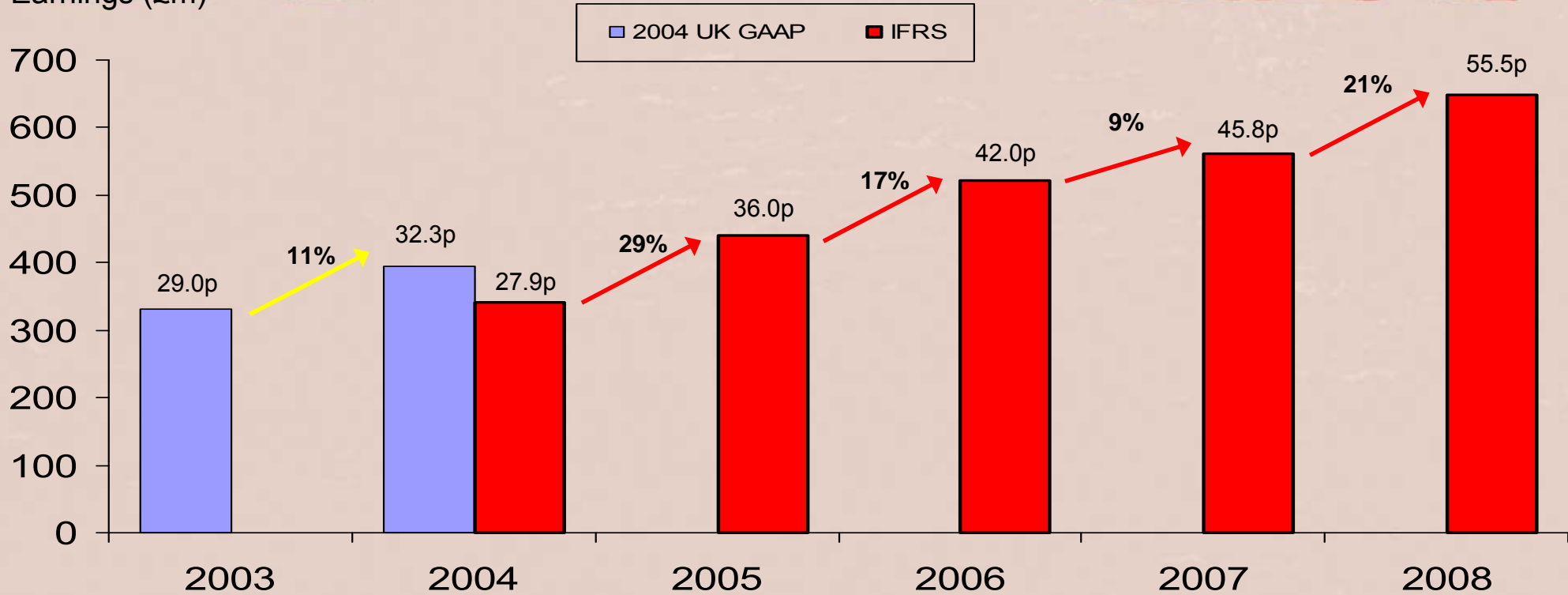
	December 2008	December 2007	
No. of Shares (millions)	Actual	Actual	
Average Basic	1,144	1,177	+2.8%
Share Option Dilution	3	16	
Other Potentially Issuable Shares	16	25	
Sub-Total	1,163	1,218	
Convertibles: Grey \$150m ¹	7	9	
Fully Diluted Shares	1,170	1,227	+4.6%

¹ Prorata for 2008.

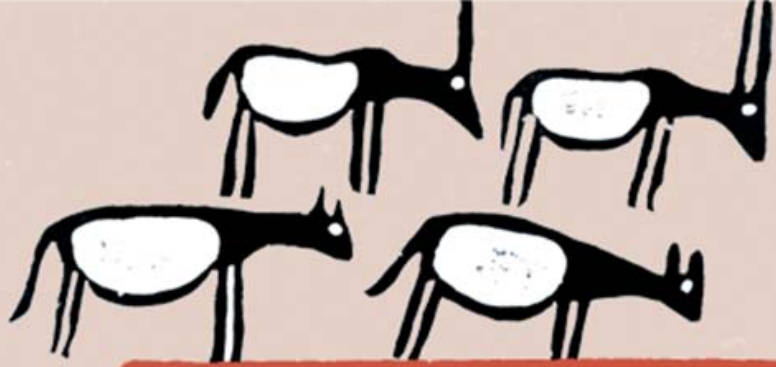
Results for 2008

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

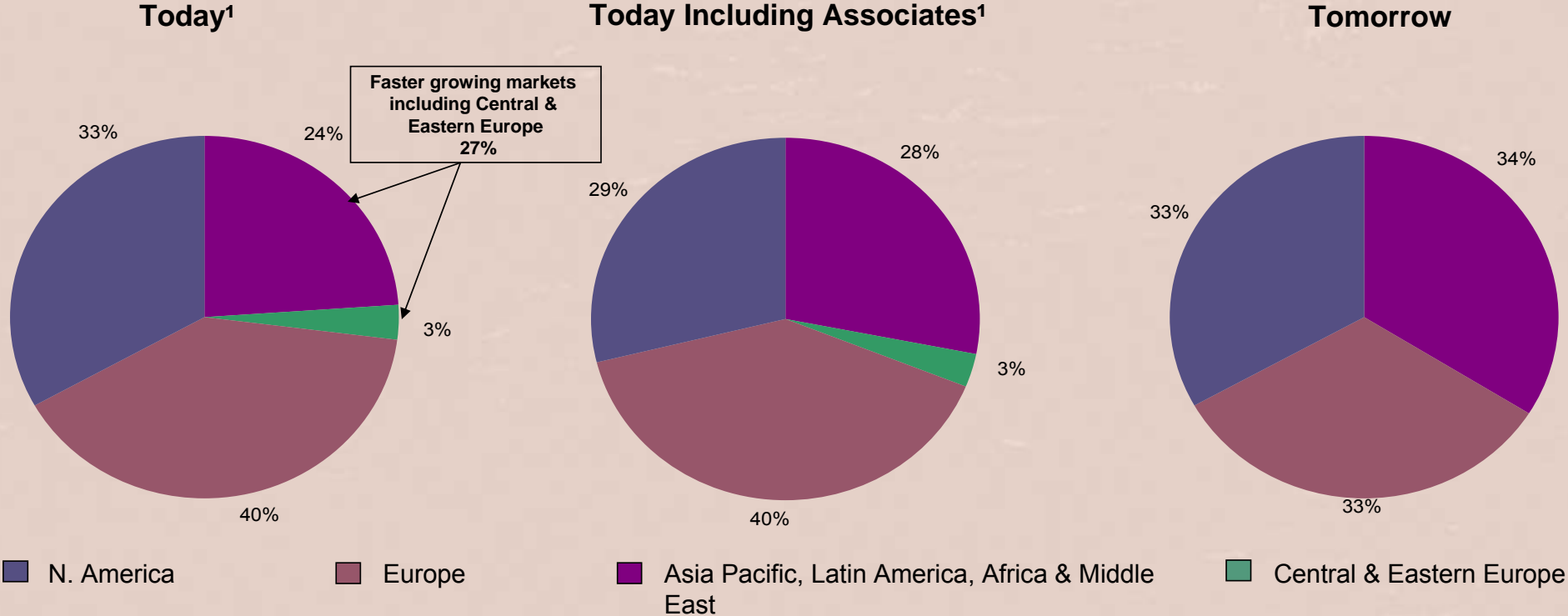
- ✦ Globalisation / Americanisation / BRICs
- ✦ Overcapacity, shortage of human capital
- ✦ The Web (internet penetration, e-commerce, mobile)
- ✦ Internal communications
- ✦ Retail concentration
- ✦ Corporate responsibility and the environment
- ✦ Global and local structures

Key Priorities, Objectives and Strategy

- ✦ Faster growing markets to be one third of total group.
- ✦ Marketing services including new media to be two thirds of total group.
- ✦ Quantitative disciplines including consumer insight to be one half of total group.

Key Priorities, Objectives and Strategy

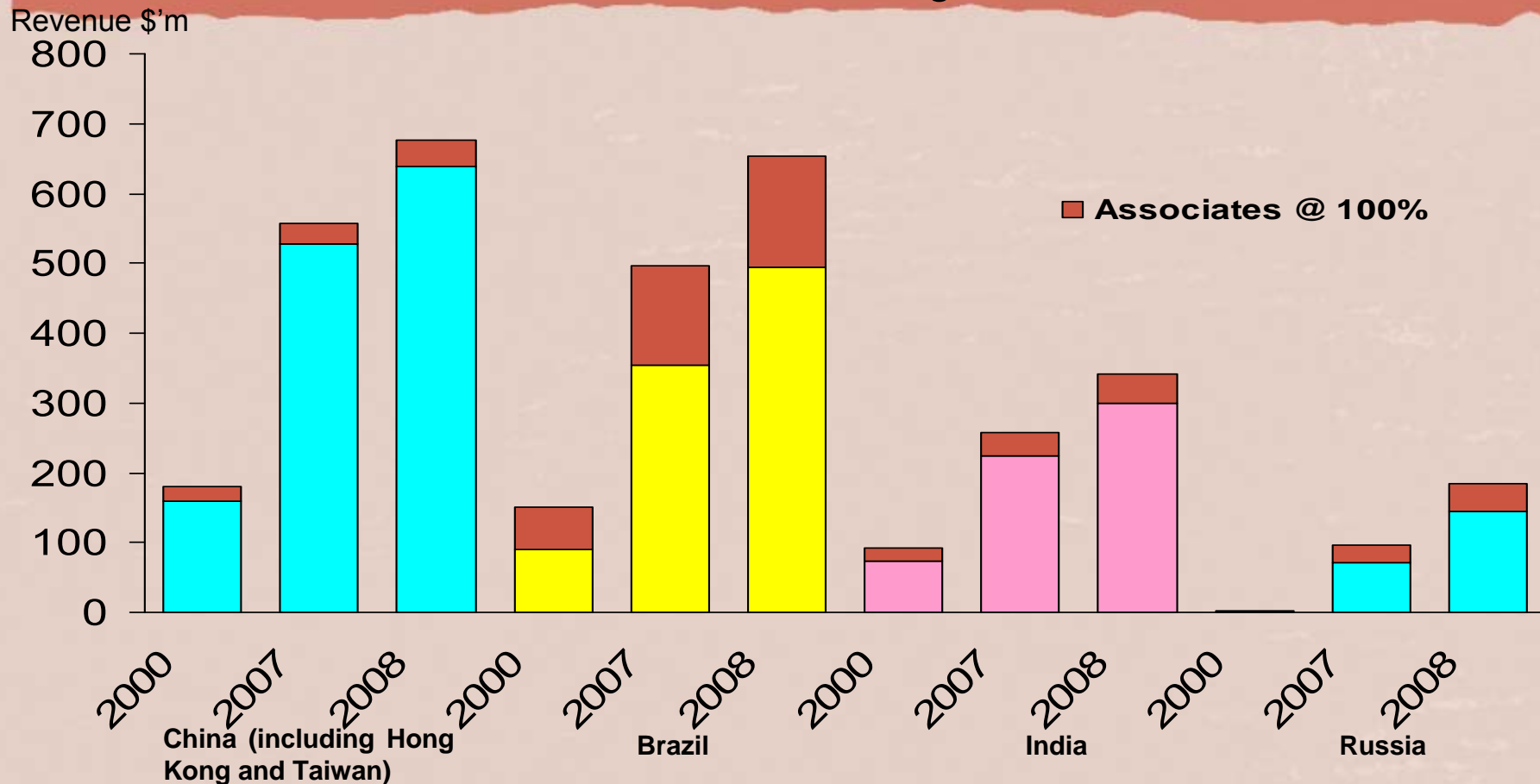
Faster Growing Markets to be One Third of Total Group



¹ Based on full year 2008 reported revenue adjusted to include TNS for a full year.

Key Priorities, Objectives and Strategy

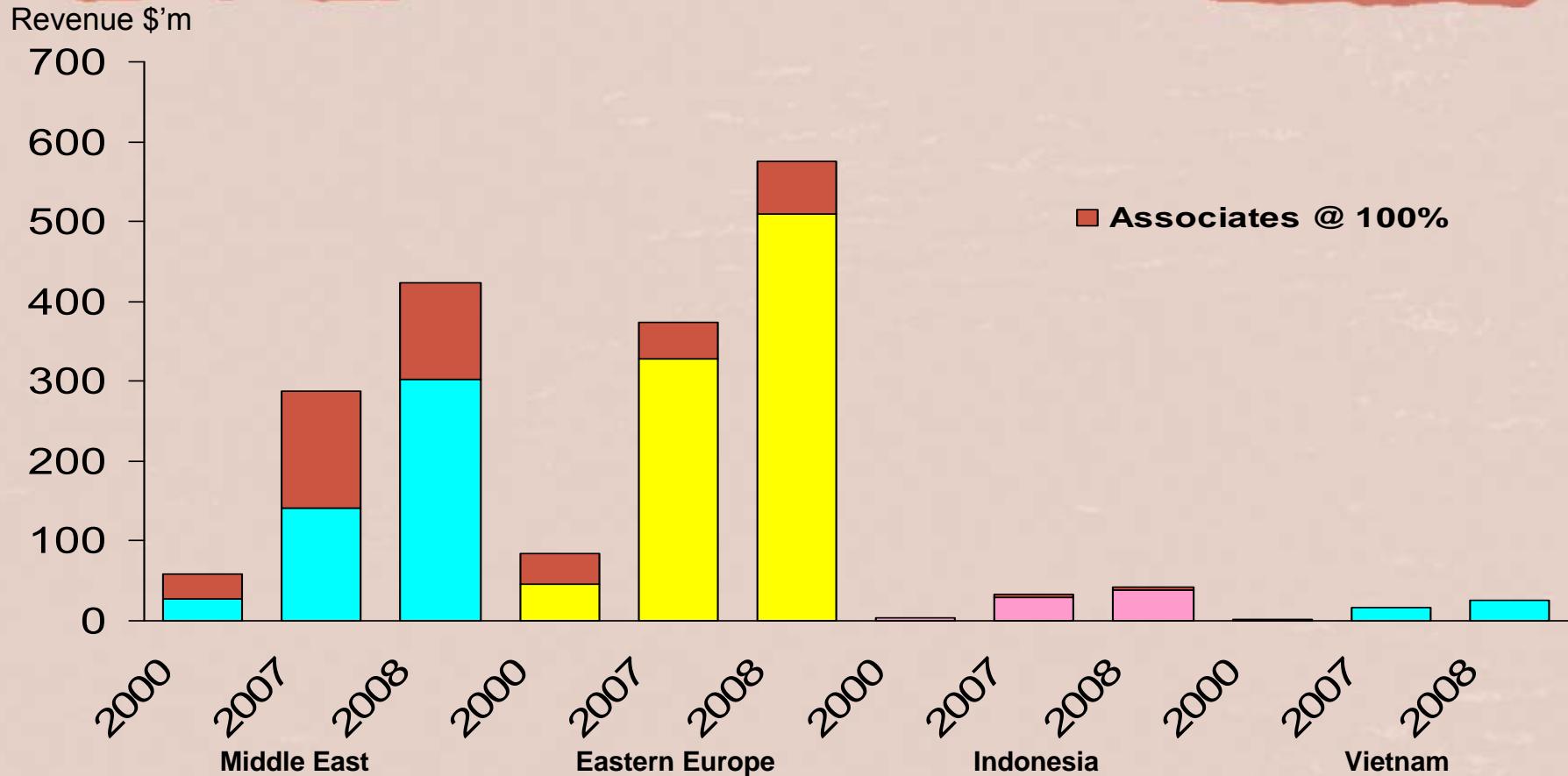
WPP's Performance¹ Strong in BRIC Markets



¹ 2008 adjusted to include a full year of TNS

Key Priorities, Objectives and Strategy

WPP's Performance¹ in Other Faster Growing Markets



¹ 2008 adjusted to include a full year of TNS

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	3.2	40%	1	0.7	12.5
	India	1.2	57%	1	0.3	8.4
	Thailand	0.4	40%	1	0.1	1.2
LatAm	Brazil ⁴	1.1	25%	1	0.7	8.4
	Mexico	0.7	23%	2	0.1	1.8
	Argentina	0.3	21%	2	0.1	1.4
Other	Africa/Middle East	1.7	33%	1	0.6	7.0
	Poland	0.5	28%	1	0.2	1.3
	Russia	0.9	25%	2	0.2	2.2

¹ Source: RECMA August 2008 billings report, based on 2007 data.

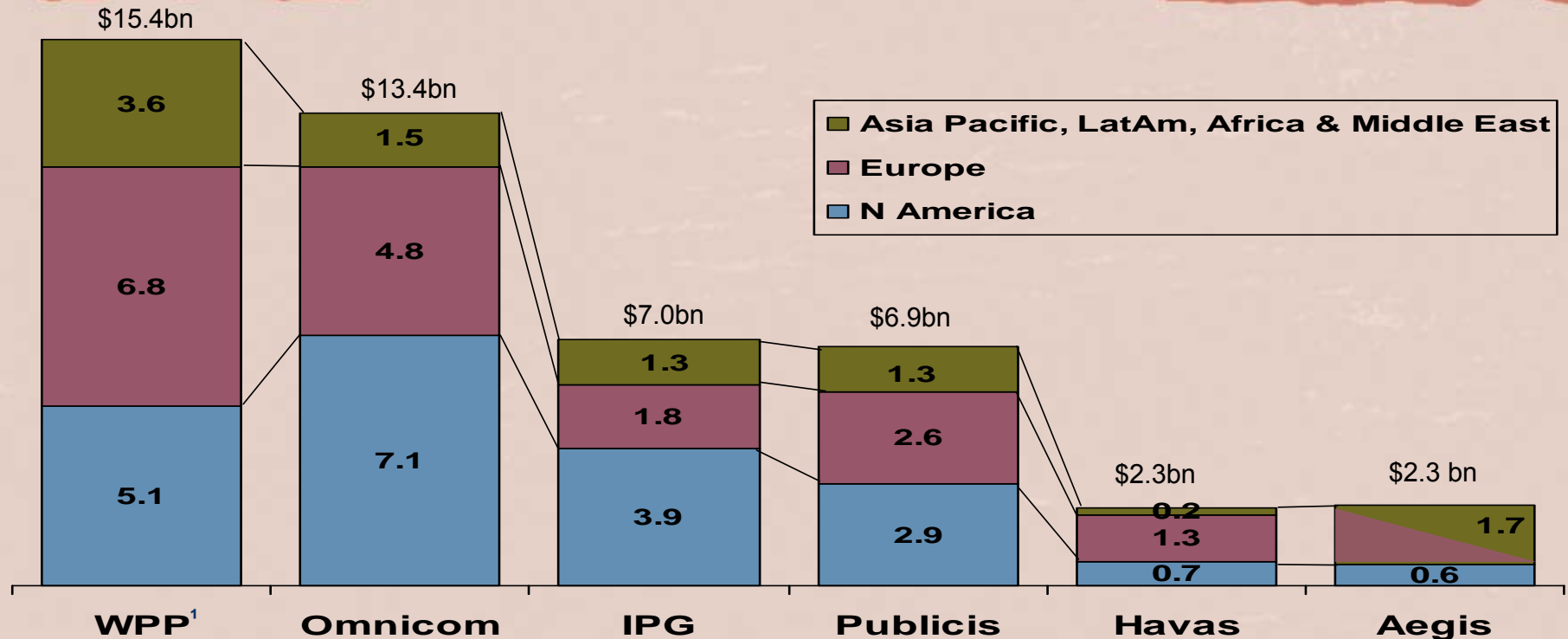
² Year to 31 December 2008 including associates and adjusted to include a full year of TNS, people at 31 December 2008.

³ Greater China is China, Hong Kong and Taiwan.

⁴ WPP estimate.

Key Priorities, Objective and Strategy

Revenue by Geography



¹ Source: WPP - sterling revenues converted @ \$1.85= £1 based on the average for 2008, adjusted to include a full year of TNS. Omnicom, Publicis and Havas - company presentations for 2008.

² FX. Havas and Publicis assumes \$1=€0.68 based on the average for 2008.

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.

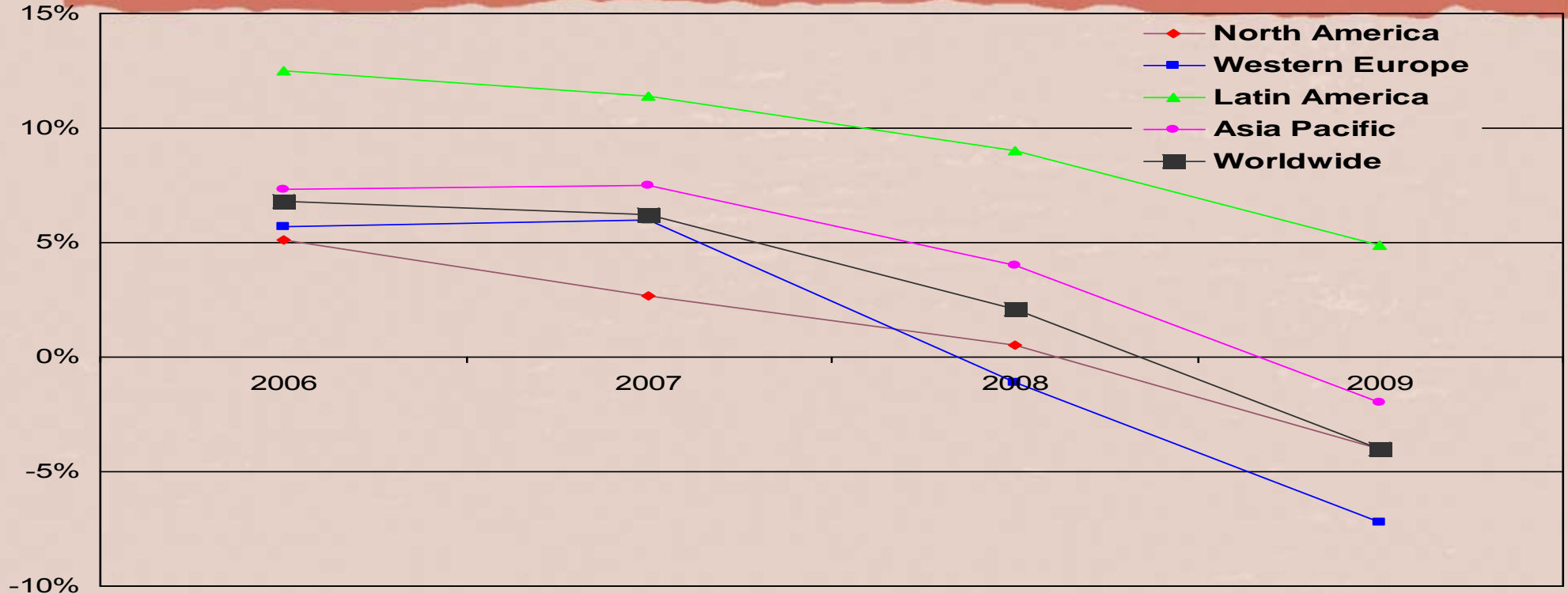
⁴ IPG. Assumes Canada is ca 1.5% of revenue.

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

⁶ Aegis. EMEA and Asia = \$1.7 bn

Key Priorities, Objectives and Strategy

Slowdown in Advertising Growth 2008-2009

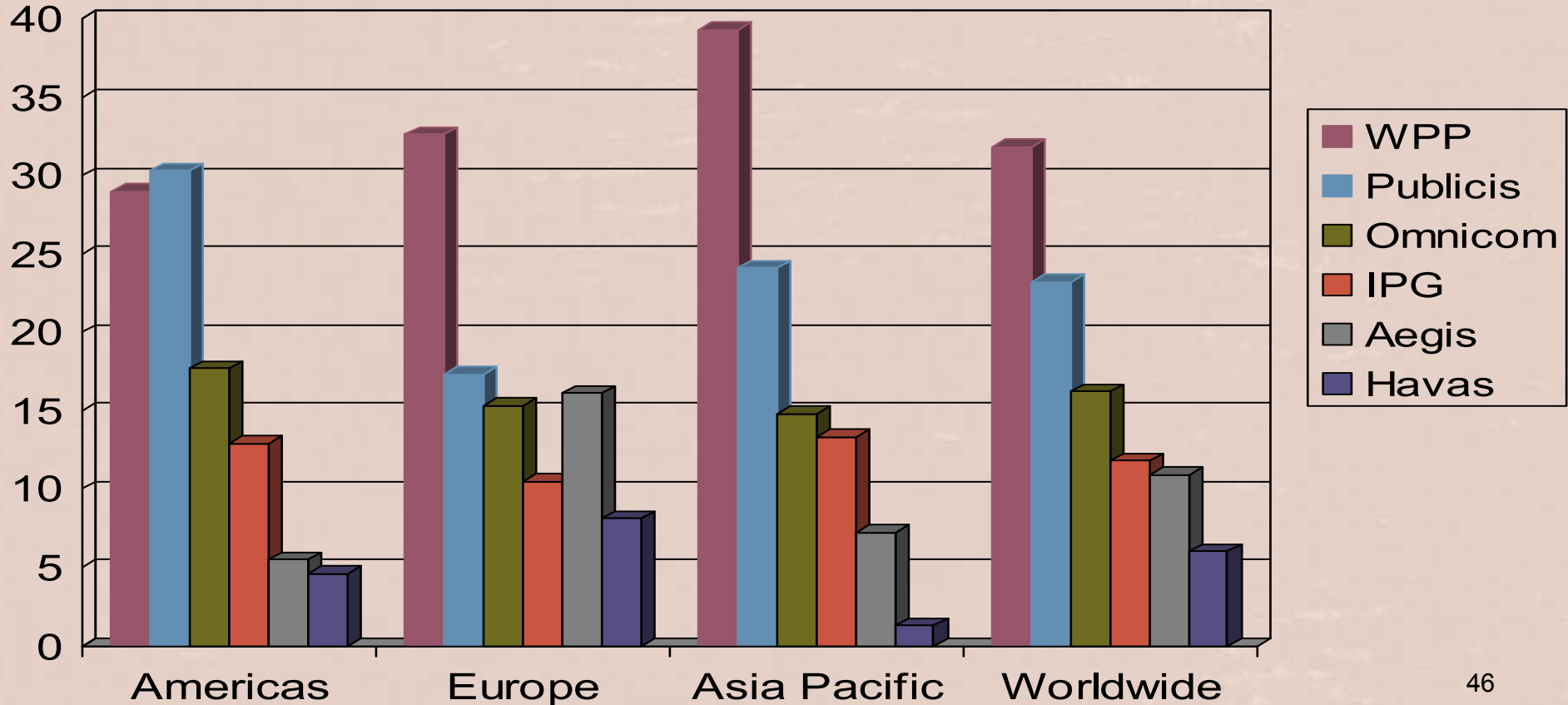


1. Source: March 4 2009 GroupM unpublished media forecast growth projections, 2006 and 2007 are actual, 2008 and 2009 are forecast growth rates.
2. Worldwide 2009 forecast decline of 4% (2008 – 2% growth).
3. Latin America 5%, Middle East & Africa 5% forecast to grow in 2009.
4. China and India forecast to grow by 3% and 4% respectively in 2009.

Key Priorities, Objectives and Strategy

Media Billings by Geography

Worldwide ranking by Group as % of the Six Groups

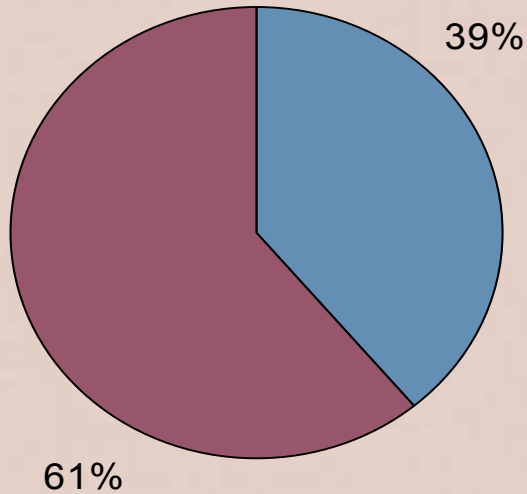


Source: RECMA August 2008 billings report, based on 2007 data.

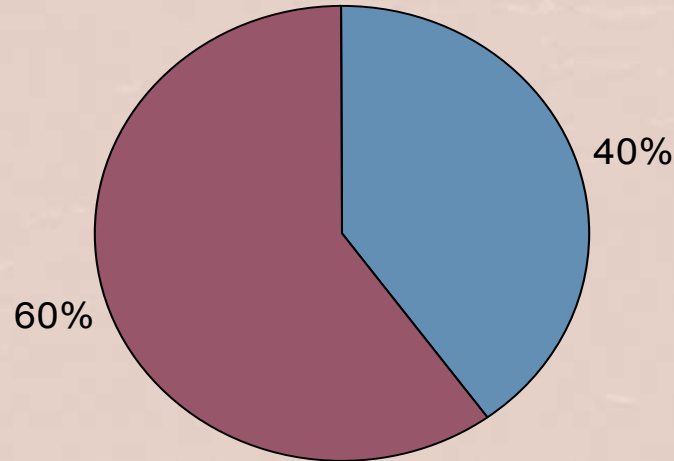
Key Priorities, Objectives and Strategy

Marketing Services to be Two Thirds of Total Group

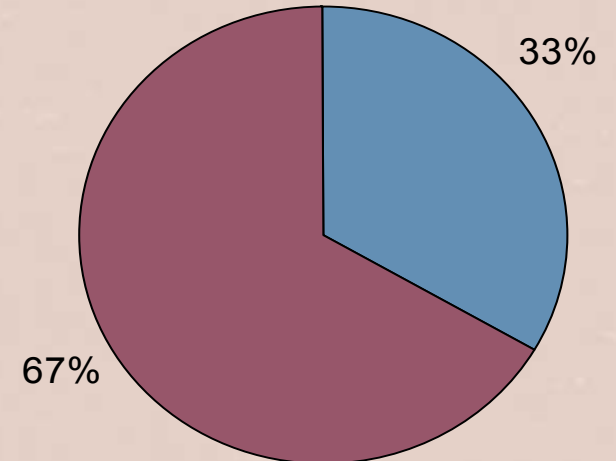
Today¹



Today including associates¹



Tomorrow



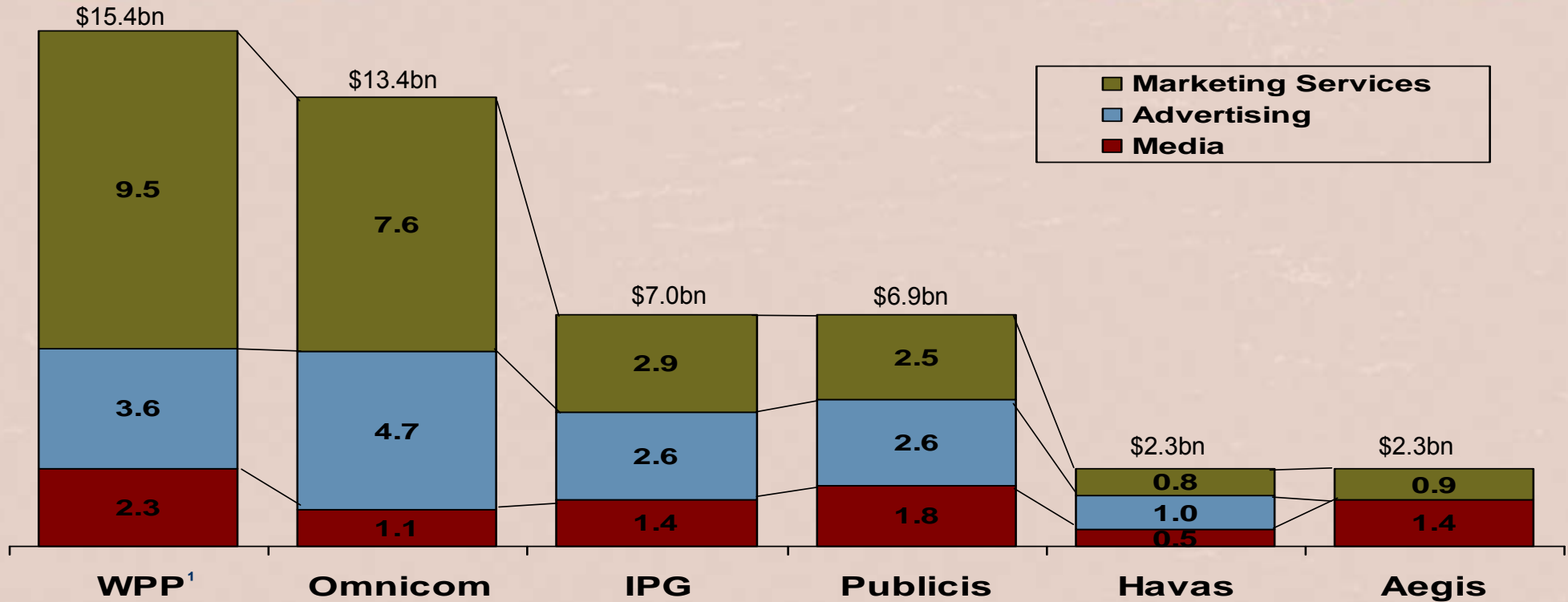
■ Marketing Services

■ Advertising & Media Investment Management

¹ Based on full year 2008 reported revenue adjusted to include a full year of TNS.

Key Priorities, Objective and Strategy

Revenue by Discipline



Source: ¹ WPP sterling revenue converted at \$1.85=£1 based on the average for 2008, adjusted to include a full year of TNS.

² 2008 Company Presentations; Aegis consensus estimate.

³ Media split based on Deutsche Bank estimates.

⁴ FX. Havas and Publicis assumes \$1=€0.68 based on the average for 2008.

Key Priorities, Objectives and Strategy

Quantitative Disciplines to be One Half of Total Group

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

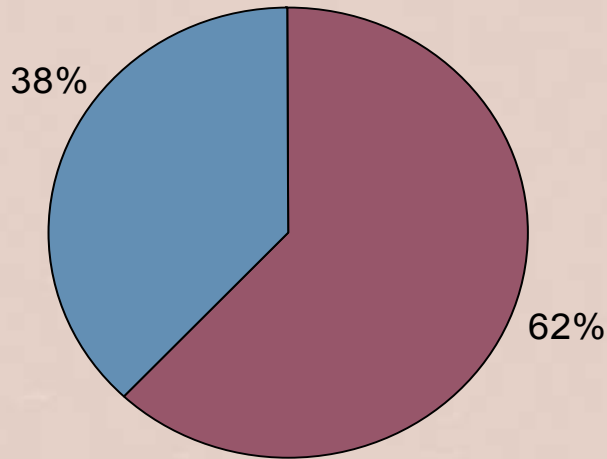
<u>Rank</u>	<u>Information, Insight & Consultancy Groups</u>	<u>Revenue 2007A (\$m)</u>
1	Nielsen	4,707
2	Kantar/TNS	4,030
3	IMS	2,193
4	GfK	1,593
5	Ipsos	1,271
6	Synovate	867
7	IRI ⁽¹⁾	665
8	Westat ⁽¹⁾	426
9	Arbitron	338

<u>Rank</u>	<u>Information Services Companies</u>	<u>Revenue 2007 (\$m)</u>
1	Thomson Reuters	8,919
2	Nielsen	4,707
3	Bloomberg	4,700
4	Kantar/TNS	4,030*
5	IMS	2,192
6	Experian	2,020
7	McGraw-Hill	1,802
8	Reed Elsevier	1,753
9	Equifax	1,696

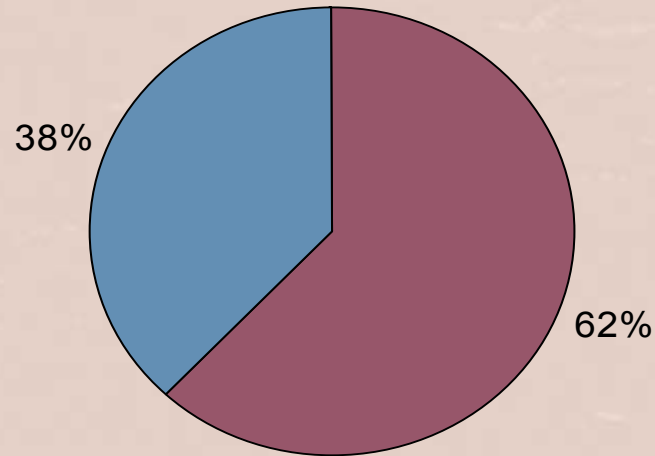
Key Priorities, Objectives and Strategy

Quantitative Disciplines to be One Half of Total Group

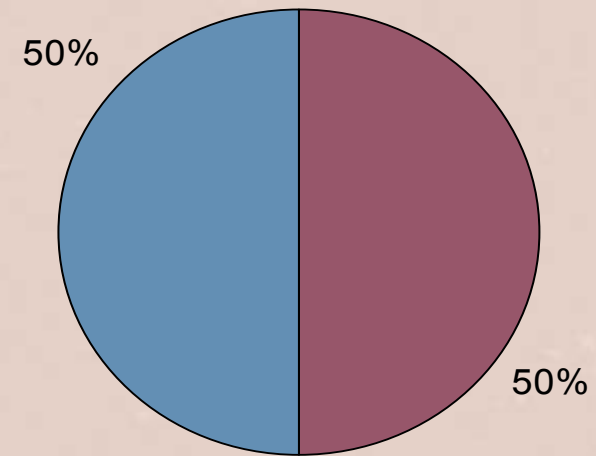
Today ¹



Today including associates ¹



Tomorrow



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

¹ Based on full year 2008 reported revenue, adjusted to include a full year of TNS.

Key Priorities, Objectives and Strategy

WPP¹ Position in Direct, Internet and Interactive

	\$'m	
Digital, Internet and Interactive Networks (OgilvyOne, Wunderman, rmg:connect, G2 and WPP Digital)	2,421	+14% vs 2007
<i>% of Group revenues</i>		16%
Specialist Digital, Internet and Interactive resources:		
- Information, Insight & Consultancy ² (Millward Brown, TNS, RI and Lightspeed)	960	
- GroupM	336	
- Other	187	
Total 2008	3,904	+21% vs 2007
	<i>% of Group revenues</i>	25%
Total 2007	2,793	
	<i>% of Group revenues</i>	23%

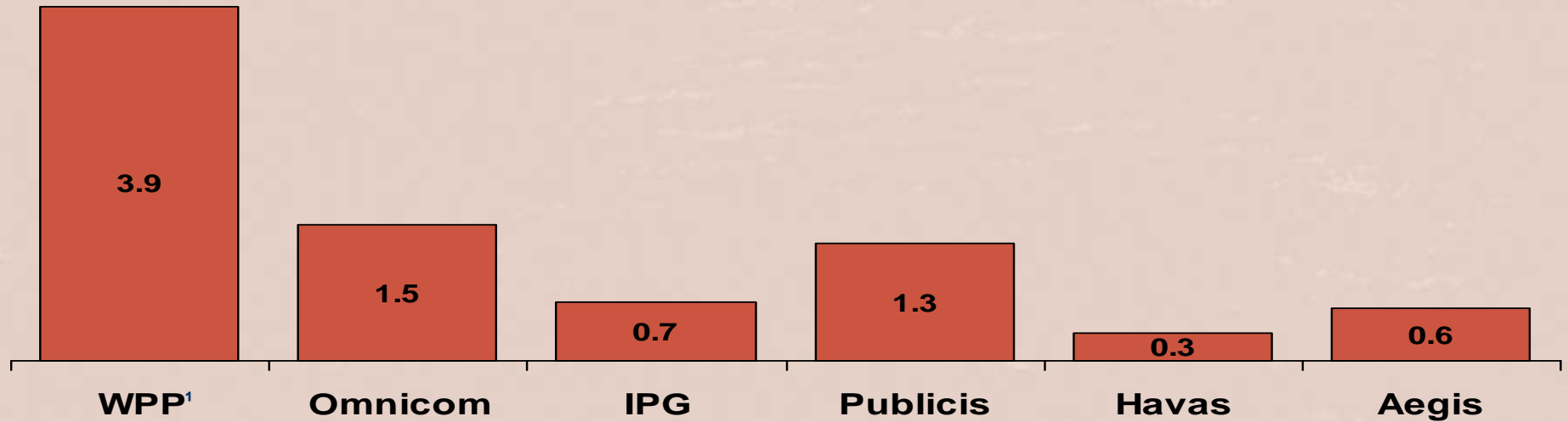
¹ 2008 revenues are adjusted to include a full year of TNS.

² Defined to include total revenue from Direct, Digital and Interactive Networks from all sources.

Key Priorities, Objective and Strategy

2008 Digital Revenue

\$billions



Source: ¹ WPP is "wide" definition, adjusted to include a full year of TNS.

² Peer digital revenue according to Ad Age %s applied to FY US\$ revenue.

Key Priorities, Objectives and Strategy

Top 11 things you didn't know about WPP Digital

- ✿ WPP's wide global digital revenue is almost 3x that of Publicis (*Source: Ad Age*).
- ✿ GroupM is the largest agency customer of Google, Yahoo!, MSN, and Baidu, with spend of nearly \$900m on Google alone in 2008 (ca 6% of Google revenue).
- ✿ GroupM is the #1 digital media buyer in 2008 (*source: RECMA survey*) with digital billings nearing \$4 billion.
- ✿ WPP is leading the way in addressable TV with investments in 2 of the 3 leading platforms INVIDI and Visible World.
- ✿ WPP's North America digital revenue is the largest against the top 50 peer group (*Source: Ad Age, May 5, 2008*).

Key Priorities, Objectives and Strategy

Top 11 things you didn't know about WPP Digital

- ✳ 24/7's DecideDNA the #1 rated platform for managing global search campaigns according to Jupiter Research's SEM Constellation Report.
- ✳ Since being acquired by WPP in May 2007, billings managed by 24/7's DecideDNA platform have more than tripled due to adoption by major WPP clients such as Dell.
- ✳ In 2007, Ogilvy Dove's *Evolution* was the first ever double grand prix winner at Cannes for film and cyber.
- ✳ DELIVER, WPP's global network of offshore digital production centers, has access to the world's largest network of digital production specialists.
- ✳ AGENDA is the most awarded digital agency in Asia, winning 81 industry awards since 2002.
- ✳ TNS/Compete's active monthly sample of US clickstream data is more than 10x larger than Comscore's.
- ✳ WPP and Omniture launch partnership to improve marketing ROI. Collaboration on technology development, data sharing and consulting services. Focus on CMOs to deliver greater consumer insights.

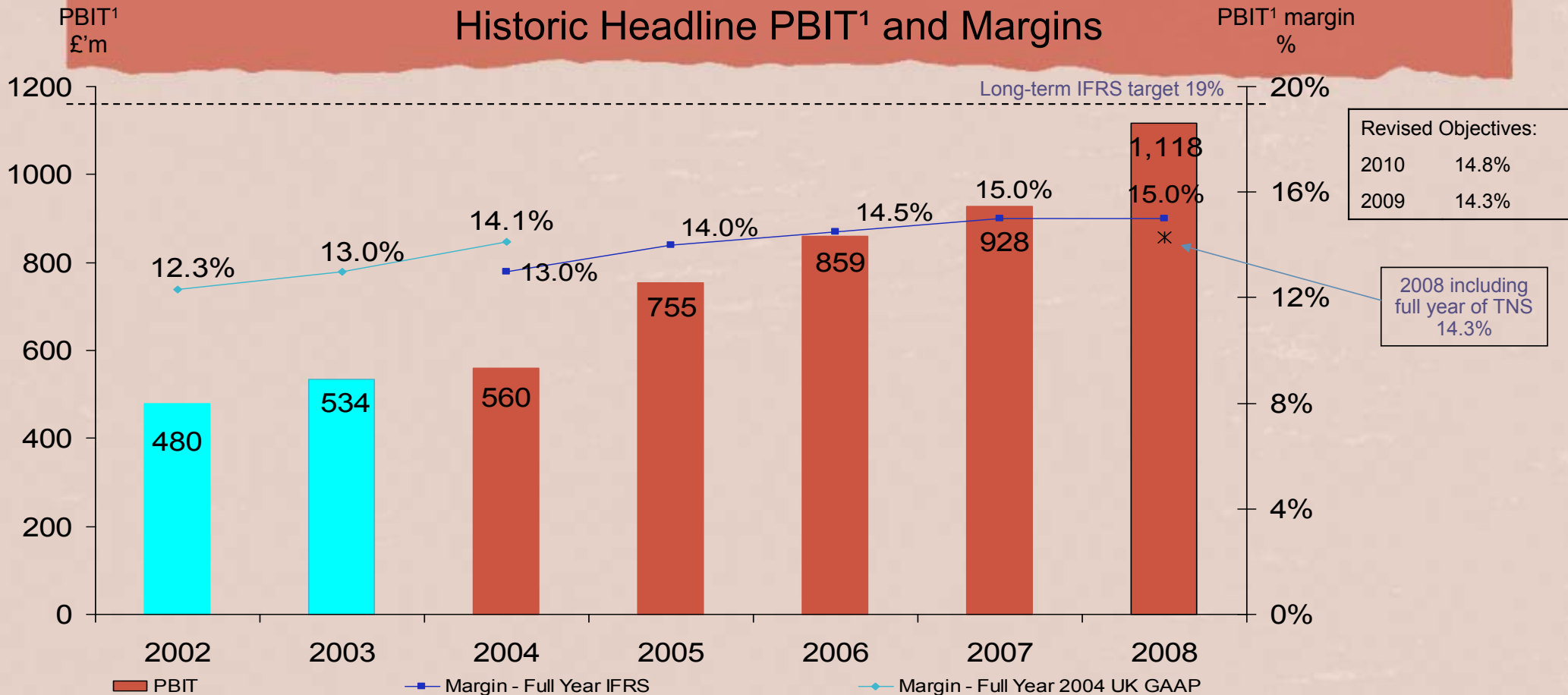
Key Priorities, Objectives and Strategy

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

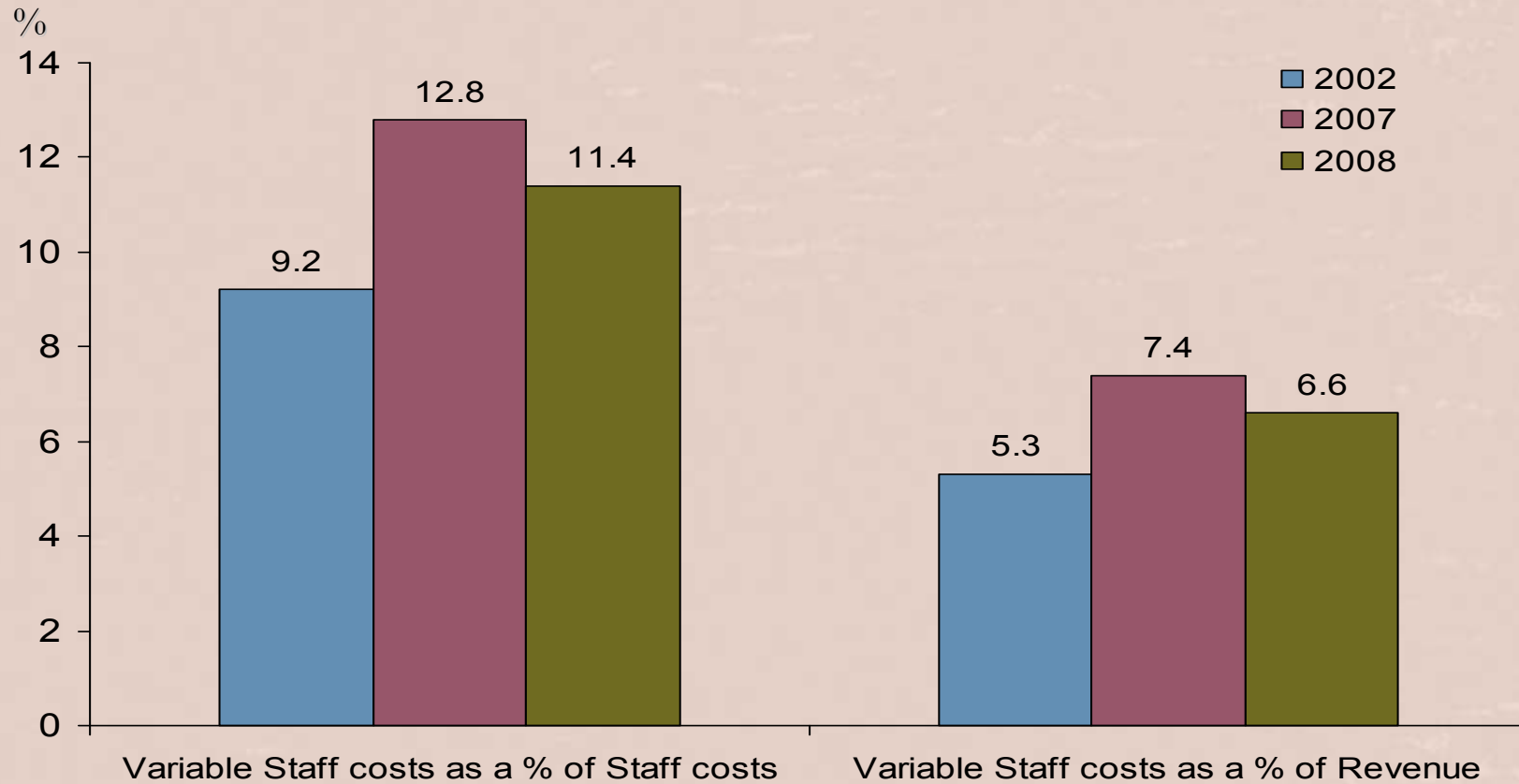


1. Headline PBIT excludes finance income/ costs, taxation, goodwill and intangibles charges, investment gains, and share of exceptional gains of associates. For 2004 onwards, Headline PBIT has been prepared under IFRS. 2003 and prior periods are in accordance with previous UK GAAP.

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

- ❖ 2008 second interim dividend raised by 12.6% to 10.28p per share.
- ❖ Distributions to share owners:

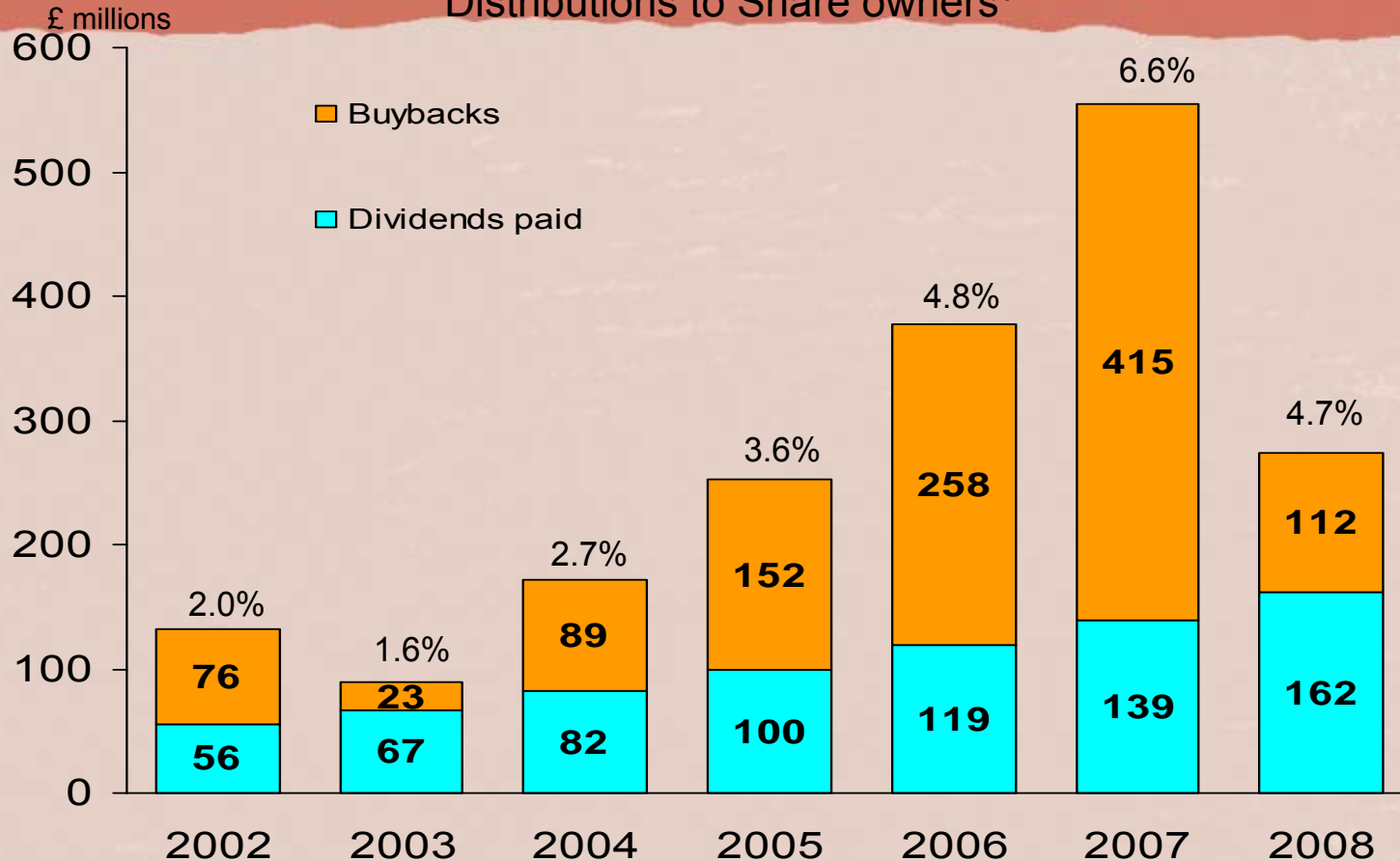
	<u>Dividends Paid</u>	<u>Share Repurchases</u>	
		<u>Amount</u>	<u>% of Share Base</u>
2000	£25.6m	£94.1m	1.3%
2001	£44.4m	£103.3m	1.4%
2002	£55.6m	£75.9m	1.1%
2003	£67.0m	£23.1m	0.5%
2004	£81.7m	£88.7m	1.4%
2005	£100.2m	£152.3m	2.1%
2006	£118.9m	£257.7m	3.1%
2007	£138.9m	£415.4m	4.7% ¹
2008	£161.8m	£112.2m	1.6%
Total 2000-2008	£794.1m	£1,322.7m	

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



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

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 information, insight & consultancy.
- ✿ During 2008 24 small and mid size acquisitions were 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.
- ✿ Acquisition of TNS successfully completed in October 2008.

Key Priorities, Objectives and Strategy

TNS Summary

- ✿ Strong performance for full year and last two months. Full year organic revenue growth and two month organic growth both 5.5%.
- ✿ Worldpanel, Media and Europe Custom particularly strong in 2008.
- ✿ Synergy planning and execution progressing well – forecasted synergies exceed £52m target and forecasted timing will accelerate.
- ✿ Cost ratios in line with original forecast.

Key Priorities, Objectives and Strategy

TNS Integration

- ✿ Actions taken on public company cost and structure (Legal, IT, PR, Board etc).
- ✿ Integration planned and synergy targets broken down into individual workstreams.
- ✿ New structure and management team announced in February 2009.

Key Priorities, Objectives and Strategy

TNS Consideration

<u>Use of Funds</u>	£m	<u>Source of Funds</u>	£m
TNS equity	1,025	New shares (80.5m)	270
TNS debt ¹	559	New facilities	1,173
		Other facilities	141
	<hr/> 1,584 <hr/>		<hr/> 1,584 <hr/>

- ✿ In 10 months to October 2008, TNS spent approximately £65m on acquisitions and £30m on advisory fees.
- ✿ Debt was primarily € and \$ denominated, and FX increased reported debt by £77m.

¹ Gross debt of £578m less net cash of £19m.

Key Priorities, Objectives and Strategy

Acquisitions¹

Faster Growing Markets

10AM (Singapore)
Encompass (India)
Rikes (Hong Kong)
Team Y&R (Middle East)

Quantitative and Digital

Actis (Russia)
Agenda (Asia)
Evision (China)
NuConomy (Israel)
RAMS (India)
Scangroup (Kenya)
VAC (China)
Yumes (Argentina)
Zdology (China)

Advertures (Czech)
DATA INTELLIGENCE (Denmark)
DesignKitchen (USA)
HeathWallace (UK)
Kassius (Denmark)
Lluminari (USA)
Tagora (Belgium)
TNS (Worldwide)
Yankelovich (USA)

¹ Excludes equity step ups

Key Priorities, Objectives and Strategy Acquisitions¹

Advertising and Media Investment Management

AdPeople (Denmark)

LaComunidad (Netherlands)

Public Relations and Public Affairs

Axicom (UK)

¹ Excludes equity step ups

Key Priorities, Objectives and Strategy Investments¹

Quantitative & Digital

HDT (China)

IGA (China)

immi (USA)

Jump Tap (USA)

Media Rights Capital (USA)

Proclivity (USA)

Realtime World (USA)

Yield Software (USA)

¹ Interests of less than 20%

Key Priorities, Objectives and Strategy

Acquisitions¹ since 1 January 2009

Faster Growing Markets

Quantitative and Digital

Jupiter Drawing Room (S. Africa)
Smart Media (Vietnam)

Danone CRM (France)

H-art (Italy)

Omniture² (USA)

Red Dot Square (UK, USA)

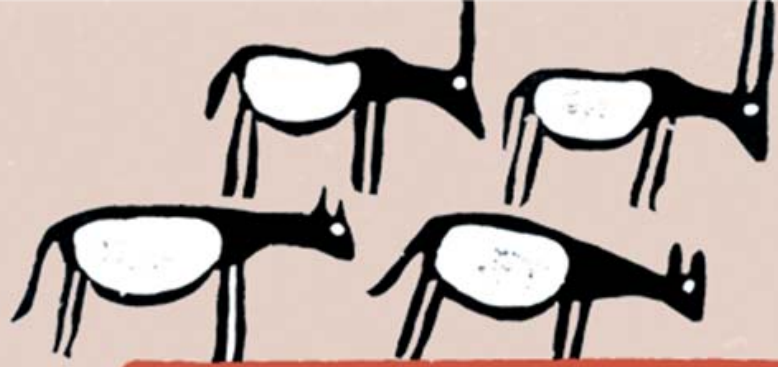
Video Egg Series E² (USA)

Healthcare

Lob Conseils (France)

¹ Excludes equity step ups

² Investment



WPP

3

Conclusions



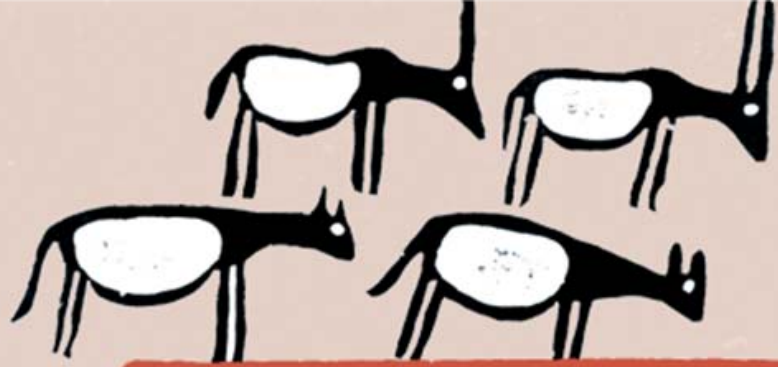
Conclusions

Outlook

- ✦ The unprecedented financial crisis has triggered recession across the globe.
- ✦ Our revised budgets show low single digit like-for-like revenue decline.
- ✦ 2009 will be a very difficult year, particularly in the first half and we will take the necessary steps to deal with any revenue downturn.
- ✦ Our 2009 operating margins are targeted to be 14.3%, effectively flat with the 2008 actuals adjusted for a full year of TNS.
- ✦ By 2010 we believe the impact of the massive global fiscal and monetary injections should bring some recovery – our operating margin target for 2010 is 14.8%.

Conclusions

- * The Group continues to be well placed by region and discipline to benefit from key industry trends.
- * The TNS acquisition represents a major competitive advantage for our Information, Insight & Consultancy business and the Group, as well as a source of margin improvement.
- * 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.
- * The Group will manage cashflow to return average net debt/EBITDA ratio to below 2x in the medium term.
- * As the world exits from the financial crisis, whenever that is, the Group's strategic focus on new geographical markets, new media and the application of technology and consumer insights, will prove to be even more effective.



WPP

Results for 2008

London

March 2009

