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PRELIMINARY RESULTS FOR THE YEAR ENDED 31 DECEMBER 1999

Revenues up over 13% to £2.2 billion
Profit before tax up 20% to £255.4 million
Fully diluted earnings per share up almost 20% to 22.5p
Final dividend up 22% to 2.1p

- Revenues up over 13% to £2.173 billion
- Profit before interest and tax up 19% to £290.8 million
- Operating margins up to 13.4% from 12.8% in line with objectives
- Profit before tax up 20% to £255.4 million
- Fully diluted earnings per share up almost 20% to 22.5p from 18.8p
- Final dividend up 22% to 2.1p per share making total for the year of 3.1p up 21% over 1998
- Net new billings of over $3.9 billion up 35% on last year (1998 $2.9 billion)
- Narrowly-defined internet-related billings of $270 million and internet revenues of $100 million and profitable
- Fourth margin plan to achieve 15% operating margins by 2002

Summary of 1999 results

The Board of WPP announces the unaudited preliminary results for the year ended 31 December 1999. These results represent record profits in the Company's fourteenth year.

Turnover was up 16.8% to £9.346 billion (reflecting the growth of media investment management), revenues up 13.3% to £2.173 billion and gross profit up 13.6% to £1.855 billion. On a constant currency basis, revenues were up 12% and gross profit up 12.4%. This, in part, reflected a strong fourth quarter when revenues exceeded $1 billion for the first time.

Operating profit (excluding income from associates) rose by 15% to £263.5 million from £229.1 million and by over 15% in constant currencies. Reported operating margins (including income from associates) rose by 0.6% to 13.4% in line with objectives and by 0.8% on a constant currency basis. The margin gap between the very best performing competition and ourselves continues to narrow. Profit before interest and tax was up 18.6% to £290.8 million from £245.2 million and up almost 19% in constant currencies.

Operating margins before short and long-term incentive payments (totalling £71 million or almost 20% of operating profit before bonus and taxes) rose to 16.7% from 15.8%. Operating costs rose by over 13% and by almost 12% in constant currency.

Variable staff costs as a proportion of total staff costs have increased over recent years to 11.5% and as a proportion of revenues to 5.8%. This has resulted in increased flexibility in the cost structure.

Net interest payable and similar charges includes net interest which increased to £23.4 million from £19.2 million, reflecting the increased level of acquisition activity and share repurchases. Interest cover, however, has improved to 8.2X in comparison to 7.6X in the previous year.

Profit before tax rose by 20% to £255.4 million from £212.8 million. Pre-tax margins rose to 11.8% from 11.1%. On a constant currency basis, pre-tax profits were up almost 21% reflecting the strengthening of sterling by 2% against the dollar being more than counterbalanced by its weakness against Continental European currencies. If sterling had stayed at the same average levels as 1998, pre-tax profits would have been £256.4 million.

The Group's tax rate on profits was 30.0%, an improvement on the previous year's 31.5%, reflecting the continuous benefit of tax re-organisations.

Fully diluted earnings per share rose almost 20% to 22.5p from 18.8p. In constant currency earnings per share rose by over 20%.

The Board recommends an increase of 22% in the final dividend to 2.1p per share, which will be paid in the form of an ordinary dividend, making a total of 3.1p per share for 1999, a 21% increase over 1998.

On a like-for-like basis revenues rose by almost 8% and gross profit was up over 8% on 1998. Total operating and direct costs were up 7% on the previous year. The Group's staff cost to revenue ratio excluding incentives was almost flat at 46.9%. Staff costs excluding incentives rose by over 8% and salaries by almost 9%.

Our staff numbers averaged 27,711 against 25,589 in 1998, up 8.3%. On a like-for-like basis, average headcount was up 866 to 27,711 from 26,845, an increase of 3.2%. At the end of 1999 staff numbers were 29,168 compared with 26,184 in 1998.

Review of operations

In 1999 the worldwide advertising industry grew approximately 5-6%. Our Company continued to strengthen particularly in the United States, the United Kingdom and Continental Europe. Asia Pacific continued to recover from the recession that began there in 1997. Latin America was the most difficult geographical market but year-to-year comparisons started to improve towards the end of the year. In 1999, the Group believes it increased its worldwide market share significantly.

The real cost of network television - still the primary media medium - continues to rise by as much as 5-10% per annum on both sides of the Atlantic. This is caused partly by increased pricing by an oligopoly of media owners and partly by a decline in network audiences. As media advertising can represent the most significant cost to many of our clients after their manufacturing expenses, these clients are increasingly considering alternatives to television advertising. As long as network price inflation continues, clients will increasingly experiment with alternative media and non-traditional alternatives will continue to grow faster, particularly with the fragmentation of traditional media and the rapid development of new technologies. 1998 was really the first year when WPP's non advertising activities represented slightly over 50% of Group revenues. In 1999 these activities grew to over 53% of Group revenues. In addition, in 1999, narrowly-defined internet-related billings totalled $270 million, with internet revenues of approximately $100 million or 6% of our advertising revenues, which compares to approximately 2% for the advertising industry as a whole. Using a broader definition of internet-related revenues to include off-line advertising for on-line brands, market research for on-line brands and healthcare, for example, would result in Group internet-related revenues of over $500 million or 14% of worldwide revenues.

Revenue and operating profit by region

The pattern of revenue growth differed regionally. The table below gives details of revenues and revenue growth (on a constant currency basis) by region for 1999 as well as proportions of operating profits.

Region	Revenue as a % of Total Group	Revenue growth % +/(-) 99/98	Operating profit as a % of Total Group
North America	43.3	16.8	48.0
United Kingdom	20.1	10.5	17.8
Continental Europe	20.1	11.0	19.8
Asia Pacific, Latin America, Africa & the Middle East	16.5	4.0	14.4
Total Group	100	12.0	100

Net new billings of £2.4 billion ($3.9 billion) were won last year, up 35% on 1998.

Revenue and operating profit by communications services sector and brand

The pattern of revenue growth also varied by communications services sector and brand. The table below gives details of revenues and revenue growth by communications services sector for 1999 (on a constant currency basis) as well as proportions of operating profits.

Communications services sector	Revenue as a % of Total Group	Revenue growth % +/(-) 99/98	Operating profit as a % of Total Group
Advertising, Media Investment Management	46.6	5.2	53.6
Information and Consultancy	19.5	13.9	14.8
Public Relations and Public Affairs	8.2	30.5	8.1
Identity and Branding, Healthcare Specialist Communications	25.7	19.2	23.5
Total Group*	100	12.0	100

* Includes narrowly-defined internet and internet-related revenue totalling $100 million and broadly-defined revenues of $500 million.

One of the Group's most important objectives is to increase its rate of organic revenue growth which is a key measure of the success of its value-added strategy. Excluding acquisitions, this was approximately 8% in 1999. Comparison with our competitors is difficult given that, to the best of our knowledge, they define organic growth rates differently absorbing acquisition revenues into organic growth rates more quickly. If we were to use their method of calculation, our organic growth rate would have been close to 10%. The high revenue growth areas of information and technology, telecommunications, healthcare, financial services and entertainment and media now account for almost a quarter of Group revenues. As a benchmark at the end of 1999 these sectors (excluding healthcare) accounted for approximately the same percentage of the FTSE 100 by market capitalisation.

Advertising and Media Investment Management

Combined advertising and media investment management revenues at Ogilvy & Mather Worldwide, J. Walter Thompson Company and MindShare rose by 5.3%. Combined operating margins of Ogilvy & Mather Worldwide and J. Walter Thompson Company were 15.8%. Combined operating costs rose by 5.3% and the combined staff costs to revenue ratio excluding incentive payments fell to 52.8% from 53.0%. Ogilvy & Mather Worldwide generated net new billings of £545 million ($899 million) and J. Walter Thompson Company £507 million ($837 million).

MindShare generated net new billings of £544 million ($897 million), an encouraging start in its first full year of European and Asia Pacific operations.

Conquest's revenues rose almost 12% and operating profits and margins were up sharply. Net new billings were £39 million ($65 million).

Information and Consultancy

The Group's information and consultancy businesses continued their strong revenue growth with gross profit rising by almost 14% but operating costs rose slightly faster and as a result margins were slightly down on the previous year. Particularly strong performances were recorded by Millward Brown in the United States, United Kingdom, Italy, Spain, Germany and Singapore; at Kantar Media Research at BMRB in the United Kingdom; and at IMRB in India.

Public Relations and Public Affairs

The Group's public relations and public affairs activities continued to advance strongly.

Hill and Knowlton's revenues rose by over 17% and operating costs by almost 16%. As a result, margins increased to over 11%, ahead of previously established targets and schedule.

Ogilvy Public Relations Worldwide's revenues rose by over 79% and operating costs by approximately 71%. For the third year in a row following the change in leadership, profitability and margins improved significantly over the previous year.

Our public relations and public affairs businesses as a whole showed operating margins of over 13%, in excess of the Group's objective for 1999 and in line with the best performing publicly listed competition. Operating management has developed new three year plans that indicate further significant improvement in operating margins.

Identity and Branding, Healthcare and Specialist Communications

Identity and branding, healthcare and specialist communications revenues rose by over 19%. Gross profit rose by over 23% and operating costs by almost 21%. As a result, overall operating margins increased. Several of our companies in this sector performed particularly well, including in promotion and direct marketing - RTCdirect, EWA, OgilvyOne, A Eicoff & Company; in identity and branding – Brouillard and Enterprise IG Group; in healthcare – Thomas Ferguson Associates and OZM Group and in other specialist marketing resources - The Henley Centre, JWT Specialized Communications, Management Ventures, Pace Communications Group, The Geppetto Group, Savatar and Mendoza Dillon & Asociados.

wpp.com

In 1999 a new media parent company, wpp.com, was formed with WPP Non-Executive Director Esther Dyson as Chairman and WPP Strategy Director Eric Salama as Chief Executive. Like WPP itself and Kantar, wpp.com is a parent company seeking to add value in the areas of new media and technology to clients and people and accelerate the development of our interactive capabilities and revenues. wpp.com will co-ordinate all our new media activities across our operating brands.

Our pure internet revenues (web-based work) for 1999 were over $100 million, while a broader definition (which, for example, would include branding work for dot com clients) would result in revenues of approximately $500 million. Our budgets for 2000 for the narrowly based definition of interactive work show growth rates in excess of 50%. It will become increasingly difficult to accurately identify the overall impact on our revenue base given the strategic importance of the web to our largest clients (such as our three biggest - Ford, Unilever and IBM) and the increasing importance which clients are attaching to differentiating themselves against traditional and new competitors.

To date wpp.com has concentrated on strengthening our existing operations, acquiring new operations in areas which we think are critically important, investing in start-up internet companies with whom we wish to partner and spreading knowledge of these developments around our organisation.

Our most important wholly-owned internet operating companies include Ogilvy Interactive, the strongest global agency in the market, recent winner of the majority of the first Cyber Lions at Cannes, AdAge's International Interactive Agency of the Year and one of AdWeek's top ten hot interactive shops in 1999; digital@jwt, which has recently won a series of web accounts in the United States; MindShare, which in combination with Ogilvy Interactive is the largest buyer of internet media in the world; Kantar Interactive, whose constituent parts include MBInteractive (widely regarded as the most advanced internet-based research company), Intelliquest (the leading company in market research for hi-tech clients) Lightspeed (Kantar's e-mail based internet panel), and RI Interactive (a leader in web based focus groups); AlexanderOgilvy, Ogilvy Public Relations Worldwide, Blanc & Otus and Hill and Knowlton who between them work with over 400 dot com clients on public relations and public affairs around the world; and Career Agent, a software tool developed by JWT Specialized Communications to help recruitment sites profile potential employees.

wpp.com also has minority stakes in internet and interactive marketing services companies such as Syzygy, UK Web Agency of the Year, United Media in Germany and Netforce in France, all three of which will merge shortly to create a pan-European e-services group and will probably be floated.

Major clients of wpp.com include IBM, Ford, Merrill Lynch, Sears, De Beers, Unilever, Siemens, QXL, Freeserve, Qwest, Mindspring, Nextcard, Ariba, Healtheon/WebMD, DrKoop, Chemdex, Instinet, iPlanet, Idealab, Boots, El Sitio, Medscape, Ameritrade, E-Trade, Ziff Davis and DoubleClick.

The CEOs of wholly-owned new media operating companies will continue to report into their existing management but will have a dotted line responsibility to wpp.com. wpp.com's Board includes the senior management of our major interactive operations.

Our interactive equity investments have been made indirectly through venture funds and directly. The aim of these indirect investments has been to keep abreast of Silicon Valley developments and identify potential client relationships – thus enhancing our core capabilities. Historically the prime venture fund through which we have made indirect investments has been Media Technology Ventures (MTV) (www.mtventures.com) which has a West Coast United States focus. MTV investments have included Medscape, Quokka Sports and Talk City - all recently floated on Nasdaq.

wpp.com has now agreed to invest money and become the preferred marketing partner to a new fund, Dawntreader Fund II, established by leading on-line investment banking firm, Wit Capital, and has entered into a memorandum of understanding with leading Latin American investors to establish a fund and invest jointly in that region. wpp.com has also increased the number of direct investments it has made in B2B companies, recent examples including Intraspect (developers of knowledge management software), Concept! (the second largest German web development company – also probably to be floated), TWIi (the internet arm of IMG Group, the world's leading sports marketing company), e-Rewards (an e-mail based loyalty company) and Visible World (software which allows the customisation of creative content on websites in real time). Past investments have included BroadVision, Peapod and HyperParallel. The gross cost of these investments including commitments totals approximately $75 million. WPP does not consolidate any revenues from these investments but may realise the stakes at some stage in the future.

Manufacturing

Revenues and operating profit were flat at the Group's manufacturing division.

Balance sheet

An unaudited summary of the Group's consolidated balance sheet as at 31 December 1999 is attached in Appendix I. Appendix II presents, for illustrative purposes only, the preliminary consolidated profit and loss account and the preliminary consolidated balance sheet in euros. As at 31 December 1999, the Group was cash positive with net cash of £92 million compared with £134 million at 31 December 1998 (1998 - £124 million on the basis of 1999 year end exchange rates), despite cash expenditure of £262 million on acquisitions and £18 million on share repurchases. As usual, this was primarily due to the seasonally strong fourth quarter and management efforts to improve working capital.

Net debt averaged £206 million in 1999, up £63 million against £143 million in 1998 (up £51 million against £155 million in 1998 at 1999 exchange rates). These net debt figures compare with a current equity market capitalisation of approximately £9.0 billion giving a total enterprise value of approximately £9.2 billion.

Cash flow continued to improve as a result of improved profitability and management of working capital. In 1999, operating profit was £264 million, capital expenditure £65 million, depreciation £42 million, tax paid £58 million, interest and similar charges paid £33 million and other net cash inflows of £21 million. Free cash flow available for debt repayment, acquisitions, share buybacks and dividends was therefore £171 million. A summarised unaudited consolidated cash flow statement is included in Appendix I. This free cash flow was more than absorbed by acquisition payments and investments of £262 million (offset by £52 million of cash acquired), share repurchases and cancellations of £18 million and dividends of £21 million.

In the first five weeks of 2000 up until 4th February, the last date for which information is available prior to this announcement, net debt averaged £118 million versus net debt of £22 million for the same period last year at 2000 exchange rates.

Your Board continues to examine ways of deploying its substantial cash flow of over £220 million per annum to enhance share owner value. As necessary capital expenditure normally approximates to 1-1.5 times the depreciation charge, the Company has concentrated on examining possible acquisitions or returning excess capital to share owners in the form of dividends or share buy-backs. In 1999 the Group increased its equity interests, at a combined initial cost of £262 million in cash, in advertising and media investment management agencies in Australia, Austria, Brazil, France, Italy, The Netherlands, Portugal, Spain, Sweden, the United Kingdom and the United States; in information and consultancy in Argentina, France, Germany, Mexico, Poland, the United Kingdom and the United States; in public relations and public affairs in Chile, Germany, the United Kingdom and the United States; and in branding and identity, healthcare and specialist communications in Brazil, the Czech Republic, France, Germany, the United Kingdom and the United States. Particularly interesting functional acquisitions and investments have been made in the world's leading loyalty marketing company (Brierley Partners), hi-tech public relations and public affairs (Blanc & Otus, Hiller Wüst), sports sponsorship, marketing and public relations (PRISM), corporate reputation research, branding and identity (BPRI, Brand Union, Brindfors, Windi Winderlich), multi-ethnic marketing (Market Segment Group), call center marketing (Center Partners), digital and new media (NoHo, Mediaquest, High Co), on-line technology advertising (Dazai), airline marketing research (Jochems Ladendorf), television audience measurement (ILASA), outdoor advertising contracting (Portland), healthcare marketing (Shire Hall, Matthew Poppy), promotion and direct (Perspectives), specialist public relations (BWR, Feinstein Kean), financial services marketing consultancy (P·Four, International Presentations), and technology and media research (Intelliquest, SPC, SMG, DRI).

As noted above, your Board has decided to increase the final dividend by 22% to 2.1p per share, taking the full year dividend to 3.1p per share which is over seven times covered. In addition, as current opportunities for cash acquisitions at sensible prices are limited particularly in the United States, the Company will be increasing the target amount available for share buy-backs in the open market to £50-100 million, when market conditions are appropriate. Such annual rolling share repurchases would represent approximately 1% of the Company's share capital which seems to have a more significant impact in improving share owner value. If sufficient small to medium sized cash acquisition opportunities are available and there are attractive opportunities for share repurchases, your Board is prepared to increase net debt further to the range of £200-250 million in comparison with the historical target range of £150-200 million. This level of debt would still represent only 2-3% of the Company's market value.

<u>Developments in 1999</u>

Including associates, the Group had over 39,000 full-time people in over 950 offices in 92 countries at the year end. It services over 300 of the Fortune Global 500 companies, over one-third of the Nasdaq 100, and approximately 330 national or multi-national clients in three or more disciplines. More than 60 clients are serviced in four disciplines. The Group also works with over 100 clients in six or more countries.

These statistics reflect the increasing opportunities for developing client relationships between activities nationally, internationally and by function. The Group estimates that 25% of new assignments in the year were generated through the joint development of opportunities by two or more Group companies.

Management Stock Ownership

Under the Group’s 100 Club, 300 Club and High Potential 300 Club executive stock option programs, options have been granted each year since 1995 to those people with major responsibility for the success of our business. In 2000, these programs will be further expanded as a result of the significant growth of the Group over the past five years. In addition, 50% of all awards to the 500 participants in operating company long-term incentive plans are paid in WPP restricted stock.

In 1997, WPP launched the Worldwide Ownership Plan to give all our people an opportunity to share in its success through stock ownership. Options have been granted annually under this program to approximately 9,000 people worldwide.

Including outstanding options, interests in WPP restricted stock, stock already owned and holdings of the Employee Stock Ownership Plan, people working in the Group currently own, or have interests in, in excess of 63 million ordinary WPP shares representing over 8% of the Company.

The Leadership Equity Acquisition Plan (LEAP) was approved by share owners on 2 September 1999. Fifteen executives of the Group have been invited to participate in the plan. These participants will purchase or have purchased 2,549,059 WPP ordinary shares and have made a commitment to retain them until September 2004. Under the terms of LEAP, the participants may earn matching shares over a five-year performance period, based on the Group’s relative total share owner return as compared with 14 other major listed companies in our industry.

Future prospects

Considerable progress was again made in 1999, helped by a strong economic environment in North America and Europe and recovery in Asia Pacific. Continued progress has been made over the last seven years during which pre-tax profits have increased almost five times from £54 million in 1993 to £85 million in 1994, £114 million in 1995, £153 million in 1996, £177 million in 1997, £213 million in 1998 and £255 million in 1999. Over the same period operating margins (including income from associates) have almost doubled from 7.0% to 13.4%, and average net debt has almost halved from £361 million in 1993 to £268 million in 1994, £214 million in 1995, £145 million in 1996, £115 million in 1997, rising to £143 million in 1998 and £206 million in 1999.

However, there is still a significant profit opportunity in matching the operating margins of the best-performing competition. The best-performing competitive listed holding companies, The Interpublic Group of Companies Inc. (“IPG”) and Omnicom Group Inc. (“Omnicom”) achieve 15%-16% operating margins, whilst their best-performing individual agencies such as McCann-Erickson Worldwide and BBDO Worldwide are estimated to achieve operating margins of as much as 20%. This compares to a WPP parent company margin of 13.4% and combined margins at the Ogilvy & Mather Worldwide and J. Walter Thompson Company brands of 16.4%. Historically, listed public relations companies showed operating margins of over 10% which have now been more than matched by our own operations. As mentioned before operating management has indicated that margin performance can be improved further.

The results of our research into comparative benchmarking data on our information and consultancy and identity and branding, healthcare and specialist communications operations confirm that our businesses in these areas are competitive, although there are still opportunities to improve performance to the level of the best-performing competitors.

The task of eliminating surplus property costs has been achieved over the last eight years. Over 650,000 sq ft with a cash cost of approximately £14 million ($22 million) per annum has been sublet or absorbed. Whilst WPP's rental costs to revenue ratio is competitive to its best performing competition your Board believes the Group is still capable of achieving a further _% improvement equivalent to approximately £11 million of operating profit, which would, of course, form part of any general operating profit improvement.

Achievement of "best practice" competitive operating margins and our targets in just our advertising and public relations and public affairs businesses at current revenue levels, would generate approximately £20-30 million of annual operating profits.

As usual, our budgets for 2000 have been prepared on a conservative basis. They predict like-for-like revenue increases of over 7% in comparison to 1999. This compares with budgeted growth of 6% in 1998 against an actual outcome of almost 8% and budgeted growth of over 4% and actual growth of almost 8% in 1999. We only have data for one month so far in 2000, for January, and this shows a like-for-like increase well in excess of budget.

Economic conditions in North America and Europe remain sound as long as interest rate increases remain moderate and financial markets stable. The economic difficulties in Asia Pacific have moderated and reasonable growth is being experienced in China, Taiwan, Singapore, Thailand, Malaysia, India and Australia. Japan and Indonesia remain problematic. Even Latin America is improving partly as year-to-year comparisons become easier and, in our case, as significant new business wins kick in. Our budgets for 2000 indicate a like-for-like growth rate of over 10% for Asia Pacific and Latin America.

In the slower growth, lower inflation 1990s there are still economic uncertainties in the United States, United Kingdom and Continental Europe, as a result of continued relatively high levels of unemployment in some countries and the consequent lack of confidence and fear of further unemployment amongst both consumers and managers. In the medium-term, therefore, like-for-like revenue gains are likely to be in the mid-single to high-single digit range and in these circumstances the Company will continue to concentrate on improving the balance of its resources and the flexibility of its costs particularly in staff and property areas. To achieve this, short-term and long-term incentive plan objectives have been based on improving absolute levels of profit, operating margins, staff cost to revenue ratios, incremental revenue conversion, revenue growth and Group co-operation. These incentive plans now include "side-car" cyber funds, minority interest IPO's and equity for fee funds which offer attractive additional inducements to our key new media and technology people. The structure of the equity for fee funds is aimed to ensure cash fees for the Group, offer effective retention incentives to our people and minimise divisiveness between the "old" and "new" media parts of our business. As our margins improve and come even closer to matching the very best performing competition, increasing emphasis is being placed on revenue generation through the incentive objectives.

Consequently, the Group has increasingly focused on improving its competitive position in the faster growing segments of the communications services industry. Despite the recent recession, your Board continues to believe that Asia Pacific, Latin America, Africa and the Middle East and Central and Eastern Europe will offer superior opportunities for growth in the medium to long-term. These markets now account for over 17% of the Group's revenue as opposed to 13% in 1992 despite the recent slowdown in growth. These markets are still forecast to continue to grow at significantly faster rates than those of North America and Western Europe in the long-term. WPP, according to the Advertising Age Agency Report, ranks in the top three in all of the ten fastest growing markets of the world.

In these circumstances there is no reason to believe that the Group cannot achieve the objective set in 1998 of further improving margins by another 0.6% in 2000. Your Board does not believe that there is any functional, geographic, account concentration or structural reason that should prevent the Group achieving operating margins of 14% by 2000. After all the two best listed performers in the industry are at 15-16% and that is where we would want to be. Neither is there any reason why operating margins could not be improved beyond this level by continued focus on revenue growth and careful husbandry of costs. As a result of this confidence, your Board is setting a new operating margin plan, its fourth since 1991, to achieve a 15% operating margin by 2002. The objective will be to achieve 14.5% in 2001 and 15% in 2002.

Increasingly, WPP is concentrating on its mission of the "management of the imagination", and ensuring it is a big company with the heart and mind of a small one. To aid the achievement of this objective and to develop the benefits of membership of the Group for both clients and our people, the parent company continues to develop its activities in the areas of human resources, property, procurement, information technology and practice development. Ten practice areas which span all our brands have been developed initially in media investment management, healthcare, privatisation, new technologies, new faster growing markets, internal communications, retailing, entertainment and media, financial services and hi-tech and telecommunications.

1999 saw the continued development of MindShare, the combined media investment management unit of our two major agencies - Ogilvy & Mather Worldwide and J. Walter Thompson Company - in North America, Europe, Asia Pacific and Latin America. Other new ventures initiated, for example, in the healthcare area include a joint company in Europe between Ogilvy & Mather Worldwide and CommonHealth; The Quantum Group, a New Jersey-based direct-to-consumer pharmaceutical company; MD&A/Salud, a Hispanic healthcare agency; EinsonHealth, a joint venture between Einson Freeman and CommonHealth; and Enterprise IG Health, a healthcare identity group which is a joint venture between CommonHealth and Enterprise IG.

Innovative graduate recruitment schemes, awards and training programmes have all continued to be implemented and developed in 1999. In 1999 the parent company continued a worldwide share ownership programme for all our people with over two years service, a partnership programme rewarding outstanding examples of collaboration across operating companies with the objective of adding value to our clients' businesses and training programmes on the new media and enhancing and stimulating creativity.

2000, WPP's fifteenth year, should be another good year given the quadrennial boost of the United States Presidential Election, the Sydney Olympics and the Millennium celebrations themselves. Early indications are that the worldwide growth rate of advertising will be stronger than 1999 at approximately 6-7% with marketing services growing at 8-9%. As long as financial markets remain stable and governments do not overdo deflationary correction, the worldwide economic environment should be good for growth in communications services expenditure as a whole. Although 2001 is further afield, it should see continued growth, perhaps a percentage point or so lower reflecting a possible Millennium hangover but the overall environment is favourable.

Further information

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This press release may contain forward-looking statements within the meaning of the federal securities laws. These statements are subject to risks and uncertainties that could cause actual results to differ materially including adjustments arising from the annual audit by management and the company's independent auditors. For further information on factors which could impact the company and the statements contained herein, please refer to public filings by the company with the Securities and Exchange Commission. The statements in this press release should be considered in light of these risks and uncertainties.