

# WPP

CANNES LIONS 2011-2015  
HOLDING COMPANY OF THE YEAR



EFFIE AWARDS 2012-2015  
MOST EFFECTIVE HOLDING COMPANY



## Results for 2015

London





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*Hard Copy only*

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# 1 Results for 2015



## Results for 2015

### 30<sup>th</sup> Anniversary Another Record Year Despite Second Half Currency Headwind

- Billings £47.6bn, up 4.9% in constant currency, and 4.0% like-for-like.
- Revenue growth of 7.5% in constant currency, and 5.3% like-for-like, reduced to 6.1% reportable by currency -1.4%.
- Net sales growth of 5.8% in constant currency, and 3.3% like-for-like, reduced to 4.6% reportable by currency -1.2%.
- Headline PBIT of £1,774m, up 8.7% constant currency, reduced to 5.6% reportable by currency -3.1%.
- Reported net sales margin of 16.9% up 0.2 margin points, but up 0.4 margin points pre currency and ahead of full year margin target of 0.3 margin points pre currency.
- Headline diluted EPS up 10.2% to 93.6p, up 13.3% constant currency.
- Dividends per share of 44.7p, up 17.0%, a pay-out ratio of 47.7% versus 45% last year.
- No 1 overall in New Business league tables for fourth year in a row, biggest winner in recent “media tsunami” reviews.
- Increase in value of £0.5bn in non-controlled investments, primarily technology and content.
- ROE improves further to 16.3% from 15.0% in 2015.

# Results for 2015

## Headline<sup>1</sup> Performance versus Target

	Actual	Target	Achieved
Like-for-like net sales growth	3.3%	3%+	✓
Constant currency net sales margin improvement	+0.4 <sup>2</sup>	+0.3 <sup>2</sup>	✓
Reportable diluted EPS growth	10.2%	10-15%	✓
Constant currency diluted EPS growth	13.3%	10-15%	✓

- Strong performance versus target despite second half currency headwind of ca. 2%.

<sup>1</sup> Figures before goodwill and intangibles charges, gains/losses on step-ups from associate to subsidiary, gains/losses on disposals of subsidiaries and investments, investment write-downs, share of exceptional gains/losses of associates, restructuring costs, IT asset write-downs and revaluation of financial instruments

<sup>2</sup> Margin points

# Results for 2015

## Summary Headline<sup>1</sup> Results at a Glance

Year to 31 December	2015	2014	% Change	
			Reported	Constant Currency
Revenue £m	12,235	11,529	6.1	7.5
Net Sales £m	10,524	10,065	4.6	5.8
Net Sales Margin	16.9%	16.7%	+0.2 <sup>2</sup>	+0.4 <sup>2</sup>
PBIT £m	1,774	1,681	5.6	8.7
EBITDA £m	2,002	1,910	4.9	7.7
Diluted EPS	93.6p	84.9p	10.2	13.3
Dividend per share	44.69p	38.2p	17.0	17.0
Average Net Debt £m	(3,562)	(3,001)	-18.7	
Average Net Debt / EBITDA	1.8x	1.6x		
Average Headcount <sup>3</sup>	124,930	127,286	1.9	
Closing Headcount <sup>3</sup>	128,123	130,173	1.6	
Enterprise Value / EBITDA	11.6x	11.9x		

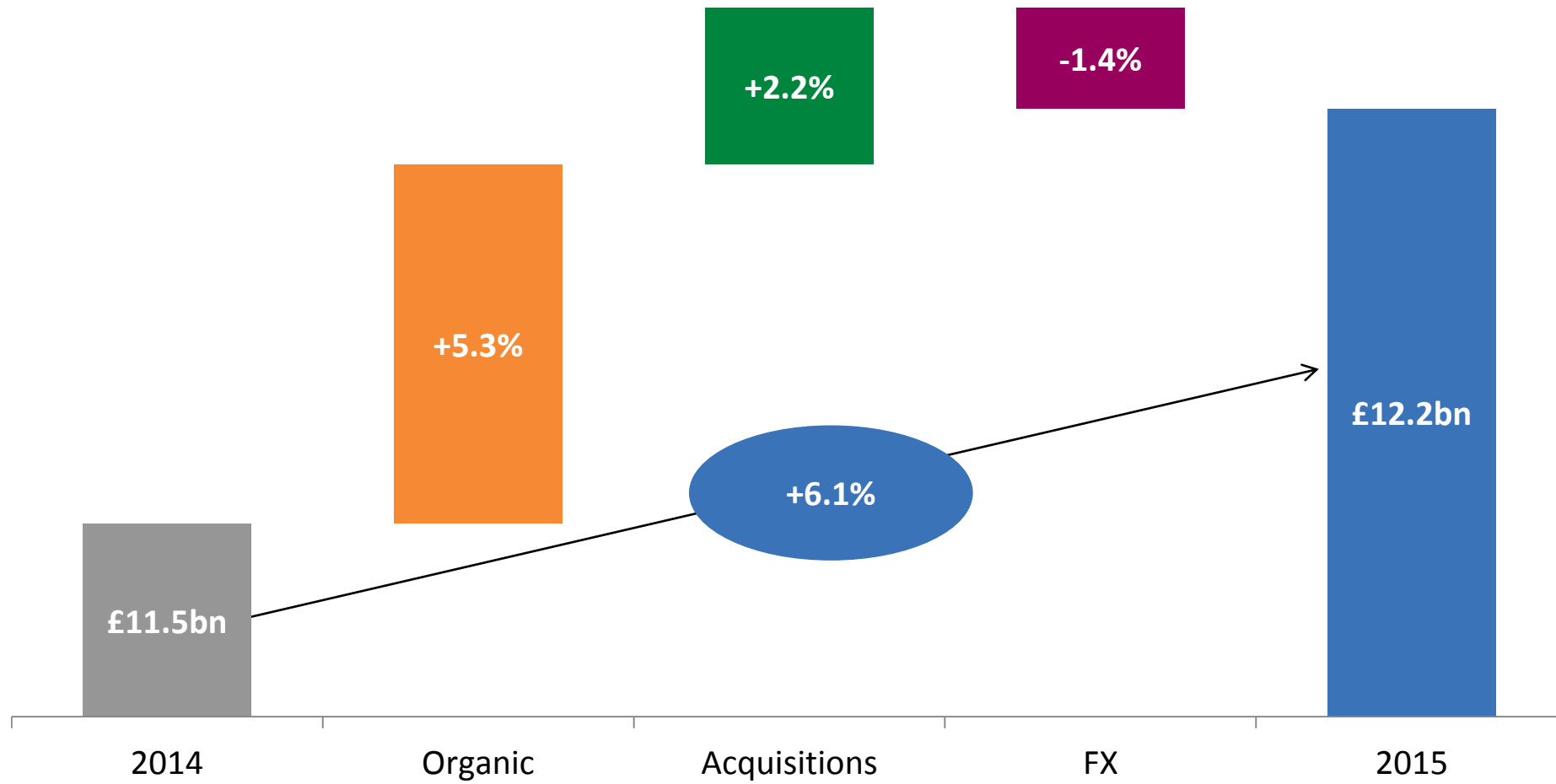
<sup>1</sup> Figures before goodwill and intangibles charges, gains/losses on step-ups from associate to subsidiary, gains/losses on disposals of subsidiaries and investments, investment write-downs, share of exceptional gains/losses of associates, restructuring costs, IT asset write-downs and revaluation of financial instruments

<sup>2</sup> Margin points

<sup>3</sup> 2015 and 2014 like-for-like number of people

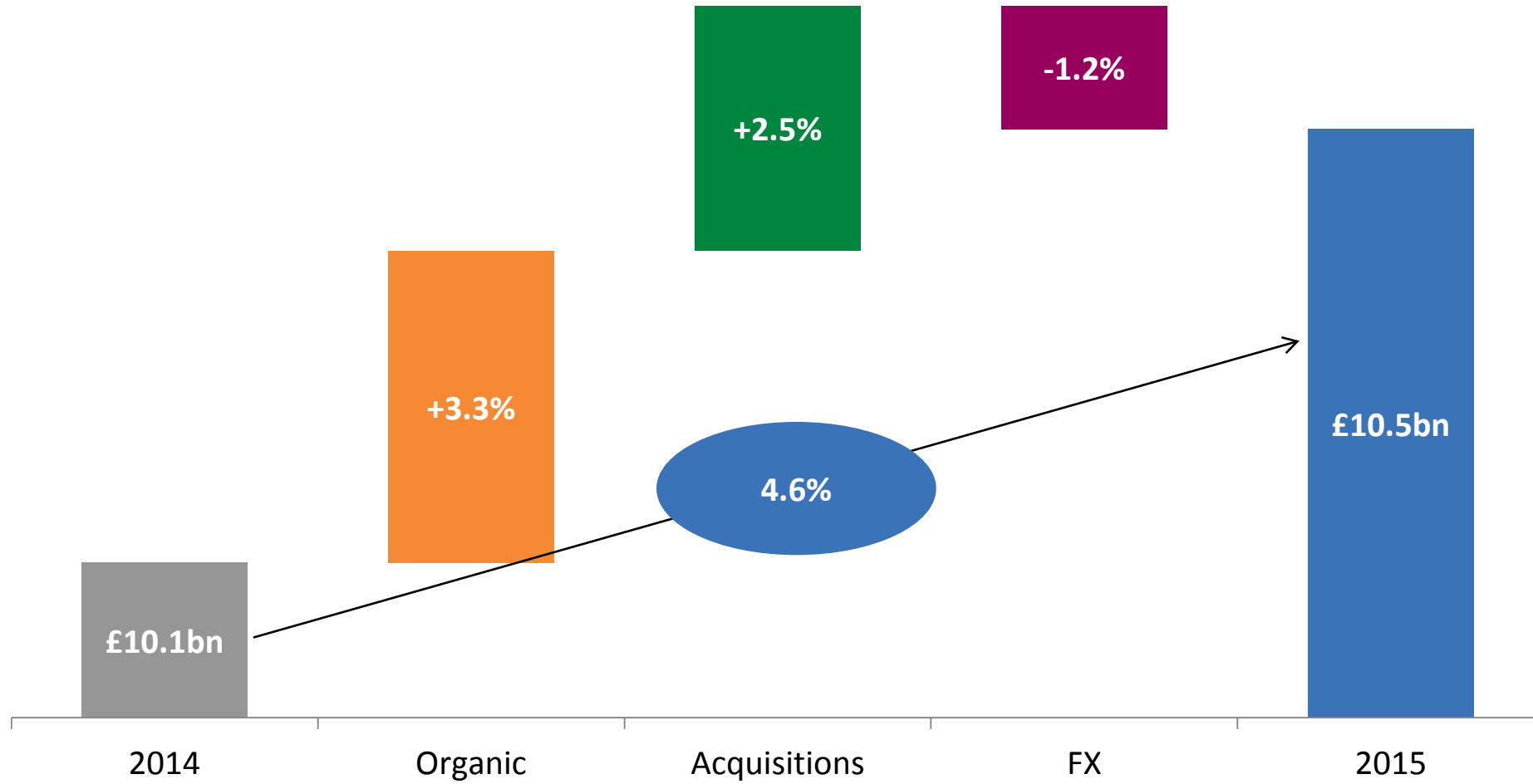
# Results for 2015

## Revenue Growth



# Results for 2015

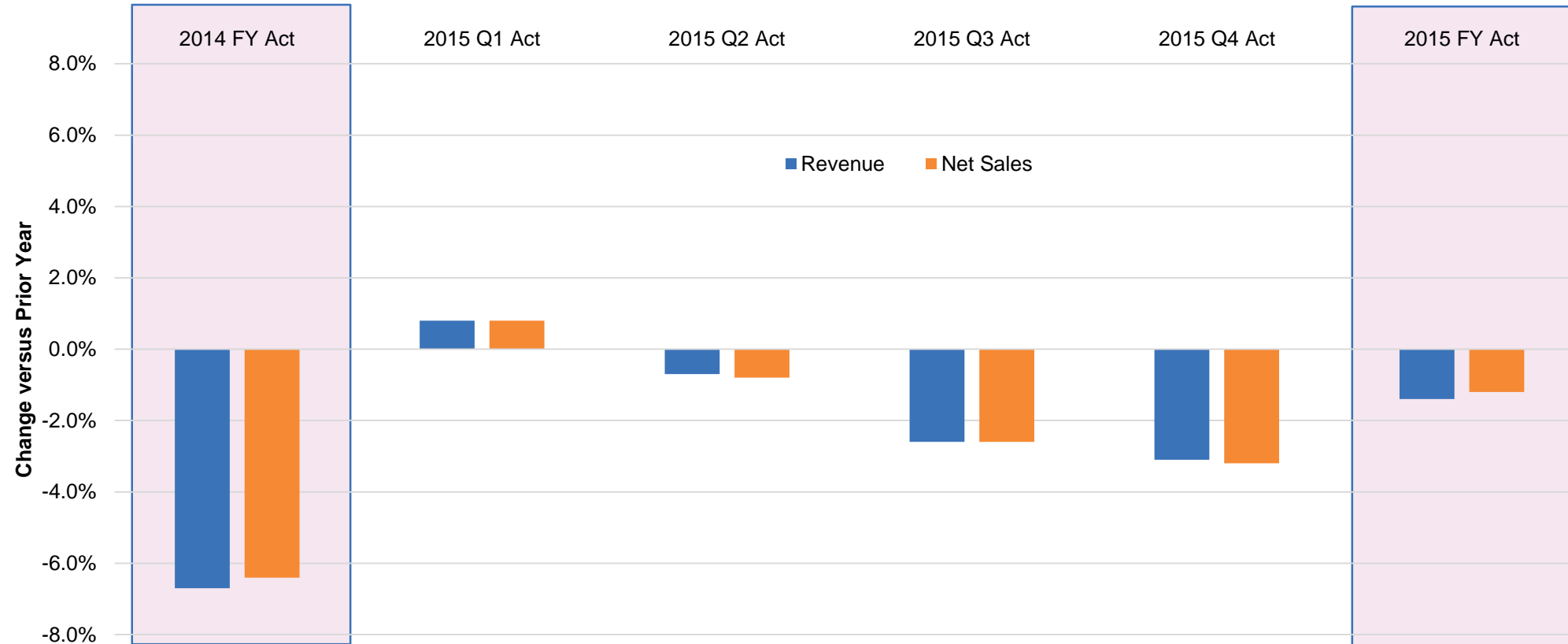
## Net Sales Growth





# Results for 2015

## Impact of Foreign Exchange



- Full year impact of -1.4% on revenue and -1.2% on net sales.



# Results for 2015

## Unaudited Headline<sup>1</sup> IFRS Income Statement

Year to 31 December	2015 £m	2014 £m	% Change	
			Reported	Constant Currency
Revenue	12,235	11,529	6.1	7.5
Net sales	10,524	10,065	4.6	5.8
<b>Operating profit</b>	<b>1,705</b>	<b>1,612</b>	<b>5.8</b>	<b>8.9</b>
Income from associates	69	69	-1.0	3.9
<b>PBIT</b>	<b>1,774</b>	<b>1,681</b>	<b>5.6</b>	<b>8.7</b>
Net finance costs	(152)	(168)	9.7	13.7
<b>Profit before tax</b>	<b>1,622</b>	<b>1,513</b>	<b>7.3</b>	<b>11.2</b>
Tax at 19.0% (2014 20.0%)	(308)	(303)	-1.9	-9.1
<b>Profit after tax</b>	<b>1,314</b>	<b>1,210</b>	<b>8.6</b>	<b>11.8</b>
<b>Diluted EPS</b>	<b>93.6p</b>	<b>84.9p</b>	<b>10.2</b>	<b>13.3</b>
<b>Net sales margin</b>	<b>16.9%</b>	<b>16.7%</b>	<b>+0.2<sup>2</sup></b>	<b>+0.4<sup>2</sup></b>
EBITDA	2,002	1,910	4.9	7.7

<sup>1</sup> Figures before goodwill and intangibles charges, gains/losses on step-ups from associate to subsidiary, gains/losses on disposals of subsidiaries and investments, investment write-downs, share of exceptional gains/losses of associates, restructuring costs, IT asset write-downs and revaluation of financial instruments

<sup>2</sup> Margin points

# Results for 2015

## Unaudited IFRS Income Statement

Year to 31 December	2015 £m	2014 £m	% Change	
			Reported	Constant Currency
Revenue	12,235	11,529	6.1	7.5
Net sales	10,524	10,065	4.6	5.8
<b>Operating profit pre-goodwill / intangibles</b>	<b>1,705</b>	<b>1,612</b>	<b>5.8</b>	<b>8.9</b>
Net exceptional gain <sup>1</sup>	82	61	35.3	42.0
Goodwill / intangible charges	(155)	(166)	6.6	6.5
<b>Operating profit</b>	<b>1,632</b>	<b>1,507</b>	<b>8.3</b>	<b>11.8</b>
Income from associates	47	62	-24.1	-19.2
<b>PBIT</b>	<b>1,679</b>	<b>1,569</b>	<b>7.0</b>	<b>10.6</b>
Net finance costs	(186)	(117)	-58.9	-50.0
<b>Profit before tax</b>	<b>1,493</b>	<b>1,452</b>	<b>2.8</b>	<b>7.3</b>
Tax	(248)	(300)	17.6	10.6
<b>Profit after tax</b>	<b>1,245</b>	<b>1,152</b>	<b>8.1</b>	<b>11.9</b>
Reported diluted EPS	88.4p	80.5p	9.8	13.4

<sup>1</sup> Being net amount of gains/losses on step-ups from associate to subsidiary, gains/losses on disposals of subsidiaries and investments, investment write-downs, restructuring costs and IT asset write-downs

# Results for 2015

Net Exceptional Gain of £82m

Exceptional Gains <sup>1</sup>		Restructuring Costs				
	£m	£m	N. America	Europe	ROW	Total
IBOPE	132	Severance	(8)	(35)	(9)	(52)
comScore	44	IT				(37)
Chime	31	Other				(17)
e-Rewards	30	<b>Total restructuring costs</b>				<b>(106)</b>
Other	(20)	IT asset write-downs				(29)
<b>Exceptional gains</b>	<b>217</b>	<b>Total restructuring and write-downs</b>				<b>(135)</b>

<sup>1</sup> Being net amount of gains/losses on step-ups from associate to subsidiary, gains/losses on disposals of subsidiaries and investments, and investment write downs

# Results for 2015

## % Growth Versus Prior Year

	Revenue	Net Sales	Headline <sup>1</sup> PBIT	Headline <sup>1</sup> EPS
Like-for-like	5.3	3.3	n/a	n/a
Acquisitions <sup>2</sup>	2.2	2.5	n/a	n/a
Constant currency	7.5	5.8	8.7	13.3
Foreign exchange	-1.4	-1.2	-3.1	-3.1
<b>Reportable sterling</b>	<b>6.1</b>	<b>4.6</b>	<b>5.6</b>	<b>10.2</b>
<b>Reportable US dollars<sup>3</sup></b>	<b>-1.4</b>	<b>-2.8</b>	<b>-1.3</b>	<b>3.0</b>
<b>Reportable euros<sup>4</sup></b>	<b>17.8</b>	<b>16.1</b>	<b>16.8</b>	<b>21.9</b>
<b>Reportable Japanese yen<sup>5</sup></b>	<b>12.4</b>	<b>10.8</b>	<b>10.5</b>	<b>15.0</b>

<sup>1</sup> Figures before goodwill and intangibles charges, gains/losses on step-ups from associate to subsidiary, gains/losses on disposals of subsidiaries and investments, investment write-downs, share of exceptional gains/losses of associates, restructuring costs, IT asset write-downs and revaluation of financial instruments

<sup>2</sup> Acquisitions net of disposals

<sup>3</sup> Translated into US\$, using among other currencies, average exchange rates of US\$/£ for FY 2015 of \$1.529, compared to \$1.648 for FY 2014

<sup>4</sup> Translated into euros, using among other currencies, average exchange rates of €/£ for FY 2015 of €1.378, compared to €1.241 for FY 2014

<sup>5</sup> Translated into Japanese yen, using among other currencies, average exchange rates of ¥/£ for FY 2015 of ¥185.1, compared to ¥174.2 for FY 2014

# Results for 2015

## Revenue and Net Sales by Sector

	Revenue <sup>1</sup>				Net Sales <sup>1</sup>			
	2015 £m	Reported	% Change		2015 £m	Reported	% Change	
			Constant Currency	Like-for- like <sup>2</sup>			Constant Currency	Like-for- like <sup>2</sup>
Advertising, Media Investment Management	5,553	8.2	9.9	8.4	4,652	3.3	5.3	3.8
Data Investment Management	2,426	-0.1	3.5	-0.2	1,768	1.1	4.6	0.3
Public Relations & Public Affairs	946	6.0	4.7	3.0	930	5.6	4.3	3.4
Branding & Identity, Healthcare and Specialist Communications	3,310	7.7	7.3	5.3	3,174	8.2	7.8	4.2
<b>Total</b>	<b>12,235</b>	<b>6.1</b>	<b>7.5</b>	<b>5.3</b>	<b>10,524</b>	<b>4.6</b>	<b>5.8</b>	<b>3.3</b>

<sup>1</sup> Disclosure of revenue and net sales figures necessary to more accurately show underlying trends, given the significant increase in both on-line media buying as principal, together with pass-through costs for data investment management

<sup>2</sup> Digital revenues grew by 7.6% and Digital net sales by 5.1%

# Results for 2015

## Revenue and Net Sales by Region

	Revenue <sup>1</sup>				Net Sales <sup>1</sup>			
	2015 £m	Reported	% Change		2015 £m	Reported	% Change	
			Constant Currency	Like-for- like			Constant Currency	Like-for- like
North America	4,491	15.2	7.9	7.1	3,882	11.8	4.7	4.1
UK	1,777	8.4	8.4	4.1	1,505	7.8	7.8	2.9
Western Continental Europe	2,426	-5.6	4.7	4.7	2,016	-5.9	4.3	2.5
Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe	3,541	3.5	8.5	4.2	3,121	2.2	7.3	3.0
<b>Total</b>	<b>12,235</b>	<b>6.1</b>	<b>7.5</b>	<b>5.3</b>	<b>10,524</b>	<b>4.6</b>	<b>5.8</b>	<b>3.3</b>

<sup>1</sup> Disclosure of revenue and net sales figures necessary to more accurately show underlying trends, given the significant increase in both on-line media buying as principal, together with pass-through costs for data investment management

## Results for 2015

### WPP Two Year Cumulative Like-for-Like Growth<sup>1</sup> - Consistent Performance

%	Revenue		Net Sales	
	1 Year	2 Year	1 Year	2 Year
H1 2014	8.7	11.1 <sup>2</sup>	4.1	6.5 <sup>2</sup>
H2 2014	7.7	12.3 <sup>2</sup>	2.5	6.8 <sup>2</sup>
H1 2015	4.9	13.6	2.3	6.4
H2 2015	5.8	13.5	4.1	6.6

<sup>1</sup>Two year trend is total growth for the named half and same half one year earlier

<sup>2</sup> 2013 revenue growth for H1 2.4% and H2 4.6%. 2013 net sales growth for H1 2.4% and H2 4.3%



# Results for 2015

## Two Year Cumulative Like-for-Like Revenue Growth<sup>1</sup>

%	WPP <sup>3</sup>	OMC <sup>2,4</sup>	Pub <sup>2,5</sup>	IPG <sup>2,6</sup>
H1 2014	11.1	7.9	5.1	7.9
H2 2014	12.3	10.3	4.2	8.8
H1 2015	13.6	10.3	3.0	11.8
H2 2015	13.5	11.7	3.9	11.7

<sup>1</sup> Two year trend is total growth for the named half and same half one year earlier

<sup>3</sup> WPP growth by half H1/13 2.4%, H2/13 4.6%, H1/14 8.7%, H2/14 7.7%, H1/15 4.9%, H2/15 5.8%

<sup>5</sup> PUB growth by half H1/13 3.3%, H2/13 2.1%, H1/14 1.8%, H2/14 2.1%, H1/15 1.2%, H2/15 1.8%

<sup>2</sup> OMC is Omnicom Group, Pub is Publicis Groupe and IPG is Interpublic Group

<sup>4</sup> OMC growth by half H1/13 2.8%, H2/13 4.1%, H1/14 5.1%, H2/14 6.2%, H1/15 5.2%, H2/15 5.5%

<sup>6</sup> IPG growth by half H1/13 2.3%, H2/13 3.3%, H1/14 5.6%, H2/14 5.5%, H1/15 6.2%, H2/15 6.2%

# Results for 2015

## Headline<sup>1</sup> PBIT and Net Sales Margin by Sector

	Headline PBIT		Headline Margin	
	2015 £m	2014 £m	2015 %	2014 %
Advertising, Media Investment Management	856	836	18.4	18.6
Data Investment Management	286	273	16.2	15.6
Public Relations & Public Affairs	155	139	16.7	15.8
Branding & Identity, Healthcare and Specialist Communications	477	433	15.0	14.7
<b>Total</b>	<b>1,774</b>	<b>1,681</b>	<b>16.9</b>	<b>16.7</b>

<sup>1</sup> Figures before goodwill and intangibles charges, gains/losses on step-ups from associate to subsidiary, gains/losses on disposals of subsidiaries and investments, investment write-downs, share of exceptional gains/losses of associates, restructuring costs, IT asset write-downs and revaluation of financial instruments

# Results for 2015

## Headline<sup>1</sup> PBIT and Net Sales Margin by Region

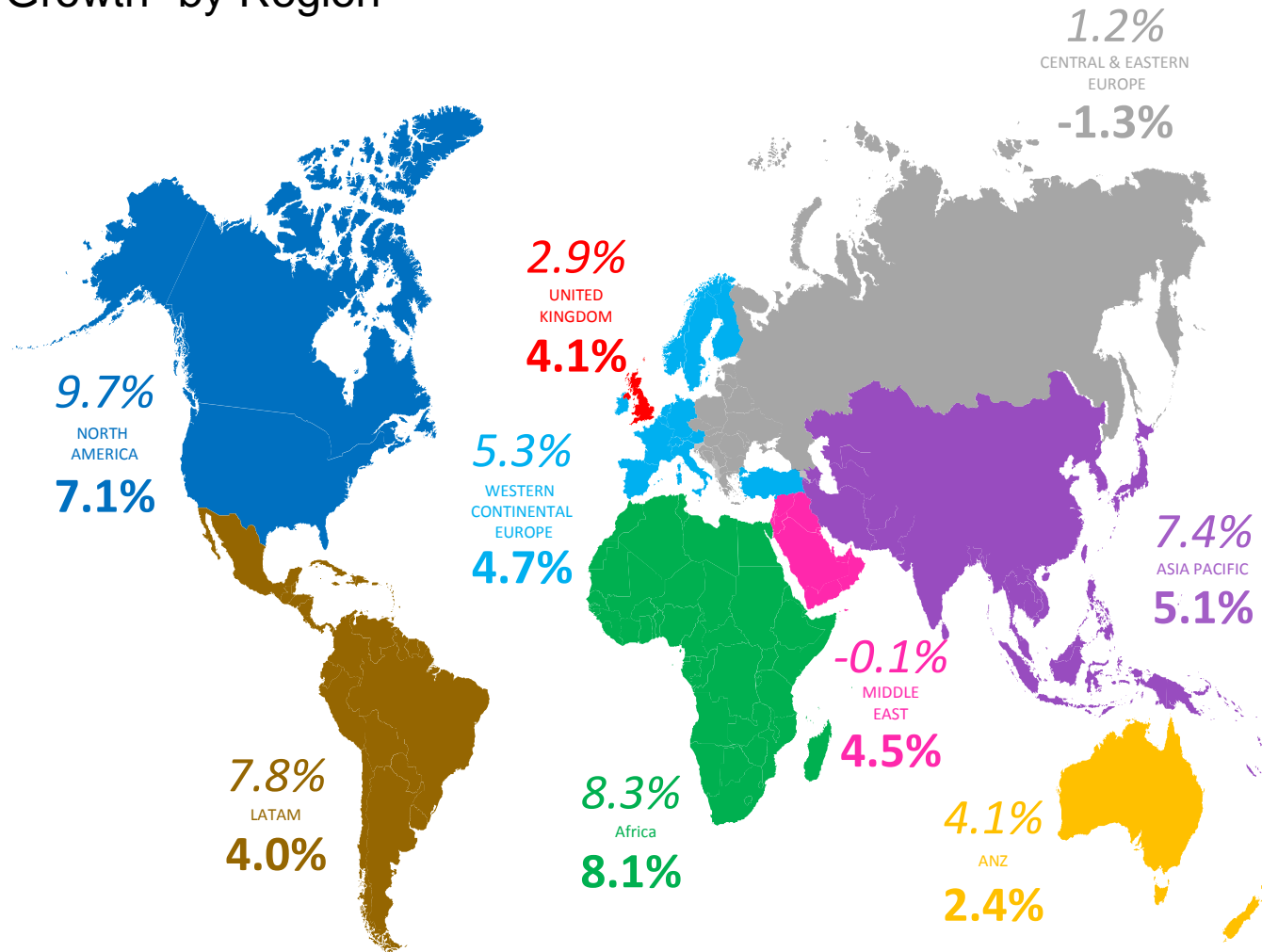
	Headline PBIT		Headline Margin	
	2015 £m	2014 £m	2015 %	2014 %
North America	728	622	18.8	17.9
UK	243	221	16.2	15.8
Western Continental Europe	277	277	13.7	12.9
Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe	526	561	16.8	18.3
<b>Total</b>	<b>1,774</b>	<b>1,681</b>	<b>16.9</b>	<b>16.7</b>

<sup>1</sup> Figures before goodwill and intangibles charges, gains/losses on step-ups from associate to subsidiary, gains/losses on disposals of subsidiaries and investments, investment write-downs, share of exceptional gains/losses of associates, restructuring costs, IT asset write-downs and revaluation of financial instruments

# Results for 2015

## Revenue Growth<sup>1</sup> by Region

Q4 %  
REGION  
FY %



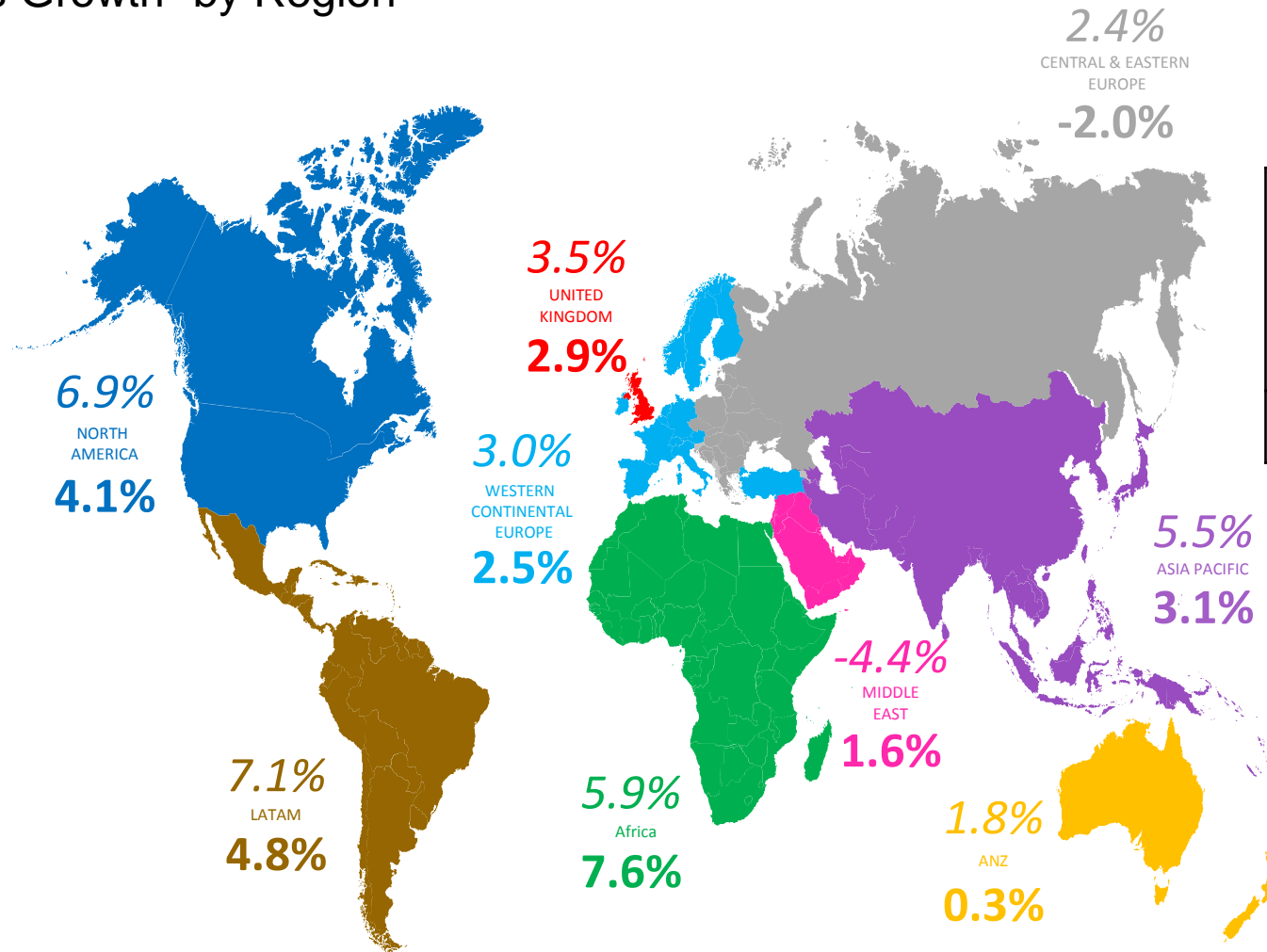
	Q4	FY
Mature Markets	6.9%	5.8%
“Fast Growth” Markets	6.3%	4.2%
<b>Total</b>	<b>6.7%</b>	<b>5.3%</b>

<sup>1</sup> Like-for-like revenue growth vs. 2014

# Results for 2015

## Net Sales Growth<sup>1</sup> by Region

Q4 %  
REGION  
FY %



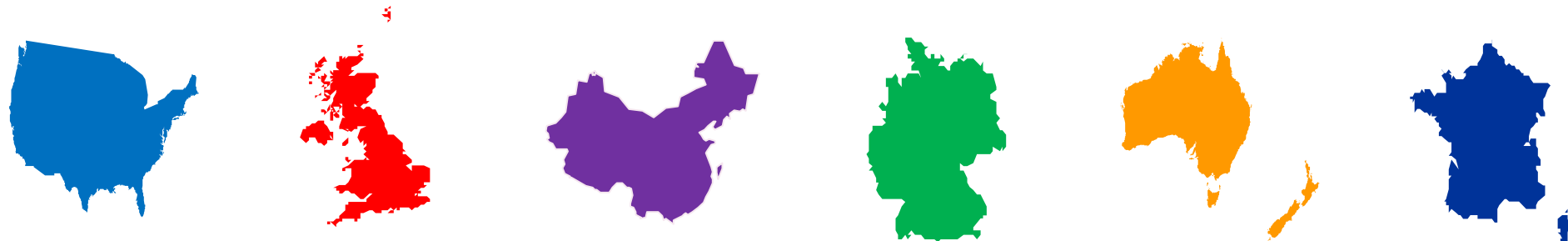
	Q4	FY
Mature Markets	5.0%	3.4%
“Fast Growth” Markets	4.7%	3.0%
<b>Total</b>	<b>4.9%</b>	<b>3.3%</b>

<sup>1</sup> Like-for-like net sales growth vs. 2014

# Results for 2015

Top 6 Markets - Over 66%<sup>1</sup> of Revenue and Net Sales, Like-For-Like Revenue Growth of 5.6%<sup>1</sup> and Net Sales Growth of 3.3%<sup>1</sup>

	Including associates:					
Revenue	\$6.7bn	\$3.2bn	\$1.6bn	\$1.3bn	\$0.8bn	\$0.7bn
People '000 <sup>2</sup>	25	17	14	8	4	5



USA

UK

Greater China<sup>4,5</sup>

Germany

ANZ

France

	Revenue	Net Sales	Revenue	Net Sales	Revenue	Net Sales	Revenue	Net Sales	Revenue	Net Sales	Revenue	Net Sales
2015 FY <sup>3</sup>	7.2%	4.3%	4.1%	2.9%	2.2%	1.6%	8.0%	4.2%	2.4%	0.3%	0.2%	-0.1%
2014 FY <sup>3</sup>	9.9%	3.1%	12.9%	4.8%	7.9%	4.0%	5.2%	3.3%	3.2%	0.0%	-0.4%	-0.7%
2013 FY <sup>3</sup>	2.9%	2.9%	4.8%	6.8%	4.0%	3.5%	3.3%	-0.3%	4.4%	4.6%	-2.6%	-2.2%

<sup>1</sup> % excluding associates

<sup>2</sup> Closing headcount at 31 December 2015

<sup>3</sup> Like-for-like growth vs. prior year, excluding associates

<sup>4</sup> Includes Hong Kong & Taiwan

<sup>5</sup> Mainland China like-for-like revenue growth 3.0% and net sales 2.5%

# Results for 2015

BRICs Markets - Over 12% of Revenue and Net Sales, Like-For-Like Revenue Growth of 3.6%<sup>1</sup> and Net Sales Growth of 2.1%<sup>1</sup>

	Including associates:			
Revenue	\$1.6bn	\$0.6bn	\$0.5bn	\$0.2bn
WPP Rank <sup>5</sup>	#3	#7	#9	#22
People '000 <sup>2</sup>	14	6	14	2



Greater China<sup>4</sup>



Brazil



India



Russia

	Greater China <sup>4</sup>		Brazil		India		Russia	
	Revenue	Net Sales	Revenue	Net Sales	Revenue	Net Sales	Revenue	Net Sales
2015 FY <sup>3</sup>	2.2%	1.6%	1.4%	1.3%	16.9%	10.5%	-9.4%	-10.4%
2014 FY <sup>3</sup>	7.9%	4.0%	-0.5%	0.7%	25.4%	10.4%	6.1%	7.5%
2013 FY <sup>3</sup>	4.0%	3.5%	8.5%	7.8%	4.6%	6.2%	7.9%	5.5%

<sup>1</sup> % excluding associates

<sup>2</sup> Closing headcount at 31 December 2015

<sup>3</sup> Like-for-like growth vs. prior year, excluding associates

<sup>4</sup> Includes Hong Kong & Taiwan

<sup>5</sup> Ranked by WPP revenue by market

# Results for 2015

## Revenue Growth by Country

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

<sup>1</sup> Like-for-like growth

<sup>2</sup> Includes Hong Kong and Taiwan



# Results for 2015

## Revenue Growth by Category

### Revenue Growth<sup>1</sup>

More than 10%

### Categories

Media & Entertainment

5% to 10%

Drinks, Retail

Less than 5%

Automotive, Computers, Electronics, Financial Services, Food, Government, Oil, Personal Care & Drugs, Telecommunications, Travel & Airline

<sup>1</sup> Like-for-like growth

# Results for 2015

## Trade Estimates of Major New Business Wins

WPP Agency	Incumbent	Account	Office	Billings(\$m)
Mindshare	OMC	Unilever - Media	Global	2,238
Mindshare	PUB	General Mills	USA	866
Mindshare	OMC	Unilever – Data and Programmatic	Global	657
MEC	IPG,PUB	L’Oreal	USA	604
GroupM	PUB	GSK Consumer Healthcare	Global	549
Y&R, Wunderman	IPG	US Navy	USA	400 <sup>1</sup>
MediaCom	IPG	Tesco	UK	192
Team Air	IND/OMC	Emirates	Global	160
Grey	OMC	Procter & Gamble	Global	134
MEC	MDC	MetLife	USA	100
MEC	N/A	GoDaddy	Global	100
Mindshare	IND	booking.com	Global	96
Team Spark	Various	Suntory	Global	82
J. Walter Thompson, Wunderman	PUB	Kellogg’s	Global	80
MediaCom	IPG	American Airlines	Global	80

Shaded figures are Q4 wins  
<sup>1</sup> \$400m over 5 years

 Part of media tsunami

# Results for 2015

## Trade Estimates of Major New Business Wins

WPP Agency	Incumbent	Account	Office	Billings(\$m)
Kantar Media	GfK	MRDA	Thailand	78 <sup>1</sup>
Mindshare	PUB	General Mills	Europe, Asia Pacific	75
MediaCom	IPG	Coca-Cola	Japan	70
J. Walter Thompson	OMC	Treasury Wine Estates	Global	70
J. Walter Thompson	None	Egypt Tourism	Egypt	68
GroupM	IND	Airtel	India	64
The&Partnership	None	Samsung	Global	60
J. Walter Thompson	N/A	askme.com	India	56
Team Pandora	None	Pandora Jewellery	Global	55
J. Walter Thompson	PUB	Mondelez	Europe	51
MediaCom	IND	J.G. Wentworth	USA	50
MEC	PUB	DHL	Global	50
Ogilvy, Sra Rushmore, Santo	IND/IPG	Coca-Cola	Global	50
Mindshare	MediaCom	Insurance Australia Group	Australia	50
MediaCom	IND	Future Group	India	45
MediaCom	PUB	Bank of China	China	40
Grey	IND	Motorola	Global	40
Grey	RKCR/Y&R	Vodafone	UK	39
J. Walter Thompson	PUB/Various	KPMG	Global	30
Team L&G	N/A	Legal & General	Global	30
MediaCom	IPG	Subway	Asia Pacific	30

Shaded figures are Q4 wins

<sup>1</sup> Win of Media Research Development Association \$78m over 5 years

# Results for 2015

## Trade Estimates of Major New Business Losses

WPP Agency	Winning Agency	Account	Office	Billings(\$m)
Maxus	OMC	SC Johnson	Global	409
Y&R	In House	Land Rover	Global	300
MEC/Shared	PUB	Taco Bell	Global	300
MEC/Shared	IPG	Johnson & Johnson	Europe	254
Team BoA	IPG	Bank of America	USA	170
MEC	PUB	Citibank	Global	144
m/SIX	PUB	Carphone Warehouse	UK	135
J. Walter Thompson/Mindshare	OMC/IPG	Royal Caribbean	UK/N. America	133
Cavalry	IND/Unassigned	MillerCoors	USA	120
J. Walter Thompson	IPG	Vonage	USA	82
Mindshare	IPG	Bacardi	Global	82

Shaded figures are Q4 losses

 Part of media tsunami

# Results for 2015

## Trade Estimates of Major New Business Losses

WPP Agency	Winning Agency	Account	Office	Billings(\$m)
Mindshare	IPG	Maxis Berhad	Australia	72
RKCR/Y&R	OMC	Lloyds Bank	UK	69
Y&R	IPG	BMO Harris	N. America	65
Grey	DAN	Olive Garden	USA	60
OgilvyOne	PUB	British Airways	Global	54
MediaCom	HAV	Electronic Arts	Global	52
MediaCom	MDC	American Legacy	USA	50
MediaCom	Mindshare	Insurance Australia Group	Australia	50
MediaCom	PUB	Etihad	Global	46
MEC	PUB	Singapore Airlines	Global	40
J. Walter Thompson	OMC	Singapore Tourism Board	Singapore	40
RKCR/Y&R	Grey	Vodafone	UK	39

Shaded figures are Q4 losses

# Results for 2015

WPP now No 1 in the 2015 Media reviews based on RECMA<sup>1,2</sup>  
On New Client Wins and Retentions



<sup>1</sup> RECMA 2016 "Major Wins 2015 – 44 largest pitches & moves"

<sup>2</sup> Adjusted for Pub loss of Walmart and WPP win of Sony (OMC/Carat loss)

## Results for 2015

### Internal Estimates of Net New Business Wins

(\$m)	Creative	Media	Total
Advertising	1,685	5,952	7,637
Other Businesses	976	-	976
<b>2015</b>	<b>2,661</b>	<b>5,952</b>	<b>8,613</b>

Number one position overall in net new business league tables



# Results for 2015

Trade Estimates of Major New Business Wins/Losses Since 1 January 2016

	WPP Agency	Incumbent	Account	Office	Billings(\$m)
WINS	MediaCom	DAN/OMC	Sony Playstation	Global	500
	Maxus	IND	Jet.com	USA	100

	WPP Agency	Winning Agency	Account	Office	Billings(\$m)
LOSSES	Grey	PUB	Procter & Gamble - Fairy	International	55
	Ogilvy	OMC	Time Warner	USA	30





# Results for 2015

## Cash Flow

£m	2015	2014
<b>Operating profit</b>	<b>1,632</b>	<b>1,507</b>
Non-cash compensation	99	102
Depreciation & amortisation charges	384	393
Net interest paid & similar charges	(151)	(179)
Tax paid	(301)	(290)
<b>Net cash generation</b>	<b>1,663</b>	<b>1,533</b>



# Results for 2015

## Uses of Cash Flow

£m	2015	2014
<b>Net cash generation</b>	<b>1,663</b>	<b>1,533</b>
Capital expenditure	(246)	(214)
Acquisition payments	(693)	(495)
- Net initial payments <sup>1</sup>	(649)	(461)
- Earnout payments/loan note redemptions	(44)	(34)
Share buy-backs	(588)	(511)
Other	(154)	(151)
<b>Net cash (outflow)/inflow before dividends</b>	<b>(18)</b>	<b>162</b>
Dividends	(546)	(460)
<b>Net cash outflow before NWC changes</b>	<b>(564)</b>	<b>(298)</b>

<sup>1</sup> Net initial payments are net of cash acquired and disposal proceeds, and includes other investments and associates

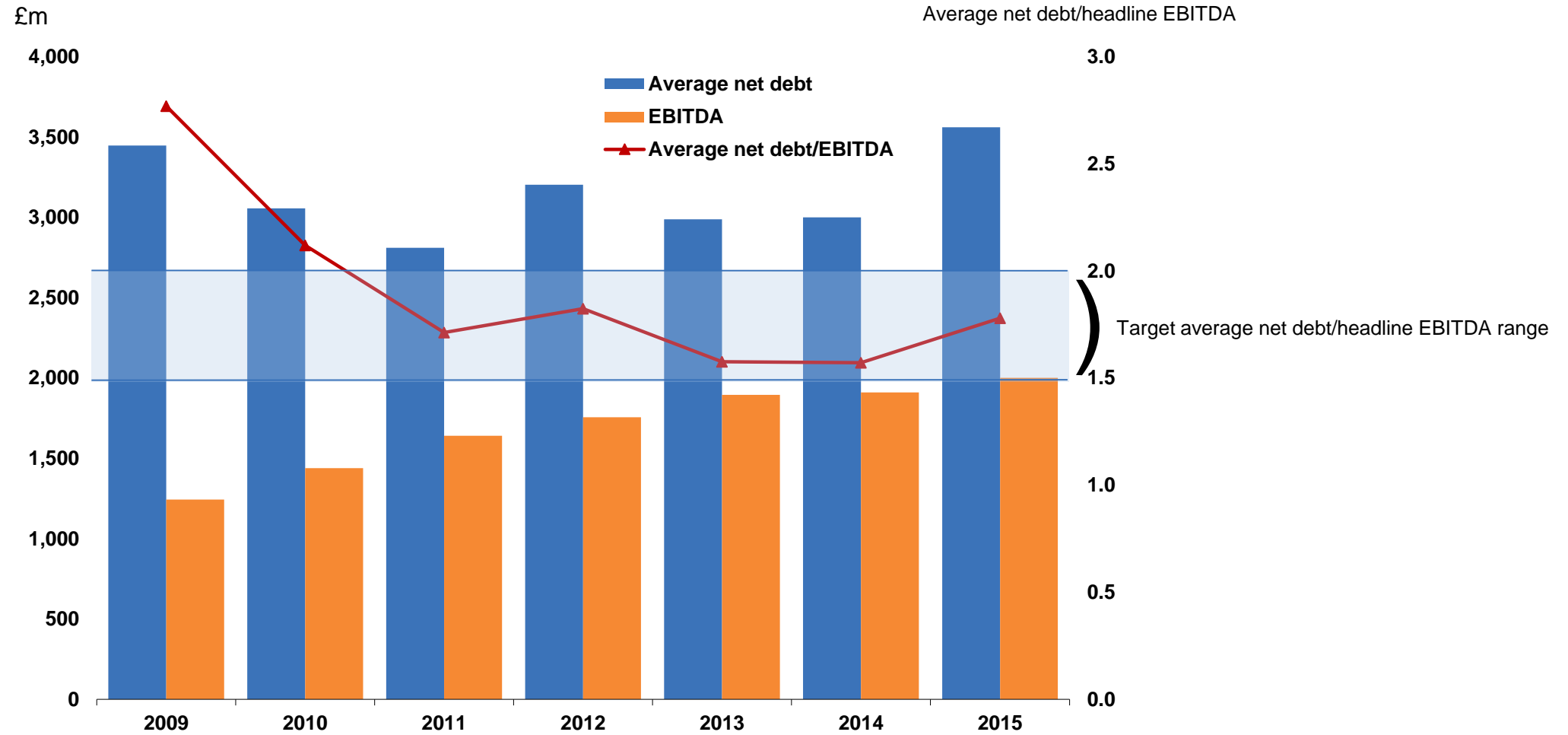
## Results for 2015

### Net Debt – 31 December 2015

£m	2015	2014	% Variance
YTD average net debt on constant currency basis	(3,562)	(3,073)	-16%
YTD average net debt on reportable basis	(3,562)	(3,001)	-19%
Net debt at 31 December on constant currency basis	(3,211)	(2,360)	-36%
Net debt at 31 December on reportable basis	(3,211)	(2,275)	-41%
Headline finance costs	(152)	(168)	+10%
<b>Interest cover on headline PBIT</b>	<b>11.7x</b>	<b>10.0x</b>	
Headline EBITDA	2,002	1,910	+5%
<b>Average net debt / headline EBITDA</b>	<b>1.8x</b>	<b>1.6x</b>	

# Results for 2015

## Historic Average Net Debt/Headline EBITDA



# Results for 2015

## Uses of Free Cash Flow

Category	Target	FY 2015	FY 2014
Acquisitions <sup>1</sup>	£300-£400m <sup>2</sup>	£649m <sup>3</sup>	£461m
Share buy-backs:	n/a	£588m	£511m
% of issued share capital	2%-3%	3.0%	3.0%
Dividend increase	n/a	17%	12%
Pay-out ratio	50%	47.7%	45%
Headroom: Undrawn facilities & surplus cash	n/a	£3.6bn	£3.9bn

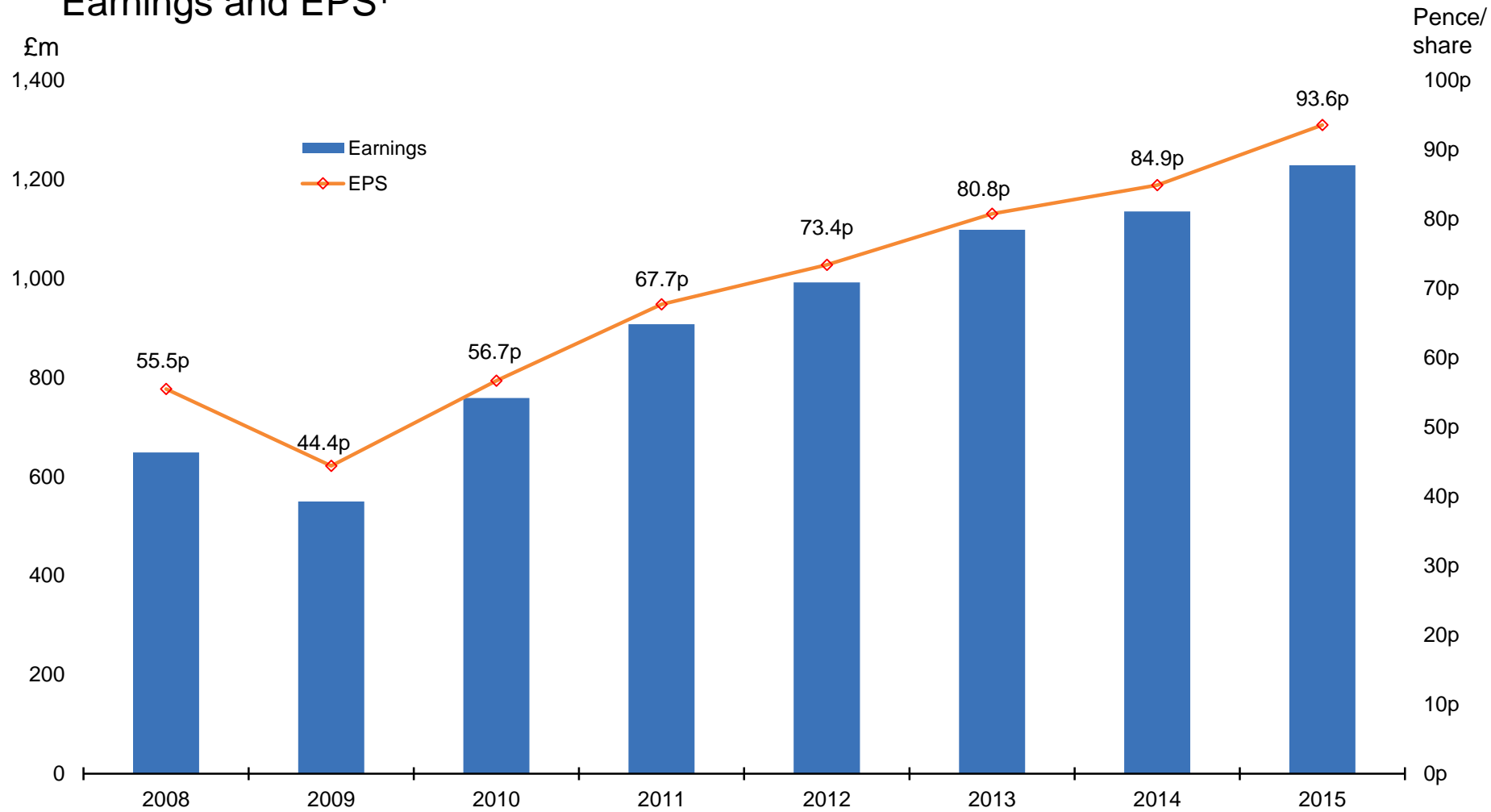
<sup>1</sup> Acquisitions are initial payments, net of cash acquired and disposal proceeds, and include other investments and associates

<sup>2</sup> Excluding larger-sized acquisitions like IBOPE and comScore which totalled £364m

<sup>3</sup> Before offsetting proceeds of £67m from disposal of investments, and excluding IBOPE and comScore, acquisition spend was £352m

# Results for 2015

## Earnings and EPS<sup>1</sup>



<sup>1</sup> Headline Diluted Earnings and Headline Diluted EPS

# Results for 2015

## Taxation

- Headline tax rate of 19.0%, compared to 20.0% for 2014.
- Reported tax rate of 16.6% in 2015 (2014 – 20.7%), lower than headline tax rate as most of the disposal gains and re-measurement gains are not taxable.
- Cash tax paid of £301m compares to £290m paid in 2014.
- Estimated employer and employee social taxes paid during 2015 estimated at \$1.5bn for the Group.



## 2 GroupM - This Year Next Year





# Market Environment

## GroupM 2015 Forecast for Global AdSpend

3.4%



Source: GroupM This Year Next Year Worldwide Report, December 2015

# Market Environment

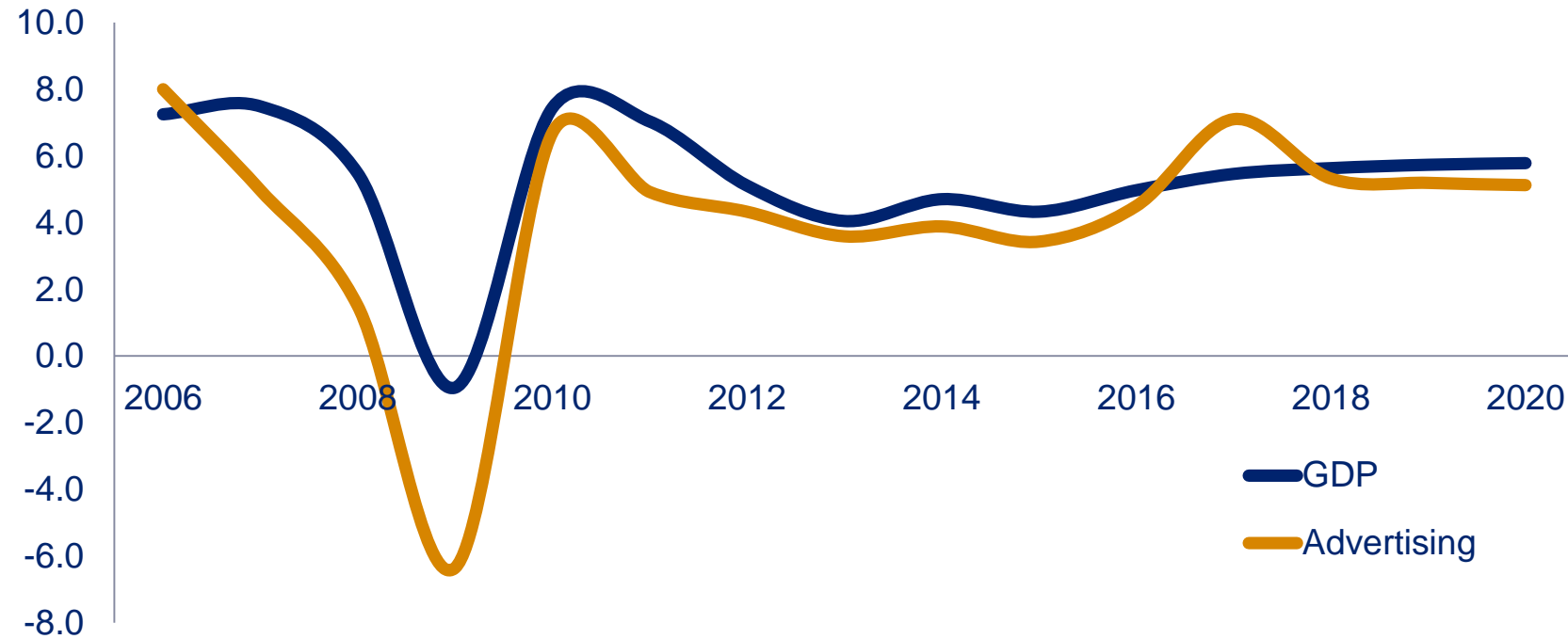
## GroupM 2016 Forecast for Global AdSpend

4.5%

Source: GroupM This Year Next Year Worldwide Report, December 2015

# Market Environment

## GDP and Advertising Year-on-Year Nominal % Change

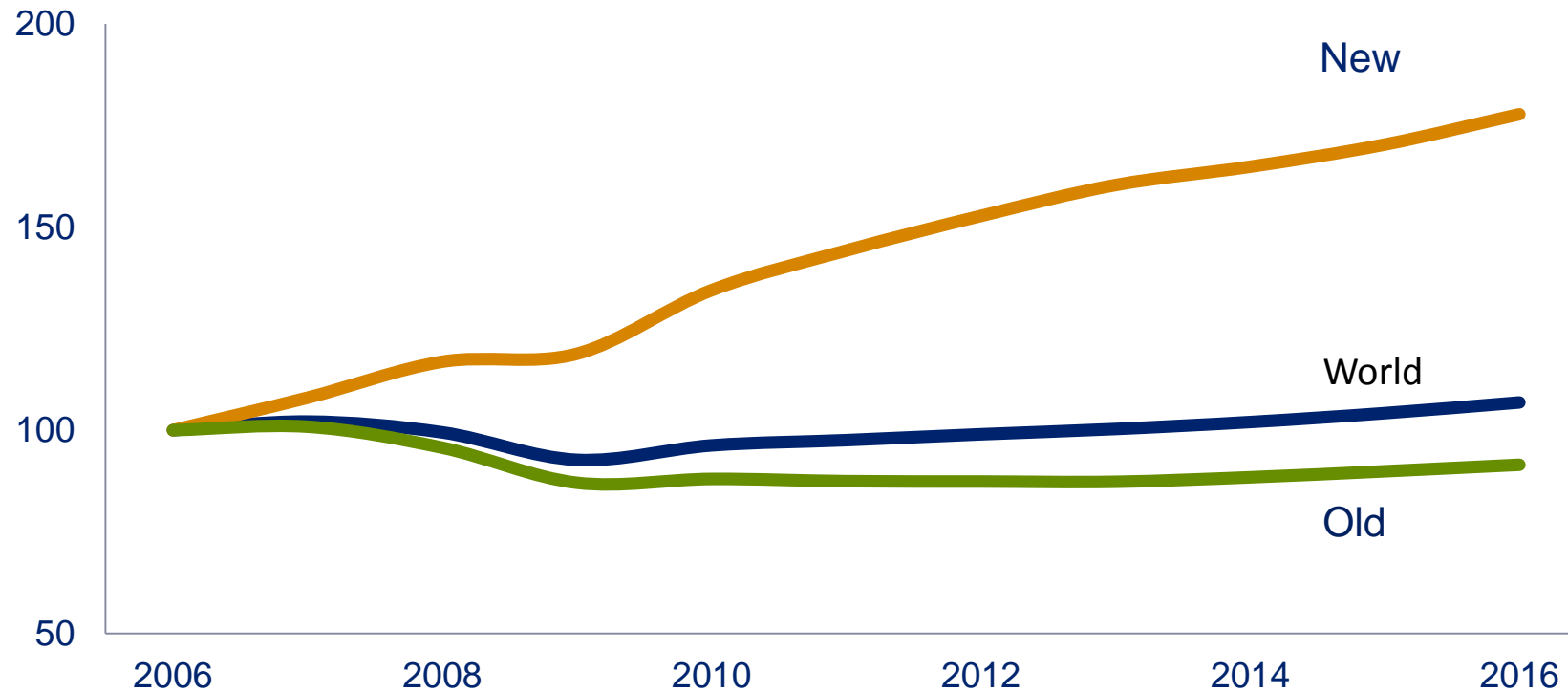


Source: IMF/GroupM

# Market Environment

## Advertising Peak Recovered

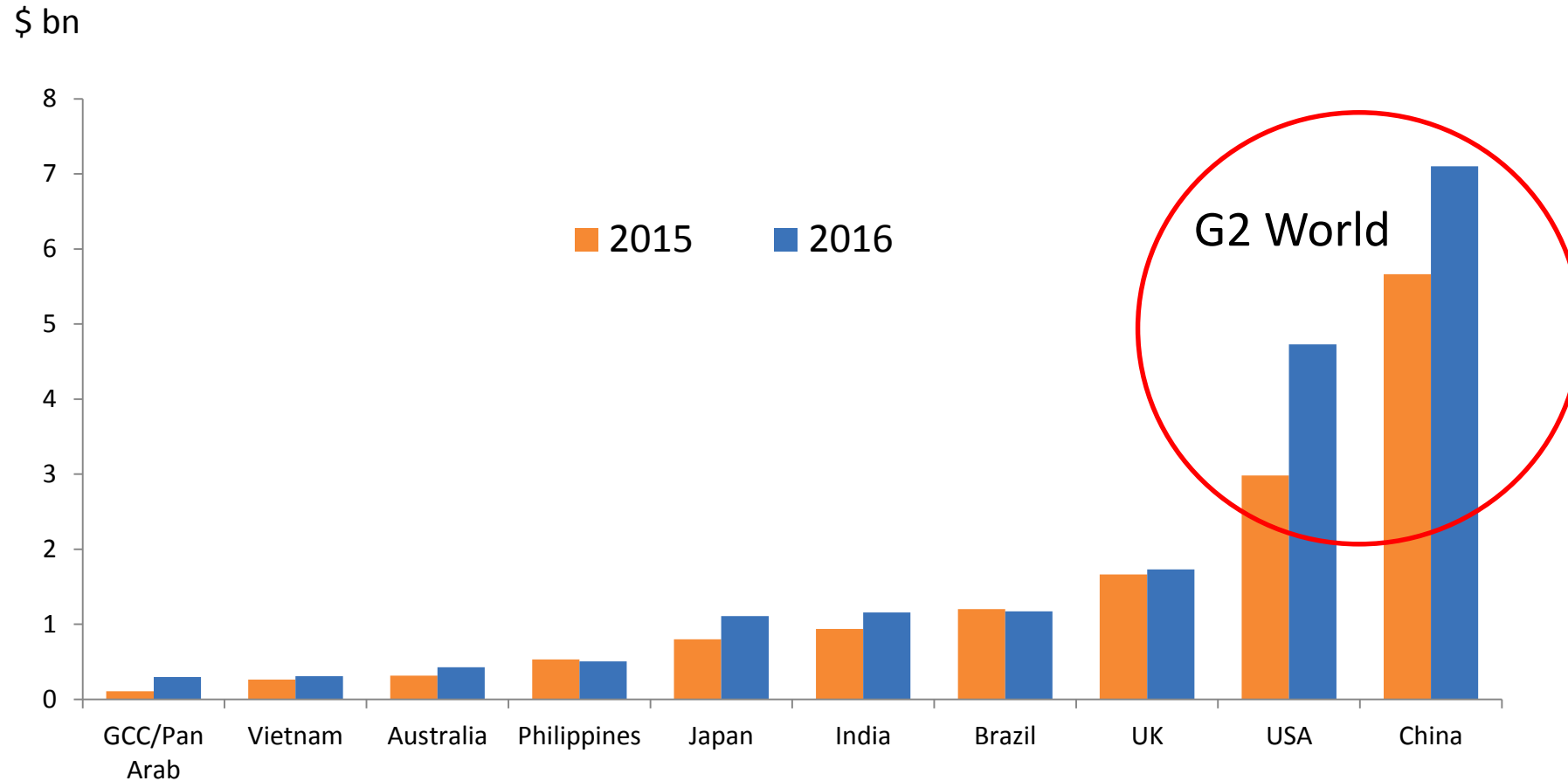
Real ad investment (2006 = 100)



Source: GroupM This Year Next Year Worldwide Report, December 2015

# Market Environment

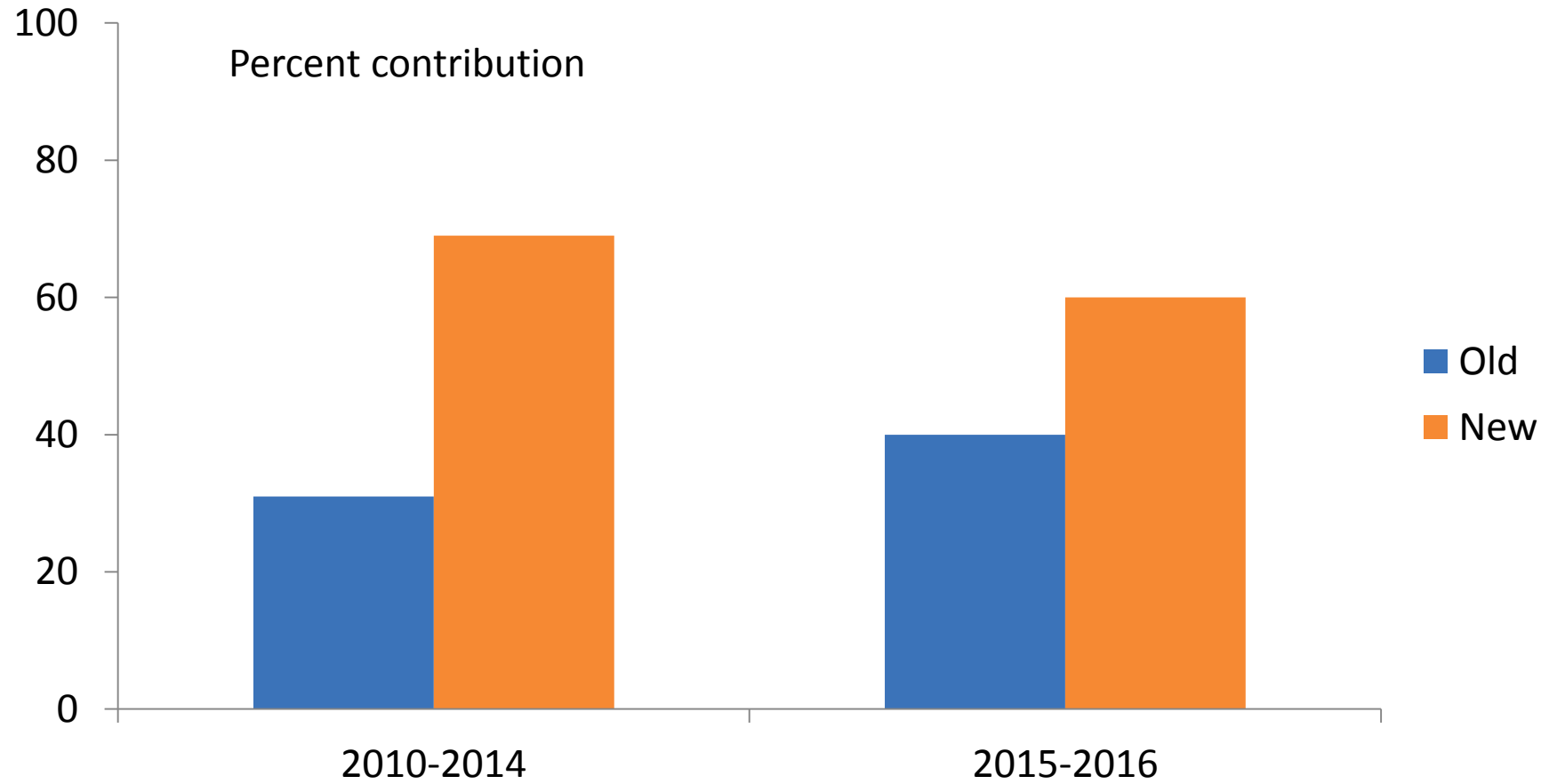
## Contributions to 2015 and 2016



Source: GroupM This Year Next Year Worldwide Report, December 2015

# Market Environment

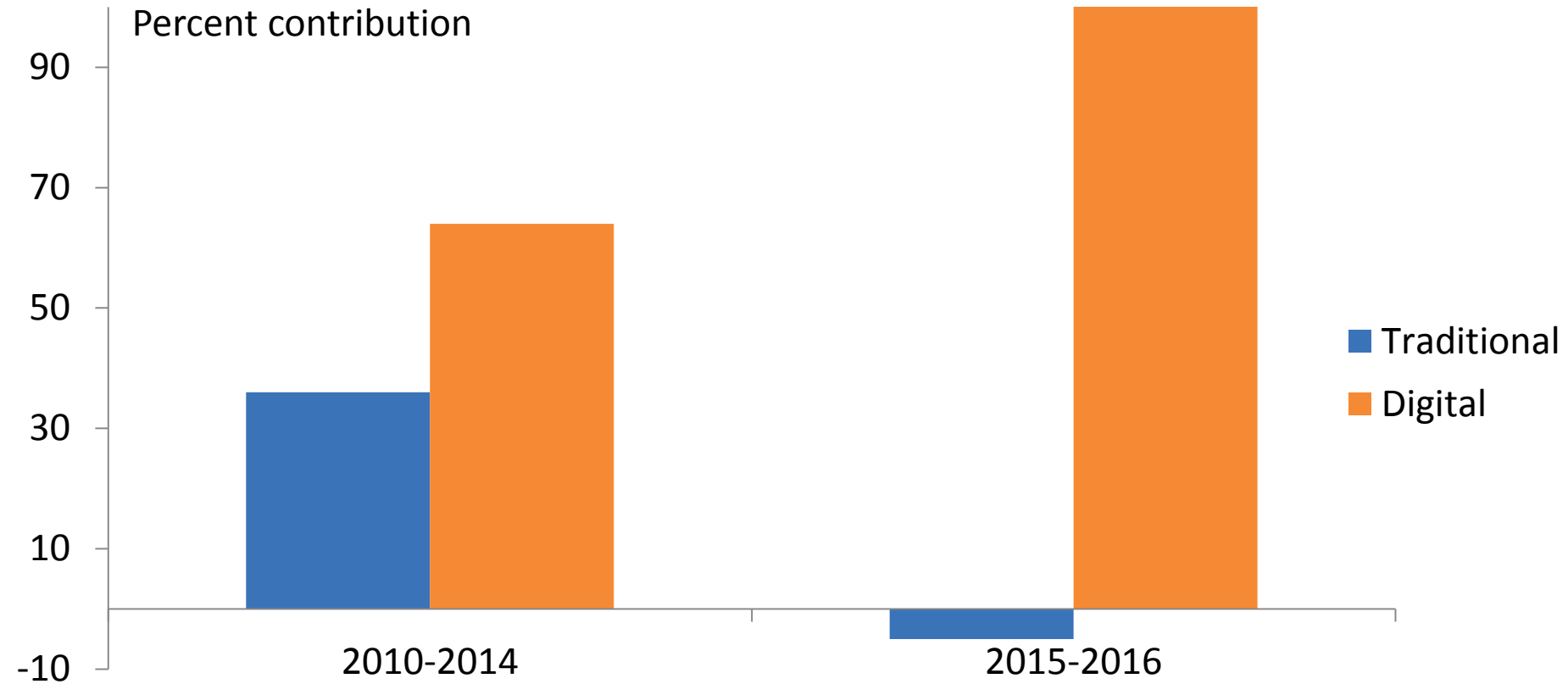
## Less Dependent on “New World”



Source: GroupM This Year Next Year Worldwide Report, December 2015

# Market Environment

## More Dependent on Digital



Source: GroupM This Year Next Year Worldwide Report, December 2015

# Market Environment

## 2015/2016 Forecast Ad Spend Growth by Region

Growth % YoY	2016	2015
North America	2.6	1.7
Latin America	5.9	8.0
Western Europe	3.4	2.3
Central & Eastern Europe	3.1	-3.2
Asia Pacific	7.1	5.9
<b>World</b>	<b>4.5</b>	<b>3.4</b>





# 3 Four Core Strategic Priorities



# Market Environment

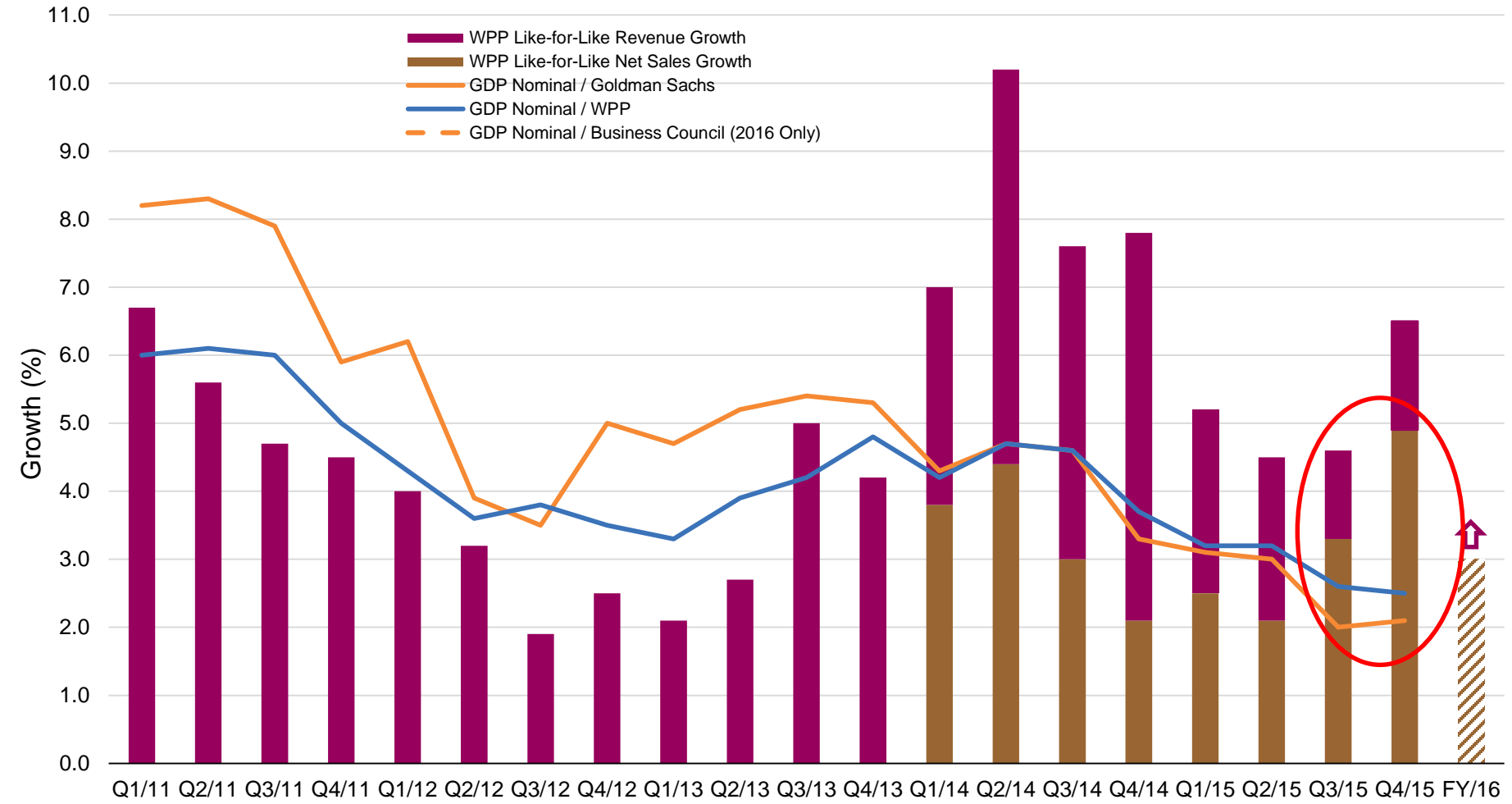
## Ten Key Global Trends

- Shift to East, South and South-East.
- Overcapacity and shortage of human capital.
- Rise and rise of the web.
- Growth of retail power.
- Importance of internal communications.
- Global and local structures.
- Relative power of finance and procurement.
- Growth of government.
- Acceptance of social responsibility.
- Industry consolidation.



# Market Environment

## Like-for-Like Growth and GDP



## Market Environment

### Absolute and Relative 2015 GDP<sup>1</sup>/WPP Share by Market

	GDP <sup>1</sup> \$bn	GDP <sup>1</sup> %	WPP Net Sales %	WPP vs GDP Over/(Under) %
USA	17.9	26.7	33.2	6.5
Euro 11	11.4	17.0	17.1	0.1
<i>Euro 27 ex UK</i>	<i>14.1</i>	<i>21.0</i>	<i>20.5</i>	<i>-0.5</i>
China	10.8	16.1	7.1	-9.0
Japan	4.1	6.1	0.7	-5.4
UK	2.8	4.2	13.9	9.7
India	2.2	3.3	2.2	-1.1
Brazil	1.7	2.5	2.9	0.4
South Korea	1.4	2.1	0.6	-1.5
Russia	1.2	1.8	0.8	-1.0
Other	13.6	20.2	21.5	1.3
<b>Total</b>	<b>67.1</b>	<b>100.0</b>	<b>100.0</b>	<b>-</b>

<sup>1</sup> GDP based on Goldman Sachs market by market 2015 \$ denominated GDP projections

# Market Environment

## Macro and Micro Trends

### Macro

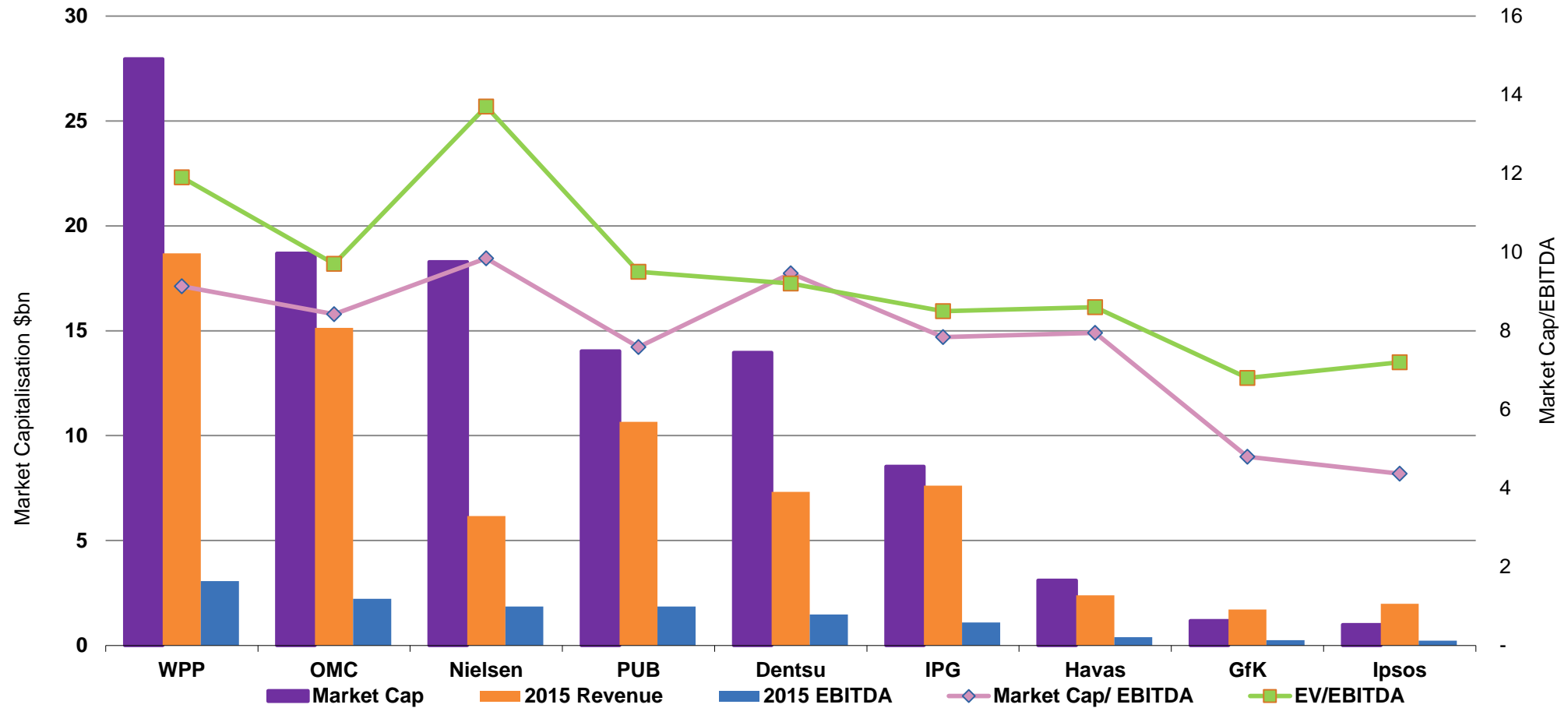
- Global GDP growth projections for 2016 trending down but still slightly higher than 2015 (maxi-quadrennial).
- Continued recovery in US, UK and Eurozone but confidence held back by disruption from potential Brexit and Grexit.
- Deficit management still key for US, EU and UK and gaining traction as economic confidence wanes.
- Concerns over the “Migration Crisis”, Russia/Ukraine, Middle East and the impact of low oil price on producing nations and banks.
- Traditional media under pressure as new media continues to grow and new entrants experiment in agency space.
- Possible opportunities in Cuba, Iran and North Africa.

### Micro

- Low growth, low inflation, no pricing power, gives focus on costs.
- Disrupters, zero based budgeters and activists increase short-term focus.
- Clients focused on opportunities in fast growth markets and on following consumers in new media.
- Growing importance of Horizontality, Shopper Marketing and the application of technology, data and content.
- Efficiency and effectiveness still key with client pressure on pricing and payment terms.
- Pressure for continuous improvement and pressure from new entrants to the AdTech and marketing space.
- Media tsunami receding, at least for now, leaving WPP with increased market share.

# Market Environment

## Competitor Review<sup>1</sup>



<sup>1</sup> Market Capitalisation/ Enterprise Value as of 2 March 2016

## Four Strategic Priorities

Horizontality, New Markets, New Media and Data Investment Management

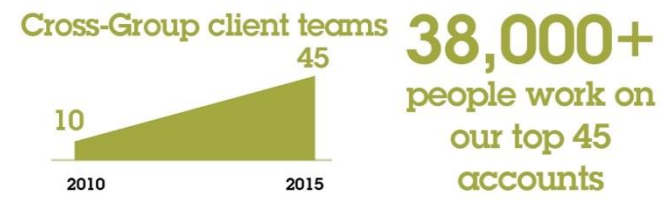
- Horizontality – ensuring our people work together through client teams and country and sub-regional managers for benefit of clients.
- Fast growth markets to be 40-45% of total Group revenue over next five years.
- New media to be 40-45% of total Group revenue over next five years.
- Data Investment Management and quantitative disciplines to be one half (achieved) with focus on application of technology, big data and content.



# Horizontality

## Our 4 strategic priorities

**Our target**  
Advance 'horizontality' by ensuring our people work together for the benefit of clients





# Horizontality

Over 194,000 people<sup>1</sup> in over 3,000 offices in 112 countries with access to over \$27bn<sup>1</sup> of annual revenue



<sup>1</sup> Including associates and investments

# Horizontality

## Horizontality Matrix

	J. Walter Thompson	Ogilvy	Y&R Brands	Grey	GroupM	Kantar	H+K Strategies	BtoD Group	GroupH	WPP Digital	WPP Spec Comms
Client Leaders											
Country / Regional Managers											



# Horizontality

45 Account Teams – over one third of revenue with over 38,000 WPP employees working on these clients



# Horizontality

17 Current Country and Regional Managers – People, Clients, Acquisitions



# Horizontality

- People, clients, acquisitions.
- Ensure our people work across our businesses and geographies to deliver best resources to clients.
- Deliver specialist skills (e.g. digital, shopper, analytics, sustainability, retailing, internal communications and media and entertainment) to clients irrespective of lead agency.
- Focus on client needs and business issues.
- Recent Team wins – Emirates, Legal & General, Tyson Foods, US Navy, Volvo and Yildiz Holdings.



## Our Billion \$ Revenue Brands



### Our 9 'Billion Dollar Brands'

Nine WPP brands have generated revenues of \$1 billion or more



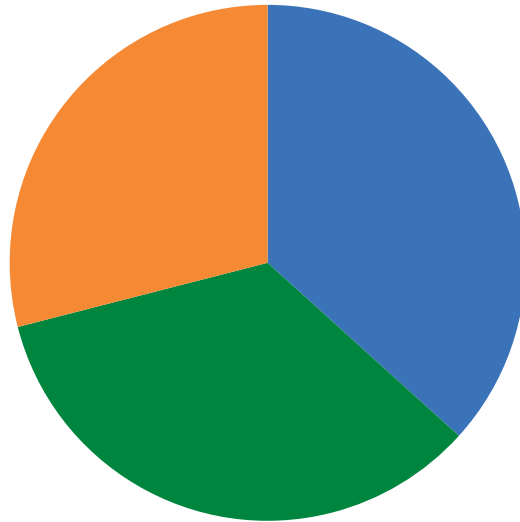
# The Application of Technology, Data and Content

- Technology, Data and Content - injecting assets and cash:
  1. Partnership with AppNexus, the leading independent provider of programmatic advertising technology.
  2. Partnership with Rentrak, now merged with comScore, delivering census level data on TV usage from set-top box data and from Cable Operator data.
  3. Partnership with comScore, industry standard measure for web page visits and viewing on internet linked devices.
- WPP unique in the sector in terms of depth and scale of investment in technology commencing with \$0.6bn acquisition of 24/7 Real Media in 2007.
- WPP's investments in external content and technology partnerships valued at \$1.7bn (£1.2bn) based on quoted market values or latest funding rounds.
- Foundation for continued leadership in media and data investment management.
- Based on market comparisons, Xaxis on its own would be valued at \$2bn to \$4bn.

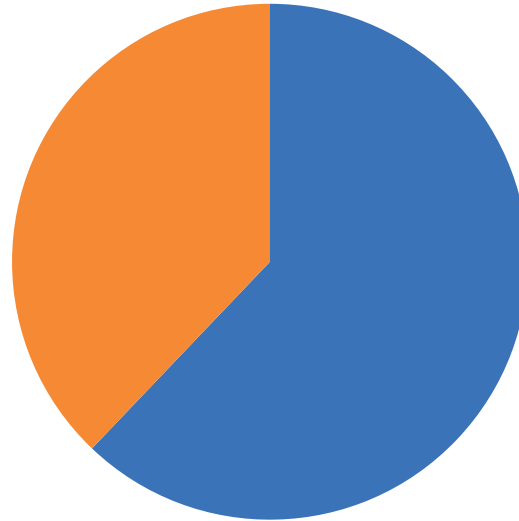


# New Markets, New Media and Data Investment Management Today

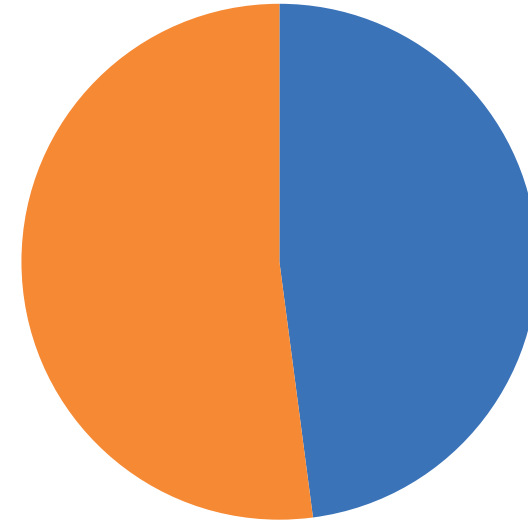
**1: New Markets  
Today 29%<sup>1</sup>**



**2: New Media  
Today 37%<sup>1</sup>**



**3: Quantitative  
Today 52%<sup>1</sup>**



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

- Traditional Media
- New Media

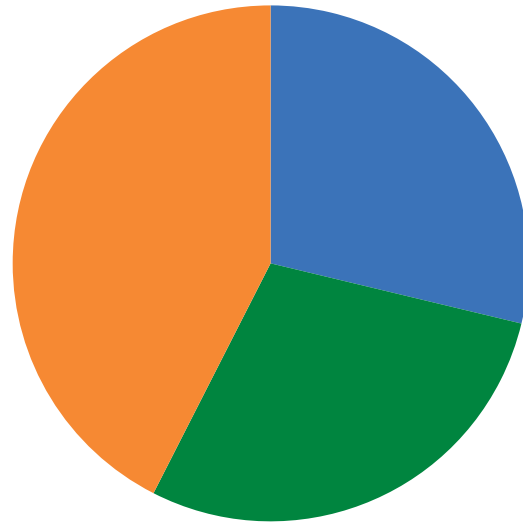
- Qualitative
- Quantitative

<sup>1</sup> Based on reported revenue



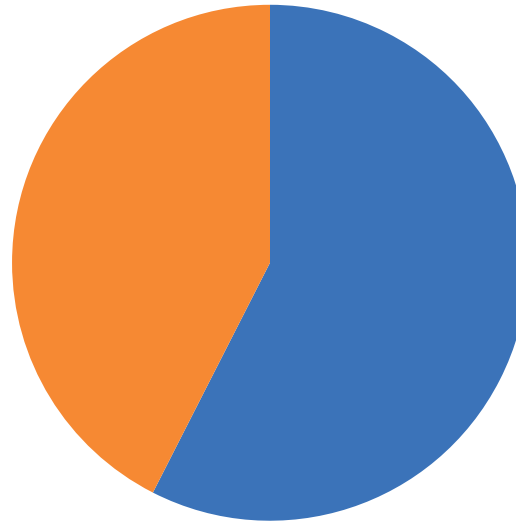
# New Markets, New Media and Data Investment Management Tomorrow

**1: New Markets**  
Target 40-45%



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

**2: New Media**  
Target 40-45%



- Traditional Media
- New Media

**3: Quantitative**  
Target 50%



- Qualitative
- Quantitative



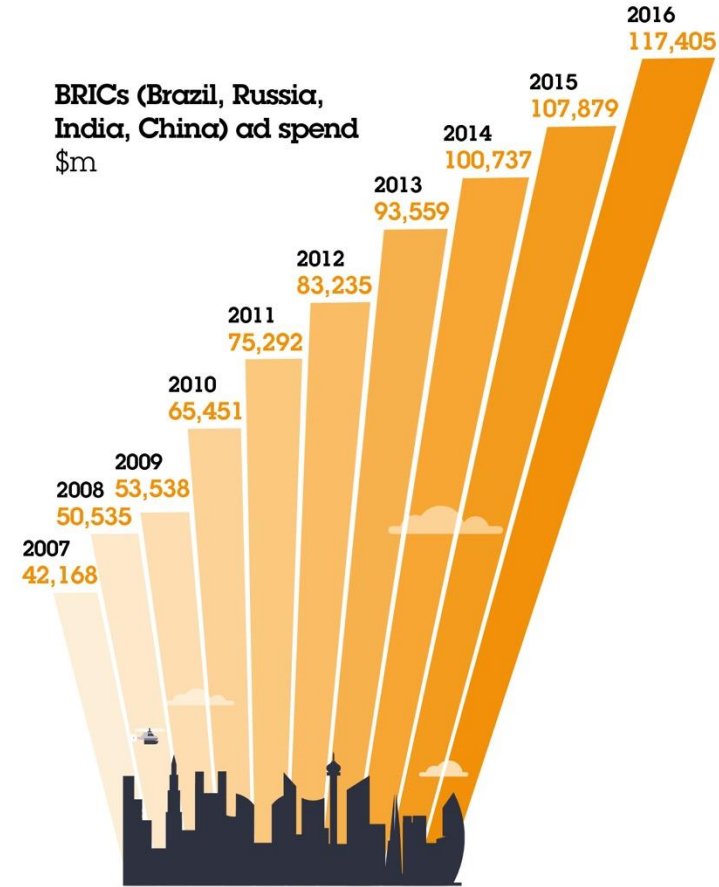
# New Markets

## Our 4 strategic priorities

### Our target

Increase the share of revenue from fast growth markets to 40-45%

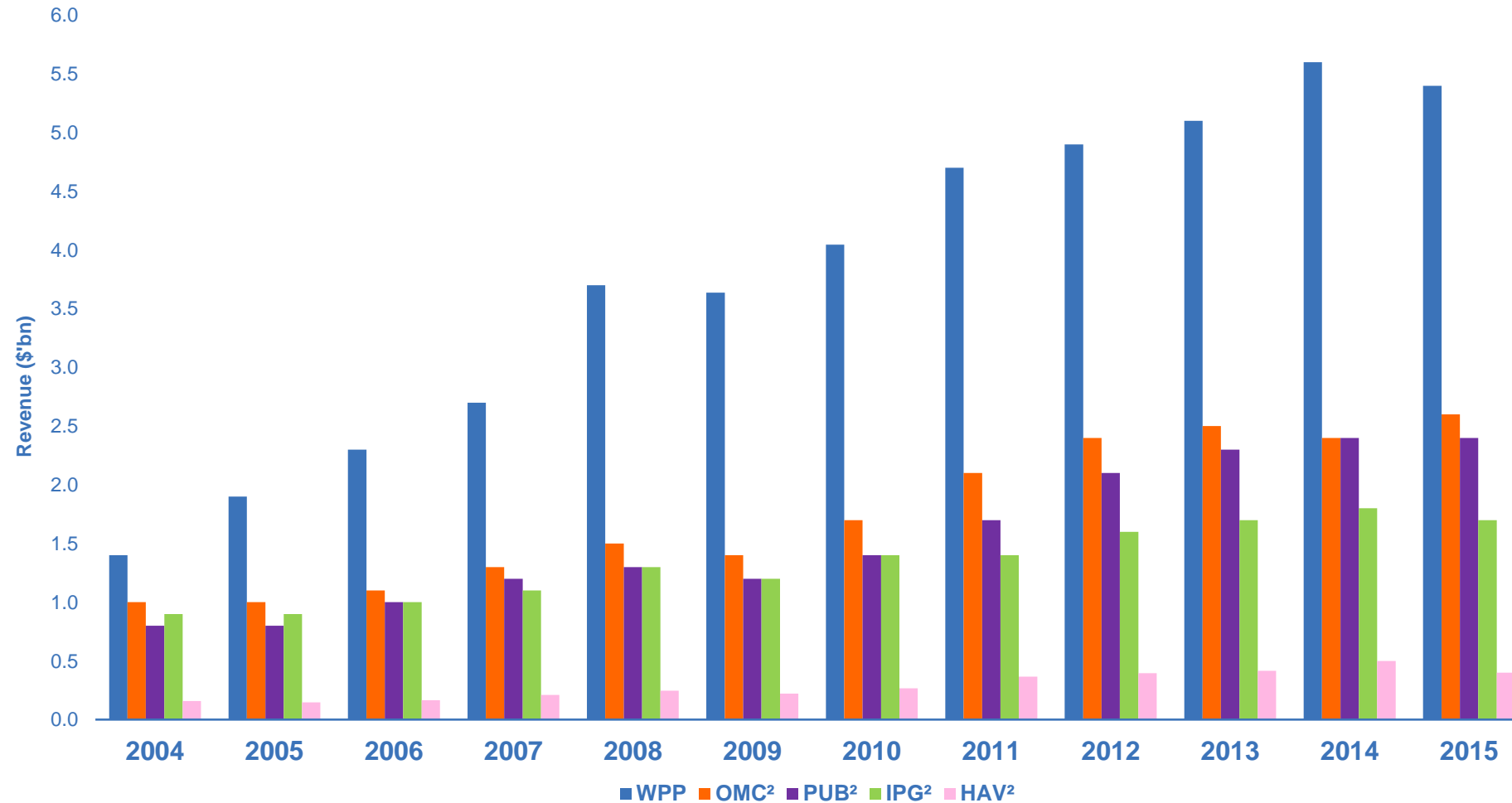
### Are we on target?



Source: GroupM This Year, Next Year Worldwide, December 2015

# New Markets

## Revenue<sup>1</sup> in Fast Growth<sup>3</sup> Markets 2004-2015



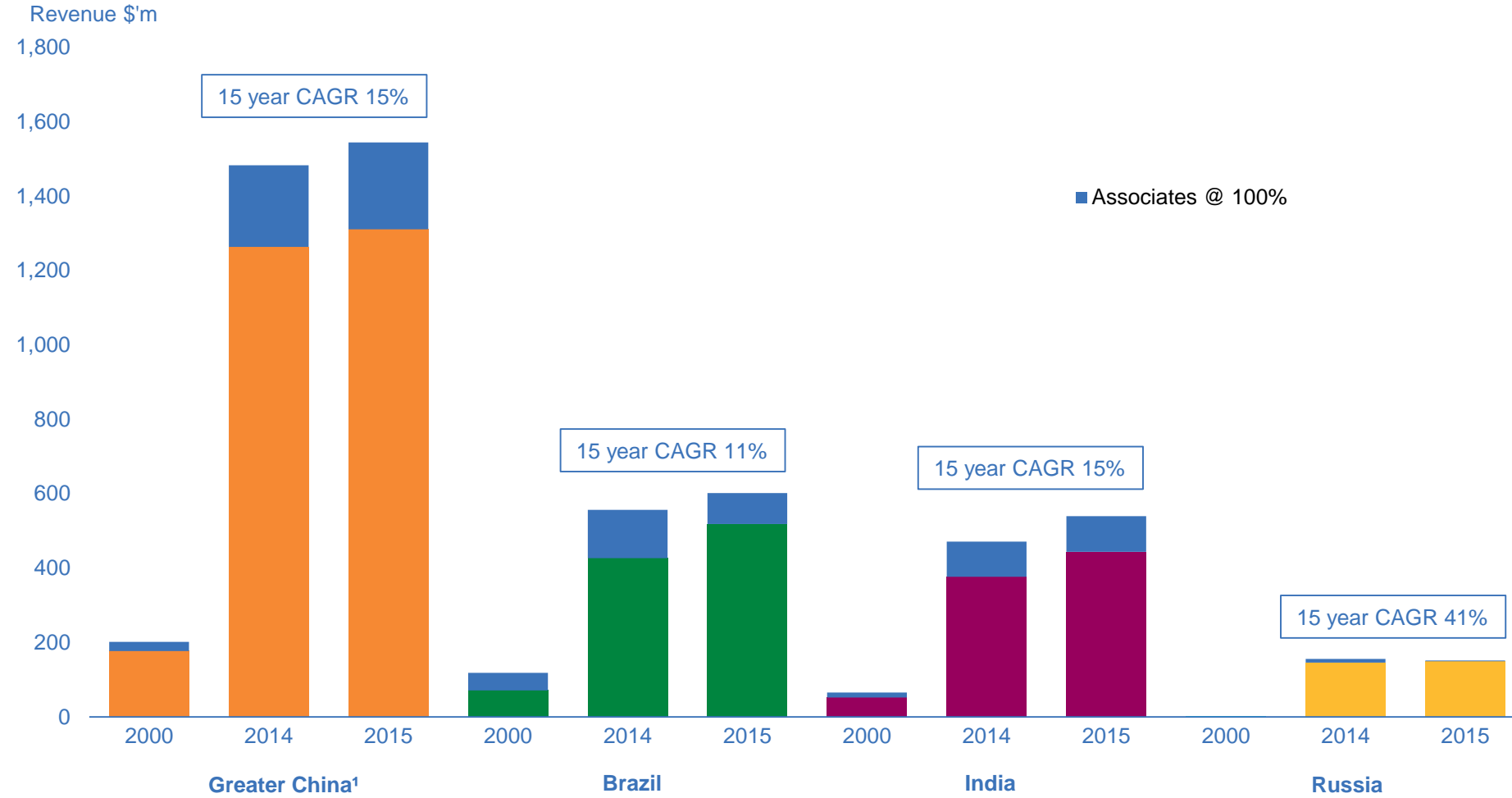
<sup>1</sup> WPP reportable US\$ revenue per WPP results and peer \$ revenue as shown in annual results presentations

<sup>2</sup> Peer data sourced from annual results translated at average exchange rate for the year where applicable

<sup>3</sup> Fast growth markets include Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe (analyst estimates for OMC, PUB and IPG for C&EE)

# New Markets

## WPP's Performance Remains Strong in BRICs Markets



<sup>1</sup> Includes Hong Kong and Taiwan

## New Markets

### WPP in Fast Growth Markets

Region	Market	Billings <sup>1</sup> \$bn	% Share <sup>1</sup>	Rank <sup>1</sup>	12 month <sup>2</sup> Revenue \$bn	People <sup>2</sup> '000
Asia Pacific:	Greater China <sup>3</sup>	10.9	35%	1	1.6	14
	India	3.0	49%	1	0.5	14
	Thailand	1.0	36%	1	0.1	2
LatAm:	Brazil	n/a	n/a	1 <sup>4</sup>	0.6	6
	Mexico	1.0	27%	2	0.2	2
	Argentina	0.8	30%	1	0.4	7
Other:	Africa <sup>5</sup> /Middle East	2.7	29%	1	0.9	36
	Russia	1.8	18%	4	0.2	2
	Poland	1.1	39%	1	0.1	2

<sup>1</sup> Source RECMA 2014 overall billings as issued July 2015

<sup>2</sup> 12 months to 31 December 2015 including associates, people at 31 December 2015

<sup>3</sup> Includes Hong Kong and Taiwan

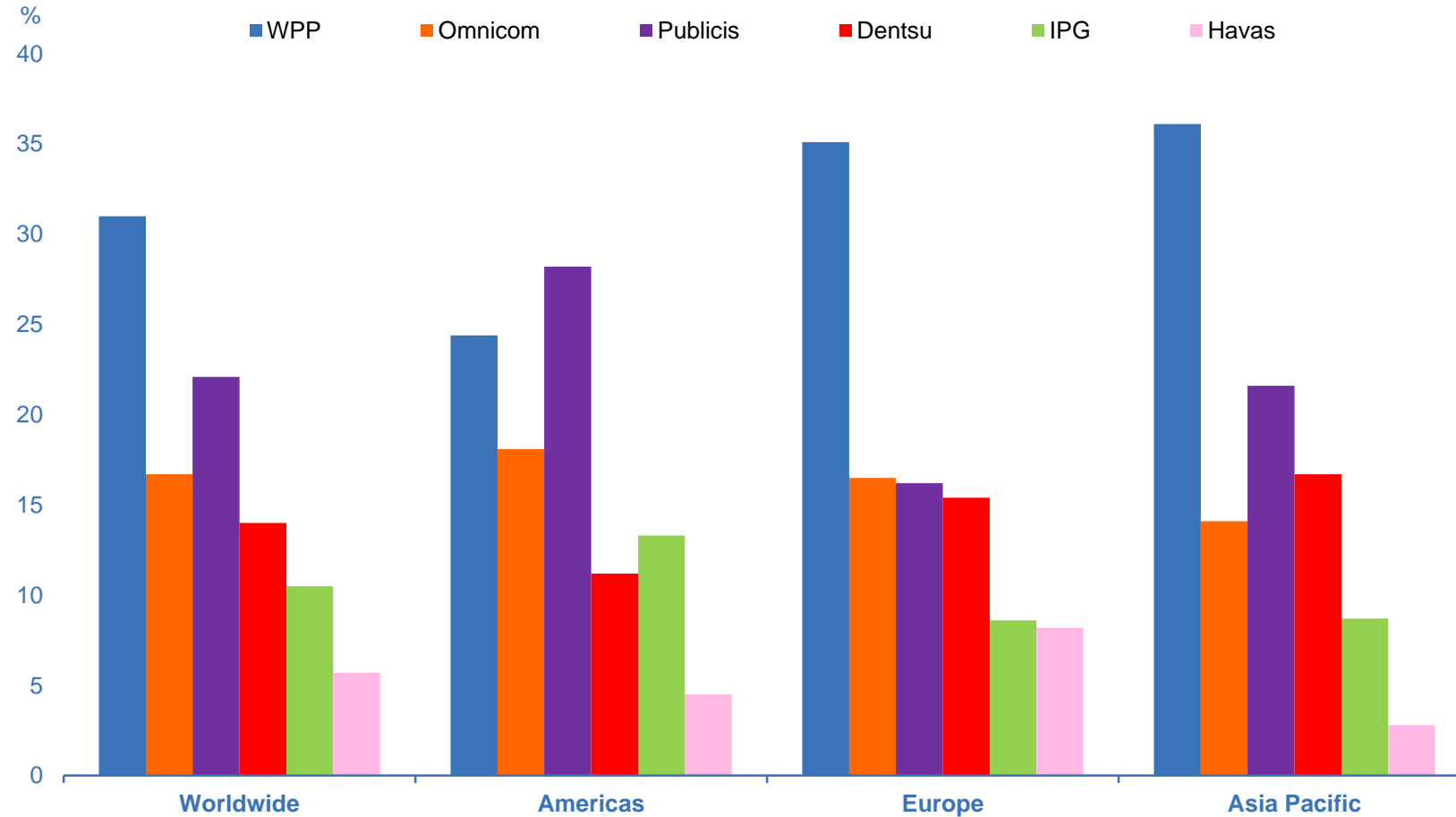
<sup>4</sup> WPP estimate

<sup>5</sup> Africa is South Africa only

# New Markets

## Media Billings by Geography

### Worldwide Ranking by Group as % of the Six Groups



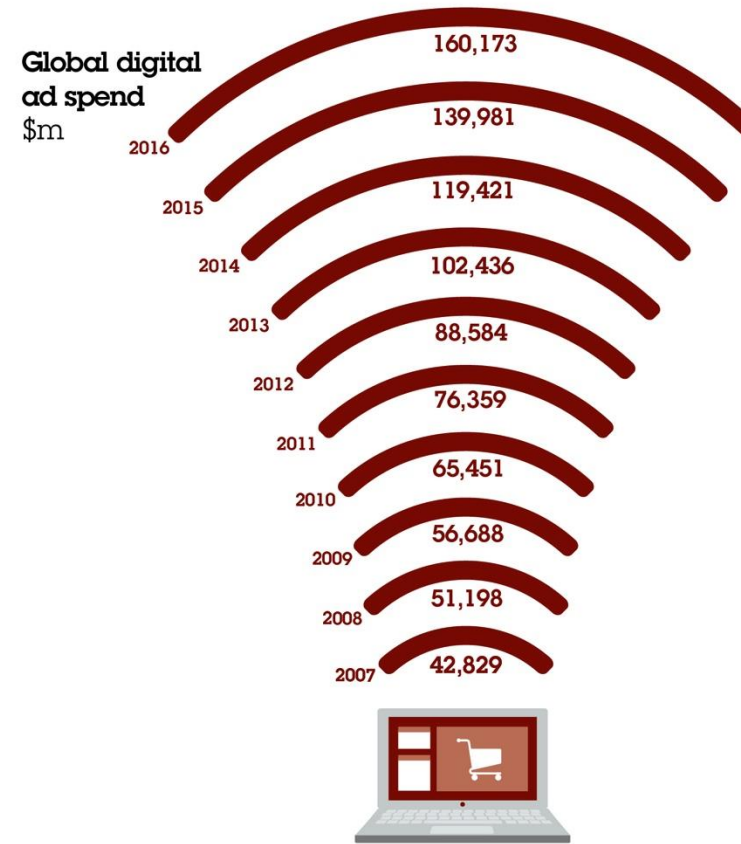
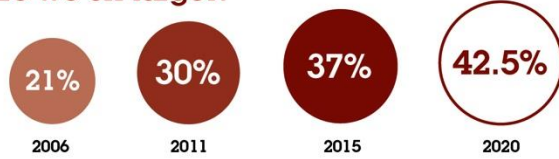
Source: RECMA December 2015 billings report, based on 2014 data, adjusted for RECMA's report on top 44 media tsunami pitches in 2015

# New Media

## Our 4 strategic priorities

**Our target**  
Increase the share of revenue from new media to 40-45%

Are we on target?



Source: GroupM This Year, Next Year Worldwide, December 2015

## New Media

### USA Cable and Broadcast Audience<sup>1</sup> Delivery

YoY growth (18-49 age group)	Q1/15	Q2/15	Q3/15	Q4/15	Q1/16 <sup>2</sup>
Non kids cable (prime, 18-49)	-11%	-10%	-8%	-7%	-3%
Broadcast (prime, 18-49)	-11%	-7%	-9%	-8%	-8%
Kids cable (total day, 2-11)	-18%	-17%	-9%	-3%	0%
<b>Total viewing</b>	<b>-11%</b>	<b>-9%</b>	<b>-8%</b>	<b>-6%</b>	<b>-5%</b>

<sup>1</sup> Source: Sanford Bernstein, Nielsen live and same day analysis of Nielsen data

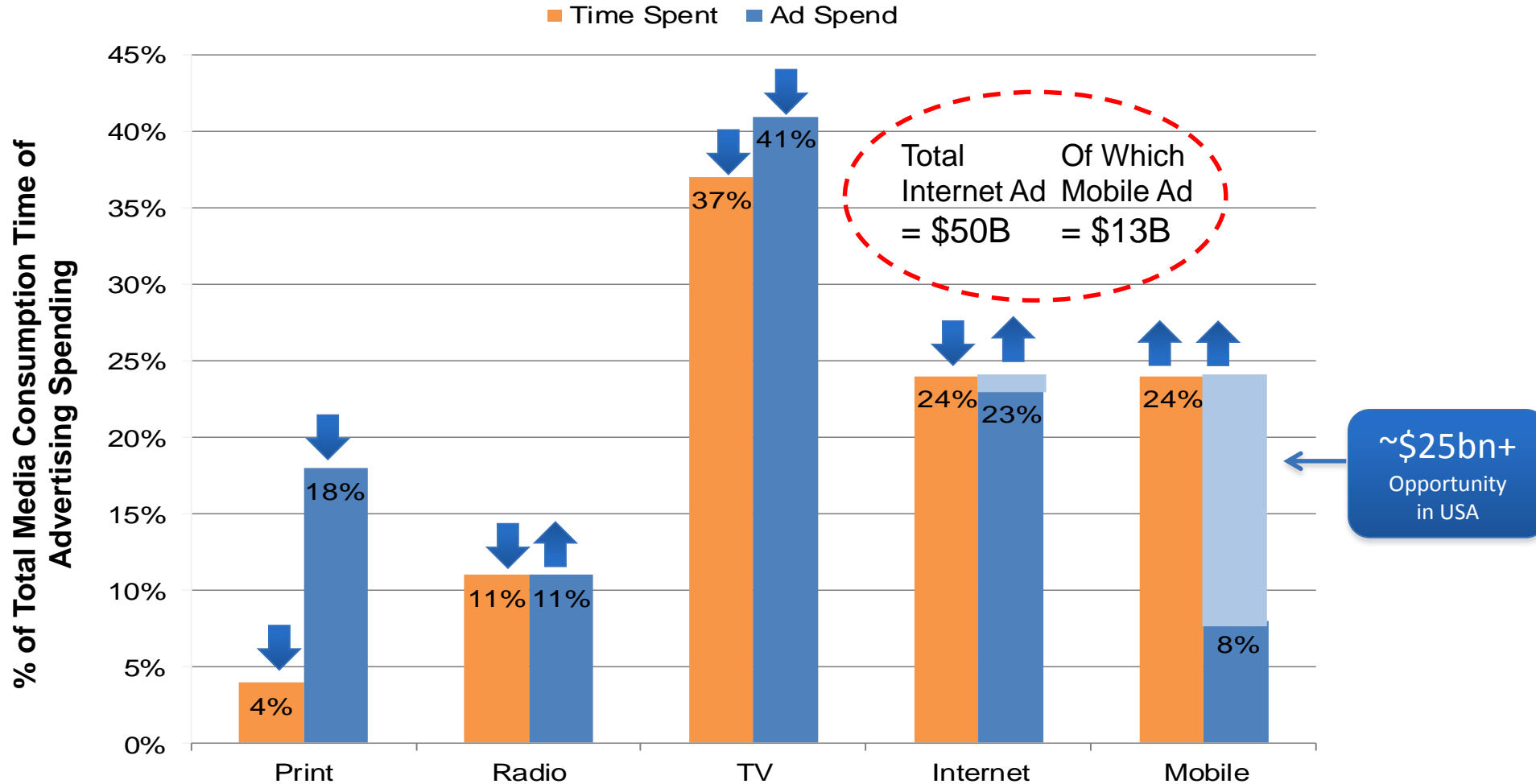
<sup>2</sup> Q1 2016 to date



# New Media

## Media Time Spent vs. Ad Spend Not Aligned

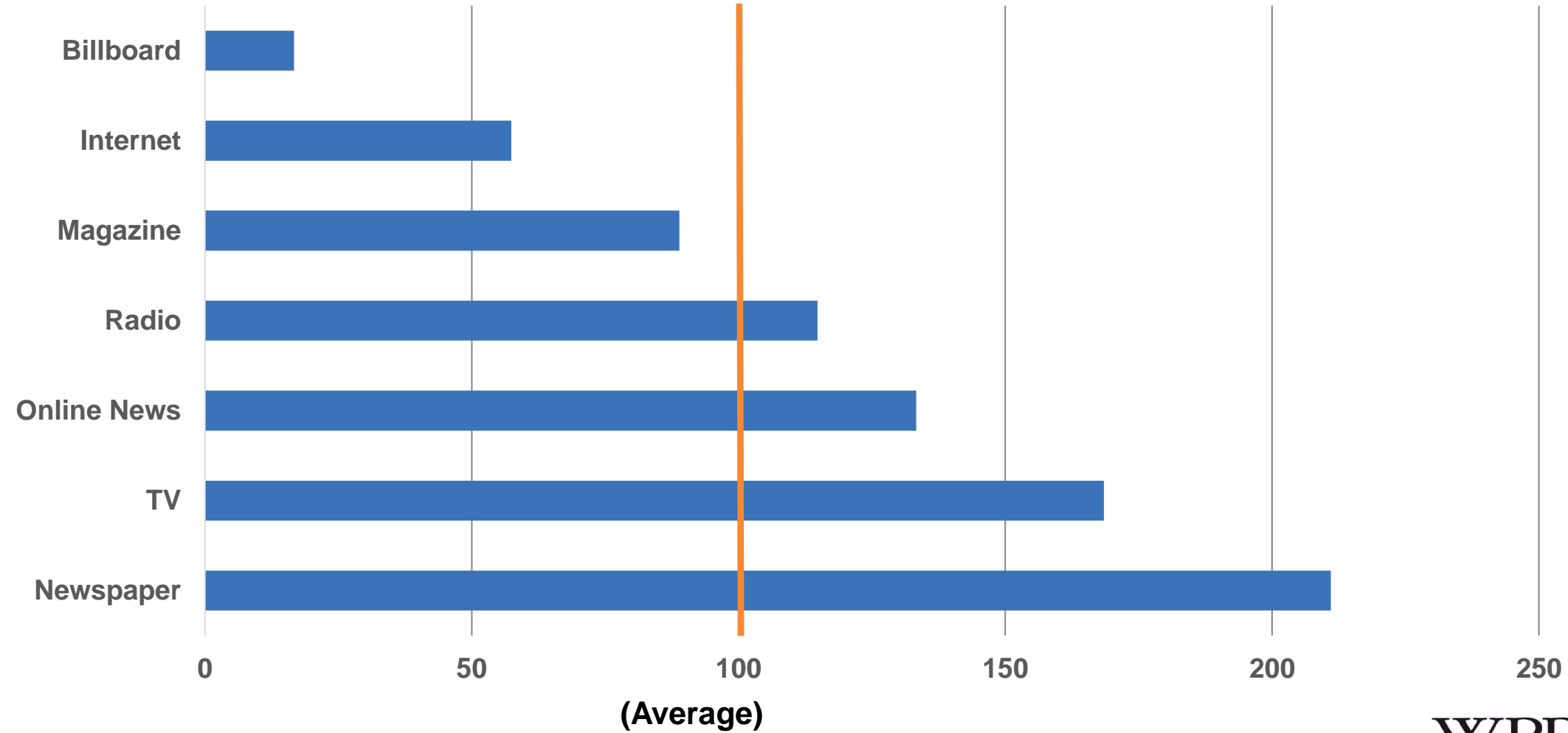
% of Time Spent in Media vs. % of Advertising Spending, USA, 2014



Source: (KPCB 2015) Advertising spend based on IAB data for full year 2014. Print includes newspaper and magazine. ~\$25bn+ opportunity calculated assuming Mobile ad spend share equal its respective time spent share. Time spent share data based on eMarketer 4/14 (adjusted to exclude outdoors / classified media spend). Arrows denote Y/Y shift in percent share. Based on \$ spend, not impressions

# New Media

## More Time Spent Does Not Mean Greater Engagement



Source: Newspapers Canada

# New Media

Quality Time = Increased Advertising Response

## UK newspaper brands vs Google



Source: Newsbrands – NRS PADD January 2014 to December 2014 + comScore November 2014; Google – comScore November 2014

- Ebiquity Payback 3<sup>1</sup> shows that print is 2.5 times more effective *per impact* than online display - and delivers a return of £1.40 for every £1 spent.
- For some categories, such as retail, this return is even higher.
- A Brand Science study for Microsoft shows that print delivers £6.41 revenue for every £1 spent, compared with just £2.84 for online.

<sup>1</sup> Payback 3 is an econometric analysis of 3,000 ad campaigns across nine advertising sectors between 2006 and 2011

# New Media

## WPP's Digital Strategy

1. Digital into agency businesses

- Stimulate digital in agency businesses eg J. Walter Thompson, Ogilvy, Y&R Advertising and Grey.

2. Digital brands & businesses

- Stimulate and accelerate digital brands globally eg Wunderman, OgilvyOne, VML, POSSIBLE, AKQA and Mirum.

3. Potential cannibalisation

- Develop new business models and invest in data, technology and content. If you “don’t eat your children”, somebody else will.
- Partner with digital leads such as Google, Facebook, Microsoft, Snapchat and Twitter.

# New Media

Xaxis – The World’s Largest Programmatic and Audience Platform



**GLOBAL**  
1,100+ EMPLOYEES  
IN 45 MARKETS




**ANNUAL SALES**  
\$1.1 BILLION  
(PROJECTED 2016)




**CLIENTS**  
2,800+ ACCOUNTS




**GROWTH**  
17% YOY



PROPRIETARY TECHNOLOGY  
& DATA SETS



UNRESTRICTED ACCESS TO  
EXCLUSIVE AND PREMIUM  
CONTENT



LAUNCH OF LIGHT REACTION, PLISTA  
AND ACQUISITION OF ACTION X



## New Media

### WPP Investments in Technology, Data and Content

- New areas key to supporting clients and managing measurement, viewability, verification, value and performance.

Technology	Data	Content
AppNexus	comScore <sup>3</sup> (\$414m <sup>1</sup> vs \$330m <sup>2</sup> )	Vice (\$329m <sup>1</sup> v \$35m <sup>2</sup> )
Globant (\$206m <sup>1</sup> vs \$80m <sup>2</sup> )	Invidi	Imagina
Mutual Mobile	Infoscout	Imagine Entertainment
ActionX		Fullscreen
Medialets		China Media Capital
Essence		Media Rights Capital
		Indigenous Media
		Truffle Pig

- WPP investments in Technology, Data and Content valued at \$1.7 billion<sup>1</sup>.

<sup>1</sup> Current value based on latest funding round or market value for quoted entities

<sup>2</sup> Total cost of investment including contribution of assets

<sup>3</sup> Reflecting the Group's current interest in comScore after the merger with Rentrak on 29 January 2016

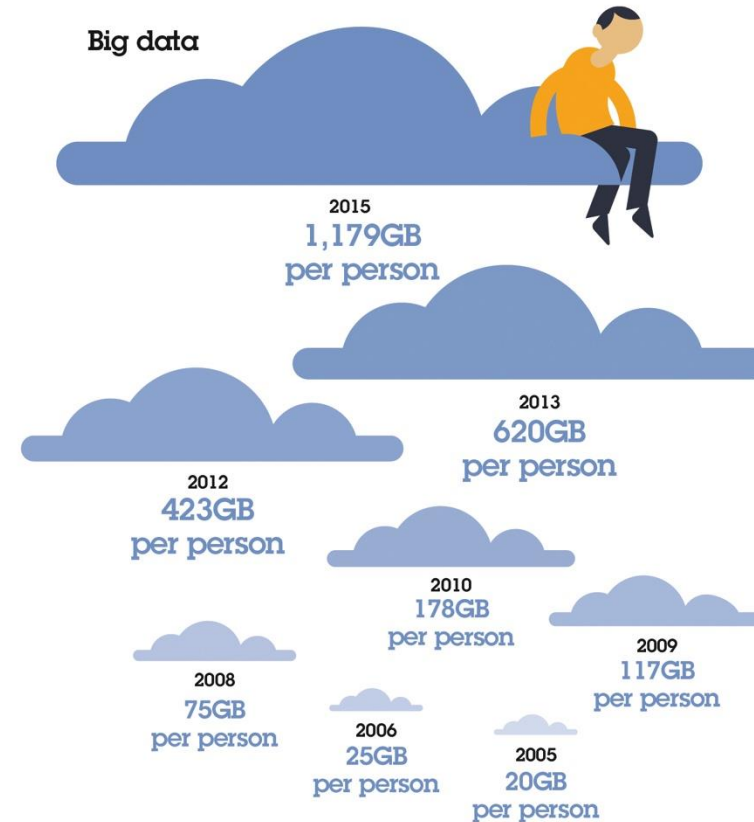
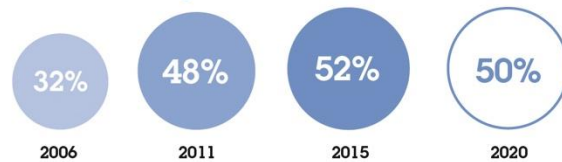
# Data Investment Management and Quantitative Disciplines

## Our 4 strategic priorities

### Our target

Maintain the share of more measurable marketing services at 50% of revenue

### Are we on target?



Source: IDC: The Digital Universe of Opportunities

# Data Investment Management and Quantitative Disciplines

## WPP Advantage

- Marketing becoming more data driven.
- Clients need simplified better utilisation of existing data and help in managing explosion of new data.
- Digital campaigns driven by data analytics and feedback to shape new activity.
- Ability to provide “continuous updated data ready for real time decisions and actions”.
- WPP has unique combination of real assets in research, audience measurement, data management and digital media.
- Technology partnerships build foundation for advantages for WPP and its clients.

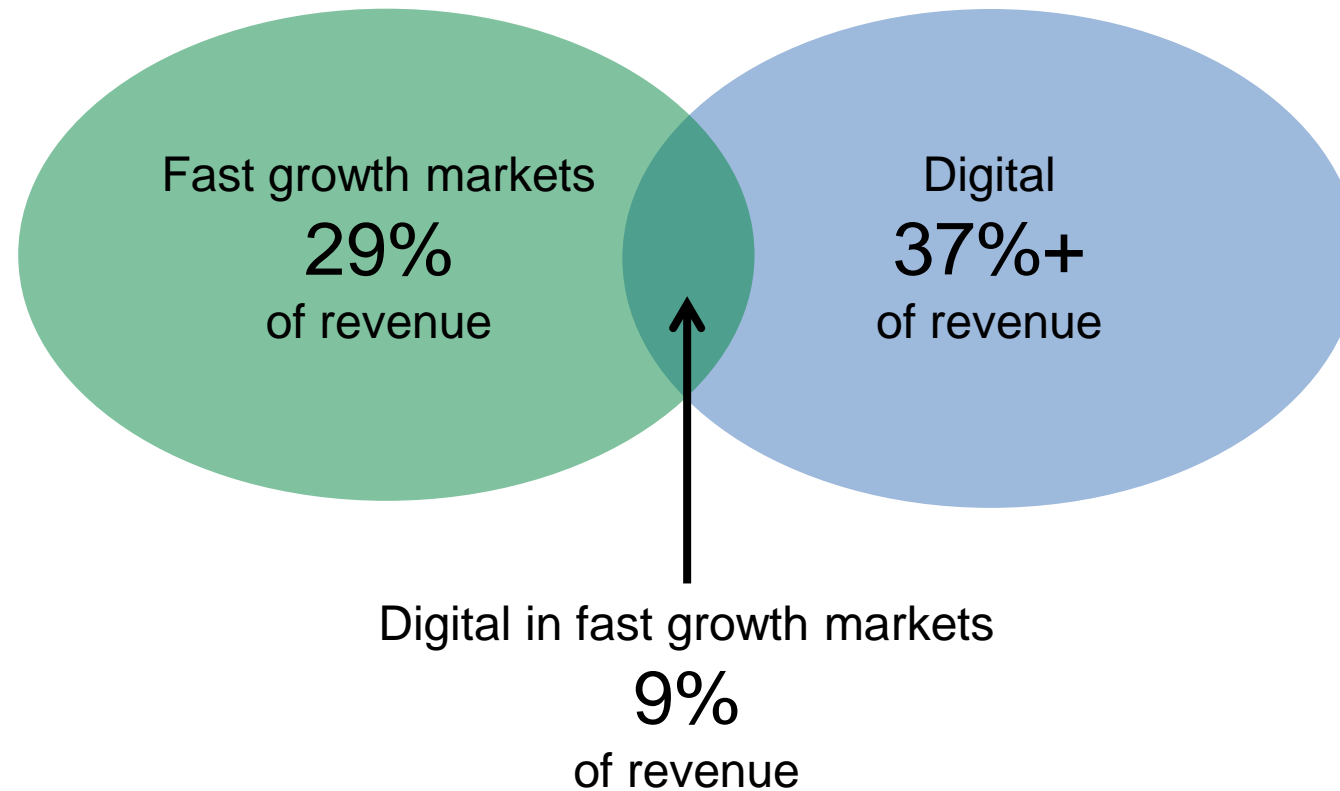




# Digital and Fast Growth Markets

Two Key Long-Term Growth Drivers

- Overall 57% of 2015 Actual Revenue





# 4 Key Objectives



## Key Objectives

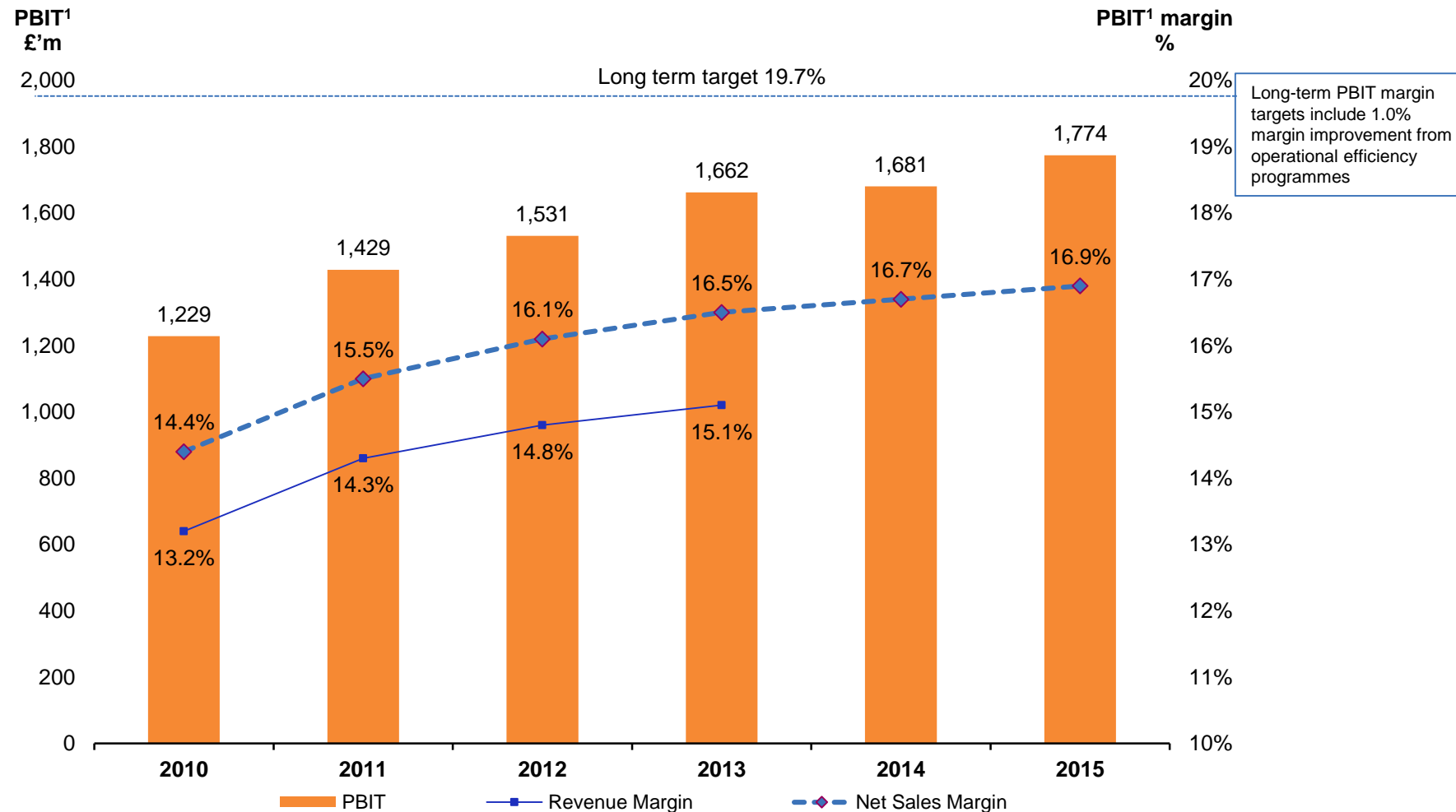
We Continue to Focus on Our Key Objectives

- 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 parent company.
- Emphasising net sales growth more as margins improve.
- Improving creative capabilities and reputation of all our businesses.



# Key Objectives

## Improving Operating Margins



<sup>1</sup> Figures before goodwill and intangibles charges, gain on sale of New York property in 2012, restructuring charges, costs of changes in corporate structure, gains/losses on disposals of subsidiaries and investments, investment write-downs, share of exceptional gains/losses of associates, restructuring costs, IT asset write-downs and revaluation of financial instruments

# Key Objectives

## Improving Operating Margins

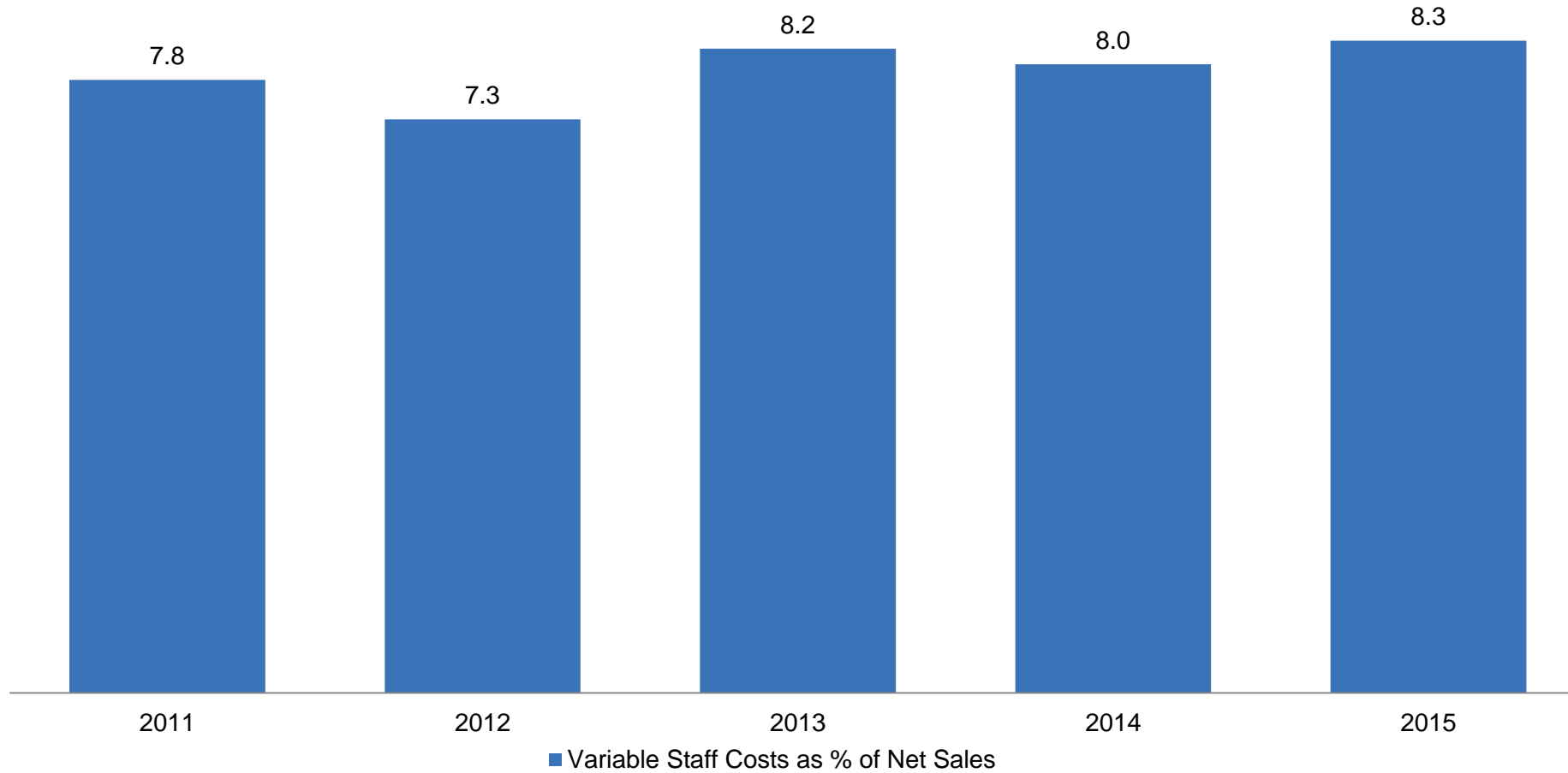
### Operational Effectiveness Programmes

- Shared Service Centres to generate scale and improve process efficiency.
- Off-shoring of certain tasks from high cost markets with outsourcing where appropriate to take advantage of scale and skills of major providers.
- Consolidation of IT infrastructure and provision of services and centralisation of systems development and applications to create efficiencies and focus investment.
- These programmes are projected to deliver ca. 1.0 margin point from existing Finance and IT cost base of ca. 10% of revenue.
- Operational effectiveness and efficiency programmes will start to deliver more significantly in 2016.



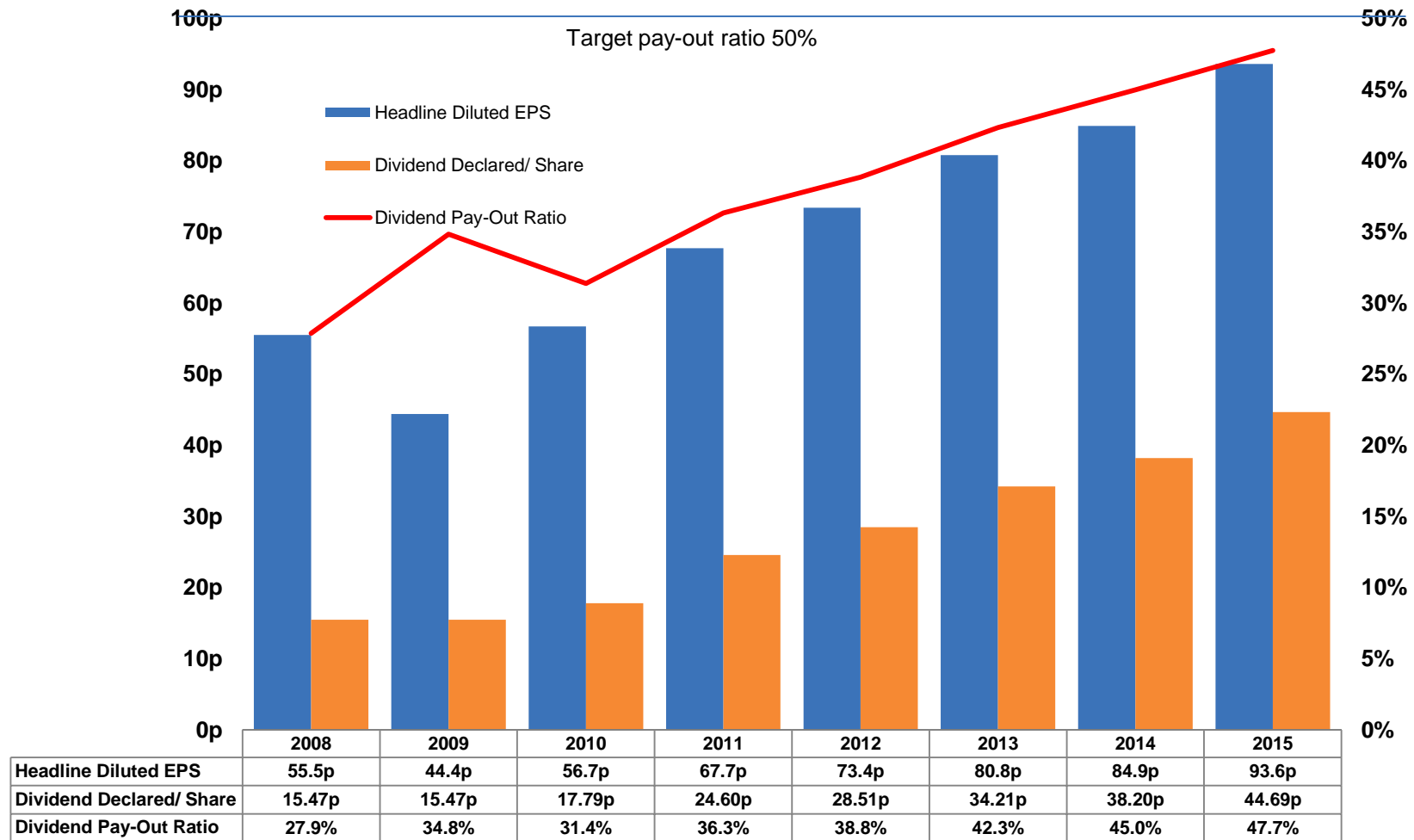
# Key Objectives

Increasing Flexibility in The Cost Base  
Change in Variable Costs



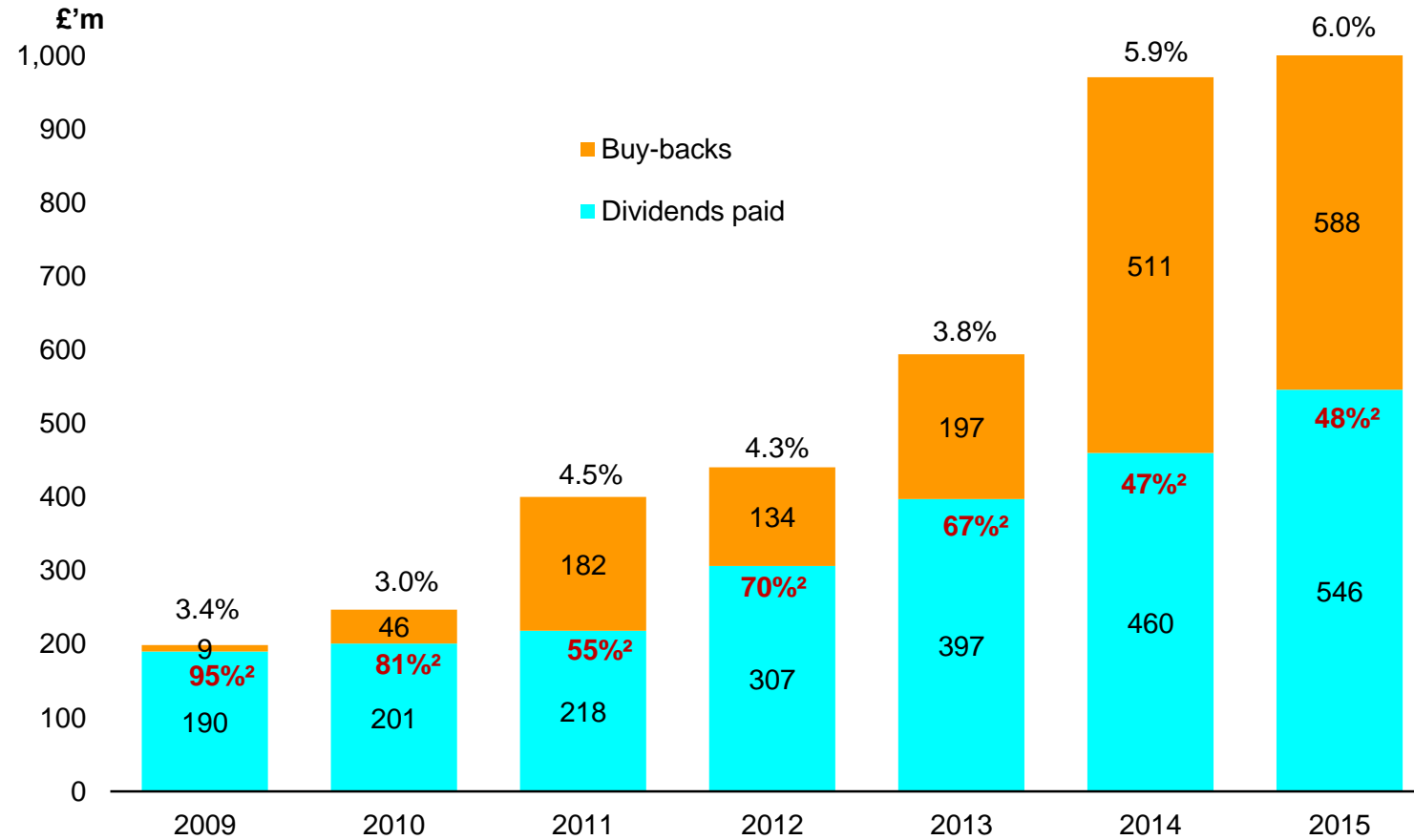
# Key Objectives

## Using Free Cash Flow to Enhance Dividend Pay-Out Ratio



# Key Objectives

Using Free Cash Flow to Enhance Share Owner Value  
Distributions to Share Owners<sup>1</sup>



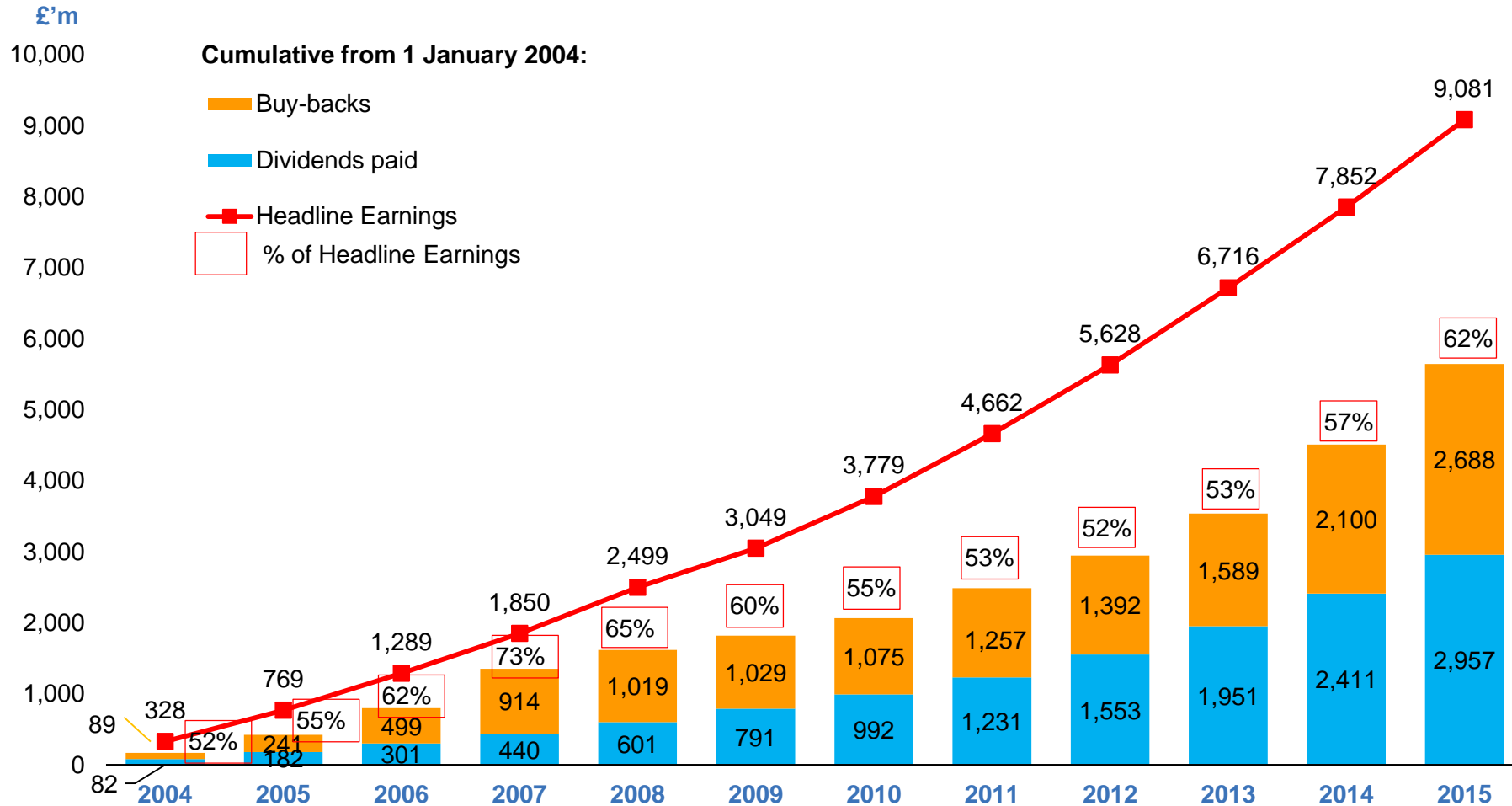
<sup>1</sup> Sum of share buy-backs and dividends paid divided by average shares in issue for the relevant period, as a % of the average share price for the relevant period

<sup>2</sup> Dividends paid as a proportion of total distributions to share owners



# Key Objectives

Using Free Cash Flow to Enhance Share Owner Value  
Distributions to Share Owners Since 2004



Over the last ten years we have returned **£5.2bn** to share owners

## Key Objectives

### Using Free Cash Flow for Acquisitions

- Significant pipeline of reasonably priced small- and medium-sized potential acquisitions.
- Continue to focus on fast growth geographical and functional services, particularly direct, digital & interactive and data investment management.
- Acceleration to reach 40-45% target with focus also outside BRICs and Next 11 to newer potential opportunities eg Cuba, Iran and North Africa.
- During the year, 52 small and medium-sized acquisitions completed in executing this strategy.
- We continue to find opportunities at earnings enhancing multiples, with exception of Brazil and India and digital in the United States, where prices seem to have got ahead of themselves because of pressure on competitors to catch up. This is clearly reflected in some of the operational issues that are starting to surface elsewhere in the industry, particularly in fast growth markets like China, Brazil and India.
- Acquisitions added 2.2% to revenue growth and 2.5% to net sales growth in 2015.

# Key Objectives

## Acquisitions and Investments

### Fast Growth Markets

3ree (Singapore)  
Ideal Group (Brazil)  
Ogilvy Healthcare (Australia)<sup>1</sup>  
Six Degrees PR (India)  
Smollan (S. Africa)<sup>1,3</sup>  
**STW (ANZ)<sup>1</sup>**  
Webling (Australia)

### Quantitative & Digital

BiScience (Israel, USA)<sup>3</sup>  
**CACTO (MEXICO)**  
*CBC II (China)<sup>1,2</sup>*  
**CEEOR (CZECH)**  
**CLEARTAG (LEBANON, UAE)**  
Directcomm (Turkey)  
Jüssi (Brazil)  
nudeJEH (Thailand)  
Phantasia (Peru)  
*Wanda (Turkey)<sup>2</sup>*  
**YONDER (S. AFRICA)**

ABS Creative (Belgium)  
ActionX (USA)  
*AppNexus (USA)<sup>1,2</sup>*  
*comScore (USA)<sup>2</sup>*  
*ECommera (USA)<sup>1,2</sup>*  
**ESSENCE (UK)**  
**EXCHANGE LAB (UK)**  
*FlowNetwork (Sweden)<sup>2</sup>*  
*FullScreen (USA)<sup>1,2</sup>*  
Greenhouse (Netherlands)  
**IDG CHINA III, IV (USA)<sup>2</sup>**  
Medialets (USA)

OptimizeRx<sup>3</sup> (USA)  
Poster Conseil (France)  
*Refinery29 (USA)<sup>2</sup>*  
*Rentrak (USA)<sup>1,2</sup>*  
RSK (Germany)  
**SUPERAWESOME (UK)<sup>2</sup>**  
**SYZGY (GERMANY)<sup>1</sup>**  
**TAPAD (USA)<sup>2</sup>**  
TechEdge (Denmark)<sup>1</sup>  
**ZI GROUP (UK)<sup>2</sup>**

### Advertising

Hirschen Group (Germany)

### MIM

Chemistry Media (NZ)  
**HELDER (NETHERLANDS)**  
Rapid Media (Australia)<sup>1</sup>

### PR & PA

Nicole Weber (Germany)  
Truffle Pig (USA)<sup>3</sup>

### Branding & Identity

**MANVSMACHINE (UK)**  
SET Creative (USA)

### Healthcare

PARx (USA)  
**SYSTEM ANALYTIC (UK)**

### Sports Marketing

*Bruin Sports Capital (USA)<sup>2</sup>*  
Two Circles(UK)

<sup>1</sup> Step-ups in investments, associates and subsidiaries' equity

<sup>2</sup> Investments

<sup>3</sup> Associate

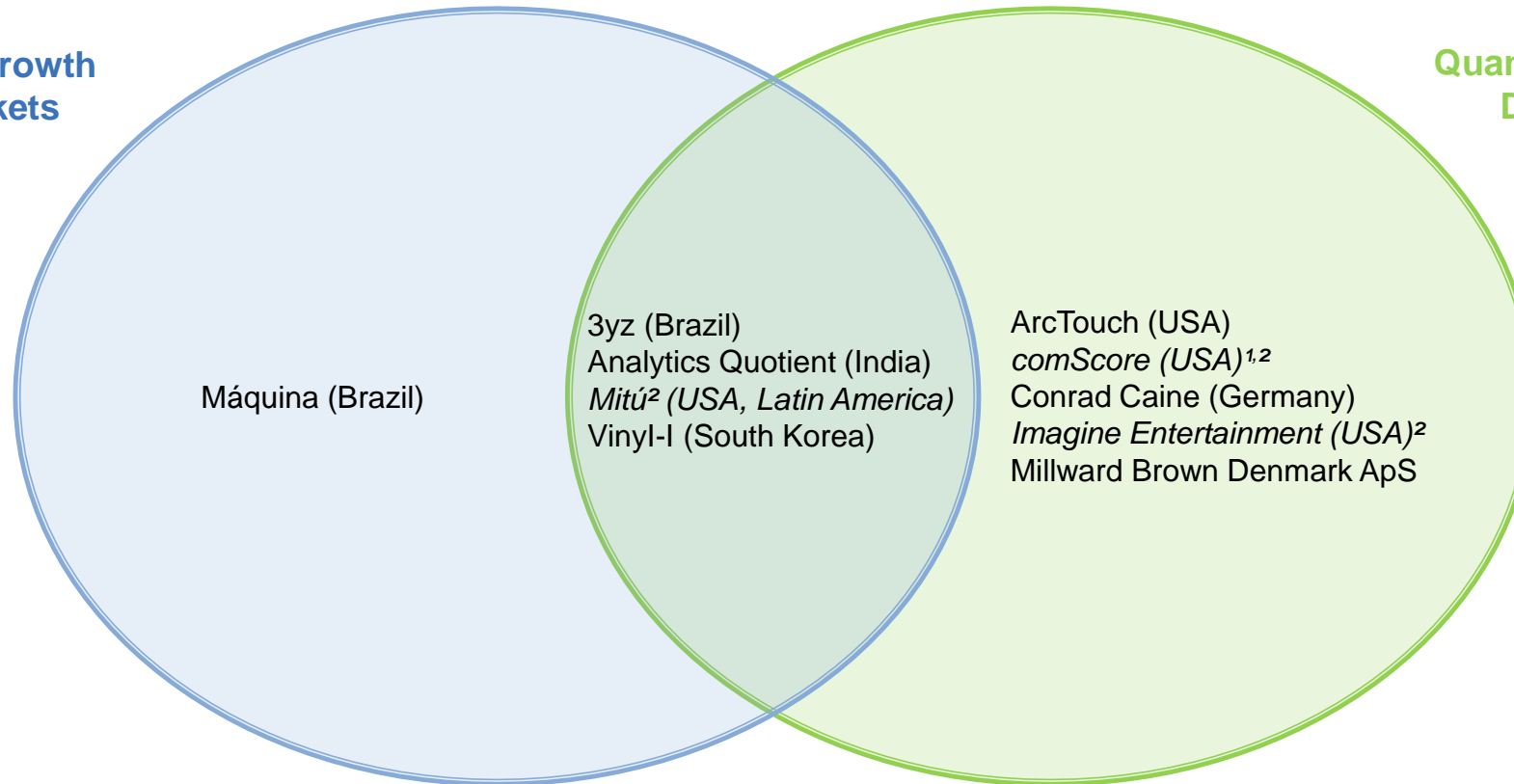
CAPITALS ARE Q4 ACQUISITIONS

# Key Objectives

Acquisitions and Investments – Since 1 January 2016

**Fast Growth Markets**

**Quantitative & Digital**



**Advertising**

Heath Wallace (UK)<sup>1</sup>

**PR & PA**

Acertys (Canada)  
TSE Consulting (Switzerland)

**Healthcare**

The Lathe (USA)

**Sports Marketing**

Courtside Ventures (USA)<sup>2</sup>

<sup>1</sup> Step-ups in investments, associates and subsidiaries' equity

<sup>2</sup> Investments

# Key Objectives

## Return on Equity and WACC<sup>1</sup>

%

18

16

14

12

10

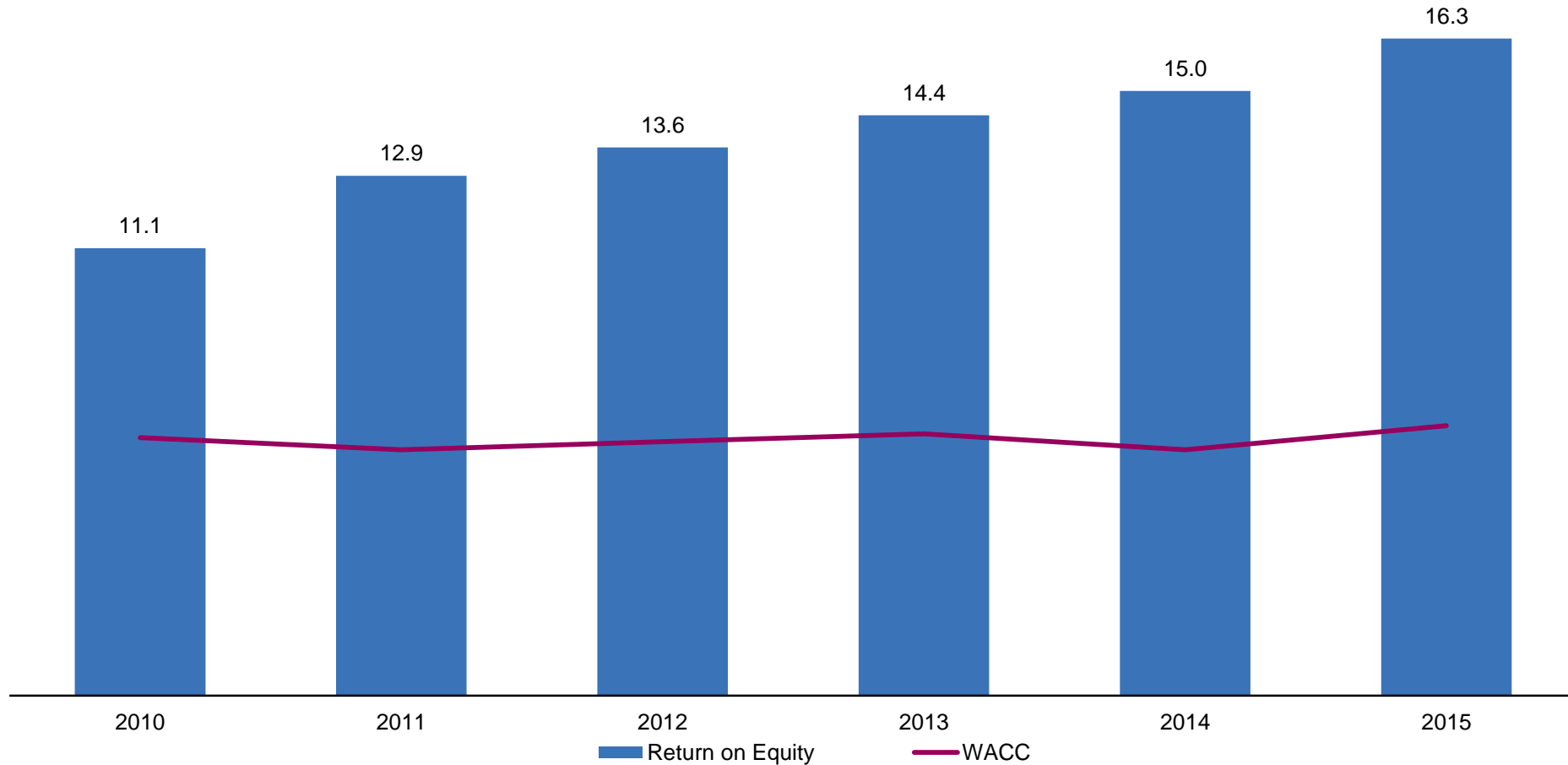
8

6

4

2

0



<sup>1</sup> Return on equity is headline diluted EPS divided by equity shareowners funds per share; WACC is weighted average cost of capital

## Key Objectives

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.
- 1<sup>st</sup> as a Group at Cannes. Awarded Holding Company of the Year 2011 - 2015.
- Ogilvy & Mather Cannes Network of the Year 2012 - 2015.
- Grey Global named Agency of the Year 2014 by Ad Age and Ad Week.
- Awarded the EFFIE as Most Effective Holding Company 2012 - 2015.
- WARC's Most Effective Holding Company 2014 and 2015.

# Key Objectives

Improving the Creative Reputation of all our Businesses

	Network
1	Ogilvy & Mather
2	BBDO
3	Grey
4	Y&R
5	DDB
6	Leo Burnett
7	McCann
8	TBWA
9	Publicis
10	FCB

**Ogilvy & Mather  
Cannes Network of the Year  
2012-2015**



**3 out of the top 4 Cannes  
networks of the year**



**2 out of the top 3 Cannes  
agencies of the year**



**Grey Global Agency of the  
Year 2014**



**Ogilvy & Mather  
Effie Most Effective Agency  
Network 2012 and 2013**



**WPP  
WARC Most Effective  
Holding Company  
2014 and 2015**





# 5 Outlook and Conclusions





## Conclusions 2015

### Another Record Year Despite Strong Currency Headwinds

- Model year with over 3% net sales growth, margin improvement of 0.4 margin points pre currency and diluted EPS growth in range 10-15%.
- Record absolute revenue, net sales, headline EBITDA, headline PBIT and headline PBIT margin.
- Return on equity up 1.3 margin points to 16.3% and dividend increased to 44.7p, up 17% and 47.7% pay-out ratio.
- Average Net Debt to EBITDA ratio of 1.8x – in middle of our 1.5x to 2.0x target range.
- Overall lead in analyst new business tables and clear winner in recent “media tsunami” based on RECMA data.
- Strong start to 2016 with revenue and net sales above budget and strong contribution from 2015 acquisitions.

# Outlook for 2016

## Our Long-Term Financial Model

- Organic revenue and net sales growth of 0-5% in line with market growth.
- Margin improvement of 0.3 margin points or more before currency movements, with long-term net sales margin target of 19.7%.
- Use of our substantial cash flow to enhance EPS through acquisitions, share buy-backs and debt reduction.

Acquisitions	£300m-£400m <sup>1</sup>
Share buy-backs	2-3%
Pay-out ratio	50% <sup>2</sup>

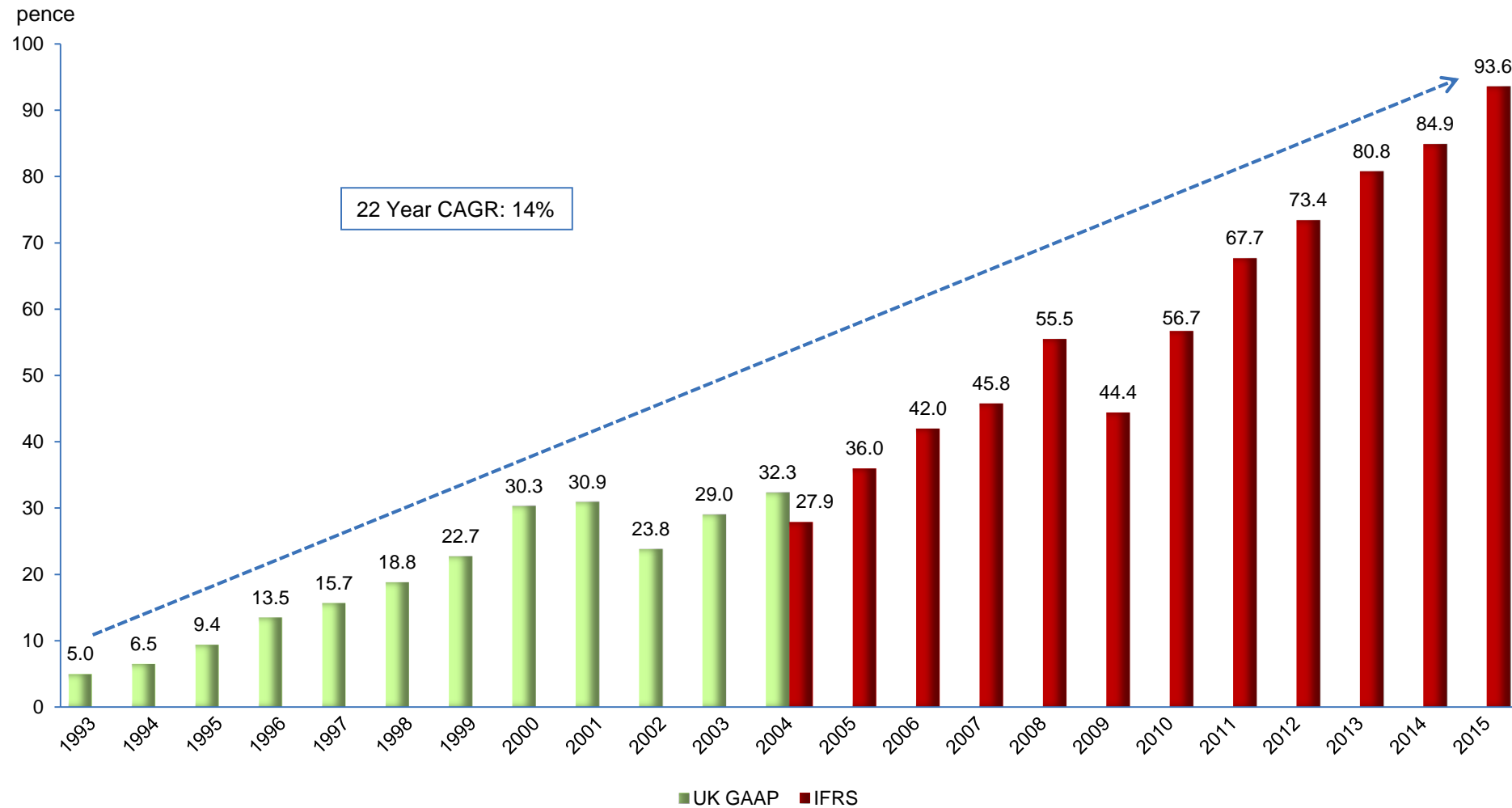
- Incremental share buy-backs of 1-2% equivalent to an impact on EPS of an incremental 0.2 margin points.
- This would deliver 10-15% of EPS growth.

<sup>1</sup> Target is £300m-£400m excluding one-offs like IBOPE or comScore

<sup>2</sup> Newly targeted dividend pay-out ratio of 50% in 2017

# Long Term Impact of Financial Model

## WPP Headline Diluted EPS Post 1992 Rights Issue



Note: 1993 adjusted to reflect 1992 rights issue. Headline Diluted EPS

## Outlook for 2016

- Our budgets indicate
  - Like-for-like revenue growth well over 3% and net sales growth over 3%.
  - Margin improvement in line with our target 0.3 margin points pre-currency.
  - Acquisitions to add 0-5% of revenue and net sales.
- At current exchange rates full year currency impact is likely to be ca. +3% on revenue and net sales and minimal impact on margin.
- Staff costs and headcount to remain controlled to deliver the margin target.
- Operational effectiveness and efficiency programmes will deliver significantly in the year.





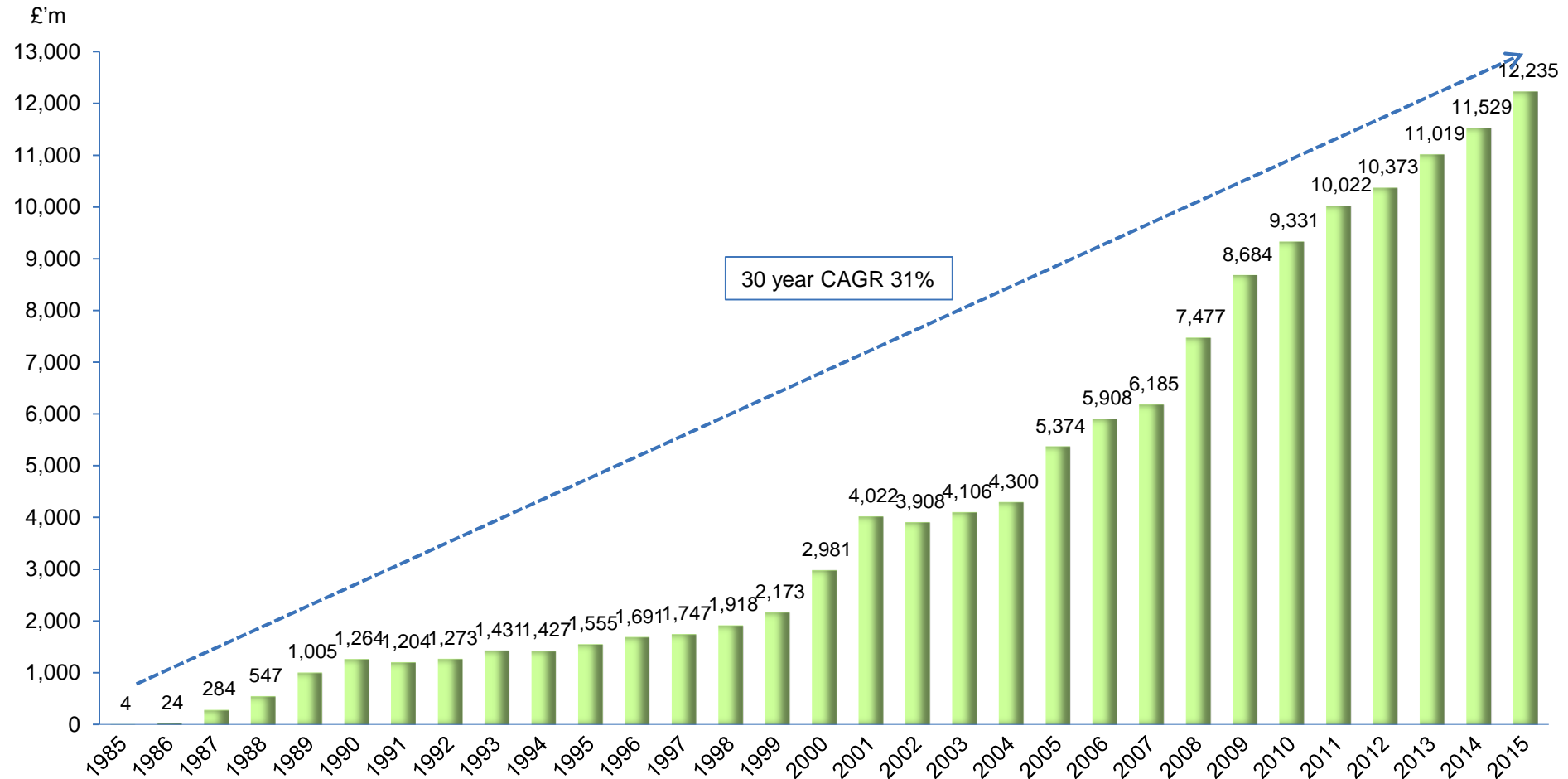
# 6 30 Year History

*(Hard Copy Only)*



# 30 Year History

## WPP Reported Revenue

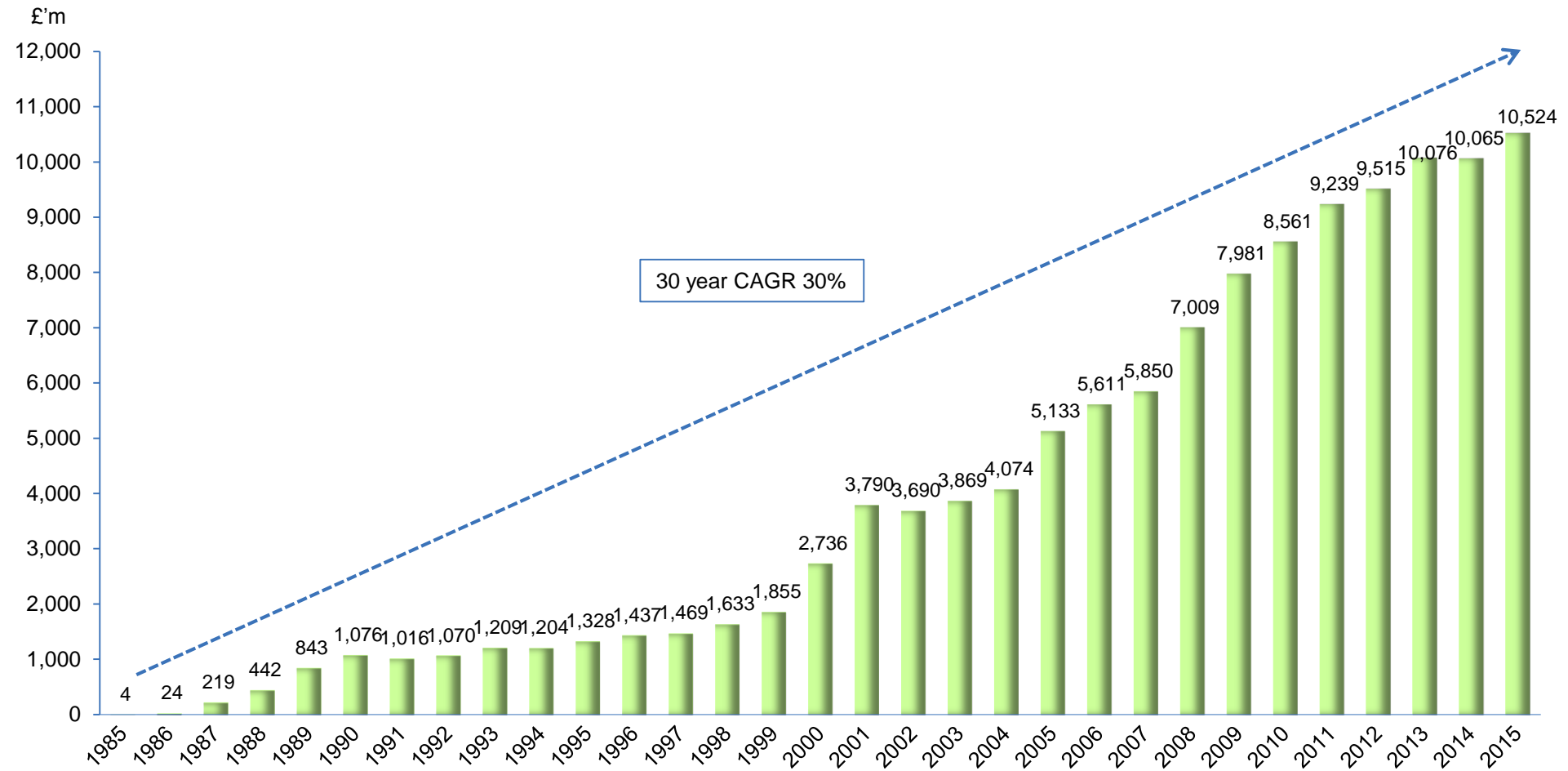


30 year CAGR 31%



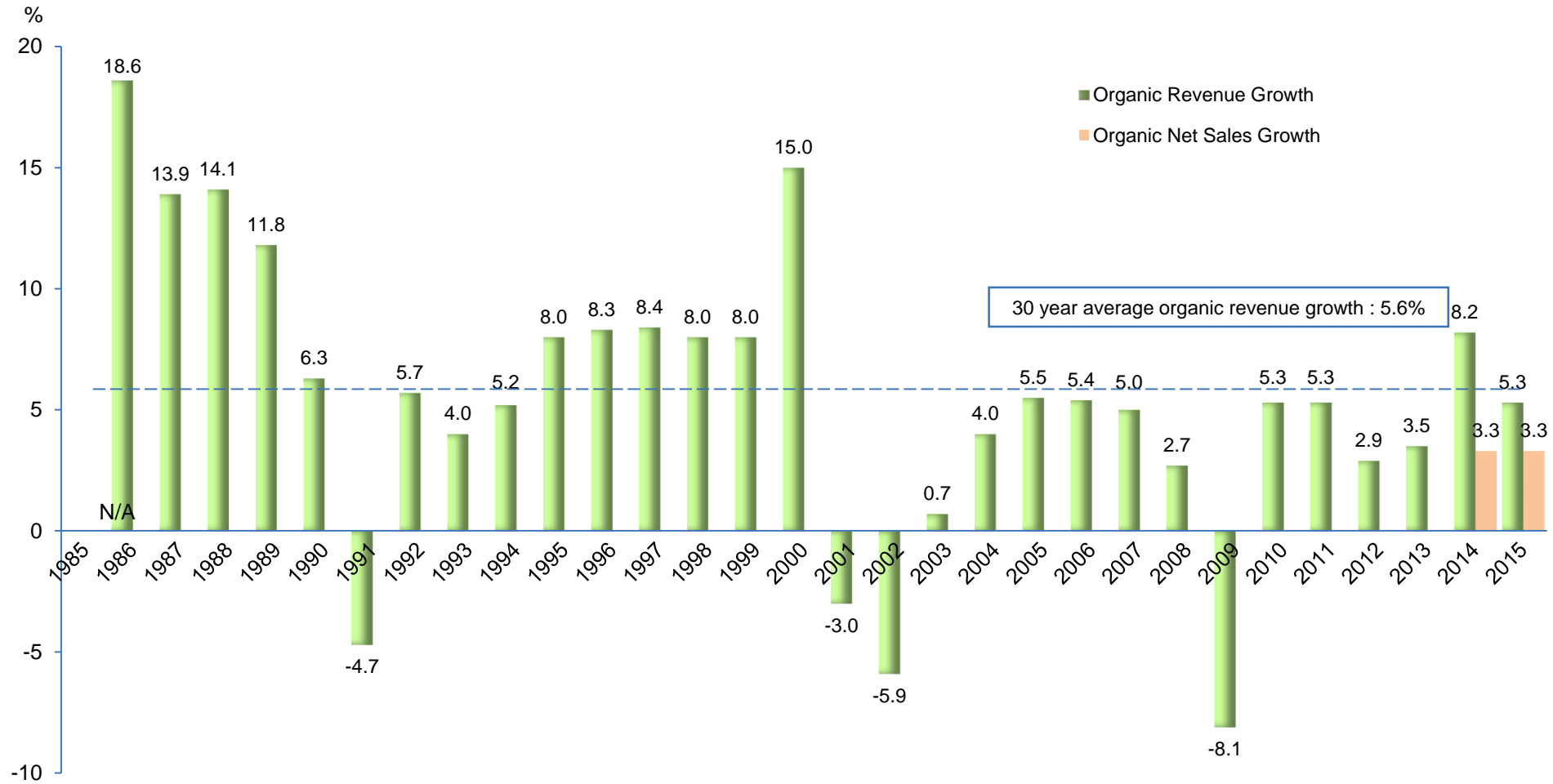
# 30 Year History

## WPP Net Sales



# 30 Year History

## WPP Organic Growth

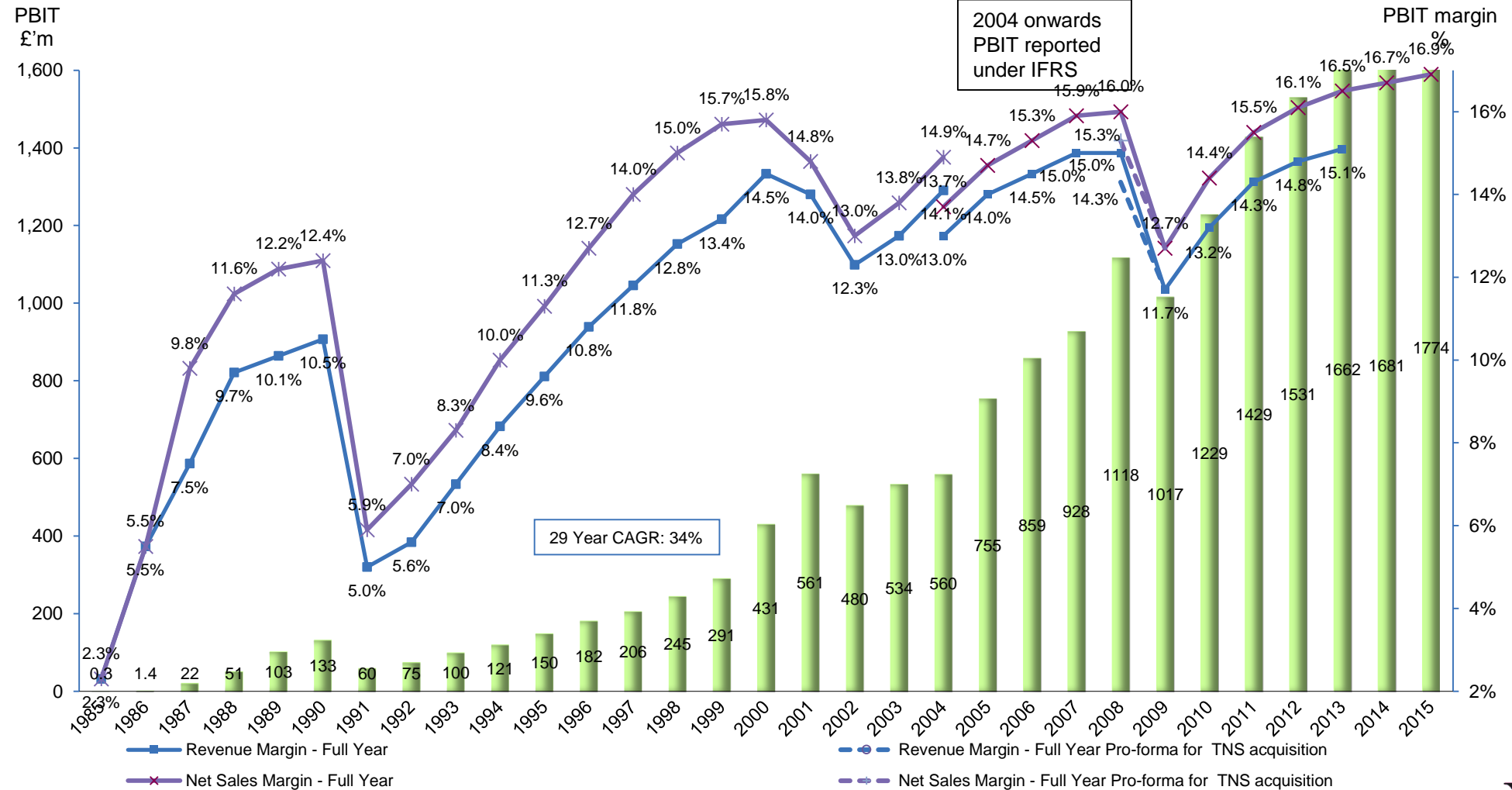


Note: Estimates for 1985-1990



# 30 Year History

## WPP PBIT and Margins



Note: Headline PBIT includes associates and excludes goodwill and intangible charges, gain on sale of New York property, restructuring charges, costs of changes in corporate structure, gains/losses on disposals of subsidiaries and investments, investment write-downs and share of exceptional gains/losses of associates, restructuring costs and IT asset write-downs. For 2004 onwards, headline PBIT has been prepared under IFRS. 2003 and prior periods are in accordance with previous UK GAAP.



# 7 Other Financial Information

*(Hard Copy only)*



# Results for 2015

## Effects of Currency

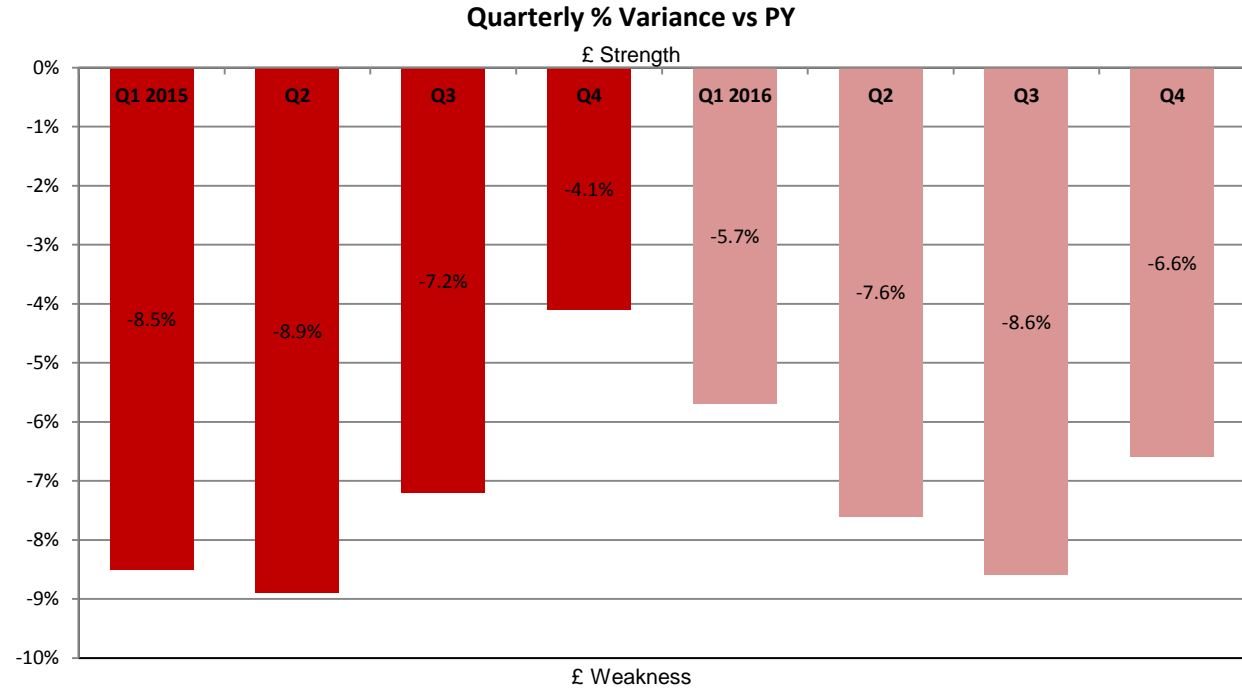
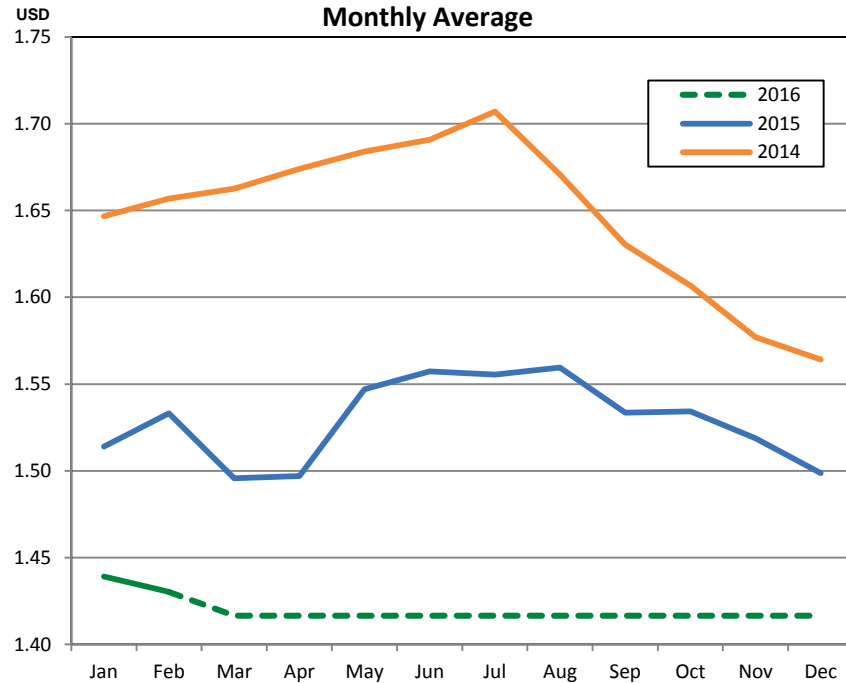
	2015	2014	Sterling (Weaker)/ Stronger
US\$	1.53	1.65	-7%
€	1.38	1.24	11%
¥	185	174	6%
Chinese Renminbi	9.6	10.2	-6%
Brazilian Real	5.10	3.87	32%
Australian \$	2.04	1.83	11%
Canadian \$	1.96	1.82	8%
Indian Rupee	98	100	-2%
Singapore \$	2.10	2.09	-
Russian Rouble	94	63	49%
South African Rand	19.5	17.9	9%

Net sales were reduced by £130m and headline PBIT<sup>1</sup> by £50m as a result of strength of £ sterling versus prior year.

<sup>1</sup> Figures before goodwill and intangibles charges, gains/losses on step-ups from associate to subsidiary, gains/losses on disposals of subsidiaries and investments, investment write-downs, share of exceptional gains/losses of associates, restructuring costs and IT asset write-downs

# Exchange Rate Analysis

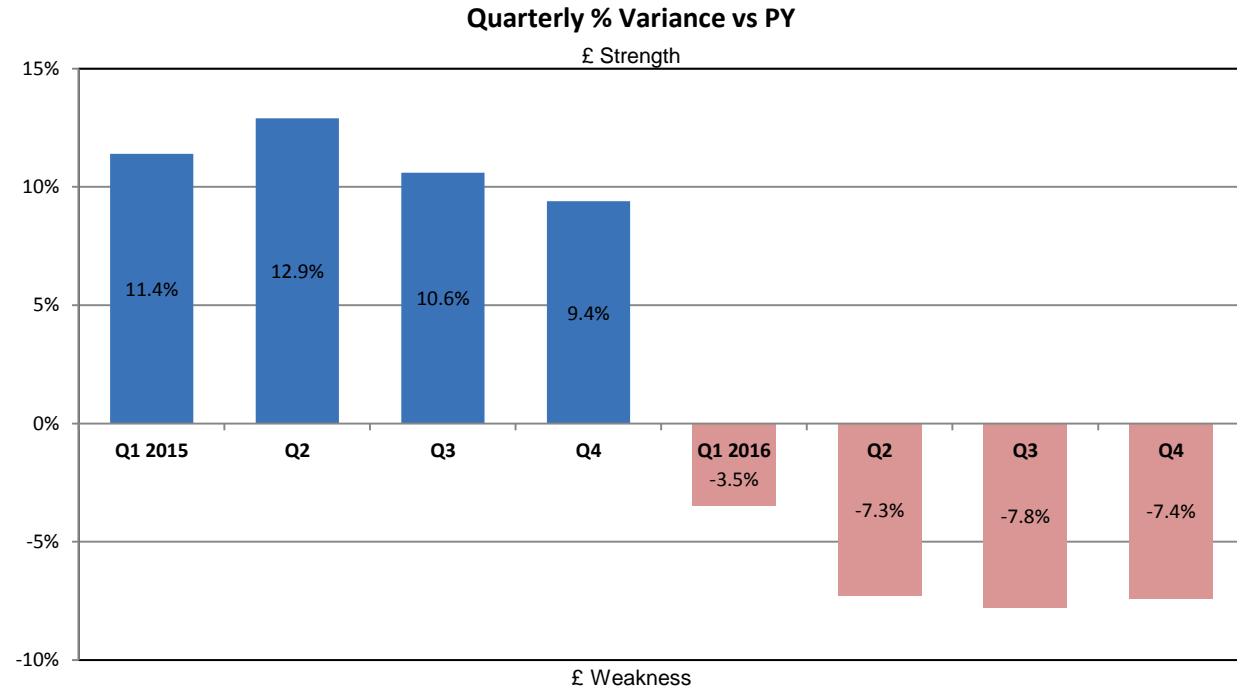
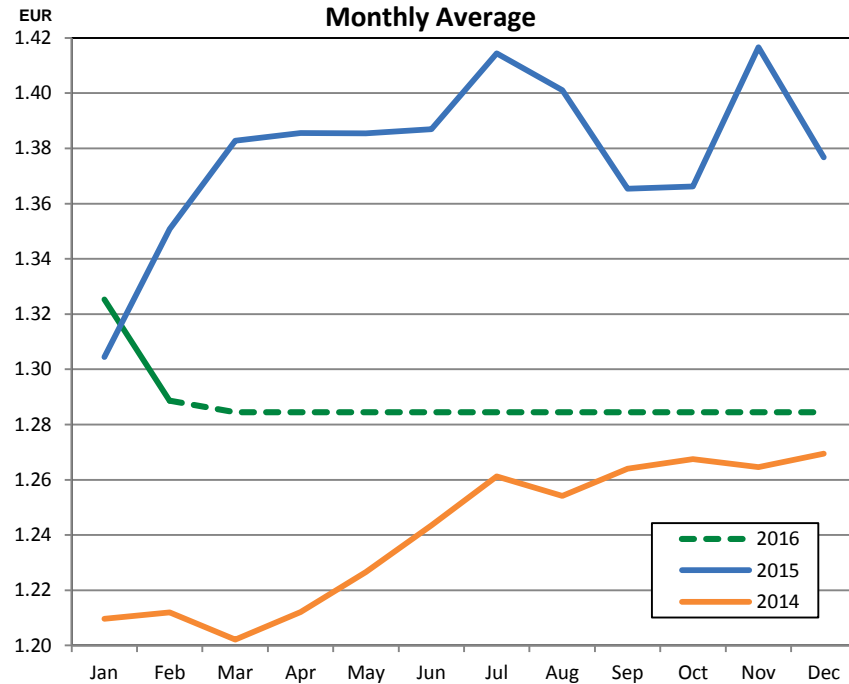
Range from 1 January 2014 \$1.42 to \$1.71



January 2014 to January 2016 based on average monthly rates, whilst Feb - Dec 2016 is based on the closing rate at 24<sup>th</sup> of February 2016 and set at \$1.42 USD to £1 GBP

# Exchange Rate Analysis

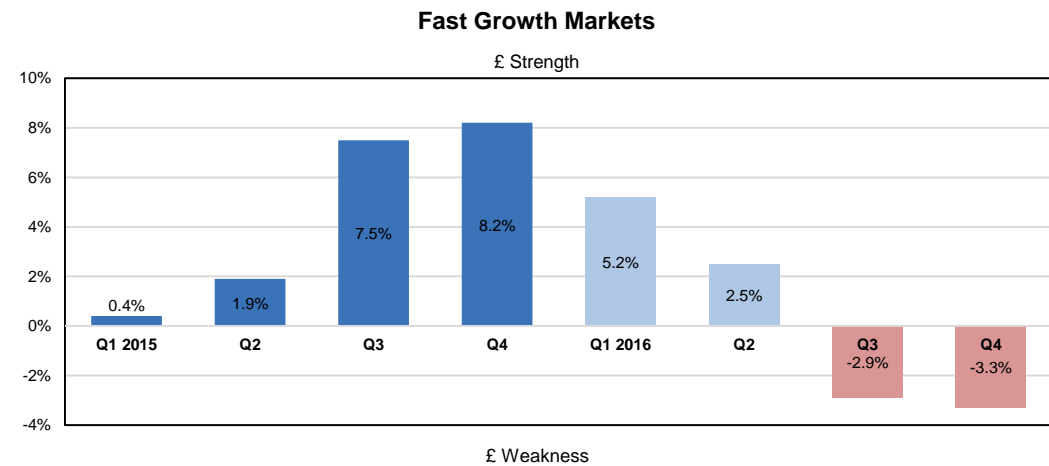
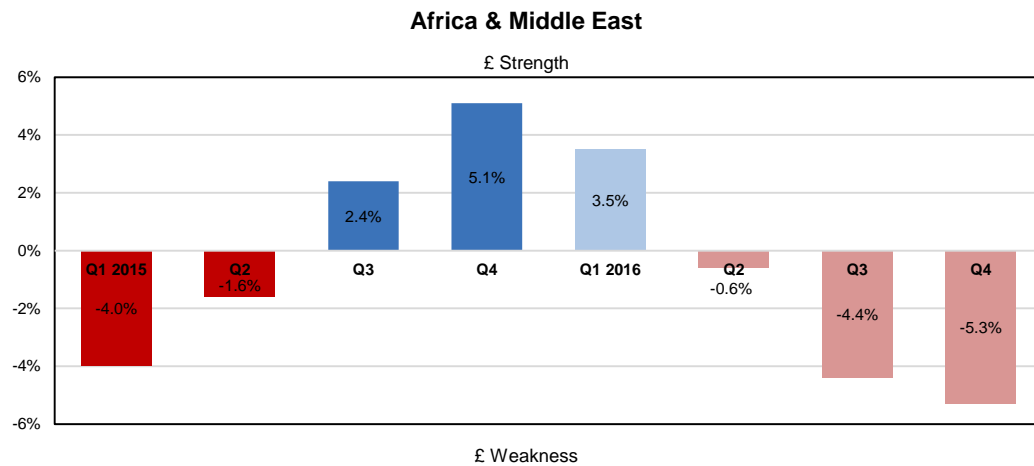
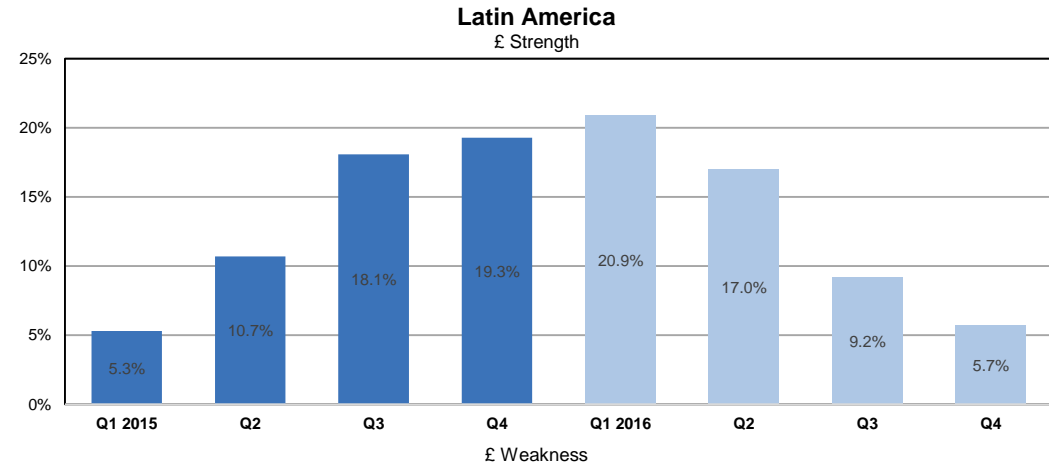
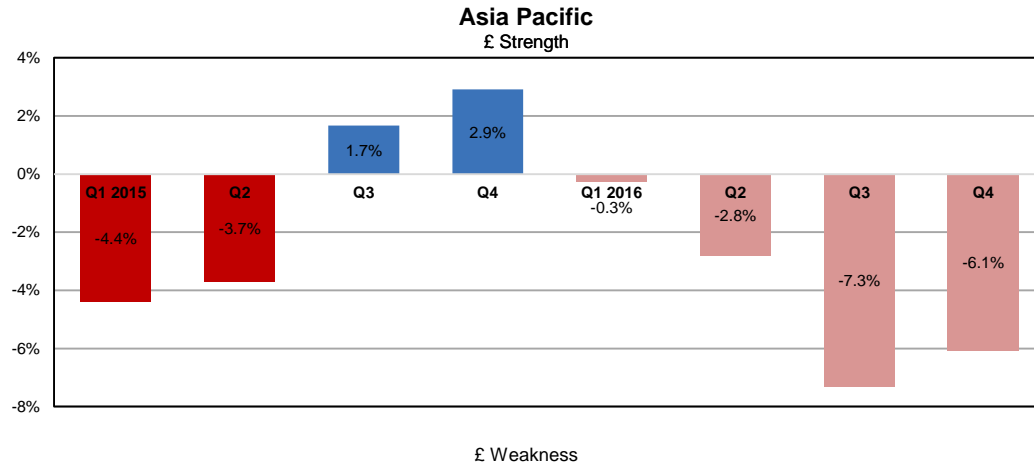
Range from 1 January 2014 €1.20 to €1.42



January 2014 to January 2016 based on average monthly rates, whilst Feb - Dec 2016 is based on the closing rate at 24<sup>th</sup> of February 2016 and set at €1.28 EUR to £1 GBP

# Exchange Rate Analysis

## Fast Growth Regions - Quarterly % Variance vs PY



January 2014 to January 2016 based on average monthly rates, whilst Feb - Dec 2016 is based on the closing rate at 24<sup>th</sup> of February 2016

# Results for 2015

## Net Finance Costs

£m	2015	2014	B/(W)
<b>Interest on net debt</b>	<b>161</b>	<b>184</b>	<b>23</b>
Investment income	(19)	(26)	(7)
IAS 19 (Pensions)	10	10	-
Sub-total	(9)	(16)	(7)
<b>Headline finance costs</b>	<b>152</b>	<b>168</b>	<b>16</b>
IAS 39 (Financial Instruments)	<b>34</b>	<b>(51)</b>	<b>(85)</b>
<b>Net finance costs</b>	<b>186</b>	<b>117</b>	<b>(69)</b>

# Results for 2015

## Pensions Deficit

£m	2015	2014
<b>Deficit B/F</b>	<b>(296)</b>	<b>(247)</b>
Service cost	(23)	(17)
Plan liabilities interest charge	(35)	(41)
Funding	71	68
Investment returns	(4)	102
Change in valuation assumptions <sup>1</sup>	68	(155)
Other movements	(9)	(4)
<b>Movements in the year excluding FX</b>	<b>68</b>	<b>(47)</b>
Foreign exchange impact	(1)	(2)
<b>Deficit C/F</b>	<b>(229)</b>	<b>(296)</b>
<b>Asset Allocation</b>		
Bonds and insured annuities	66%	66%
Equities	16%	18%
Other	18%	16%

<sup>1</sup> Primarily due to a 35 basis point increase in discount rates in 2015 (3.63%) compared with 2014 (3.28%) and a 106 basis point decrease in discount rates in 2014 compared with 2013 (4.34%)



# Results for 2015

## Earnout Accrual

2015 Rollforward	£m	Expected Payments	£m
<b>31 December 2014</b>	<b>311</b>	2016	126
Earnouts paid	(44)	2017	105
New acquisitions	262	2018	105
Revised estimates taken to goodwill	20	2019	111
Revaluations of payments	36	2020	122
<b>Increase excluding FX</b>	<b>585</b>	2021+	12
Foreign exchange impact	(4)	<b>Total</b>	<b>581</b>
<b>31 December 2015</b>	<b>581</b>		

# Results for 2015

## Ordinary Shares - Basic

	December 2015 Actual	December 2014 Actual	
<b>No. of Shares (million)</b>			
<b>1 January</b>	<b>1,326</b>	<b>1,349</b>	
Treasury share cancellations	-	(27)	
Option exercise	3	4	
<b>31 December</b>	<b>1,329</b>	<b>1,326</b>	<b>-0.2%</b>
Weighted Average	1,327	1,339	
ESOP, Treasury & Other	(38)	(32)	
<b>Average Basic</b>	<b>1,289</b>	<b>1,307</b>	<b>1.4%</b>

# Results for 2015

## Ordinary Shares – Diluted

	December 2015 Actual	December 2014 Actual	
<b>No. of Shares (million)</b>			
<b>Average Basic</b>	<b>1,289</b>	<b>1,307</b>	
Share Option Dilution	3	5	
Other Potentially Issuable Shares	21	25	
<b>Diluted Shares</b>	<b>1,313</b>	<b>1,337</b>	<b>1.8%</b>



## Key Priorities, Objectives and Strategy

### Using Free Cash Flow to Enhance Share Owner Value

#### Dividends and Share Buy-Backs

- 2015 final dividend increased by 8.3% to 28.78p per share (2014 – 26.58p) to give full year dividend of 44.69p per share (2014 – 38.2p), up 17.0%.
- Distributions to share owners:

#### Share Buy-Backs

	Dividends Paid	Amount	% of Share Base
2006	£119m	£258m	3.1%
2007	£139m	£415m	4.7% <sup>1</sup>
2008	£162m	£112m	1.6%
2009	£190m	£10m	0.2%
2010	£200m	£46m	0.5%
2011	£218m	£182m	2.1% <sup>2</sup>
2012	£307m	£135m	1.3% <sup>3</sup>
2013	£397m	£197m	1.4%
2014	£460m	£511m	3.0%
2015	£546m	£588m	3.0%

<sup>1</sup> Of which 4.6% relates to share cancellations

<sup>2</sup> Of which 0.6% relates to share cancellations

<sup>3</sup> Of which 0.5% relates to share cancellations

# Results for 2015

## Revenue by Industry

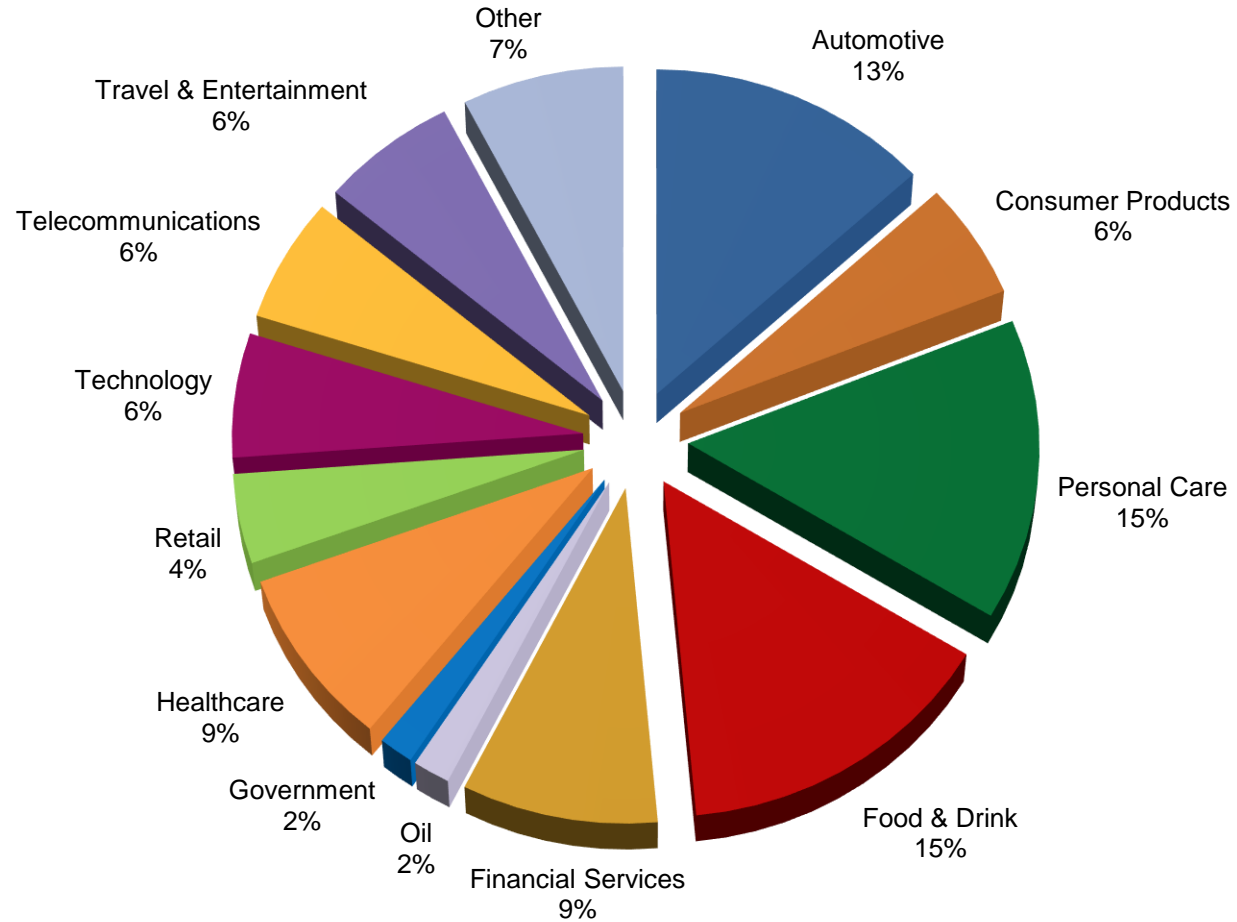
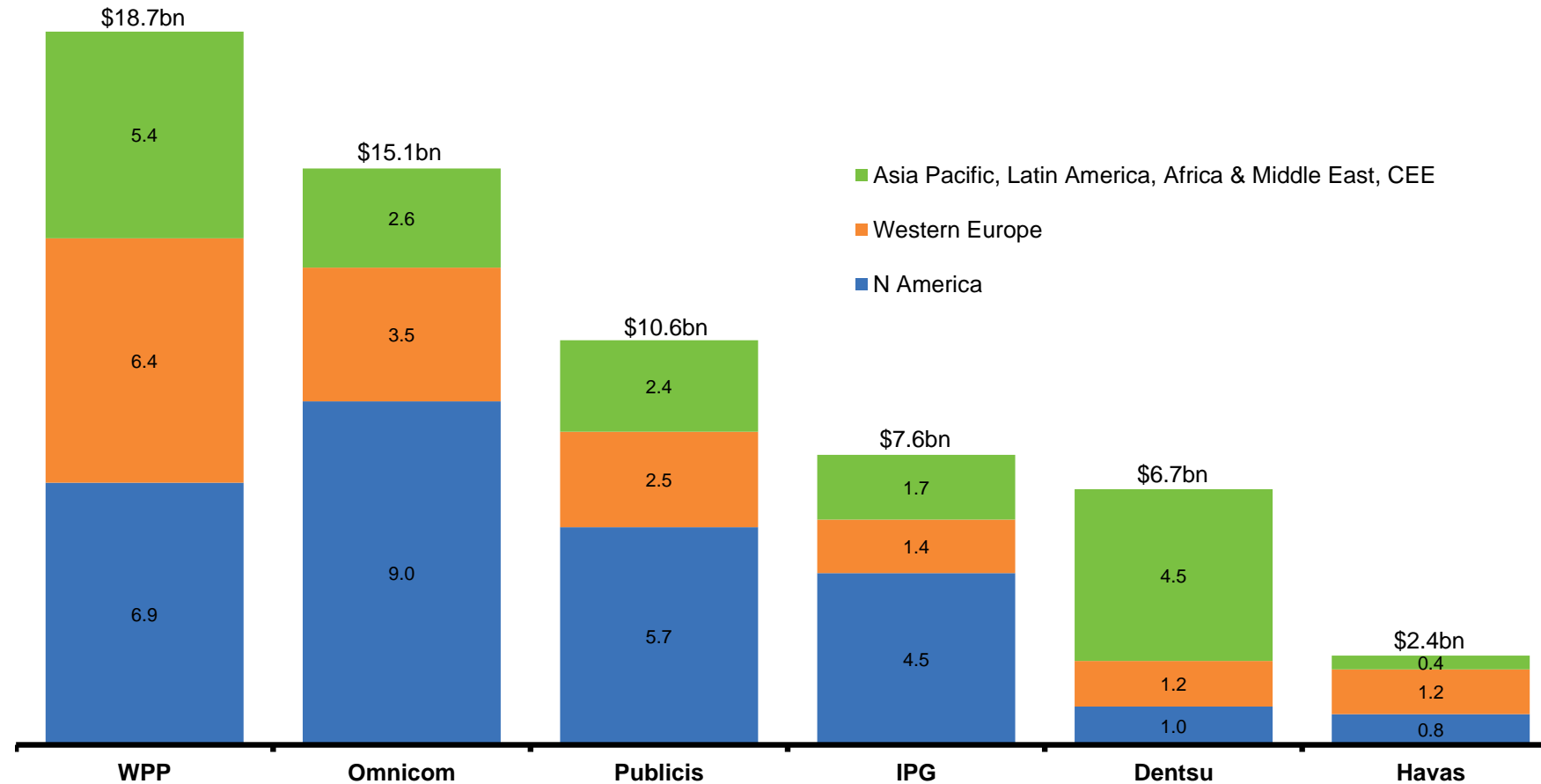


Chart represents the amount of revenue attributed to each industry expressed as a percentage of the total revenue from WPP's designated clients (over 3,000) for the period ended 31 December 2015

# Key Priorities, Objectives and Strategy

## 2015 Revenue by Geography



Source:

<sup>1</sup> WPP – reportable US \$'s per WPP preliminary results. Omnicom, IPG, Publicis and Havas - company presentations for 2015 with CEE estimated at 3%.

<sup>2</sup> FX. Havas and Publicis assumes \$1=€0.9013 based on the average for 2015

<sup>3</sup> OMC and PUB CEE based on analyst estimates

<sup>4</sup> IPG assumes Canada is ca 1.5% of revenue

<sup>5</sup> Rest of World. Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe

<sup>6</sup> Dentsu based on disclosed pro-forma group revenue splits against 2015 actual reported revenue

## New Markets

### WPP Clear No. 1 in Brazil<sup>1</sup>

- RECMA does not cover Brazil, IBOPE measures media spend with “IBOPE Rate Card Monitor”.

Agency	R\$'bn	Rank
Y&R	7.0	1
Ogilvy	3.8	2
Africa <sup>2</sup>	3.5	3
W/McCann	3.5	4
Almap/BBDO	3.4	5
Leo Burnett	3.2	6
Havas World	2.8	7
Mullen Lowe	2.7	8
Publicis	2.6	9
DDB/DM9	2.5	10
JWT	2.4	11
DPZ&T	2.3	12
<b>Total Top 12 Agencies</b>	<b>39.7</b>	

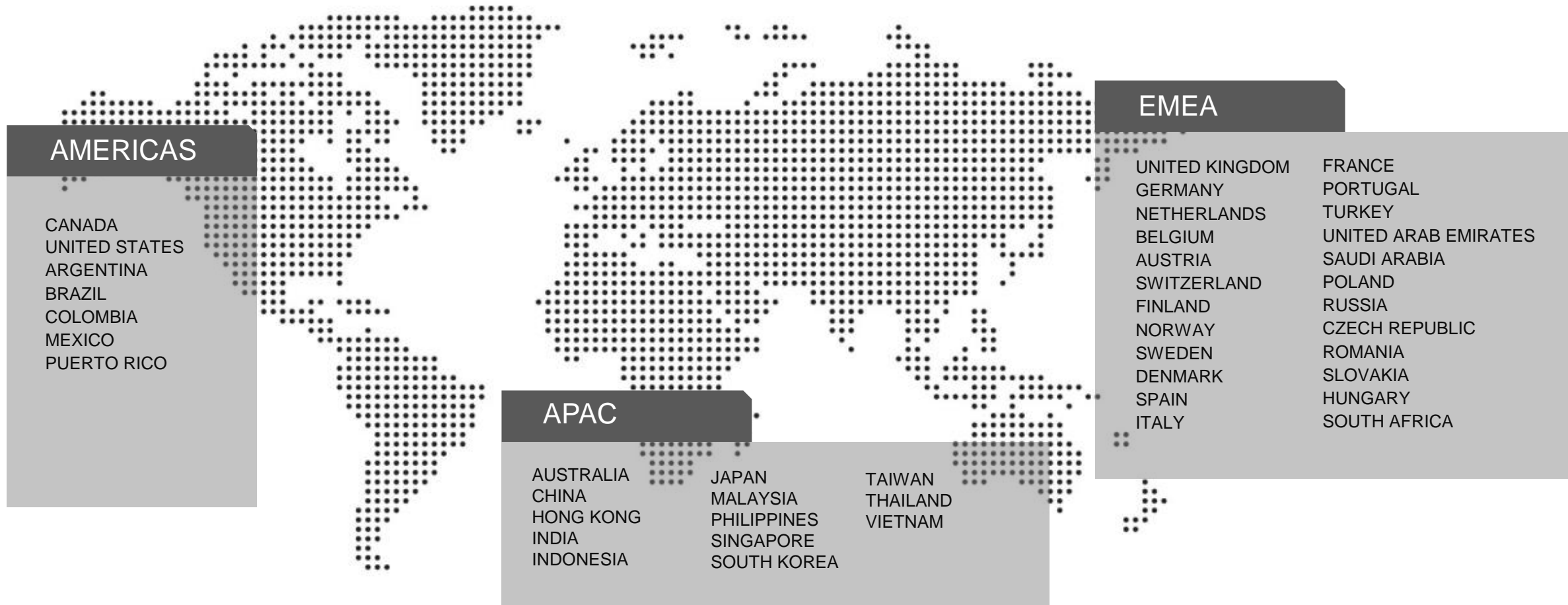
	R\$'bn	Rank
WPP	13.2	1
PUB	8.1	2
IPG	6.2	3
OMC	5.9	4
Africa <sup>2</sup>	3.5	5
HAV	2.8	6
<b>Total Top 12</b>	<b>39.7</b>	

<sup>1</sup> Source of data “IBOPE Monitor” survey of 2015 media spend issued February 2016

<sup>2</sup> Africa part of ABC Group, purchased by OMC January 2016

# New Media

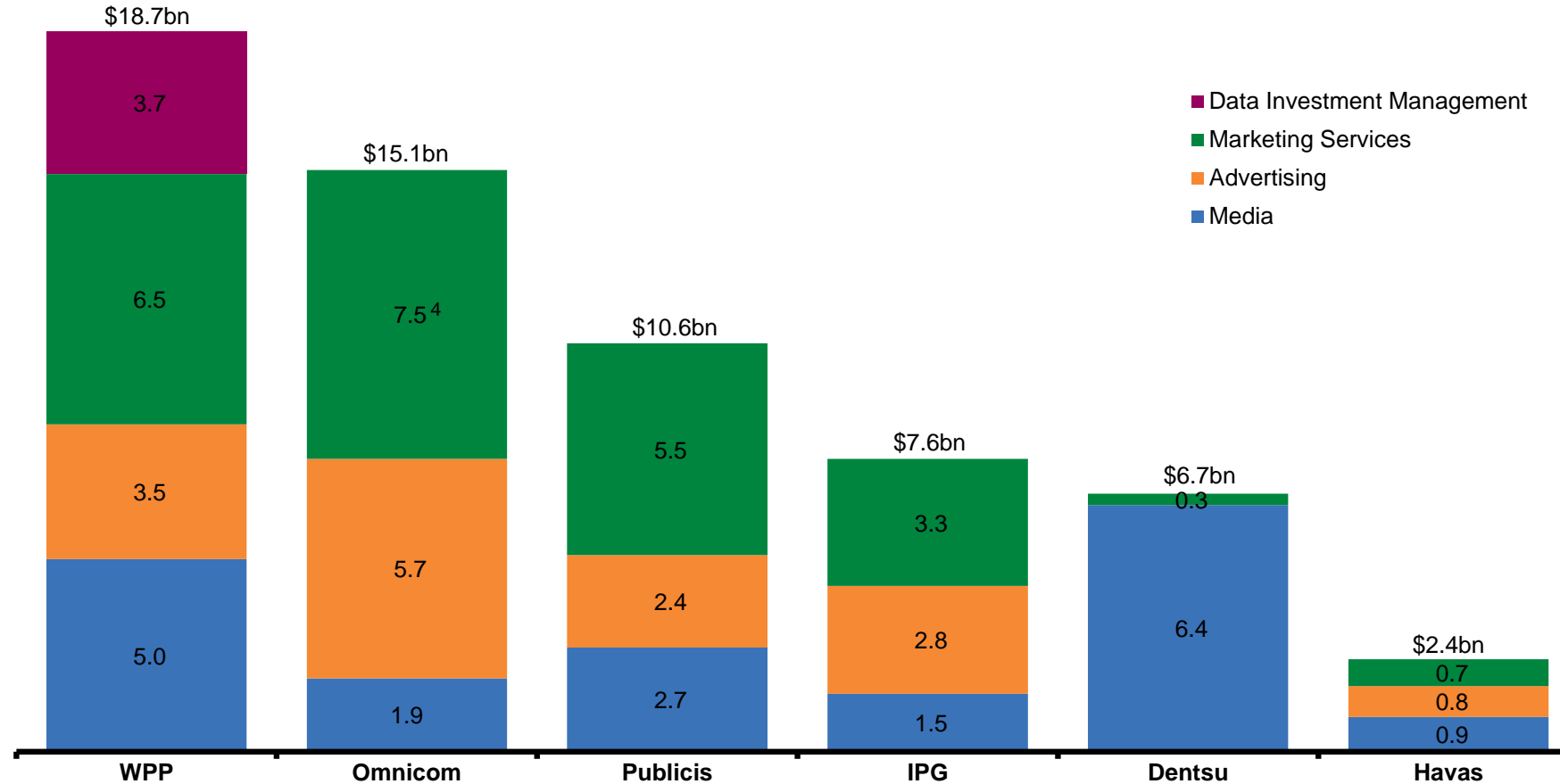
Xaxis – 45 Markets as of February 2016





# Key Priorities, Objectives and Strategy

## 2015 Revenue by Sector



Source:

<sup>1</sup> WPP reportable US \$'s per WPP preliminary results

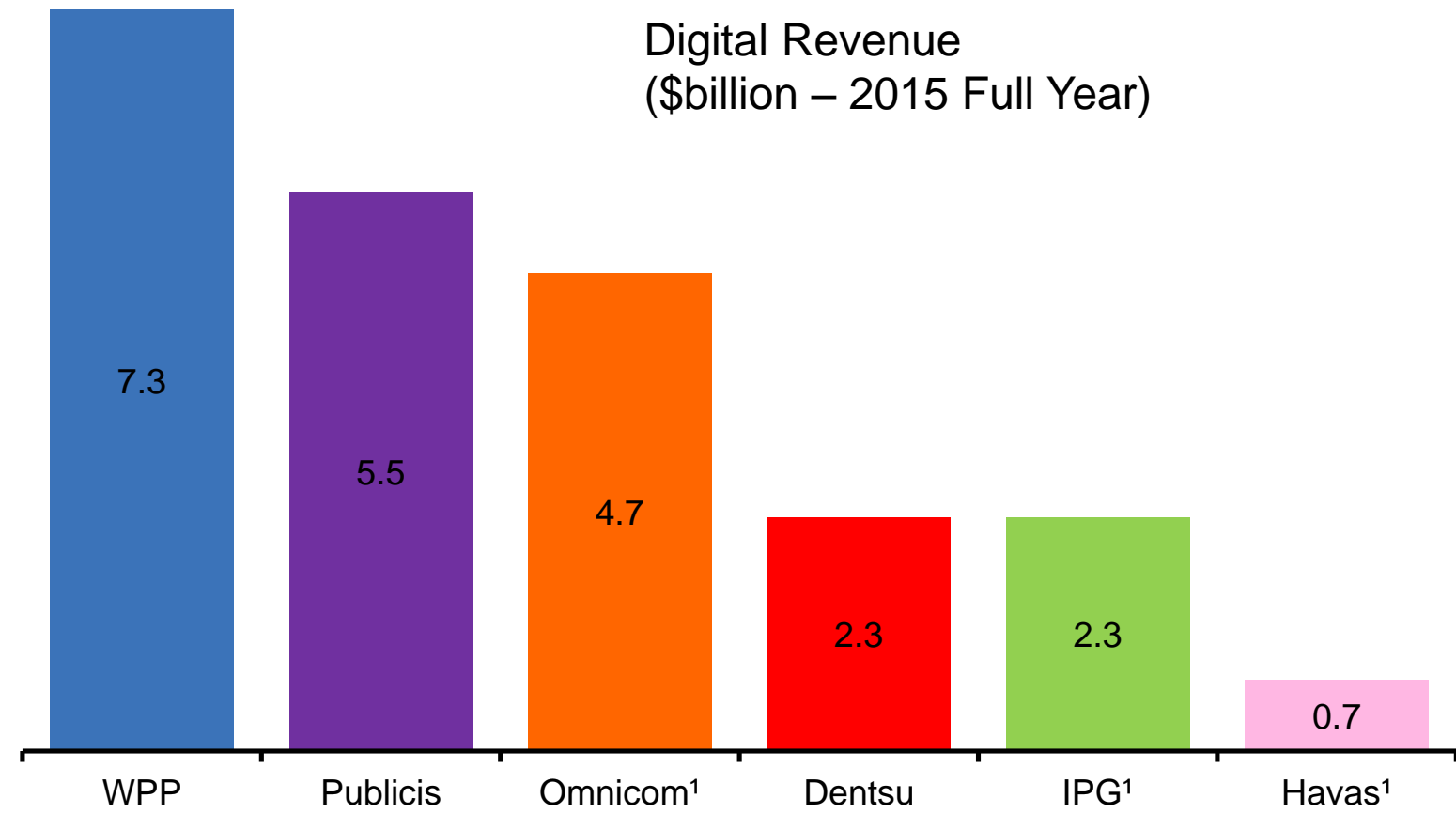
<sup>2</sup> 2015 company disclosures except: Havas, IPG and OMC media splits analyst estimates

<sup>3</sup> FX. Havas and Publicis assumes \$1=€0.9013 based on the average for 2015

<sup>4</sup> Omnicom's \$7.5bn of Marketing Services revenue includes food broking, barter, SELLYBYTEL and consumer insight operations

# Digital In All Our Businesses

## Global Scale and Quality

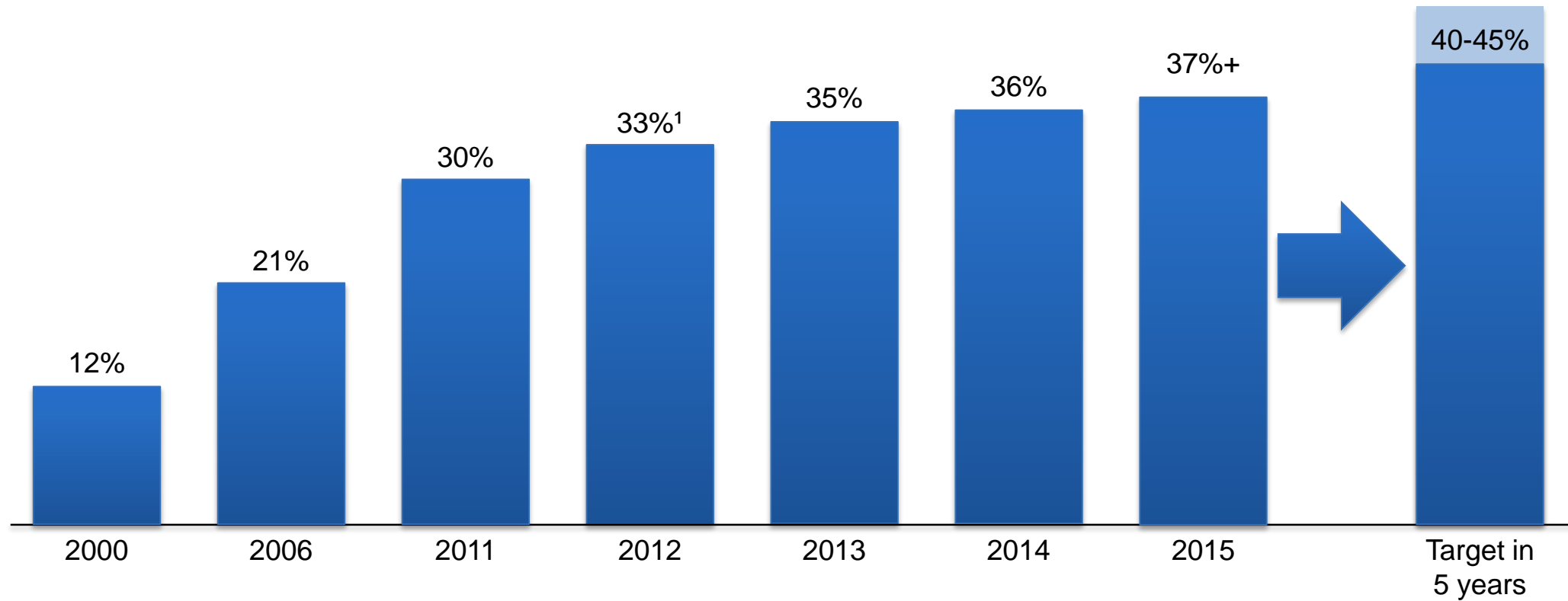


<sup>1</sup>Omnicom, IPG and Havas digital revenue based on Exane BNP Paribas estimates.

# New Media

Revenue Share Continues to Increase

## WPP Share of Digital Revenue



<sup>1</sup> Including AKQA Pro-Forma

# Key Priorities, Objectives & Strategy

## WPP Position in Direct, Digital and Interactive

	Revenue \$'m
<b>Direct, Digital and Interactive Networks (OgilvyOne, Wunderman, Geometry, Mirum, VML, WPP Digital &amp; AKQA)</b>	<b>3,542</b>
% of Group revenue	18.2%
Specialist Direct, Digital and Interactive resources:	
- Data Investment Management (Millward Brown, TNS and Lightspeed)	1,071
- GroupM	1,797
- Other	875
<b>Total 2015</b>	<b>7,285</b>
% of Group revenue	37.5%
Total 2014	6,900
% of Group revenue	36.3%

# Impact of Xaxis on our Revenue

Underlying principles and worked example

## Accounting Principles driving new model

Billings to be reported as revenue if

- Company is responsible for fulfilment.
- Company acts as principal in the media buying and has inventory risk.
- Company has credit risk.

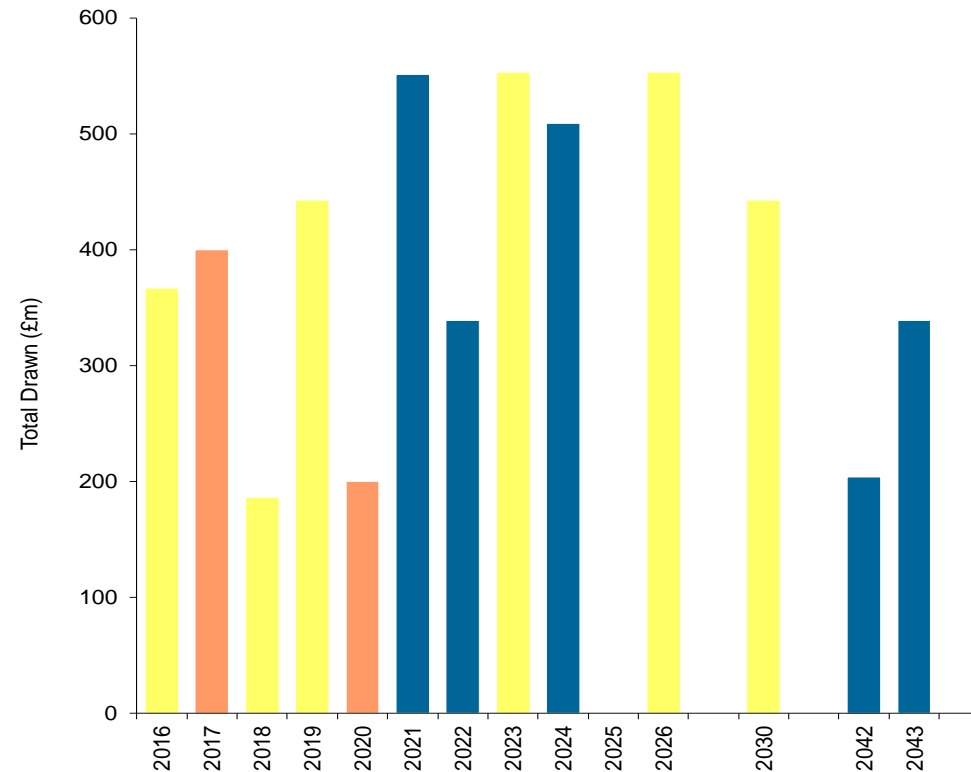
	New Model	Traditional Model
Billings	150	150
Cost of Media	-	120
Revenue	150	30
Direct Cost	120	-
Net Sales	30	30



# Debt Maturity Profile £m

31<sup>st</sup> Dec 2015

	£ Total Credit	£ Total Drawn
US bond \$500m (5.625% Nov '43)	339	339
US bond \$300m (5.125% Sep '42)	204	204
Eurobonds €600m (1.625% Mar '30)	443	443
Eurobonds €750m (2.25% Sep '26)	553	553
US bond \$750m (3.75% Sep '24)	509	509
Eurobonds €750m (3.0% Nov '23)	553	553
US bond \$500m (3.625% Sep '22) <sup>1</sup>	339	339
US bond \$812m (4.75% Nov '21) <sup>2</sup>	551	551
£ bonds £200m (6.375% Nov '20)	200	200
Eurobonds €600m (0.75% Nov '19)	443	443
Eurobonds €252m (0.43% Mar '18)	186	186
£ bonds £400m (6% Apr '17) <sup>3</sup>	400	400
Eurobonds €498m (6.625% May '16)	367	367
<b>Debt Facilities</b>	<b>5,087</b>	<b>5,087</b>
Bank revolver <sup>4</sup> (\$2,500m Jul'20)	1,697	-
Net cash, overdrafts & other adjustments	-	(1,876)
<b>Total Borrowing Capacity / Net Debt</b>	<b>6,784</b>	<b>3,211</b>



**Weighted Average Coupon 3.7%**  
**Weighted Average Maturity 8.9 years**  
**Available Liquidity £3,573m**

<sup>1</sup> Swapped to 6m \$Libor + 1.52%

<sup>3</sup> £200m swapped to 6m £Libor + 0.64%  
Exchange Rates £/\$ 1.473 £/€ 1.356

<sup>2</sup> Swapped to 6m \$Libor + 2.17% (set in arrears)

<sup>4</sup> These instruments are subject to financial covenants

# Results for 2015

## Acquisitions since 1 October 2015

### 3yz<sup>1</sup> - Brazil (Ogilvy)

3yz is a leading online social and content marketing agency in Brazil. Clients include Grendene, RBS, Reebok, Ri Happy, Shoppings Iguatemi and Tramontina. The company employs 53 people and is based in Porto Alegre with an office in São Paulo. It was founded in 2008.



### Acertys<sup>1</sup> - Canada (Hill+Knowlton Strategies)

Acertys is a leading public consultation and engagement firm in French- and English-speaking Canada. Its clients include public and private sector organisations working in the fields of urban development, real estate, transportation energy and natural resources. Founded in 2006, Acertys employs 13 people and is based in Montreal.



### Analytics Quotient<sup>1</sup> - India (Millward Brown)

Analytics Quotient is a marketing analytics company that extracts insights from data to help clients define their marketing strategies. It also builds data visualisation tools and custom analytics solutions to help clients slice, dice, simulate and monitor business data. It employs around 400 people and works with some of the world's largest CPG, retail and hospitality brands. Founded in Bangalore, India in 2008, the company also has offices in UK and USA.



### ArcTouch<sup>1</sup> - USA (Grey)

ArcTouch is a leading full-service mobile app development company in the United States. The company employs 97 people and is based in San Francisco with an office in Florianopolis, Brazil. It was founded in 2008. ArcTouch's developers, designers and mobile strategists transform ideas into engaging apps for telephones, tablets, wearable devices, televisions, homes and cars. The company has completed over 250 projects for Fortune 500 companies, leading consumer brands, innovative startups, media and entertainment companies and world-class marketing and design agencies.



<sup>1</sup> Acquired since 1 January 2016

# Results for 2015

## Acquisitions since 1 October 2015

### **Cacto<sup>1</sup> - Mexico (Geometry)**

Cacto is a digital customer relationship management company based in Mexico. Cacto specialises in creating CRM programs for international companies in the automotive and pharmaceutical categories. Founded in 2007, Cacto is based in Mexico City and employs 40 people.



### **CEEOR - Czech Republic (Kantar Health)**

CEEOR was founded in 2006 and based in Prague, with offices in Slovakia and Hungary. The Company is a research and consulting organisation specialising in analytical services for the pharmaceutical, biotechnology and healthcare industries in Europe and beyond. It has a market-leading reputation as a customer-oriented and technology-focused market intelligence provider. CEEOR's core business is centered on commercial effectiveness activities, electronic data collection, and real-world research studies, including epidemiology and health outcomes.



### **Cleartag – Lebanon, UAE (J. Walter Thompson Company)**

Cleartag is the leading independent full service digital marketing consultancy in Lebanon and the UAE. Founded in 2000, the agency offers a broad range of digital consulting, user experience, advertising and campaign services. The agency employs around 65 people in Beirut and Dubai.



### **Conrad Caine<sup>1</sup> - Germany (POSSIBLE)**

Conrad Caine is a full service digital agency headquartered in Munich, Germany. Founded in 1998, Conrad Caine delivers digital strategy, user experience, asset creation, campaigns and CRM to its clients. Conrad Caine employs 140 people at its headquarters in Germany, and other offices in Pelotas, Brazil and Buenos Aires, Argentina.



<sup>1</sup> Acquired since 1 January 2016



# Results for 2015

## Acquisitions since 1 October 2015

### Courtside Ventures<sup>1,2</sup> - USA (WPP)

Bruin Sports Capital today announced a strategic partnership with Courtside Ventures, a venture capital fund investing across early stage technology and media companies with a focus on sports. Backed by anchor investor Dan Gilbert, founder and chairman of Rock Ventures, Quicken Loans and majority owner of the NBA's Cleveland Cavaliers, and WPP, the world's leading communication services company, Courtside Ventures will invest \$35MM to support innovative technology disrupters across sports and media that have the potential for broader applicability across other markets.



### Essence – UK (GroupM)

Essence is a global digital agency and the world's largest independent buyer of digital media. Essence blends data science, objective media and captivating experiences to build valuable connections between brands and consumers. Clients include Financial Times, Google, HP, Viber and Tesco Mobile. Founded in 2005 in London, with offices in New York, San Francisco, Seattle, Singapore and Tokyo, Essence employs 500 people and deploys campaigns in more than 70 markets, managing media spend of over US\$700 million.



### The Exchange Lab - UK (GroupM)

The Exchange Lab is a programmatic marketing solutions company and has developed 'Proteus', a proprietary technology that enables a complete view of all programmatic channels and partners. The integration of Proteus within Connect, GroupM's worldwide consolidated agency services platform across biddable and real time media, will further aid the efficient and objective measurement and allocation of marketing budgets across any and all programmatic partners, including GroupM's own proprietary media properties. Founded in 2007, The Exchange Lab employs around 130 people working in offices in London, New York, Chicago, Singapore and Toronto, serving 700 clients this year. These include Virgin Holidays, Volkswagen, A&W, Glasses Direct and Vue Entertainment.



<sup>1</sup> Acquired since 1 January 2016

<sup>2</sup> Investment

# Results for 2015

## Acquisitions since 1 October 2015

### Helder – Netherlands (GroupM)

Helder is a media buying agency based in Amsterdam, the Netherlands. Founded in 2006, Helder is a value-added media agency with a focus on direct response and ROI evaluation services. Helder specialises in DRTV but also offers marketing consultancy, creative services and print management services to its clients in the Benelux.



### The Lathe<sup>1</sup> – USA (greyhealth group)

The Lathe is a mobile app developer and digital design company specialising in health care in the US. Clients include Bayer, Health Brand Group, Roche and other health care and pharmaceutical companies. The Lathe employs 20 people and is based in New York. It was founded in 2003.



### ManvsMachine – UK (Landor)

ManvsMachine is a multi award-winning motion design studio. ManvsMachine is based in London and has worked on a range of global campaigns for clients that include Nike, Microsoft, Honda and Audi, as well as identity campaigns for broadcasters such as Channel 4, Discovery, NBC Universal and ITV2.



### Máquina<sup>1</sup> – Brazil (Cohn & Wolfe)

Máquina is one of Brazil's largest and most widely respected public relations and public affairs groups. Clients include Ambev, BRMalls, BRF, Carrefour, Credit Suisse, Grupo Estacio, Insper, Gafisa, GP Investments, Kraft Heinz, Hypermarcas, EY, Qualicorp, Raizen, Xerox and B2W/Lojas Americanas. Founded in 1995, the agency is based in São Paulo with offices in Rio de Janeiro and Brasília. It employs 240 people.



<sup>1</sup> Acquired since 1 January 2016

# Results for 2015

## Acquisitions since 1 October 2015

### Millward Brown Denmark ApS<sup>1</sup> – Denmark, Sweden (Millward Brown)

Kantar has acquired a majority stake in its partner in Denmark and Sweden, Millward Brown Denmark ApS. Since joining the Millward Brown network as a licensee in 1997, the company, with offices in Copenhagen and Stockholm, has grown to become one of the most prominent market research agencies in Denmark and Sweden, with a well-balanced client portfolio combining large international clients and local brands.



### Mitú<sup>1,2</sup> – USA, Latin America (WPP Digital)

Mitú is a leading online Hispanic-focused digital content creator and media company catering to young Latino audiences in the US and Latin America. Clients include America Movil, Kia, MillerCoors, NBCUniversal and Procter & Gamble. Mitú was founded in 2012 and is based in Santa Monica with offices in Mexico and Colombia. It employs around 120 people. Mitú creates and distributes original content as well as producing branded entertainment on behalf of its clients. Mitú has over two billion global monthly views across all platforms in the US, as well as Mexico, Brazil and other Latin American countries.



### STW<sup>3</sup> – Australia, New Zealand (WPP)

WPP has agreed to merge its Australian and New Zealand businesses with STW Communications Group Limited (STW) and increase its shareholding from 23.6% to 61.5%. STW, Australia and New Zealand's leading marketing and communications group, is a publicly listed company, whose shares are traded on the Australian Securities Exchange (ASX: SGN). The merged group will become the primary vehicle for WPP in Australia and New Zealand. Following the merger, STW will change its name to align it with WPP. The transaction is conditional on STW shareholder approval and the approval of the Australian Competition and Consumer Commission and the Foreign Investment Review Board. Founded in 1985, and listed in 1994, STW offers clients a comprehensive and integrated range of marketing, content and communications services. WPP has been an investor in STW since 1998.



<sup>1</sup> Acquired since 1 January 2016

<sup>2</sup> Investment

<sup>3</sup> Step-up from associate to subsidiary

# Results for 2015

## Acquisitions since 1 October 2015

### **System Analytic – UK (Sudler & Hennessey)**

System Analytic is a healthcare key opinion leader engagement company. System Analytic's database and online tools enable pharmaceutical companies to identify, map, and engage key opinion leaders across a broad range of medical fields. Clients include Boehringer Ingelheim, Novartis and Roche. Founded in 2007, the company employs around 20 people in London.



### **TSE Consulting<sup>1</sup> – Switzerland (Burson-Marsteller)**

TSE Consulting SA is an international sports consultancy headquartered in Lausanne, Switzerland and with regional partners in Europe, North and South America, Africa and the Middle East, TSE Consulting provides strategic advice to public sector and sports organisation clients in the practice areas of events, performance, participation and facilities. Clients include bidding and host cities, sports federations and major sport events.



### **Vinyl-I<sup>1</sup> – South Korea (Grey)**

Vinyl-I is a leading creative digital agency based in Seoul, South Korea. Established in 2000, Vinyl-I has evolved from a web/UX design agency to an award-winning full service digital advertising agency which incorporates new media technology to enhance the user experience, especially in the area of interactive design. Vinyl-I clients include GS Shop, Intel, L'Oreal, Lotte, Microsoft, Naver, Nike, Samsung, SK Telecom, and SM Entertainment.



### **Yonder Media – South Africa (GroupM)**

Yonder Media is a South African mobile marketing agency. Established in 2005, Yonder Media is a mobile-first digital and social media agency. Yonder Media's proprietary technology framework supports a broad range of services covering mobile and social media strategy, media planning, buying and management and application development. Based in Johannesburg, the agency employs around 30 people.



<sup>1</sup> Acquired since 1 January 2016

## Results for 2015

### WPP Two Year Cumulative Like-for-Like Growth<sup>1</sup> - Consistent Performance

%	Revenue		Net Sales	
	1 Year	2 Year	1 Year	2 Year
Q1 2014	7.0	9.1 <sup>2</sup>	3.8	5.7 <sup>2</sup>
Q2 2014	10.2	12.9 <sup>2</sup>	4.4	7.2 <sup>2</sup>
Q3 2014	7.6	12.6 <sup>2</sup>	3.0	7.3 <sup>2</sup>
Q4 2014	7.8	12.0 <sup>2</sup>	2.1	6.4 <sup>2</sup>
Q1 2015	5.2	12.2	2.5	6.3
Q2 2015	4.5	14.7	2.1	6.5
Q3 2015	4.6	12.2	3.3	6.3
Q4 2015	6.7	14.5	4.9	7.0

<sup>1</sup> Two year trend is total growth for the named quarter and same quarter one year earlier

<sup>2</sup> 2013 revenue growth for Q1 2.1%, Q2 2.7%, Q3 5.0% and Q4 4.2%. 2013 net sales growth for Q1 1.9%, Q2 2.8%, Q3 4.3% and Q4 4.1%

# Results for 2015

## Two Year Cumulative Like-for-Like Revenue Growth<sup>1</sup>

%	WPP <sup>2</sup>	OMC <sup>3</sup>	Pub <sup>4</sup>	IPG <sup>5</sup>
Q1 2014	9.1	7.2	4.6	8.9
Q2 2014	12.9	8.6	5.5	6.9
Q3 2014	12.6	10.6	4.5	9.1
Q4 2014	12.0	10.1	3.9	8.5
Q1 2015	12.2	9.4	4.2	12.3
Q2 2015	14.7	11.1	1.9	11.4
Q3 2015	12.2	12.6	1.7	13.4
Q4 2015	14.5	10.7	6.0	10.0

<sup>1</sup> Two year trend is total growth for the named quarter and same quarter one year earlier

<sup>2</sup> WPP quarterly growth Q1/13 2.1%, Q2/13 2.7%, Q3/13 5.0%, Q4/13 4.2%, Q1/14 7.0%, Q2/14 10.2%, Q3/14 7.6%, Q4/14 7.8%, Q1/15 5.2%, Q2/15 4.5%, Q3/15 4.6% and Q4/15 6.7%

<sup>3</sup> OMC quarterly growth Q1/13 2.9%, Q2/13 2.8%, Q3/13 4.1%, Q4/13 4.2%, Q1/14 4.3%, Q2/14 5.8%, Q3/14 6.5%, Q4/14 5.9%, Q1/15 5.1%, Q2/15 5.3%, Q3/15 6.1% and Q4/15 4.8%

<sup>4</sup> PUB quarterly growth Q1/13 1.3%, Q2/13 5.0%, Q3/13 3.5%, Q4/13 0.7%, Q1/14 3.3%, Q2/14 0.5%, Q3/14 1.0%, Q4/14 3.2%, Q1/15 0.9%, Q2/15 1.4%, Q3/15 0.7% and Q4/15 2.8%

<sup>5</sup> IPG quarterly growth Q1/13 2.3%, Q2/13 2.2%, Q3/13 2.8%, Q4/13 3.7%, Q1/14 6.6%, Q2/14 4.7%, Q3/14 6.3%, Q4/14 4.8%, Q1/15 5.7%, Q2/15 6.7%, Q3/15 7.1% and Q4/15 5.2%

# Organic Growth Rates

## Global

Global	FY '10	FY '11	FY '12	FY '13	Q1	Q2	H1	Q3	Q4	FY '14	Q1	Q2	H1	Q3	Q4	FY '15
<b>WPP</b>	5.3	5.3	2.9	3.5	7.0	10.2	8.7	7.6	7.8	8.2	5.2	4.5	4.9	4.6	6.7	5.3
<b>Net Sales</b>	5.2	5.9	2.4	3.4	3.8	4.4	4.1	3.0	2.1	3.3	2.5	2.1	2.3	3.3	4.9	3.3
<b>OMC</b>	6.4	6.1	4.0	3.5	4.3	5.8	5.1	6.5	5.9	5.7	5.1	5.3	5.2	6.1	4.8	5.3
<b>Publicis</b>	8.3	5.7	2.9	2.6	3.3	0.5	1.8	1.0	3.2	2.0	0.9	1.4	1.2	0.7	2.8	1.5
<b>Havas</b>	3.5	5.9	2.1	1.0	3.0	7.9	5.7	6.0	3.5	5.1	7.1	5.5	6.3	5.5	3.1	5.1
<b>IPG</b>	7.0	6.1	0.7	2.8	6.6	4.7	5.6	6.3	4.8	5.5	5.7	6.7	6.2	7.1	5.2	6.1
<b>DAN<sup>1</sup></b>				5.9	9.6	8.4	9.0	10.3	12.9	10.3	13.7	10.2	11.8	6.6	8.2	9.4

<sup>1</sup> Dentsu Aegis Network (also called 'International total')

# Organic Growth Rates

## USA

	FY '10	FY '11	FY '12	FY '13	Q1	Q2	H1	Q3	Q4	FY '14	Q1	Q2	H1	Q3	Q4	FY '15
<b>WPP</b>	8.0	3.2	0.0	2.9	9.9	12.1	11.1	8.1	9.5	9.9	4.7	7.1	5.9	6.9	10.0	7.2
<i>Net Sales</i>				2.9	4.6	4.4	4.5	2.4	1.4	3.1	2.5	3.4	2.8	3.9	7.1	4.3
<b>OMC</b>	8.7	5.8	4.5	3.7	4.8	7.9	6.4	8.9	8.3	7.5	4.8	5.9	5.4	6.3	4.7	5.4
<b>Publicis</b>	9.9	4.8	3.0	4.7	4.3	1.3	2.8	1.5	2.4	2.3	0.8	1.5	1.2	0.4	6.3	2.4
<b>Havas</b>	5.4	8.2	3.3	-1.7	3.7	5.3	4.5	4.7	7.3	5.4	10.2	8.2	9.2	7.3	1.0	6.4
<b>IPG</b>	10.1	7.6	-1.8	3.7	4.8	2.9	3.8	7.9	3.4	4.7	6.1	7.7	7.0	7.1	6.2	6.8



# Organic Growth Rates

## International

	FY '10	FY '11	FY '12	FY '13	Q1	Q2	H1	Q3	Q4	FY '14	Q1	Q2	H1	Q3	Q4	FY '15
<b>WPP Net Sales</b>	4.0	6.4	4.2	3.8 3.6	5.6 3.4	9.4 4.4	7.6 4.0	7.3 3.3	7.0 2.4	7.4 3.4	5.5 2.5	3.2 1.5	4.3 2.0	4.1 3.0	5.3 3.9	4.4 2.8
<b>OMC</b>	3.7	6.5	2.1	3.4	3.6	3.1	3.4	3.4	2.7	3.4	5.5	4.4	4.9	5.8	5.0	5.2
<b>Publicis</b>	6.8	6.5	2.9	0.7	2.3	-0.2	0.9	0.5	3.9	1.7	1.0	1.3	1.2	1.1	-1.0	0.5
<b>Havas</b>	2.6	5.5	1.1	2.3	1.8	9.1	6.3	6.6	1.7	5.0	5.2	4.0	4.7	4.4	4.0	4.4
<b>IPG</b>	3.1	6.0	3.8	1.7	9.1	7.1	8.0	4.2	6.4	6.6	5.1	5.3	5.2	7.1	4.1	5.3



# 8 Structure and Competitive Position *(Hard Copy Only)*



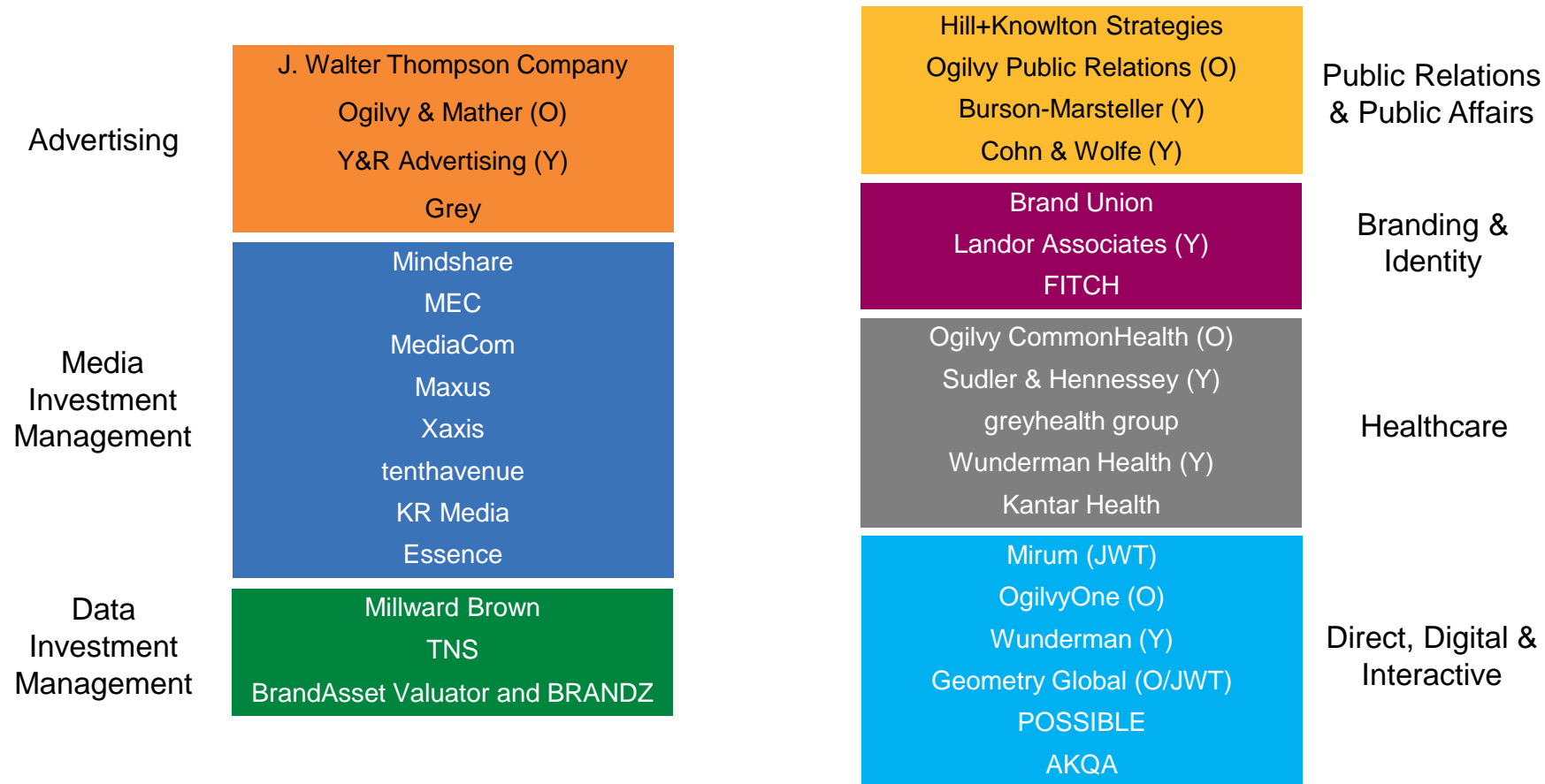
## WPP Today

- WPP is the world's largest communication services group with almost 190,000 people (including associates) in over 3,000 offices in 112 countries worldwide.
- 352 of the Fortune Global 500, all 30 of the Dow Jones 30 and 77 of the NASDAQ 100. 552 clients in all four disciplines and 448 clients in six or more countries.
- Quoted in London and on NASDAQ, with market capitalisation of around £19.9bn.
- 26th in FTSE 100 Index, 5th in FT Top 500 UK companies by turnover, 66th in Euro FT 300, 243rd in S&P Global 1200 and 315th in Forbes Global 2000.
- The Group includes many of the best known brands in the industry.



# WPP Today

WPP Has Many of the Best Known Brands in the Industry  
Ranked 1 or 2 in all sectors in which it competes



O = part of Ogilvy Group  
 JWT = part of JWT Group  
 Y = part of Y&R Brands

# WPP Today

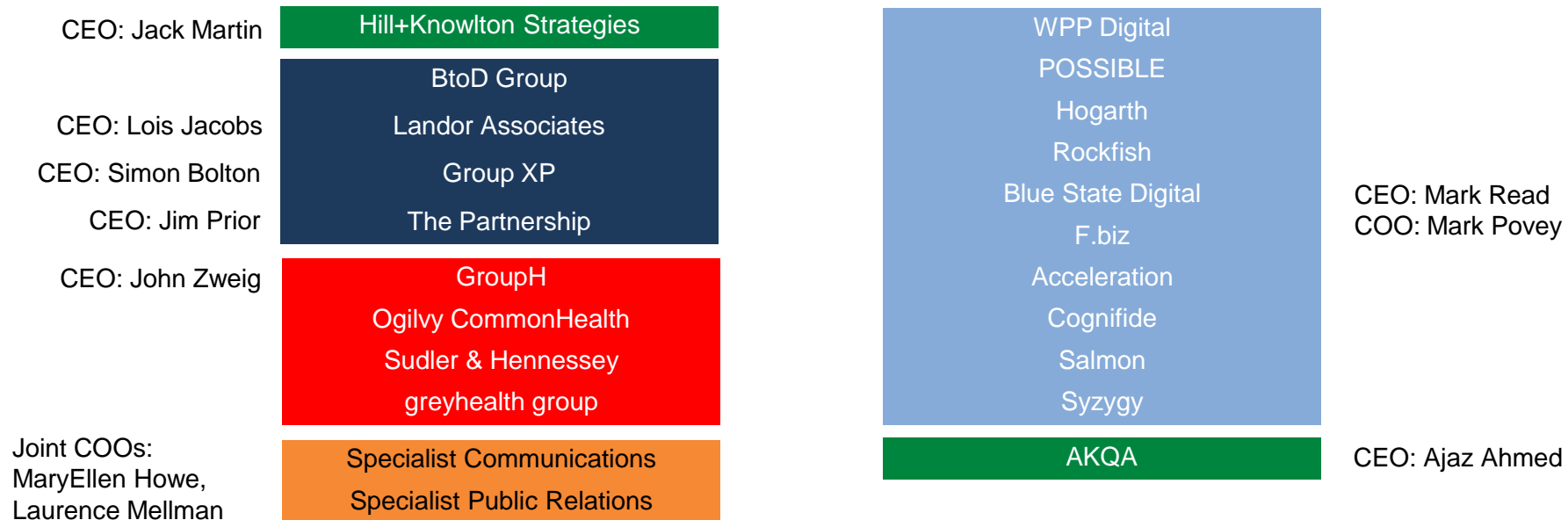
## Six Reporting Relationships Cover Nearly 90% of Revenue Revenue by Brand



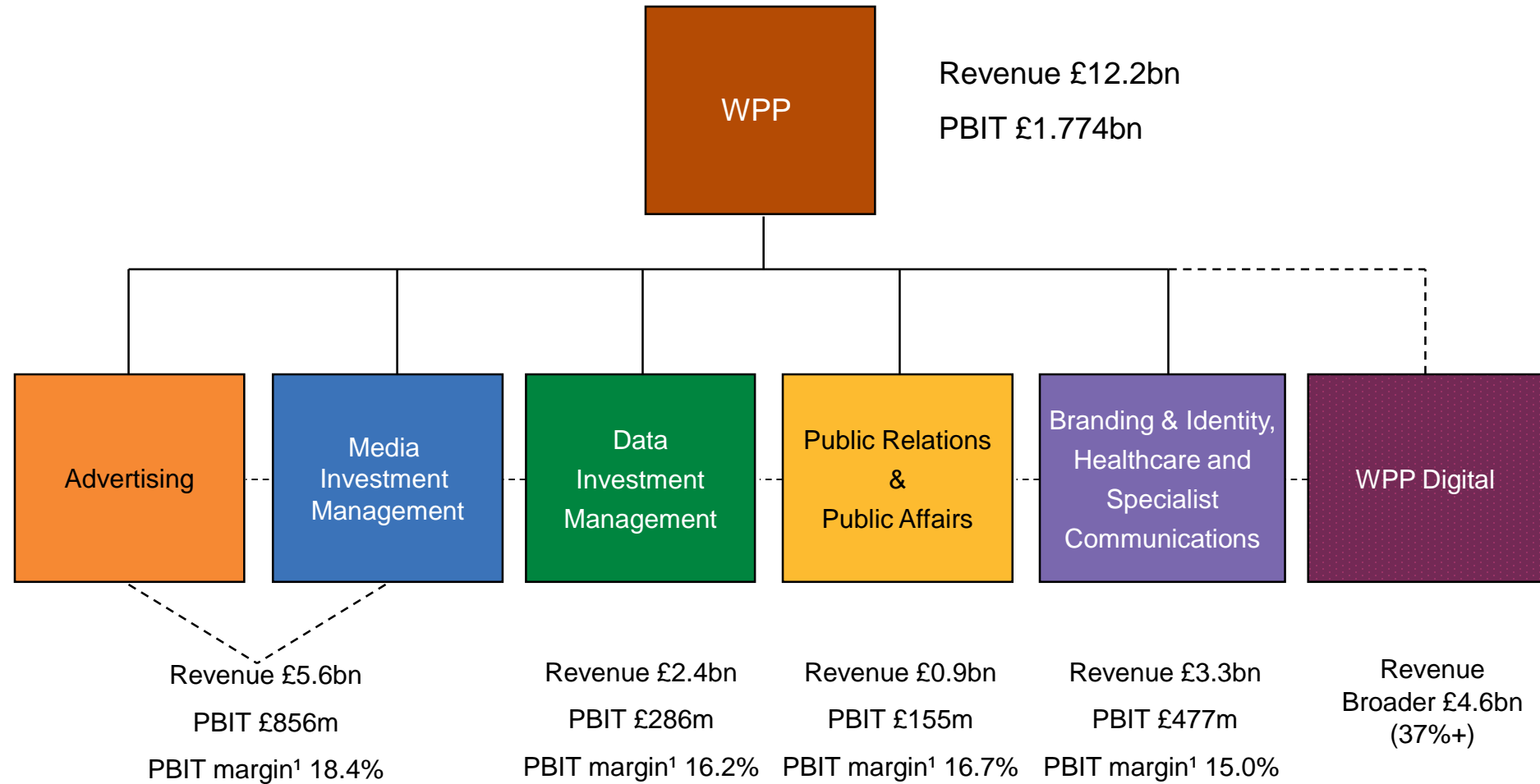
<sup>1</sup> Y&R Brands but separate business reviews

# WPP Today

Six Further Reporting Relationships Cover Most of the Remaining 10% of Revenue  
Revenue by Brand

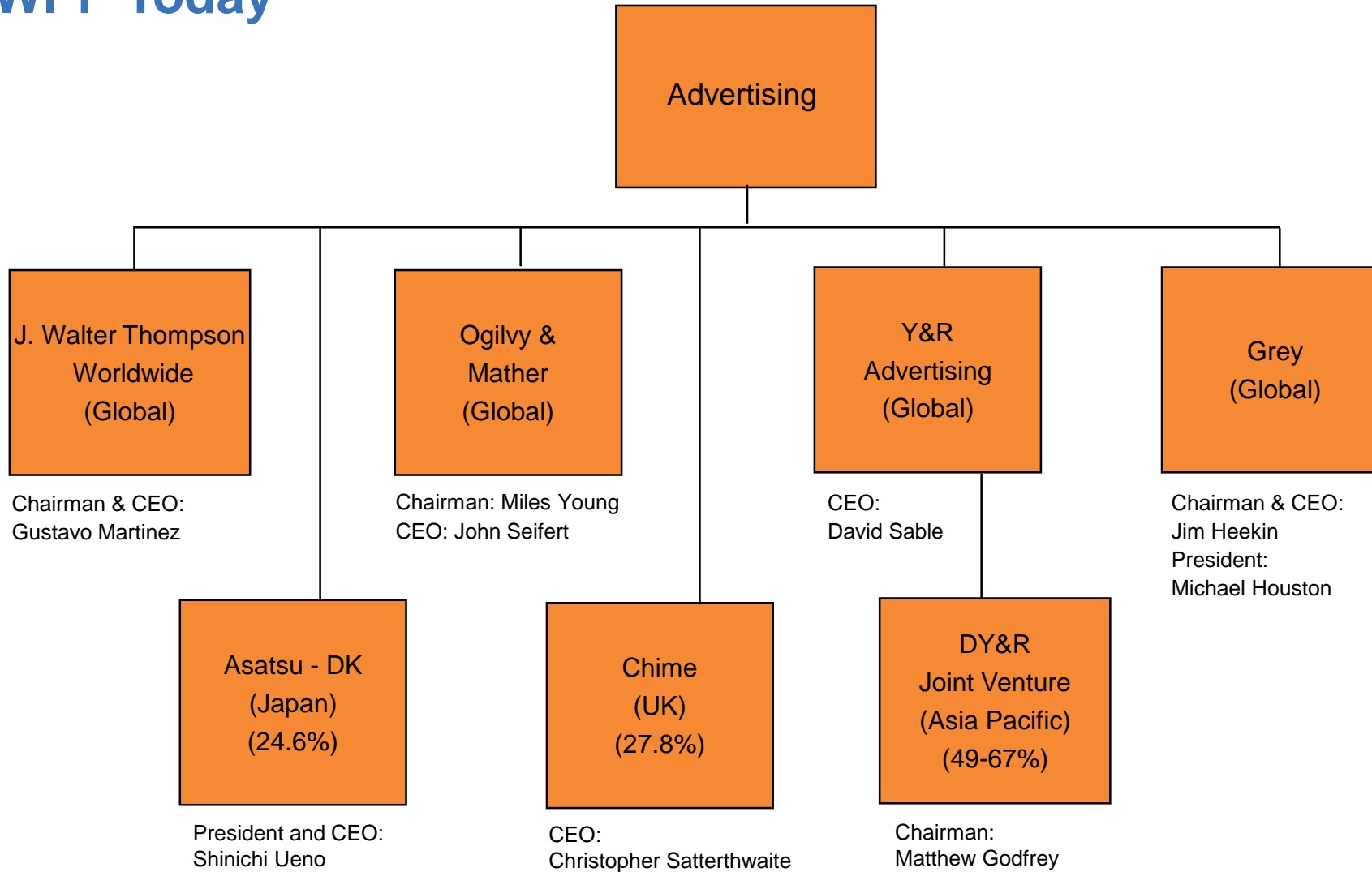


# WPP Today



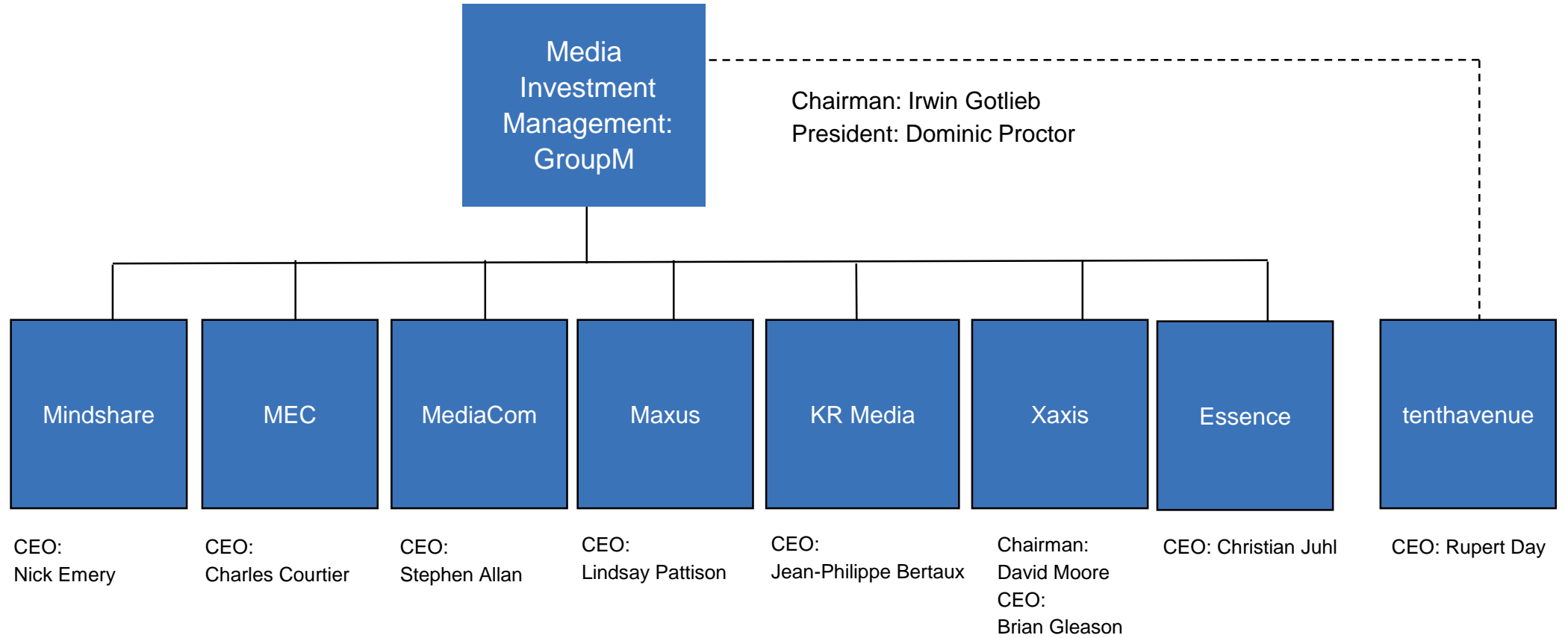
Revenue and PBIT figures are 2015 reported sterling actuals  
 PBIT includes associates and excludes goodwill and intangibles charges, gains/losses on step-ups from associate to subsidiary, gains/losses on disposals of subsidiaries and investments, investment write-downs, share of exceptional gains/losses of associates, restructuring costs and IT asset write-downs  
<sup>1</sup> PBIT margin as % of net sales

# WPP Today





# WPP Today



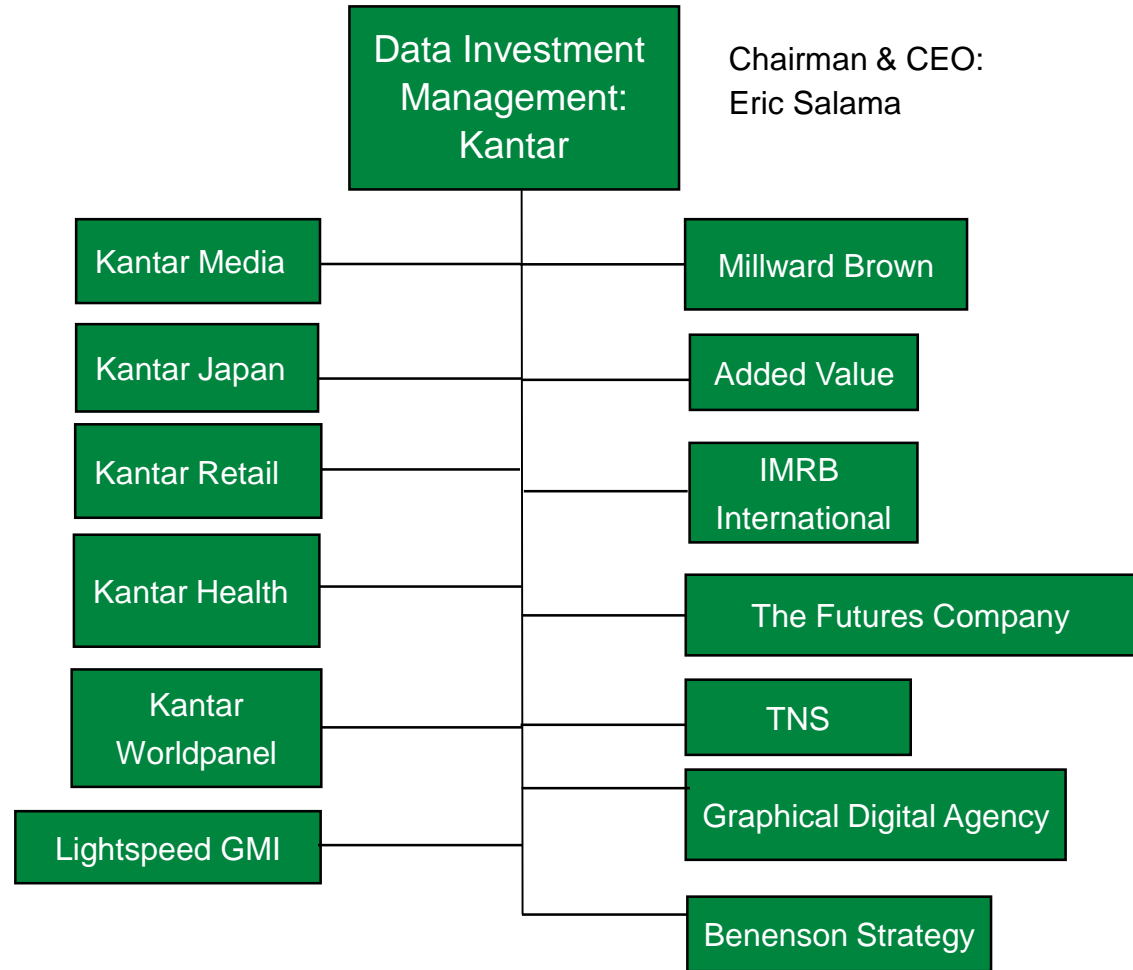
# WPP Today

## Media Investment Management - Competitive Worldwide Ranking

	Americas	EMEA	Asia Pacific	Worldwide
Mindshare	5	5	1	2
MEC	6	4	7	6
MediaCom	9	1	4	3
Maxus	12	11	9	12
GroupM	2	1	1	1

Source: RECMA July 2015 Billings Rankings report, based on 2014 data.

# WPP Today



# WPP Today

## Data Investment Management – Worldwide Competitive Ranking

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1. The Nielsen Company

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2. Kantar

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3. IMS Health

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4. Ipsos

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5. GfK

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6. IRI

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7. Westat Inc.

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8. Dunnhumby

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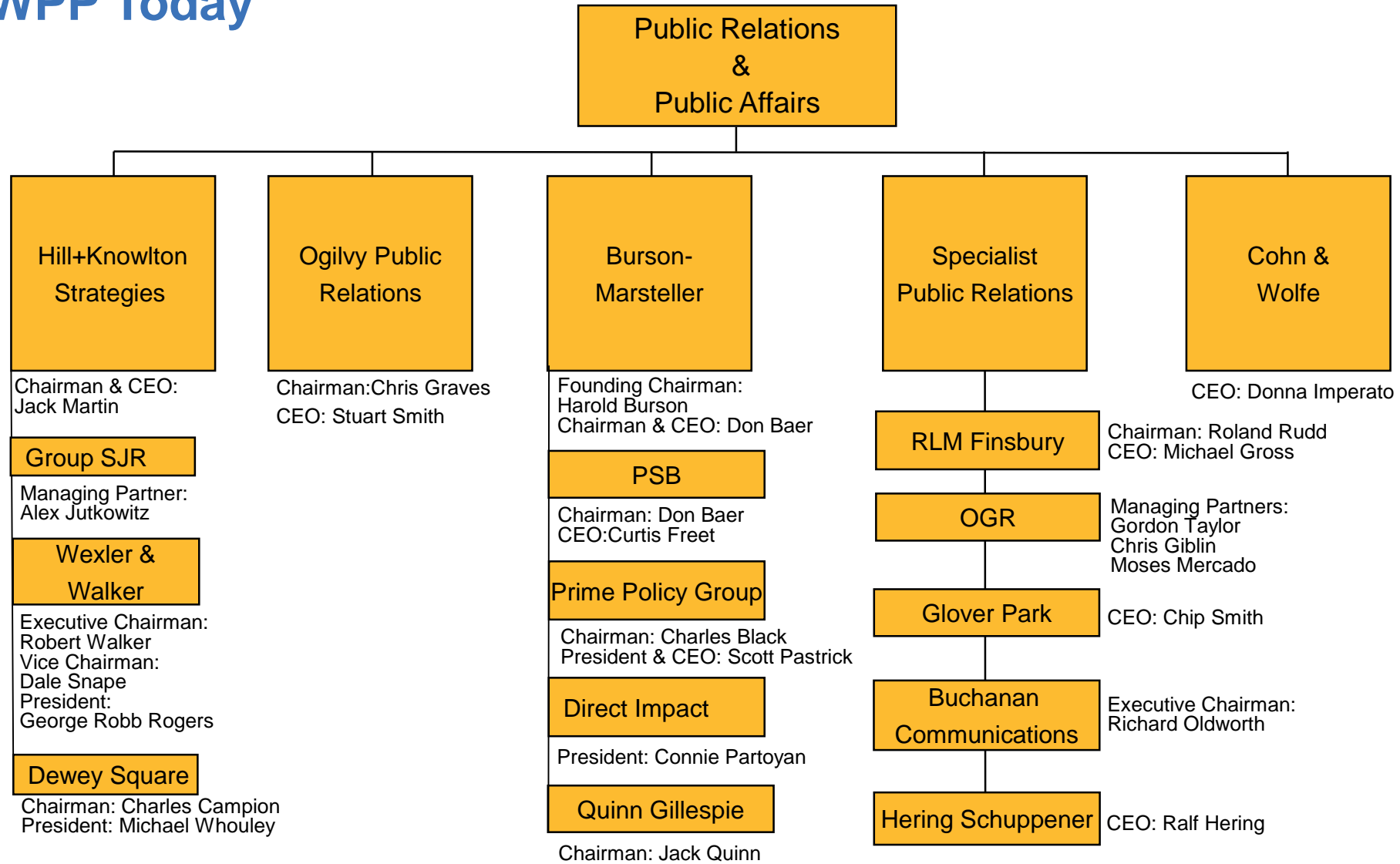
9. Intage Inc.

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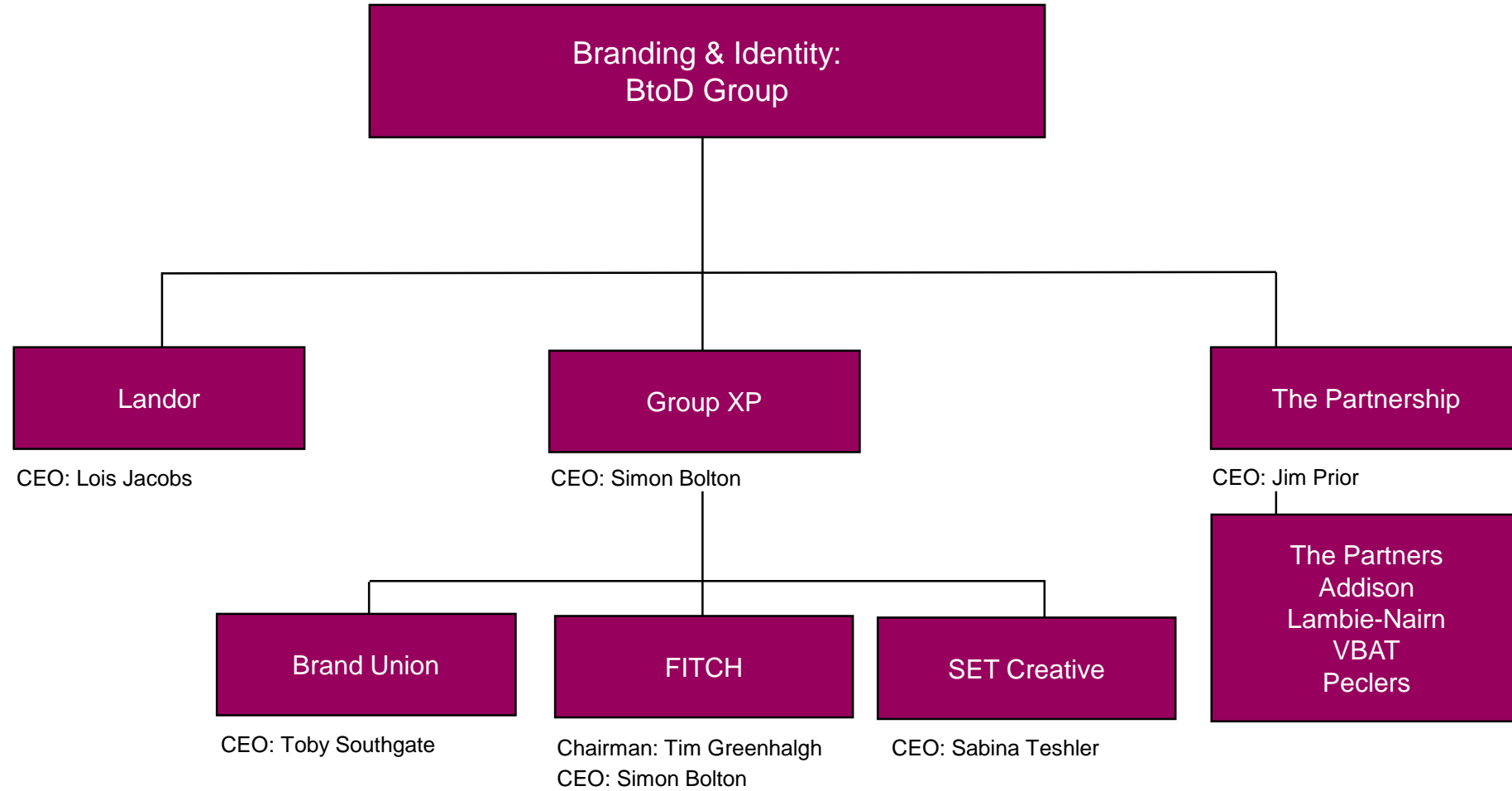
10. Wood MacKenzie

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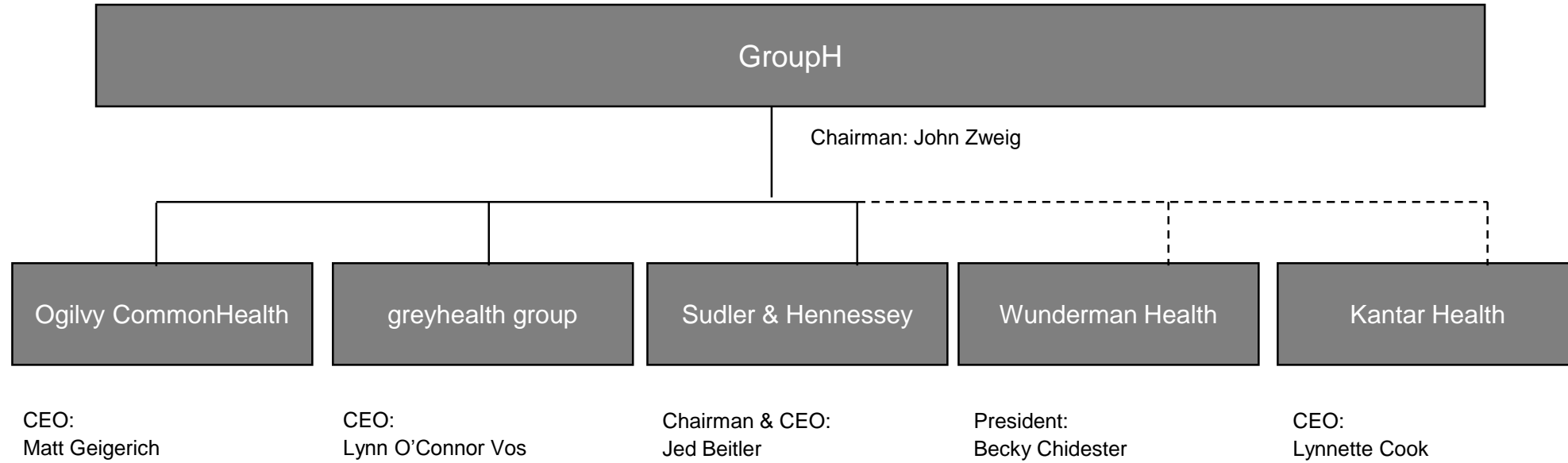
# WPP Today



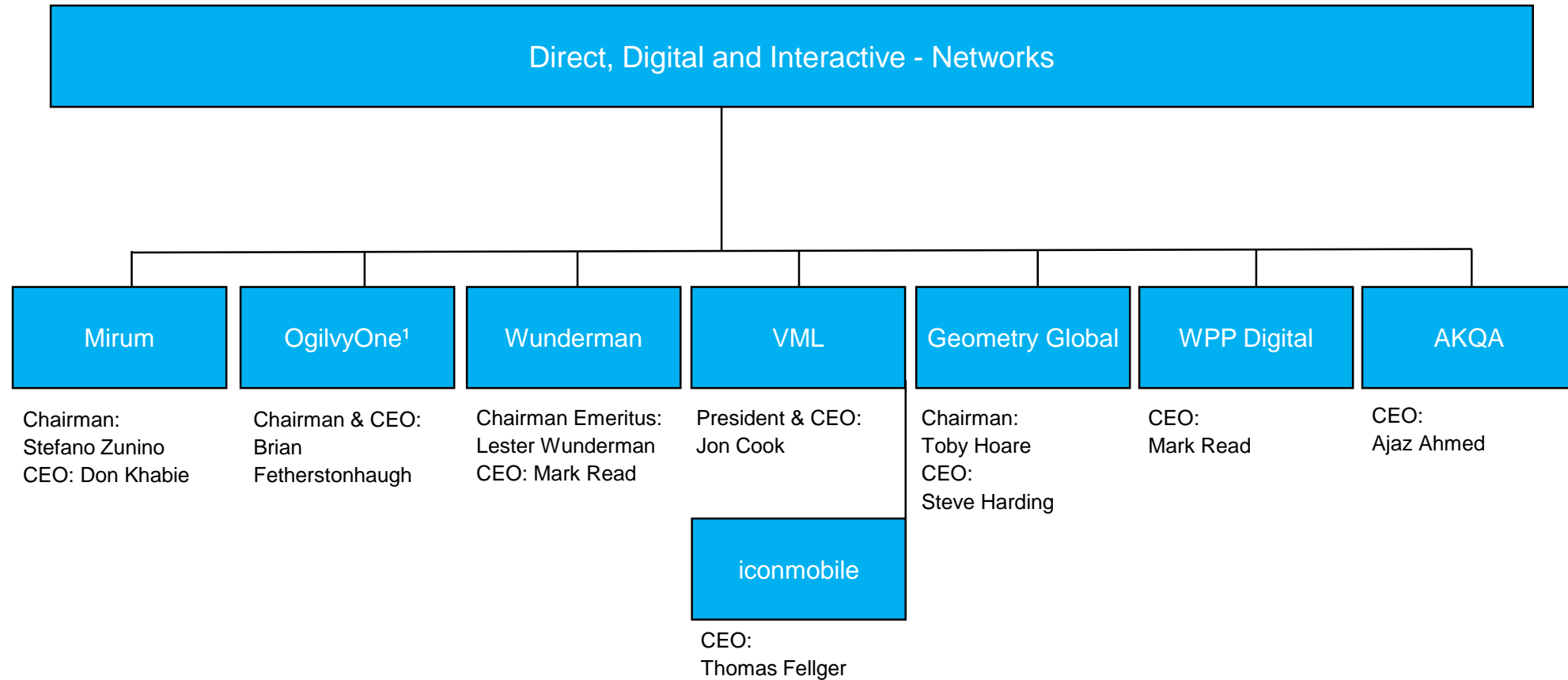
# WPP Today



# WPP Today



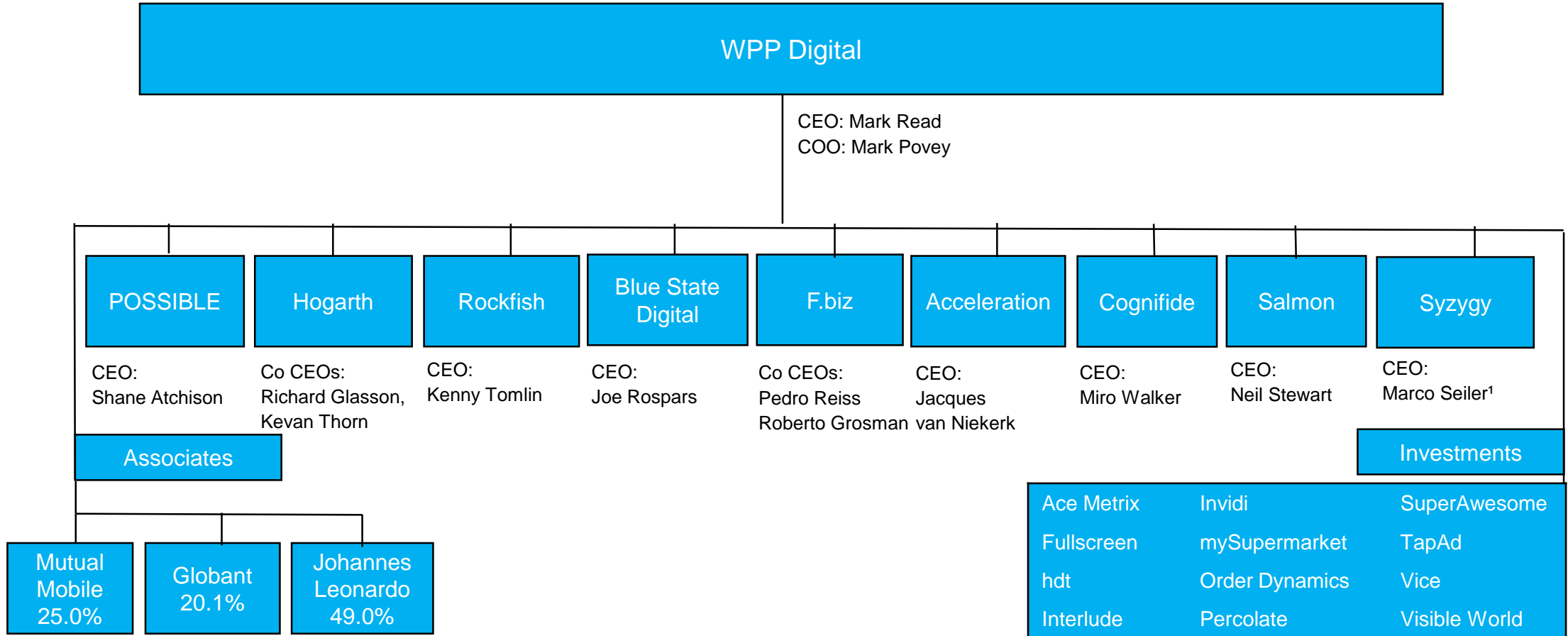
# WPP Today



<sup>1</sup> Includes Neo@Ogilvy

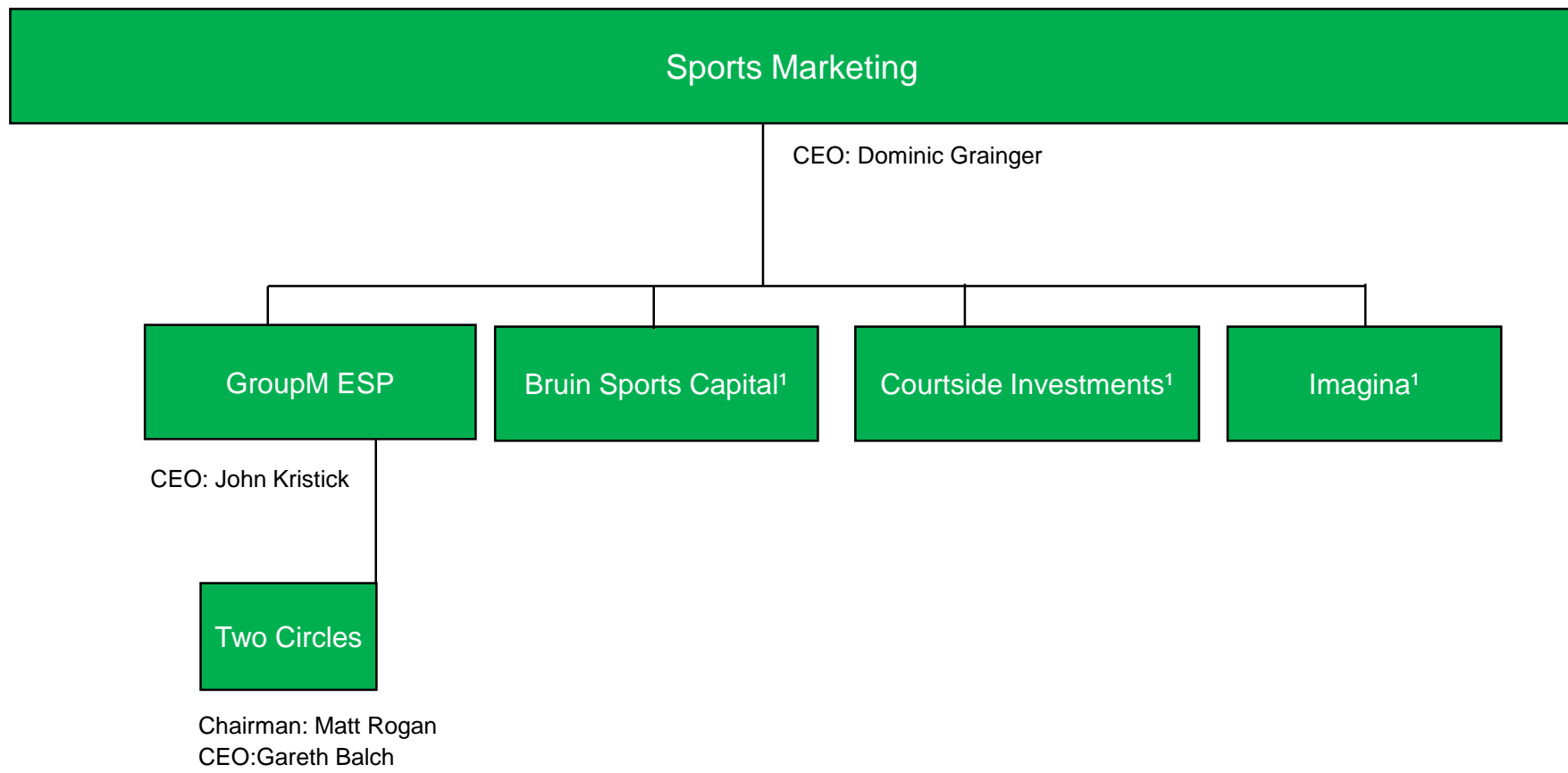


# WPP Today



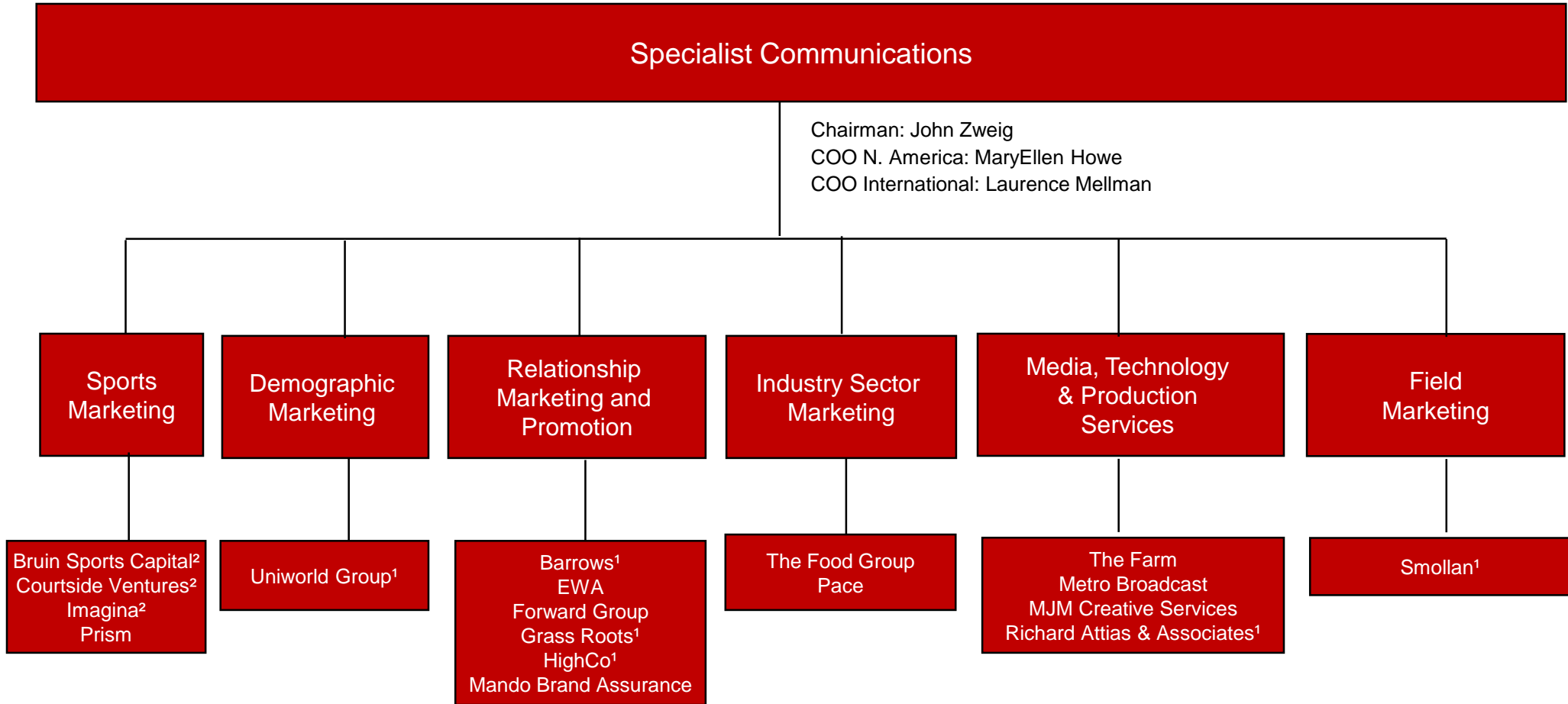
<sup>1</sup> Lars Lehne effective 1 September 2016

# WPP Today



<sup>1</sup> Investment

# WPP Today



<sup>1</sup> Associate company  
<sup>2</sup> Investment

# WPP

CANNES LIONS 2011-2015  
HOLDING COMPANY OF THE YEAR



EFFIE AWARDS 2012-2015  
MOST EFFECTIVE HOLDING COMPANY



## Results for 2015

London

