

WPP



Results for 2012

London





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1 Results for 2012



Results for 2012



- Billings decreased slightly to £44.4 billion, on a constant currency basis up 1.6%.
- Reportable revenues up 3.5%. On a constant currency basis, revenue up 5.8%. Like-for-like revenue up 2.9%.
- Headline PBIT up 7.1% to £1,531m.
- Headline operating margin up 0.5 margin points to 14.8% and up 0.7 like-for-like. Gross margin (revenue less direct costs) headline operating margin up 0.6 margin points to 16.1%.
- Headline diluted EPS up 8.4% to 73.4p.
- Dividends per share up 15.9% at 28.51p.
- Net new business billings of £3.9bn (\$6.2bn) placing the Group first in all leading net new business tables.



Results for 2012

Slow Growth in Mature Markets



Like-for-like revenue growth %	Q1	Q2	Q3	Q4
Total	4.0	3.2	1.9	2.5
Mature ¹	1.9	0.6	-0.1	0.4

- Revenue slowdown in Q2 and Q3 with upturn in Q4.
- Staff cost increases from additions in H2/2011 impacted performance and bonus pools.
- Restructuring programme in Q4 to address cost base in slow growth mature markets and to accelerate our overhaul of IT services.



¹ Includes North America, UK and Western Continental Europe



Results for 2012

Summary Headline¹ Results at a Glance

Year to 31 December	2012	2011	Change %
Revenue £m	10,373	10,022	3.5
Gross Margin £m	9,515	9,239	3.0
Operating Profit Margin:			
% of Revenue	14.8%	14.3%	+0.5 ²
% of Gross Margin	16.1%	15.5%	+0.6 ²
Diluted EPS	73.4p	67.7p	8.4
Dividend per share	28.5p	24.6p	15.9
Average Net Debt £m	(3,203)	(2,811)	-13.9
Average Net Debt / EBITDA	1.8x	1.7x	
Interest cover	7.2x	7.1x	
Number of people ³ :			
Average	114,490	112,717	-1.6
Closing	115,711	116,230	+0.4
Enterprise Value / EBITDA	9.2x	7.7x	

¹ Figures before goodwill and intangibles charges, gain on sale of New York property, restructuring charges, costs of changes in corporate structure, investment gains/losses, share of exceptional gains/losses of associates and revaluation of financial instruments

² Margin points ³ 2011 and 2012 like-for-like number of people

Results for 2012

Unaudited Headline¹ IFRS Income Statement



Year to 31 December	2012 £m	2011 £m	% Change	
			Reported	Constant Currency
Revenue	10,373	10,022	3.5	5.8
Operating profit	1,459	1,365	6.9	10.7
Income from associates	72	64	13.1	19.2
PBIT	1,531	1,429	7.1	11.1
Net finance costs	(214)	(200)	-7.0	-3.8
Profit before tax	1,317	1,229	7.2	12.3
Tax at 21.2% (2011 22.0%)	(279)	(270)	-3.1	-9.1
Profit after tax	1,038	959	8.3	13.2
Diluted EPS	73.4p	67.7p	8.4	13.1
Operating margin	14.8%	14.3%	+0.5²	
EBITDA	1,756	1,640	7.0	10.7

¹ Figures before goodwill and intangibles charges, gain on sale of New York property, restructuring charges, costs of changes in corporate structure, investment gains/losses, share of exceptional gains/losses of associates and revaluation of financial instruments

² Margin points

Results for 2012

Unaudited IFRS Income Statement



Year to 31 December	2012 £m	2011 £m	Change %	Constant Currency %
Revenue	10,373	10,022	3.5	5.8
Operating Profit pre-goodwill / intangibles	1,459	1,365	6.9	10.7
Goodwill / intangibles charges, net re-measurement gains, gains on fixed asset disposals and restructuring costs	(218)	(173)	-26.1	-26.1
Operating Profit	1,241	1,192	4.1	8.4
Income from associates	69	66	5.0	10.7
PBIT	1,310	1,258	4.1	8.5
Net finance costs	(218)	(250)	12.5	14.8
Profit before tax	1,092	1,008	8.3	14.6
Tax	(197)	(92) ¹	-114.6	-141.0
Profit after tax	895	916¹	-2.4	2.4
Reported diluted EPS	62.8p	64.5p	-2.6	1.9

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¹ 2011 tax charge and PAT include a credit of £106m for the exceptional release of prior year corporate tax provisions. Excluding this credit, reportable PAT would have increased by 10.5%

Results for 2012

Overview of Impact of Restructuring Charge and Gains



£m	Revenue	Direct Costs	Operating Expenses	Equity Income	PBIT	Margin
Headline¹	10,373	858	8,056	72	1,531	14.8%
Buddy Media sale			(31)		31	
285 Madison Avenue sale			(71)		71	
Restructuring charge			93		(93)	
Adjusted Headline	10,373	858	8,047	72	1,540	14.8%
Goodwill / intangibles charges and investment write-down			223		(223)	
Other			4	(3)	(7)	
Reported PBIT	10,373	858	8,274	69	1,310	

¹ Figures before goodwill and intangibles charges, gain on sale of New York property, restructuring charges, costs of changes in corporate structure, investment gains/losses, share of exceptional gains/losses of associates and revaluation of financial instruments

Results for 2012

Restructuring Charge Analysis



£m	N. America	Europe	ROW	Total
Severance	8	49	5	62
Property & Other	3	4	1	8
IT	13	9	1	23
Total	24	62	7	93

- Severance focussed on traditional business in mature markets as we deal with multi-year decline in certain European markets.
- Hurricane Sandy accelerated steps to centralise infrastructure.





Results for 2012

% Growth Versus Prior Year

	Revenue	Headline ¹ PBIT	Headline ¹ EPS
Like-for-like	2.9	n/a	n/a
Acquisitions ²	2.9	n/a	n/a
Constant currency	5.8	11.1	13.1
Foreign exchange	-2.3	-4.0	-4.7
Reportable sterling	3.5	7.1	8.4
Reportable US dollars³	2.5	6.9	8.8
Reportable euros⁴	10.8	14.8	15.7

¹ Figures before goodwill and intangibles charges, gain on sale of New York property, restructuring charges, costs of changes in corporate structure, investment gains/losses, share of exceptional gains/losses of associates and revaluation of financial instruments

² Acquisitions net of disposals

³ Translated into US\$, using among other currencies, average exchange rates of US\$/£ for FY 2012 of \$1.585, compared to \$1.603 for FY 2011

⁴ Translated into euros, using among other currencies, average exchange rates of €/£ for FY 2012 of €1.234, compared to €1.153 for FY 2011



Results for 2012

Headline¹ Performance Versus Consensus

£ million	Actual Results	Consensus Median	+/-
Revenue	10,373	10,376	-3
PBIT	1,531	1,535	-4
Net finance costs	(214)	(201)	-13
PBT	1,317	1,334	-17
Diluted EPS	73.4p	73.0p	+0.4p
PBIT Margin	14.8%	14.8%	-



Results for 2012

Headline¹ Performance Versus Target

	Actual	Target
Like-for-like revenue growth	2.9%	c. 4%
Reportable operating margin improvement	+0.5 ²	+0.5 ²
Like-for-like operating margin improvement	+0.7 ²	+0.5 ²
Constant currency fully diluted EPS growth	13.1%	10%-15%

¹ Figures before goodwill and intangibles charges, gain on sale of New York property, restructuring charges, costs of changes in corporate structure, investment gains/losses, share of exceptional gains/losses of associates and revaluation of financial instruments

² Margin points

Results for 2012

Revenue by Discipline



	2012 £m	2011 £m	% Change			
			Reported	Constant Currency	Like-for- like	
Advertising, Media Investment Management	4,273	4,157	2.8	5.2	5.1	
Consumer Insight	2,460	2,458	0.1	2.8	0.8	
Public Relations & Public Affairs	917	886	3.6	4.2	-1.0	
Branding & Identity, Healthcare and Specialist Communications	2,723	2,521	8.0	10.2	2.6	
Total	10,373	10,022	3.5	5.8	2.9¹	2.4²

¹ Direct, digital & interactive growth of 6.7%

² Gross margin like-for-like growth

Results for 2012

Revenue by Region



	2012 £m	2011 £m	% Change			
			Reported	Constant Currency	Like-for- like	
North America	3,547	3,388	4.7	3.7	-0.1	
UK	1,275	1,184	7.7	7.7	4.0	
Western Continental Europe	2,439	2,505	-2.6	3.7	0.1	
Asia Pacific, Latin America, Africa & Middle East, Central & Eastern Europe	3,112	2,945	5.7	9.3	8.3	
Total	10,373	10,022	3.5	5.8	2.9	2.4¹



¹ Gross margin like-for-like growth



Results for 2012

Headline¹ PBIT and Margin by Discipline

	Headline PBIT		Headline Margin	
	2012 £m	2011 £m	2012 %	2011 %
Advertising, Media Investment Management	755	668	17.7	16.1
Consumer Insight	247	258	10.0	10.5
<i>Gross margin margins</i>			13.9	14.3
Public Relations & Public Affairs	136	143	14.9	16.1
Branding & Identity, Healthcare and Specialist Communications	393	360	14.4	14.3
Total	1,531	1,429	14.8	14.3
<i>Gross margin margins</i>			16.1	15.5

¹ Figures before goodwill and intangibles charges, gain on sale of New York property, restructuring charges, costs of changes in corporate structure, investment gains/losses, share of exceptional gains/losses of associates and revaluation of financial instruments



Results for 2012

Headline¹ PBIT and Margin by Region

	Headline PBIT		Headline Margin	
	2012 £m	2011 £m	2012 %	2011 %
North America	579	526	16.3	15.5
UK	173	165	13.6	14.0
Western Continental Europe	253	284	10.4	11.3
Asia Pacific, Latin America, Africa & Middle East, Central & Eastern Europe	526	454	16.9	15.4
Total	1,531	1,429	14.8	14.3
<i>Gross margin margins</i>			16.1	15.5

¹ Figures before goodwill and intangibles charges, gain on sale of New York property, restructuring charges, costs of changes in corporate structure, investment gains/losses, share of exceptional gains/losses of associates and revaluation of financial instruments

Results for 2012

Revenue Growth by Country



Revenue Growth ¹	Countries
>20%	Argentina
15% to 20%	Thailand
10% to 15%	Brazil, Greater China ² , Mainland China ³ , South Africa
5% to 10%	Belgium, India, Italy, Mexico, Russia, South Korea
<5%	Australia, Canada, Denmark, France, Germany, Japan, Netherlands, Poland, Singapore, Spain, Sweden, UK, USA

¹ Like-for-like growth
² Includes Hong Kong and Taiwan
³ Includes Hong Kong

Results for 2012

Revenue Growth by Category



Revenue Growth¹

Categories

10% to 15%

Government

5% to 10%

Automotive, Oil, Personal Care & Drugs, Retail, Travel & Airline

<5%

Computers, Drinks, Electronics, Entertainment, Financial Services, Food, Telecommunications



¹ Like-for-like growth



Results for 2012

Effects of Strength of Sterling

- Currency movements accounted for a 2.3% decrease in revenue, largely reflecting the strength of the £ sterling against the euro and faster growing market currencies, partly offset by weakness against the US\$.
- Sterling stronger overall as follows:

	2012	2011	Sterling (stronger)/weaker
US\$	1.59	1.60	1%
€	1.23	1.15	(7%)
Brazilian Real	3.10	2.68	(16%)
Chinese Renminbi	10.0	10.4	4%
Indian Rupee	84.7	74.8	(13%)
South African Rand	13.0	11.6	(12%)

- Headline¹ PBT of £1,317m would have been £1,378m had sterling remained at the same levels as 2011.

Results for 2012

Trade Estimates of Major New Business Wins (1)



WPP Agency	Incumbent	Account	Office	Billings(\$m)
Team BofA	OMC	Bank of America	Global	2,000
Equipe L'Oreal	PUB	L'Oreal	DACH	727
MEC	AGS	Johnson & Johnson	EMEA	310
VML	PUB	Wendy's	USA	273
MediaCom	PUB	Procter & Gamble	Germany	225
Grey	Ind	RadioShack	USA	200
MediaCom	OMC	Etihad	Global	160
MEC	AGS	Beiersdorf	N. Europe	126
MEC	IPG/HAV/AGS/MediaCom	SAB Miller	Europe	125
Team IHG	IPG	IHG	Global	124
Cavalry	IPG/PUB	MillerCoors	USA	120
Mindshare	AGS	SFR	France	116
Grey	OMC/Y&R	Allianz	Global	100
Wunderman	None	Levis	Global	100
MEC	OMC/Others	UK Government	UK	100

Shaded figures are Q4 wins

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Results for 2012

Trade Estimates of Major New Business Wins (2)



WPP Agency	Incumbent	Account	Office	Billings(\$m)
Y&R	Ind	Dell	Global	90
OgilvyOne	PUB/Others	Department of Health	UK	80
JWT	DEN	Aflac	Japan	80
JWT/MEC/MediaCom	PUB	Ministry of Defence	UK	80
MEC	MEC/Zenith	Kingfisher	UK	72
MEC	HAV/AGS/Ind	Lavazza	Europe	66
Grey	None	FDA	USA	65
MediaCom	Zenith	Foxtel	Australia	60
Maxus/MEC/KR Media	AGS	Fiat	France	60
Ogilvy	HAV	Vodafone	Australia	52
Ogilvy/Maxus/B-M	Ogilvy/Ind	Huawei	Global	50
JWT	IPG	Johnson & Johnson	Global	50
MEC	IPG	LegalZoom	USA	50
Ogilvy	Ind	Nascar	USA	50
MediaCom	PUB	P&G	Korea	50

Shaded figures are Q4 wins

WPP



Results for 2012

Trade Estimates of Major New Business Wins (3)

WPP Agency	Incumbent	Account	Office	Billings(\$m)
MediaCom	Ind	Goodyear & Dunlop	UK	48
JWT	MDC	Shell	Global	46
Team News	Ind	News International	UK	44
JWT	Ind	Premier Foods	UK	44
Maxus	Zenith	Associated British Foods	UK	38
MediaCom	PUB	PharmaCare Labs	Australia	35
MediaCom	None	American Eagle	Global	35
JWT	IPG	IHG	Europe	32
Mindshare	OMC	Rent-A-Center	USA	31
VML	IND	Wendy's	USA	30
Mindshare	Various	Smithfield Foods	USA	30
Ogilvy	G2	Aetna	USA	30
Kinetic	OMC	Amway	China	30
Maxus	Ind	GSK	Australasia	30
MediaCom	PUB	Subway	USA	30



Shaded figures are Q4 wins

Results for 2012

Trade Estimates of Major New Business Losses



WPP Agency	Winning Agency	Account	Office	Billings(\$m)
Mindshare	PUB	Sprint	Global	1,000
Mindshare	AGS	Kraft	Europe	318
MEC	AGS	Macy's	USA	300
Mindshare	OMC	Farmer's	USA	160
Grey	OMC	Aquafresh/GSK	Global	158
MediaCom	AGS	COFCO	China	85
MEC	OMC	Specsavers	UK	63
Ogilvy	OMC	Cisco	Global	60
Ogilvy	PUB	Toblerone/Kraft	USA	60
MediaCom	PUB	Travelers	USA	55
Ogilvy	Ind	Ragu/Unilever	USA	43
MediaCom	AGS	Tanduay	Philippines	33
Mindshare	PUB	Heineken	Netherlands	31
G2	Ogilvy	Aetna	USA	30



Shaded figures are Q4 losses

WPP

Results for 2012

Internal Estimates of Net New Business Wins



(\$m)	Creative	Media	Total
Advertising	1,740	3,437	5,177
Other Businesses	1,054	-	1,054
2012	2,794	3,437	6,231
<i>2011</i>	<i>2,621</i>	<i>2,539</i>	<i>5,160</i>



Results for 2012

Trade Estimates of Major New Business Wins/Losses Since 1 January 2013



WINS

WPP Agency	Incumbent	Account	Office	Billings(\$m)
Mindshare	IPG/Mindshare	Lionsgate	USA	400
JWT	OMC	Vonage	USA	160
GroupM	PUB	360buy.com	China	160
MediaCom	OMC	Fonterra	Asia Pac/M East	150
Grey	Grey	Pringles/Kellogg's	Global	50
Maxus	AGS	Qantas	Asia Pac	40
Mindshare	PUB	L'Oreal	China	30

LOSSES

WPP Agency	Winning Agency	Account	Office	Billings(\$m)
Mindshare	PUB	AbbVie	Global	365



Results for 2012

Cash Flow



£m	2012	2011
Operating Profit	1,241	1,192
Non-cash compensation	93	79
Depreciation & amortisation charges	429	384
Net interest paid & similar charges	(172)	(178)
Tax paid	(257)	(248)
Net cash generation	1,334	1,229



Results for 2012

Uses of Cash Flow



£m	2012	2011
Net cash generation	1,334	1,229
Capital expenditure	(330)	(253)
Acquisition payments	(587)	(532)
- Net initial payments ¹	(500)	(381)
- Earnout payments/loan note redemptions	(87)	(151)
Share repurchases	(134)	(182)
Other	90	37
Net cash inflow before dividends	373	299
Dividends	(307)	(218)
Net cash inflow before NWC changes	66	81

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

Results for 2012

Net Debt – 31 December 2012

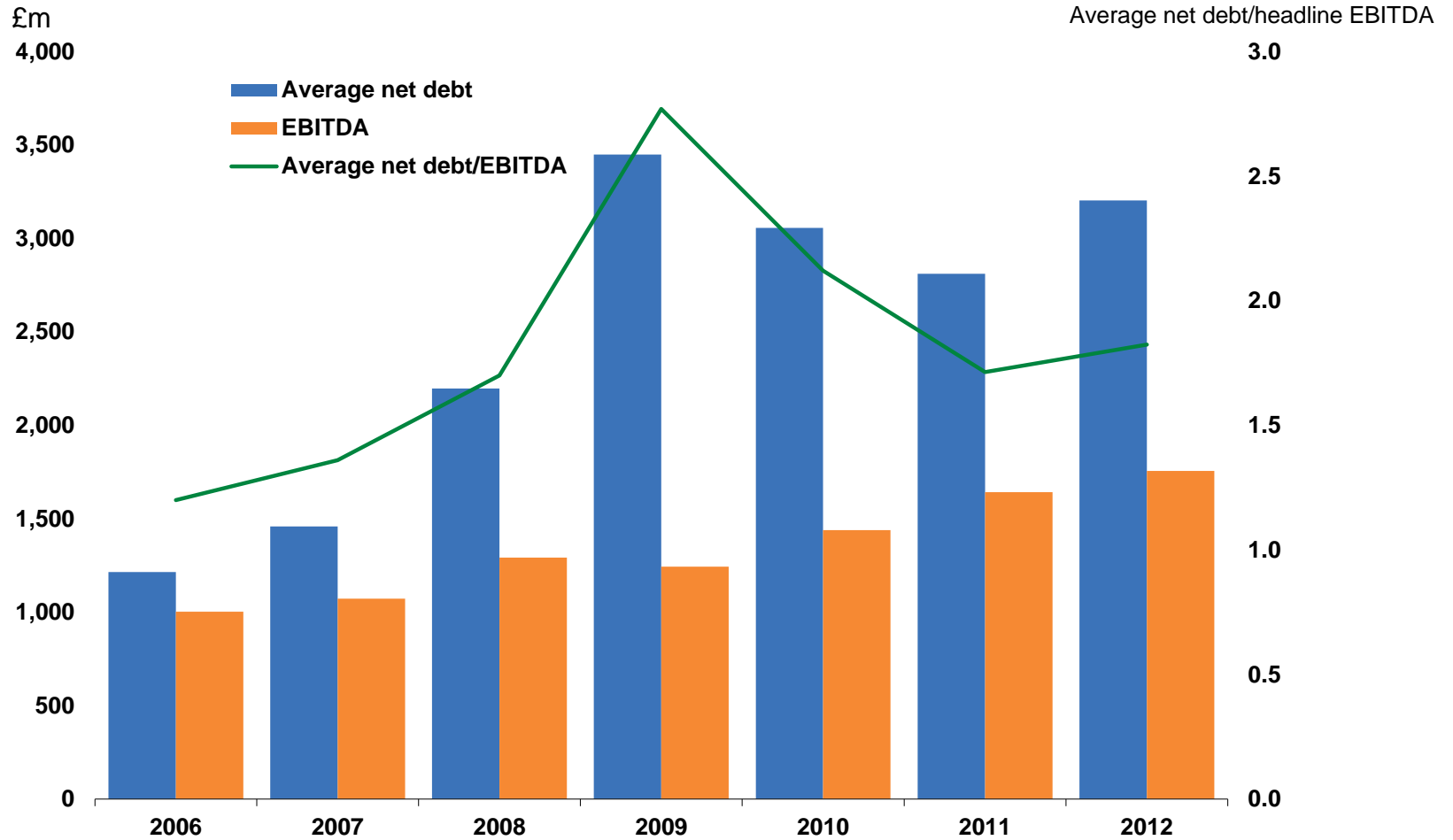


£m	2012	2011	% Variance
YTD average net debt on constant currency basis	(3,203)	(2,830)	-13%
YTD average net debt on reportable basis	(3,203)	(2,811)	-14%
Net debt at 31 December	(2,821)	(2,465)	-14%
Headline finance costs	(214)	(200)	-7%
Interest cover on headline PBIT	7.2x	7.1x	
Headline EBITDA	1,756	1,641	+7%
Average net debt / headline EBITDA	1.8x	1.7x	



Results for 2012

Historic Average Net Debt/Headline EBITDA



Results for 2012

Uses of Free Cash Flow



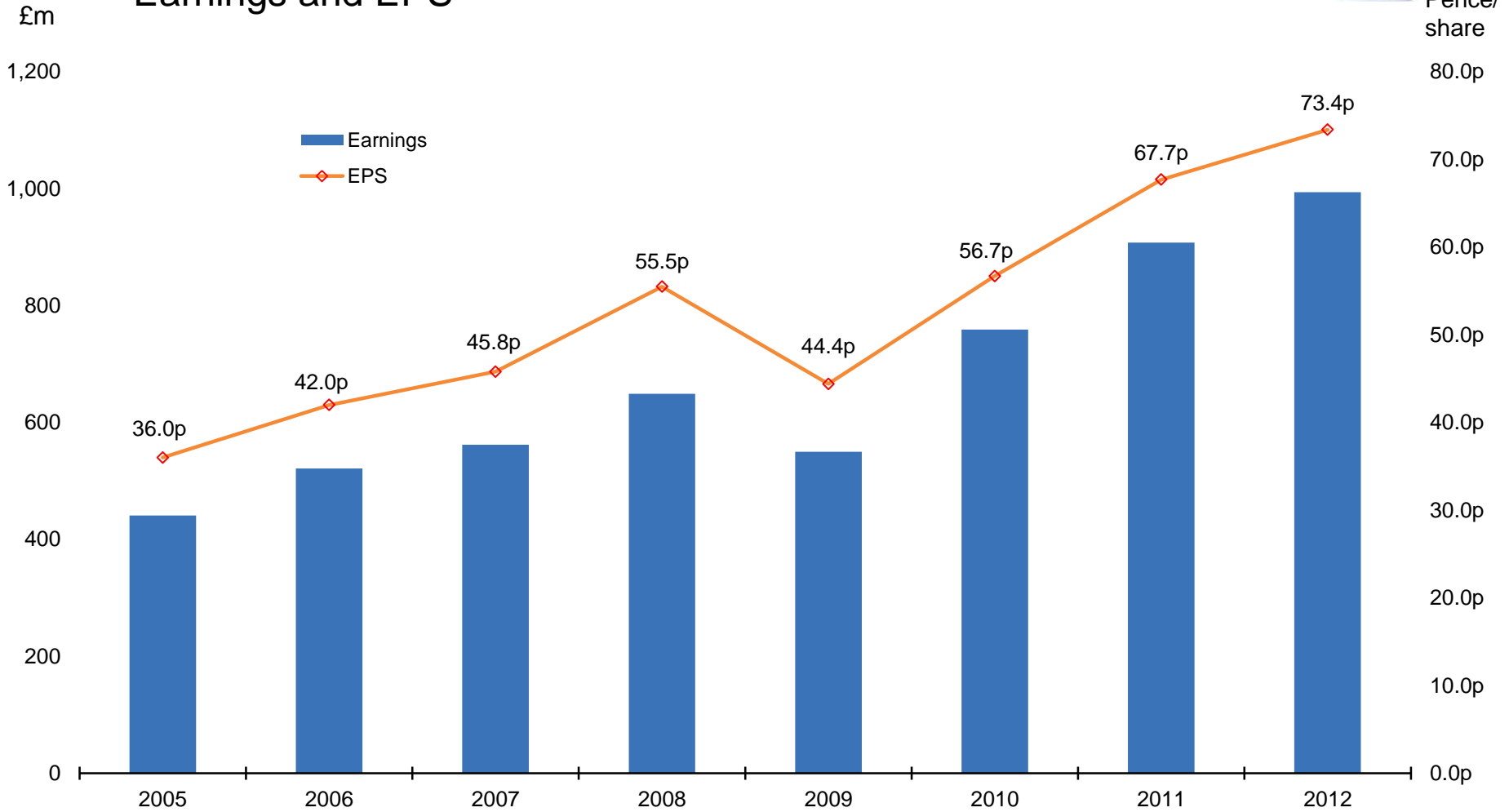
Category	Target	FY 2012	FY 2011
New acquisitions ¹	£300m+	£500m ²	£381m ²
Share purchases	Minimum 1%	1.3%	2.1%
Dividend increase	EPS growth + 5.0 percentage points	16%	38%
Pay-out ratio	40%	39%	36%
Headroom: Undrawn facilities & surplus cash	-	£2.4bn	£2.4bn

¹ Includes investments and step-ups in subsidiaries equity

² Net of disposal proceeds and net of acquired cash

Results for 2012

Earnings and EPS¹



¹ Diluted Headline Earnings and Diluted Headline EPS

Results for 2012

Taxation



- Headline tax rate of 21.2%, compared to 22.0% for 2011.
- Reported tax rate of 18.1% in 2012 (2011 – 9.1%), prior year tax charge reduced by exceptional release of prior year corporate tax provisions.
- Cash tax paid of £257m compares to £248m paid in 2011.
- Estimated employer and employee social taxes paid during 2012 over \$1.3bn.
- Group has a UK tax resident parent company from 2 January 2013.





2 Four Core Strategic Priorities



Market Environment

New Markets, New Media, Consumer Insight and “Horizontalness”



Macro

- Eurozone debt uncertainties holding back growth across Europe and elsewhere.
- Italy election adds more uncertainty in Europe.
- Stronger relative growth in Asia, Latin America, Africa and Central & Eastern Europe.
- US uncertainty ahead of sequester.
- Uncertainty over Iran and generally in the Middle East with impact on oil prices and inflation.
- Questions over hard or soft landing in China.
- 2014 mini-quadrennial events in Brazil, Russia and the USA.
- Focus on reputation and role of business in society.

Micro

- Client comments not indicating lower spend other than in some specific sectors.
- Redirection of funds supporting growth in digital.
- Efficiency and effectiveness still key.
- Clients search for share in global growth increases the importance of BRICs, Next 11, CIVETS, MIST and new G8.
- Clients investing in capacity and brands in faster growing markets and in brands in mature markets to maintain or increase share.
- “Horizontalness” and creativity.
- Focus on growth and employment.
- Continued marketing investment by fmcg companies.



Key Priorities, Objectives and Strategy

Over \$1.3bn in Social Taxes¹

Group Payroll Taxes Excluding Associates

Year to 31 December	Employers Social Taxes \$m	Employees Social Taxes \$m ¹	Social Taxes Per Head \$'000 ¹
USA	183	134	13
France	117	40	42
UK	115	80	17
Germany	71	71	23
Brazil	52	11	17
Italy	41	13	25
Spain	40	8	15
China	27	9	5
Sweden	20	-	24
Netherlands	13	9	17
Other Countries	171	94	5
Total	850	469	11

¹ Estimate

Four Core Strategic Priorities

New Markets, New Media, Consumer Insight and “Horizontality”



- Faster growing markets now to be over one third of total Group (35% - 40%).
- New media now to be over one third of total Group (35% - 40%).
- Consumer Insight and quantitative disciplines to be over one half with focus on the application of technology, big data and digital.
- “Horizontality”: objective to ensure our people work together to the benefit of clients, client teams and country managers.



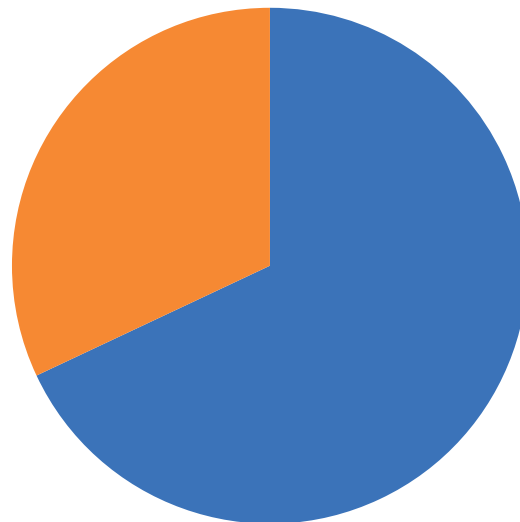
New Markets, New Media and Consumer Insight Today



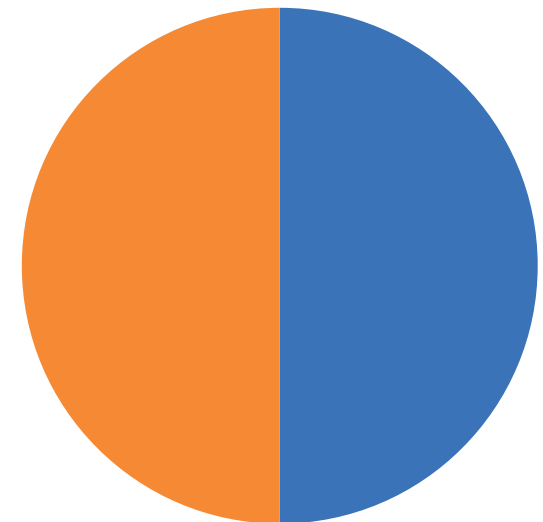
1: New Markets Today 30%



2: New Media Today 33%¹



3: Quantitative Today 50%



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

- Traditional Media
- New Media

- Qualitative
- Quantitative



¹ Includes AKQA on pro forma full year basis

New Markets, New Media and Consumer Insight

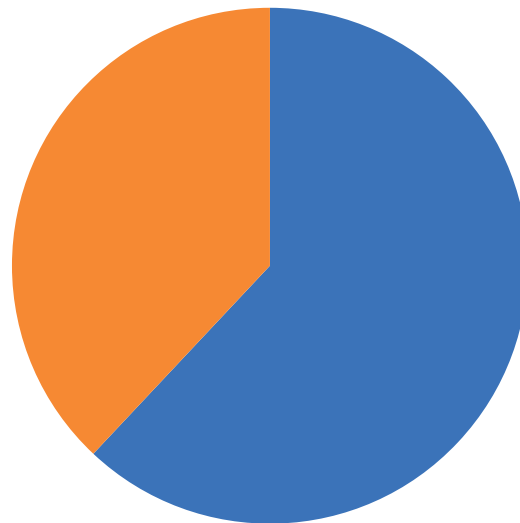
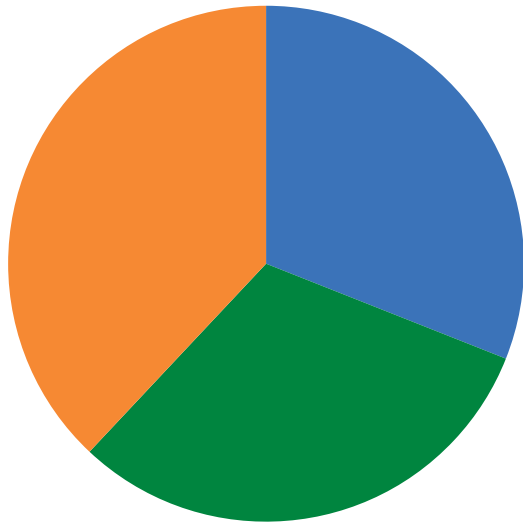
Tomorrow



1: New Markets
Target 35-40%

2: New Media
Target 35-40%

3: Quantitative
Target 50%



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

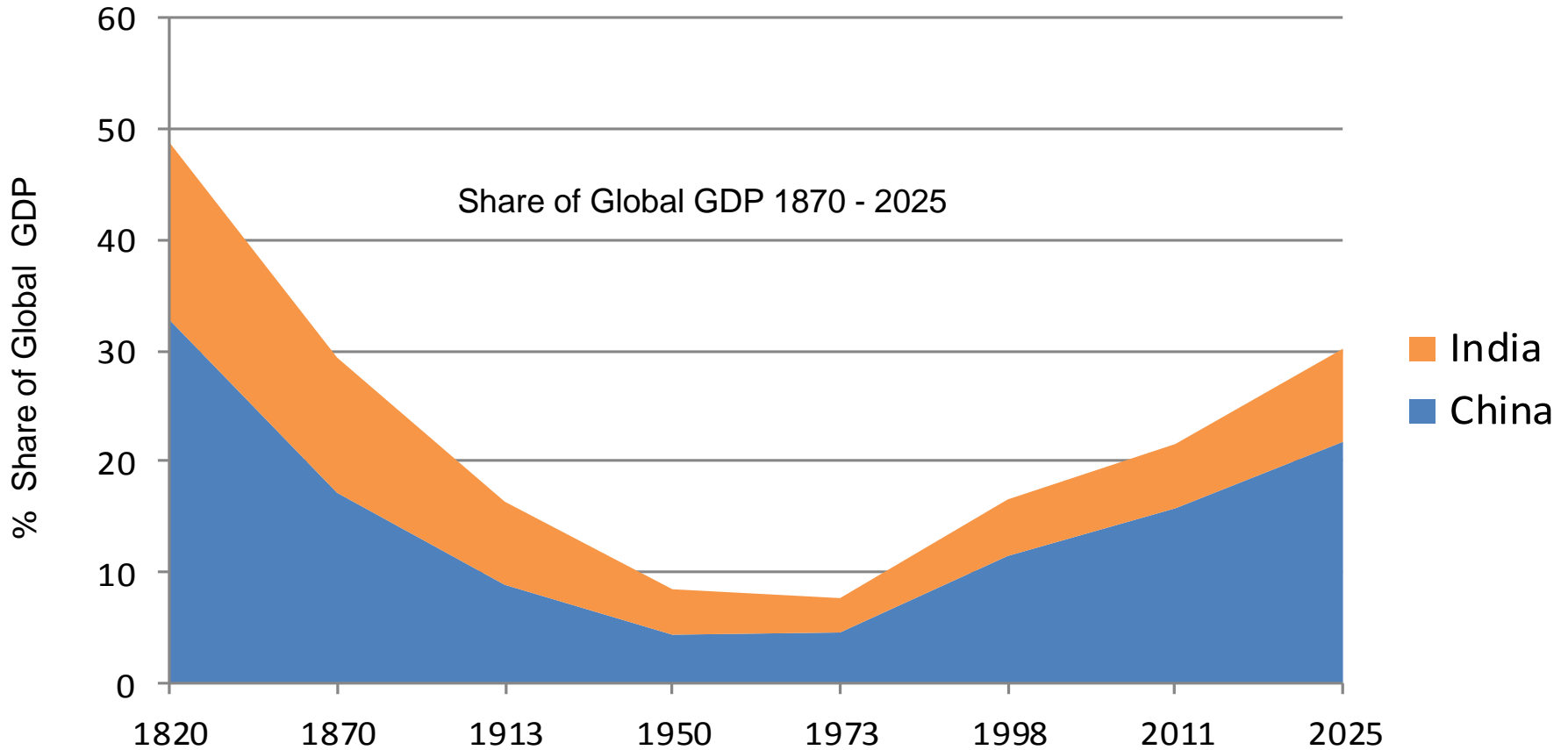
- Traditional Media
- New Media

- Qualitative
- Quantitative



New Markets

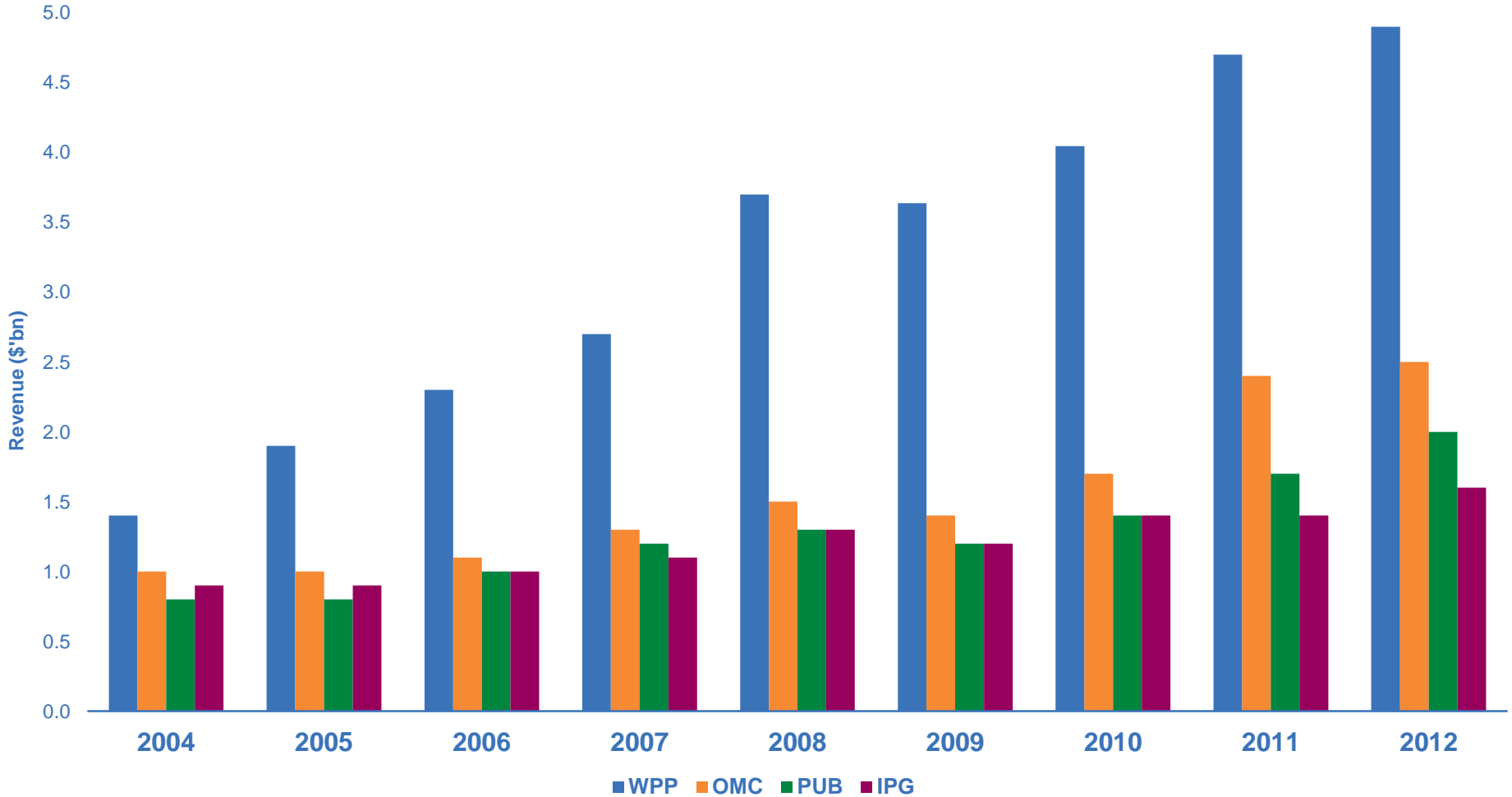
Back to the Future



1. Prof Angus Maddison - The World Economy 1870 - 1998: OECD
2. Conference Board Global Economic Outlook 2011 - 2025: January 2012

New Markets

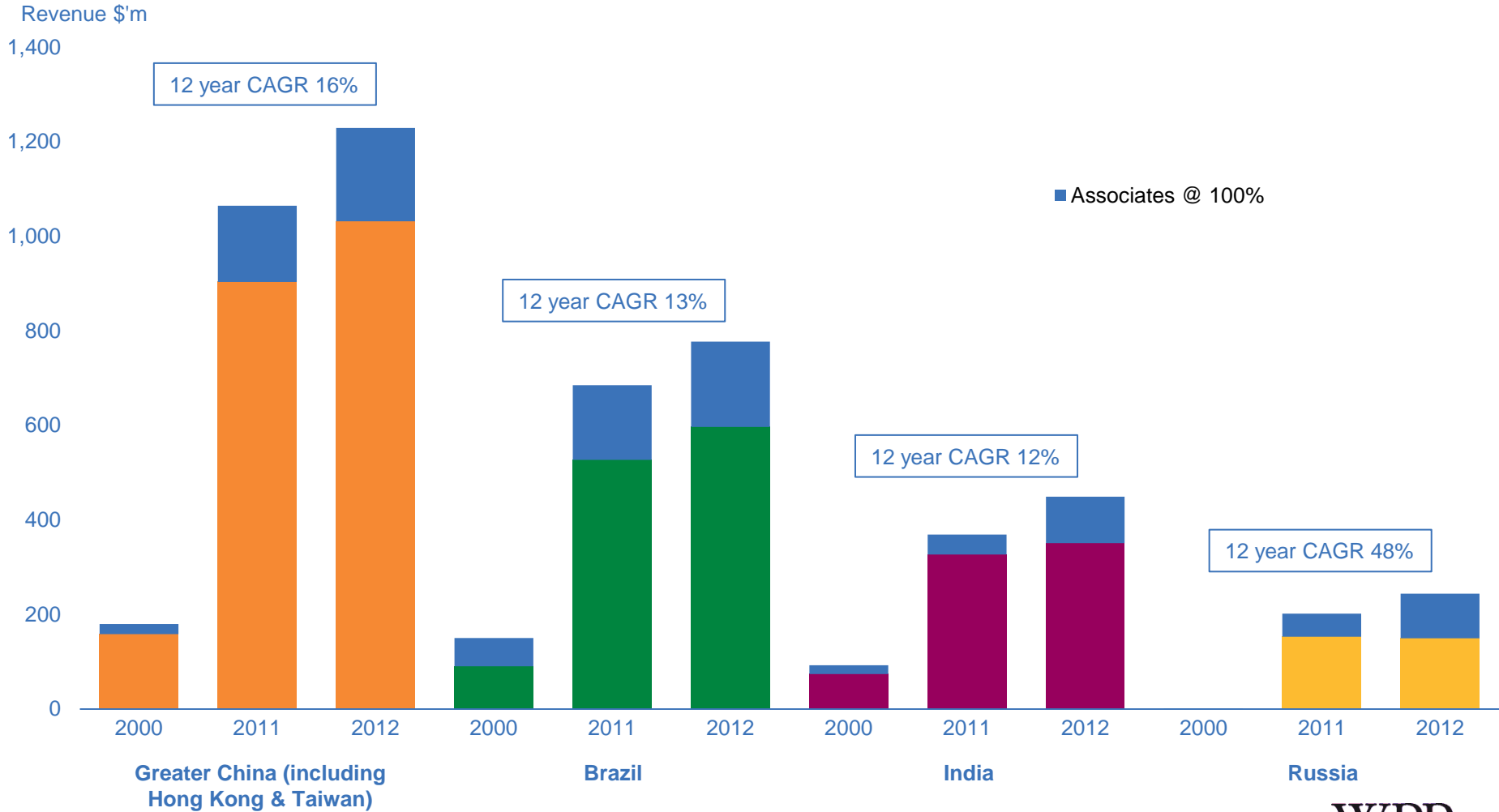
Revenues in Faster Growing Markets 2004-2012



1. WPP reportable US\$'s per WPP results and peer \$ revenues as shown in annual results presentations
2. Peer data sourced from annual results translated at average exchange rate for the year (IPG, Publicis and Omnicom)
3. OMC assumes "non-euro currency" Europe, ie Switzerland, Turkey, Norway, Denmark, Sweden and Eastern Europe are 3% of revenue and Canada 1.5%

New Markets

WPP's Performance Strong in BRIC Markets





New Markets

WPP in Faster Growing Markets

Region	Market	Billings ¹ \$bn	% Share ¹	Rank ¹	12 month ² Rev \$bn	People ² '000
Asia Pacific:	Greater China ³	6.7	33%	1	1.3	14
	India	2.4	42%	1	0.5	12
	Thailand	0.9	40%	1	0.1	2
LatAm:	Brazil	n/a	n/a	1 ⁴	0.8	5
	Mexico	0.6	22%	3	0.2	3
	Argentina	0.4	25%	2	0.2	2
Other:	Africa ⁵ /Middle East	2.2	29%	1	0.9	26
	Poland	1.0	34%	1	0.1	1
	Russia	1.8	23%	1	0.3	2

¹ Source RECMA 2011 overall billings as issued July 2012

² Year to 31 December 2012 including associates, people at 31 December 2012

³ China, Hong Kong and Taiwan

⁴ WPP estimate

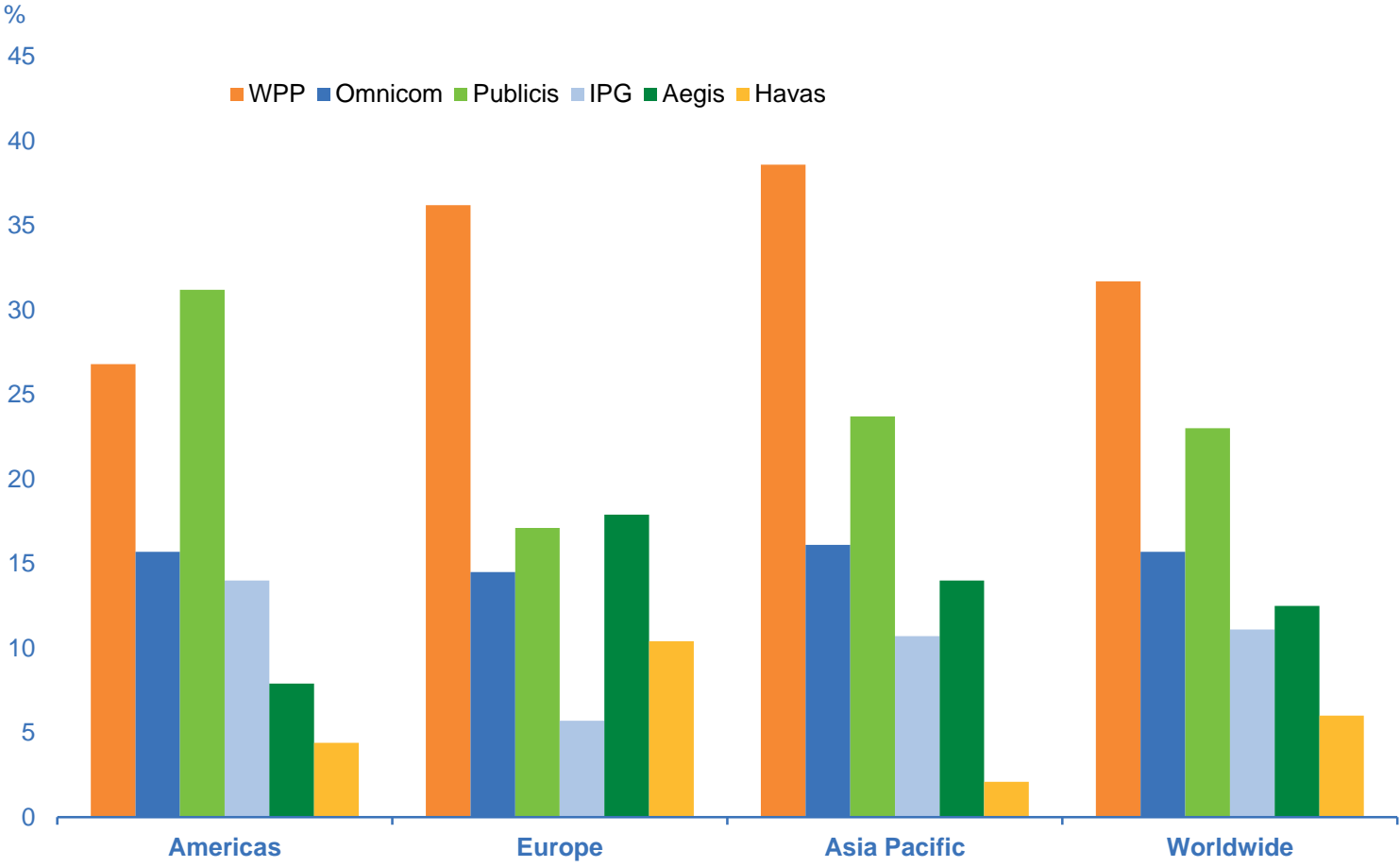
⁵ Africa is South Africa only



New Markets

Media Billings by Geography

Worldwide Ranking by Group as % of the Six Groups



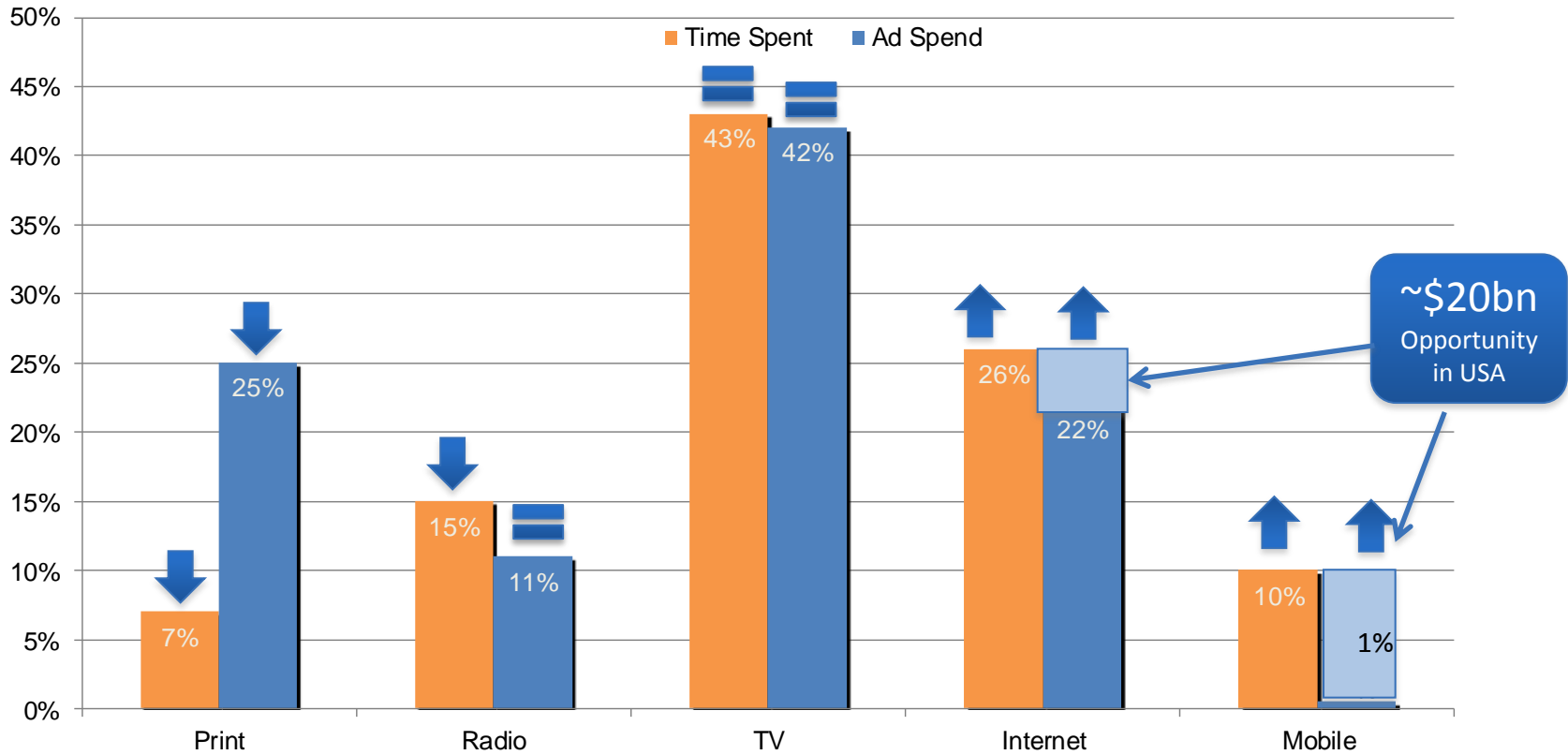
Source: RECMA July 2012 billings report, based on 2011 data



New Media

Media time spent vs. ad spend not aligned
Internet / Mobile (upside...) vs. Print (downside...)

% of Time Spent in Media vs. % of Advertising Spending, USA 2011



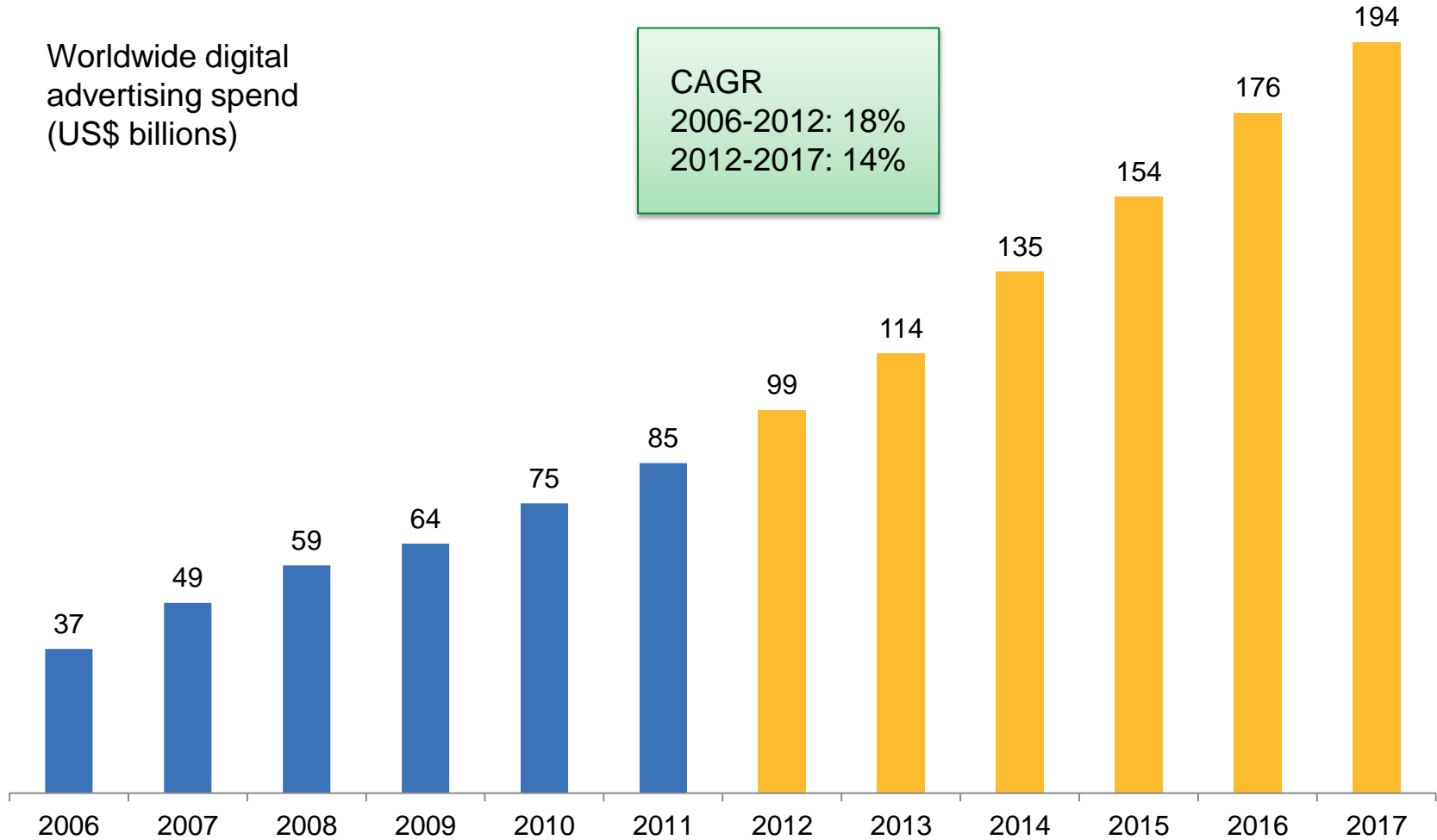
New Media

Little Slowdown Predicted in Growth of Digital Advertising Expenditure



Worldwide digital advertising spend (US\$ billions)

CAGR
2006-2012: 18%
2012-2017: 14%



Source: GroupM December 2012

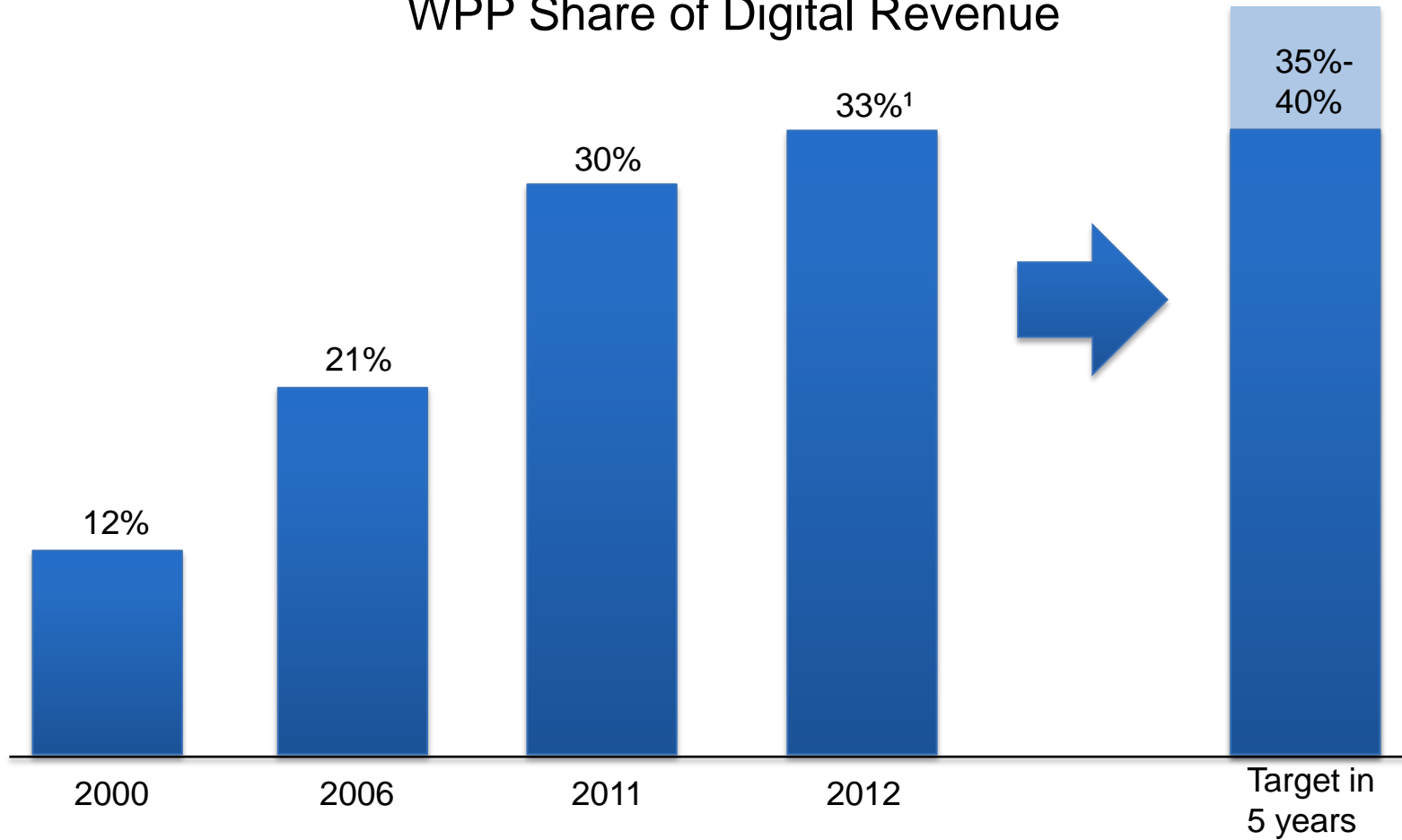
WPP

New Media

Revenue Share Continues to Increase



WPP Share of Digital Revenue



¹ Including AKQA Pro Forma

New Media

WPP's Digital Strategy



1. Digital Everywhere

- Invest in digital in all of our businesses through training, recruitment, acquisitions, etc.

2. Specialist Digital Expertise

- Develop new services beyond traditional advertising, e.g, web development, DSPs, mobile, social, eCommerce and eShopper, etc.

3. Data and Technology

- Establish a proprietary technology platform – based on own and licensed technologies.
- Invest in ability to control and use data for WPP and client benefit.

4. Partner with digital leaders

- Build strong partnerships with leaders such as Microsoft, Google, Facebook, Apple, Twitter.



New Media

Proprietary Digital Technology Platform – WPP Advantage



- WPP's proprietary platform integrates 24/7 Media's core technology with best of breed partner technologies to create unique digital marketing platform that provides a competitive advantage to WPP advertising clients.
- Opportunities for enhanced collaboration with clients by leveraging data and technology.
- Peers reliance on Google's technology enables Google's disintermediation strategy; all data and technology strategies must pass through competitor's platform.





New Media

Two Major Global Networks – Supported by Strong Specialist Offer
WPP Advantage

		Revenue \$'m	People
wunderman ^(F)	1	1,000	6,500
OgilvyOne ^(F) worldwide	1	950	6,500
24/7 MEDIA groupm SEARCH X AXIS	1,2	350	1,000
G2	1	300	2,000
AKQA ^(F)	1	200	1,000
POSSIBLE	1	150	1,000
VML ^(F)	1	150	1,000

(F) Forrester Digital Leader
Publicis Groupe Digitas/LBi \$820m of revenue and 5,000 people



¹ In WPP Direct, Digital and Interactive Networks
² In GroupM Digital

New Media

Dominant position in BRIC Markets
WPP Advantage

Russia



Revenue \$60m
People ~ 600

GRAPE
PART OF POSSIBLE

actis®

wunderman

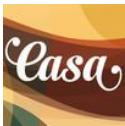
G2

OgilvyOne
worldwide

Brazil

Revenue \$200m
People ~ 1,400

wunderman fbiz



G2

VML

OgilvyOne
worldwide

POSSIBLE

India

Revenue \$50m
People ~ 1,200

wunderman



OgilvyOne
worldwide

G2

China

Revenue \$200m
People ~ 2,500

wunderman

OgilvyOne
worldwide

G2

AGENDA

AKQA



POSSIBLE



WPP

New Media

XAXIS – WPP Advantage



- Billings of c. **\$270 million**.
- **200** employees in **19** markets.
- **Over 318 billion** impressions annually.
- **1,000+** clients.
- **5,000+** campaigns since inception.
- **30%** revenue growth year over year.
- **5** channels: display, video, mobile, social, radio.
- **1** technology platform, **50** integrated partnerships.
- **1 Vision:** Be the No. **1** Global Audience Buying Company.

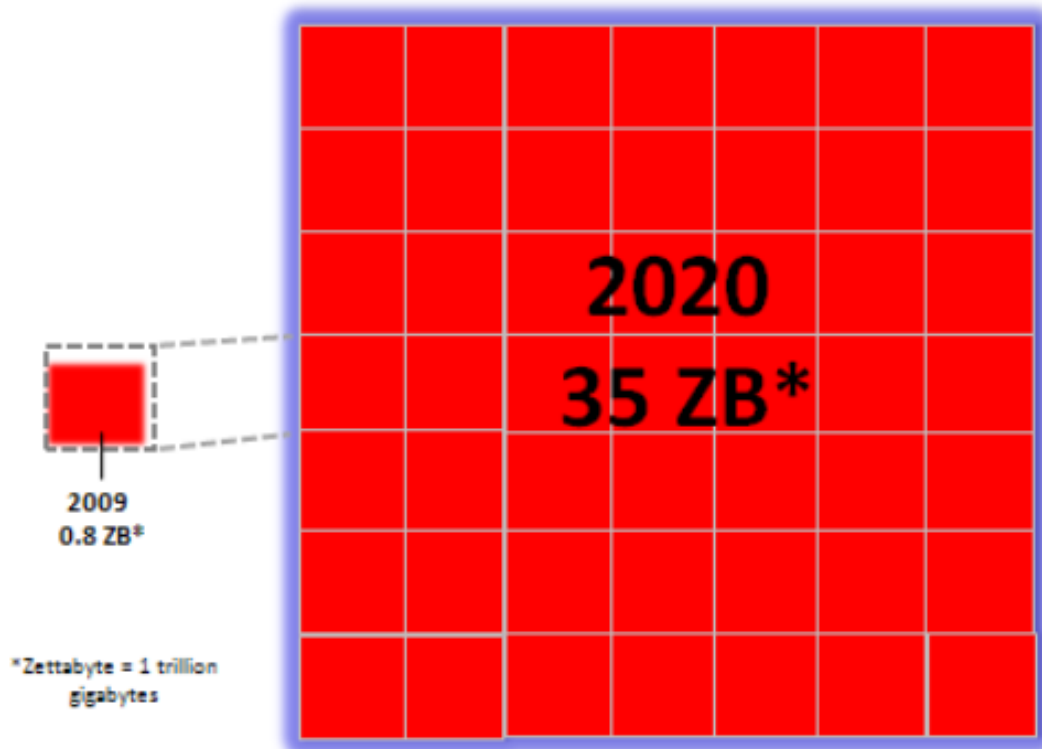


Consumer Insight and Quantitative Disciplines

The Data Explosion



Figure 1: The Digital Universe 2009 – 2020
Growing by a Factor of 44



Source: IDC Digital Universe Study, sponsored by EMC, May 2010



Consumer Insight 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 assets in research, audience measurement, data management and digital media.



Horizontality

165,000 people in 3,000 offices in 110 countries¹



WPP



¹ Including associates

WPP

Horizontality

30+ Account Teams – Over 35,000 WPP employees work on these clients



Horizontality

Current Country 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 (eg 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 - Bank of America, IHG, Team Chemistry (J&J), MillerCoors, News Corp. and Team Pfizer.

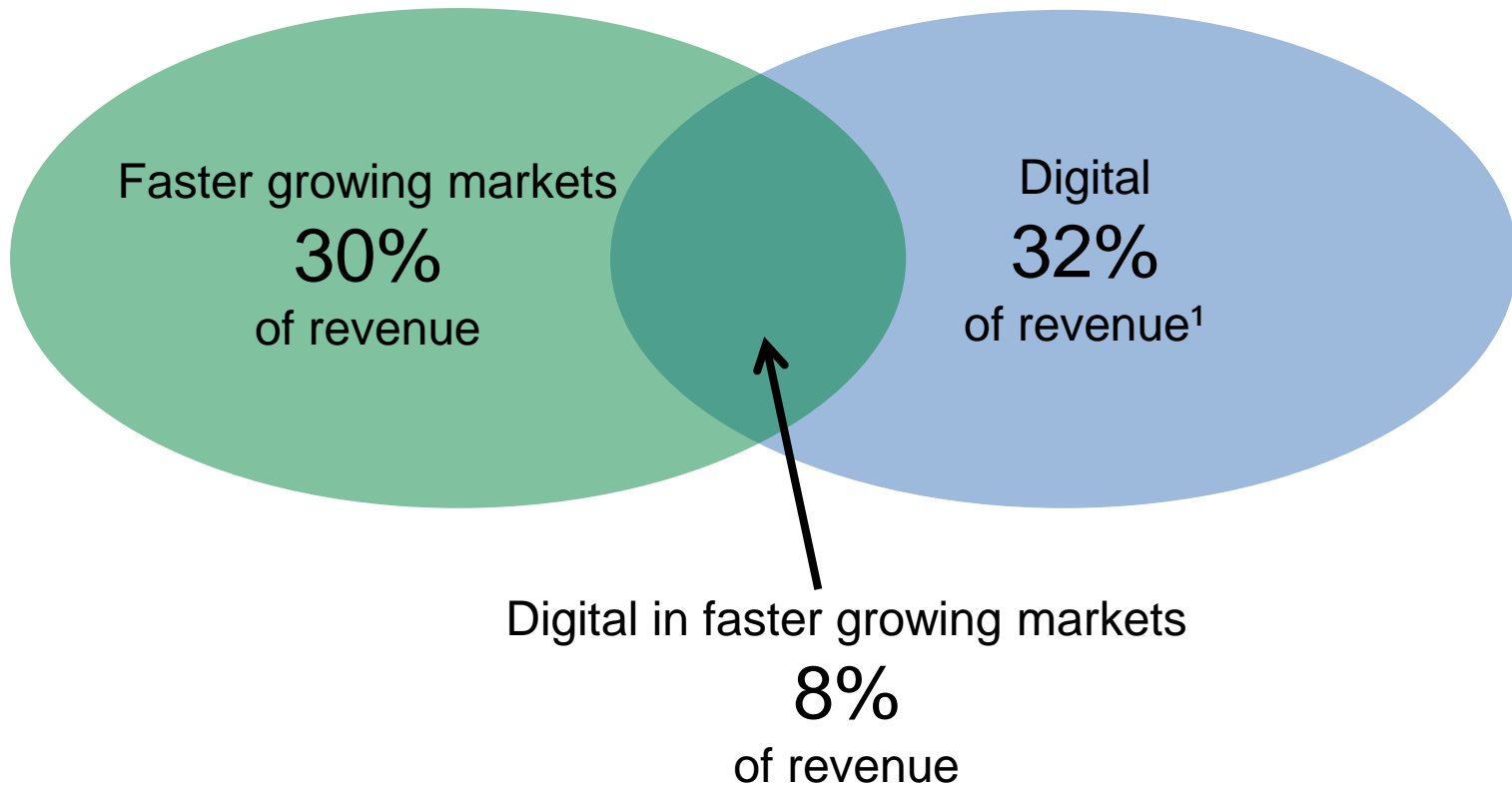


Digital and Faster Growing Markets

Two Key Long-Term Growth Drivers



- Overall 54% of 2012 FY Actual Revenues



¹ 33% including AKQA with minimal impact on overlap implying 55% combined



3 Key Objectives



Key Objectives

We Continue to Focus on Our Key Objectives

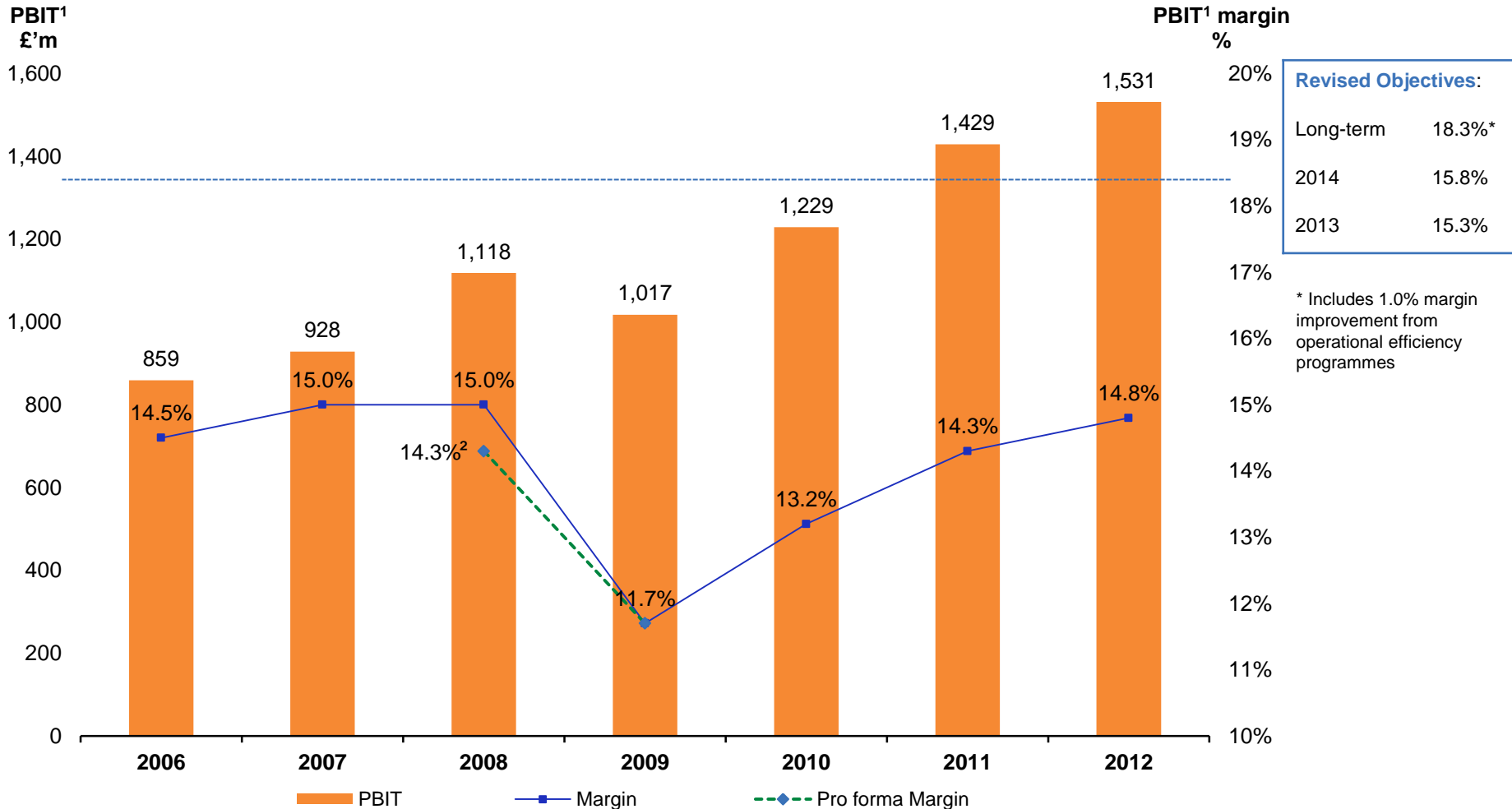


- Improving operating margins.
- Increasing flexibility in the cost base.
- Using free cash flow to enhance share owner value and improve return on capital employed.
- Developing the role of the parent company.
- Emphasising revenue growth more as margins improve.
- Improving the creative capabilities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



Key Objectives

Improving Operating Margins



¹ Figures before goodwill and intangibles charges, gain on sale of New York property, restructuring charges, costs of changes in corporate structure, investment gains/losses, share of exceptional gains/losses of associates and revaluation of financial instruments

² 2008 pro forma margin of 14.3% includes full year of TNS



Key Objectives

Improving Operating Margins

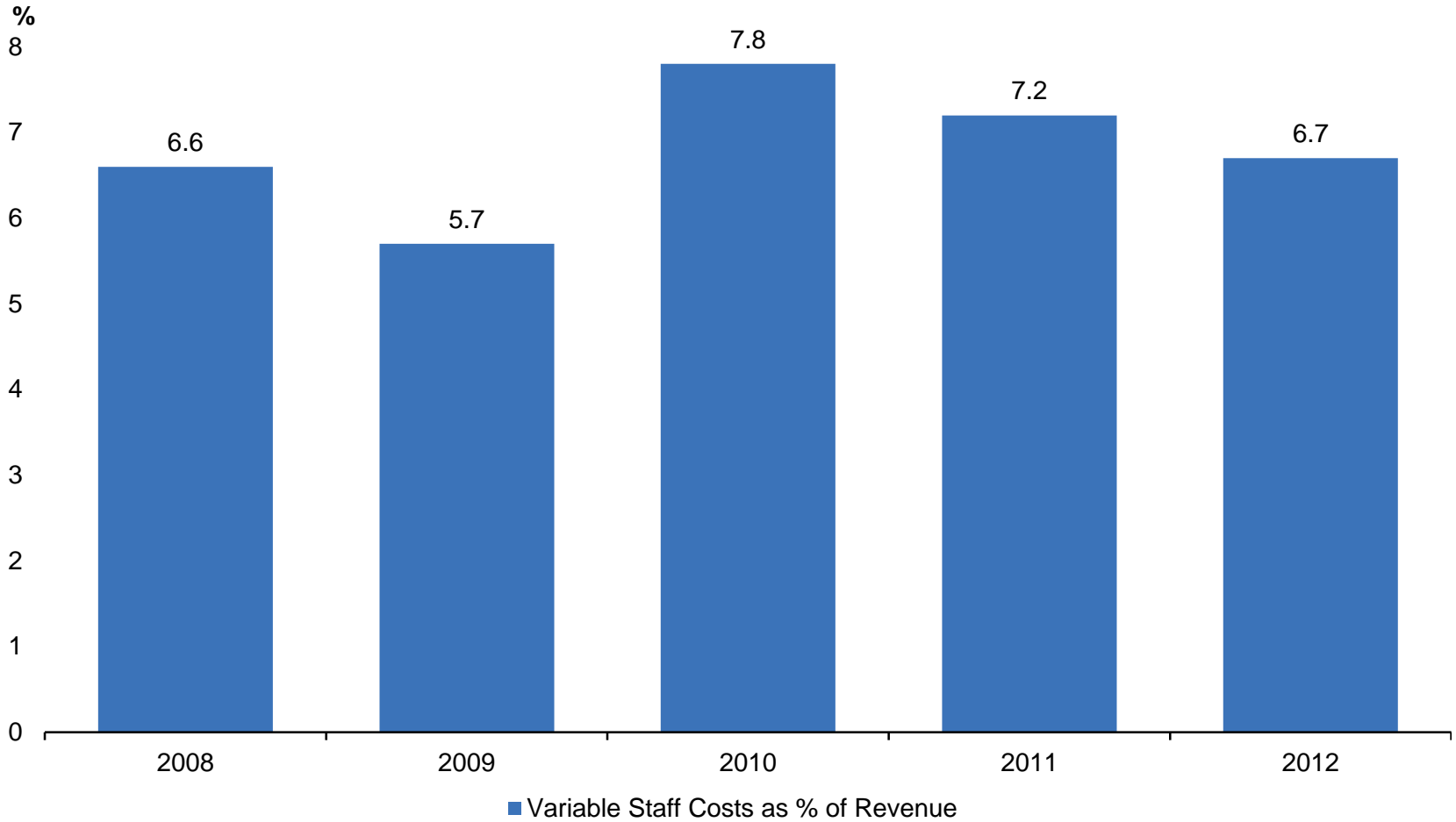
Operational Effectiveness Programmes

- Shared Service Centres to generate scale and improve process efficiency.
- Offshoring 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 in excess of 1.0 margin point from existing Finance and IT cost base of ca 8% of revenue.
- We are at an early stage of implementation - these programmes take 3-5 years to deliver full benefit.



Key Objectives

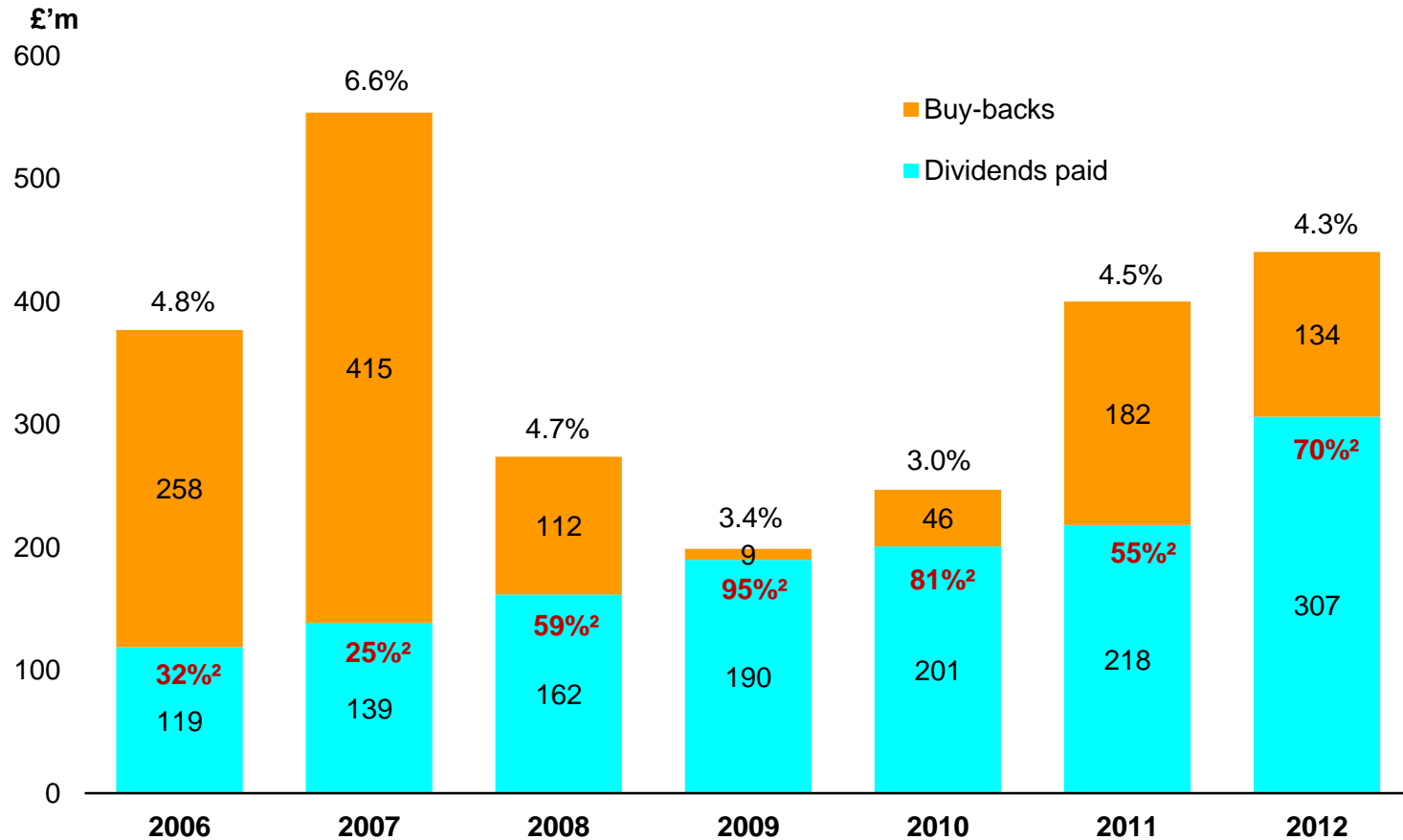
Increasing Flexibility in The Cost Base
Change in Variable Costs





Key Objectives

Using Free Cash Flow to Enhance Share Owner Value
Distributions to Share Owners¹

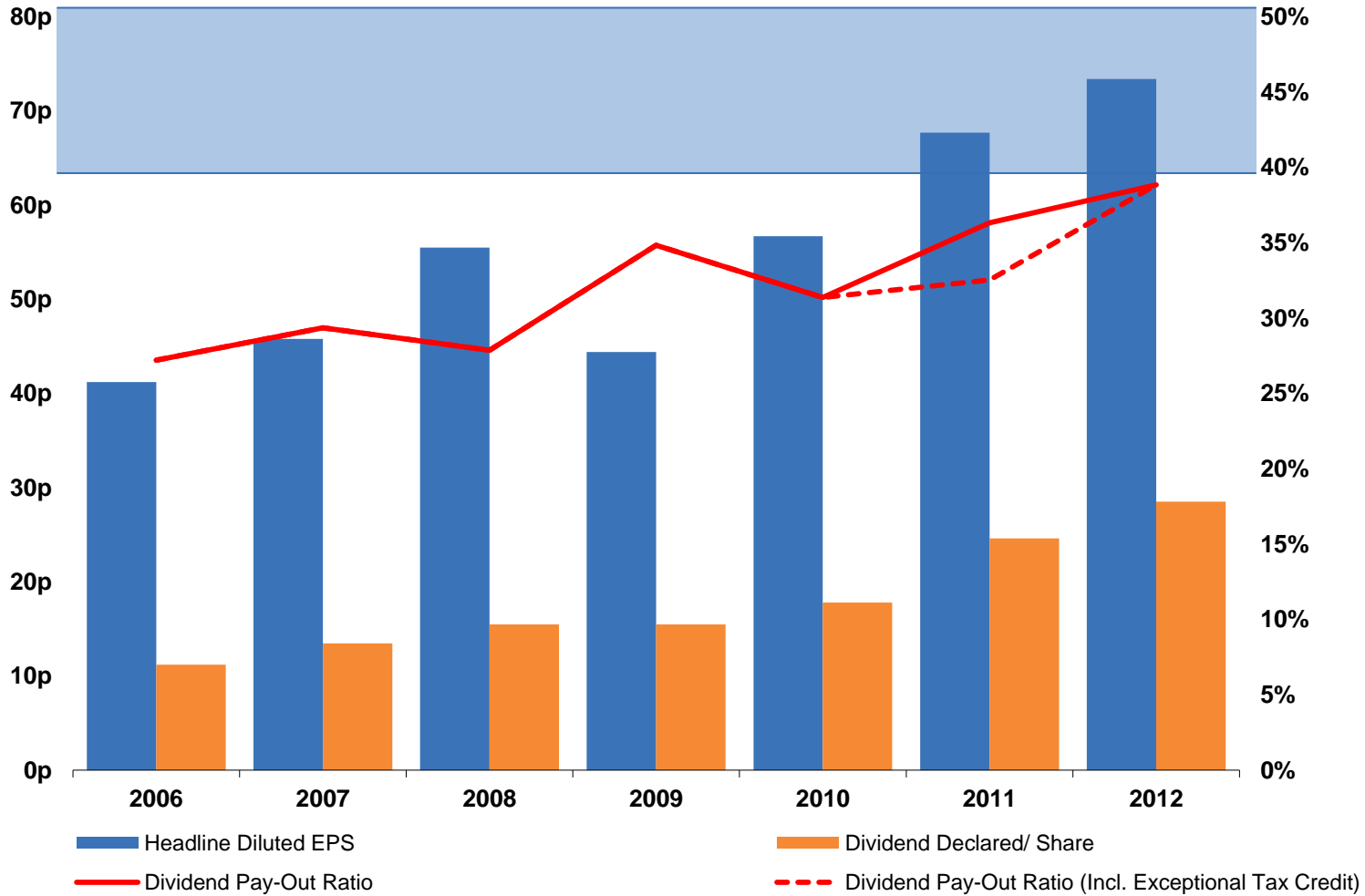


¹ Sum of share buy-backs and dividends paid divided by average shares in issue for the relevant period, as a % of the average share price for the relevant period

² Dividends paid as a proportion of total distributions to share owners

Key Objectives

Using Free Cash Flow to Enhance Dividend Pay-out Ratio



Key Objectives

Using Free Cash Flow for Acquisitions



- Significant pipeline of reasonably priced small and medium-sized potential acquisitions.
- Continue to focus on the faster growing geographical areas and marketing services, particularly direct, digital & interactive and consumer insight.
- During 2012, 65 small and medium-sized acquisitions completed in executing this strategy.
- Acquisitions in advertising used to address specific client or local agency needs.
- We continue to find opportunities at earnings enhancing multiples, particularly outside the USA, except Brazil and India, where pricing is off the charts.



Key Objectives

Acquisitions and Investments During 2012



Faster Growing Markets

Quantitative & Digital

ARTM (CHINA)
 GIIR (S Korea)¹
 IDEA (Jordan)
 Istropolitana (Slovakia)
 Manajans/JWT (Turkey)¹
 PBN (Russia)¹
 Today (Myanmar)
 Union Media (Israel)

41?29! Media (Turkey)
 Acceleration (S Africa, UK, USA)
 ASTUS (HONG KONG)
 Barrows (S Africa)
 Cadem (Chile)
 Carnation (Hungary)
 CBC (China)^{1,2}
 CIC Data (China)
 Converge (Pakistan)
 CROSSMEDIA (MEXICO)
 FILMWORKS (CHINA)
 Foster (Brazil)
 GME (Dubai)
 Grape (Russia)
 Hungama (India)
 Oasis Insights (Pakistan)
 PT Magnivate (Indonesia)
 Qais (Singapore)
 Smollan (S Africa)¹
 Wisereach (China)

Ace Metrix (USA)^{1,2}
 ADGOOROO (USA)
 Affectiva (USA)^{1,2}
 Activeark Oy (Finland)
 AKQA (WORLDWIDE)
 BIENALTO (AUSTRALIA)
 Corda (USA)²
 Core (Sweden)¹
 DTDigital (Australia)
 Enprecis (USA)²
 EffectiveUI (USA)
 EYE (AUSTRALIA)
 First Loom (USA)
 Fortune Cookie (UK)
 Frey G2 (Germany)¹
 Hogarth (UK)¹
 IMAGINA (SPAIN)^{1,2}
 KKLD* (Germany)
 K102 (GERMANY)
 MySupermarket.com (UK)¹
 Predictys (France)
 Press Index SA (France)
 Raine (USA)^{1,2}
 Video Egg (USA)^{1,2}
 VIDEOLOGY (USA)²
 Visible Technologies (USA)¹
 ZEG (Germany)¹



¹ Step-ups in investments, associates and subsidiaries' equity

² Investment

CAPITALS ARE Q4 ACQUISITIONS



Key Objectives

Other Acquisitions During 2012

Advertising

Colmar Brunton (New Zealand)¹

Siboney (USA)

Ubachs Wisbrun (Netherlands)¹

Public Relations & Public Affairs

ABC (DENMARK) ¹

ASCENTUM (CANADA)

CrowdVerb (USA)

First Movies (UK)

I&E (FRANCE)

Ogilvy Impact (Australia)¹

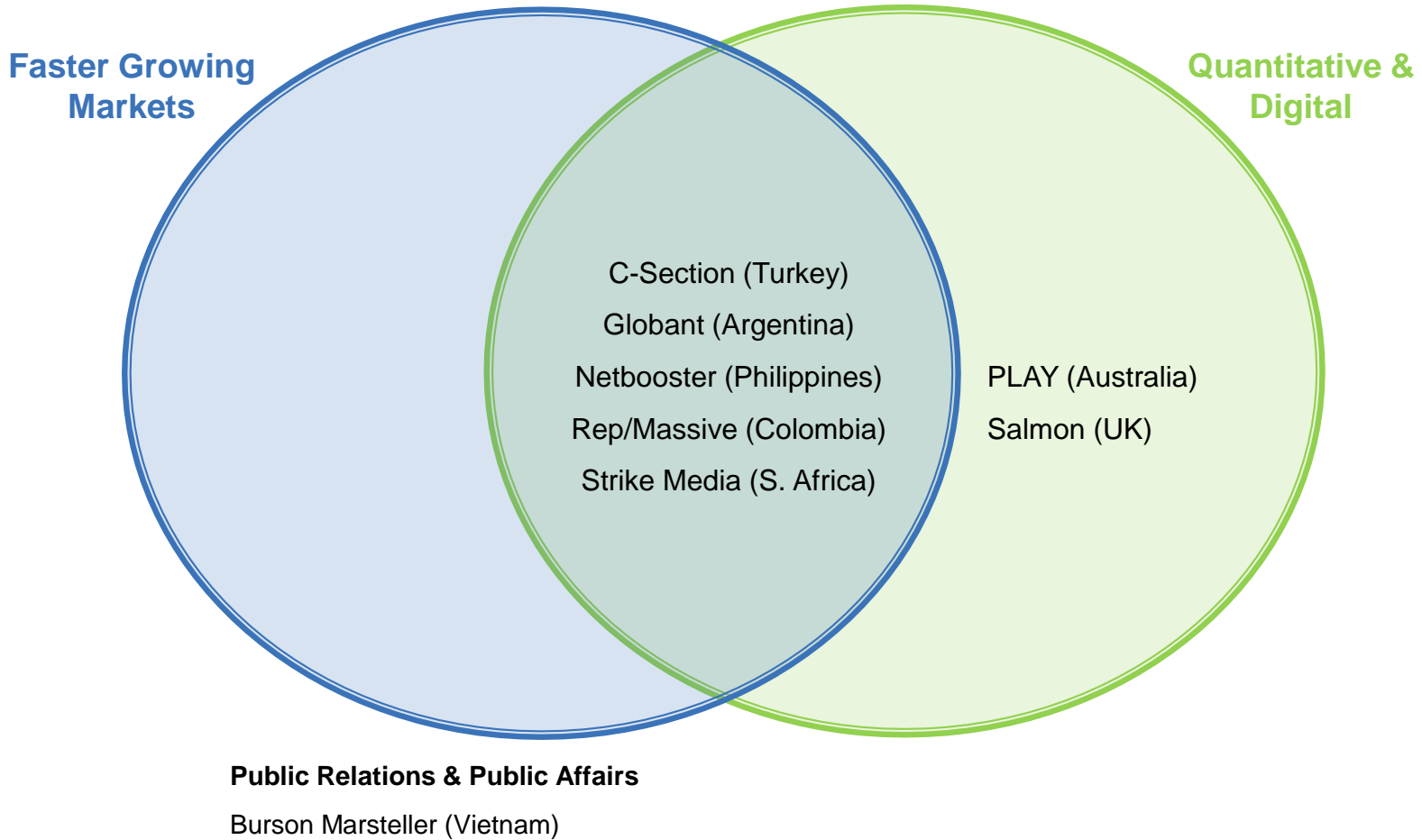
Pohjoisranta (Finland)



¹ Step-ups in investments, associates and subsidiaries' equity
CAPITALS ARE Q4 ACQUISITIONS

Key Objectives

Acquisitions and Investments Since 1 January 2013





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.
- 1st as a Group at Cannes. Awarded Holding Company of the Year 2012 and 2011.

Cannes Awards 2012	Points
WPP	1,555
OMC	1,376
Publicis	1,032



Key Objectives

Improving the Creative Reputation of all our Businesses



	Network	Points ¹
1	Ogilvy & Mather	564
2	BBDO	539
3	DDB	516
4	Y&R	408
5	Leo Burnett	340
6	JWT	297
7	Publicis	277
8	Saatchi & Saatchi	249
9	TBWA	226
10	Wieden & Kennedy	220
11	DraftFCB	173
12	Grey	163

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



¹ WPP calculation based on official Cannes data



4 Conclusions



Conclusions

2012 Summary



- Solid like-for-like revenue growth of 2.9% in a difficult environment.
- Over 75% of absolute growth from Asia, Latin America, Africa & Middle East, and Central & Eastern Europe underlines importance of group strategic focus.
- Group margin up 0.5 margin points to 14.8%, a new pro forma high.
- Strong cash flow enabled investment in acquisitions which contributed 2.9% to revenue (2011: 3.0%).
- Fully diluted EPS up 8.6% and dividends per share up 16% to 28.51p.
- Exceptional gain of £102m from sale of stake in Buddy Media and New York property.
- Restructuring charge of £93m to reshape the business to manage the structural issues in traditional businesses primarily in Western Europe and to cover the impact of decision to accelerate the move to centralise IT infrastructure.



Conclusions

Outlook



- Group budgets indicate 3% revenue growth for 2013 with continued strong growth in faster growing markets and slower growth in mature markets and functionally faster growth in media investment management and digital.
- January 2013 like-for-like growth over 2% - in line with Q4.
- Business well positioned with headcount held flat over 2012 and steps taken in Q4 to address more difficult structural issues.
- Pre-bonus margin improvement has to be balanced by rebuilding bonus pools – 2013 margin target is for 0.5 margin point improvement in line with long term strategy.
- We will use our substantial cash flow to enhance earnings through small and medium sized acquisitions (estimated at £300m to £400m), dividend increases and share buy-backs.
- Our goal is to deliver our financial model target of 10% to 15% EPS growth through organic revenue growth up to 5%, margin improvement of 0.5 margin points or more and use of our cash flow.

Conclusions



- 2012 results demonstrate the Group is well placed to benefit from geographic and functional trends as mature markets show continued slow growth.
- Our investments in digital tools and infrastructure enable the Group to optimise client campaigns and build advantage and differentiation (eg Xaxis).
- We are strong believers in the relevance of the application of technology and big data for clients.
- The Group is well placed to meet its goals for 2013. The business is well placed strategically in new markets, new media and consumer insight, having taken steps to deal with the tough environment in mature markets.





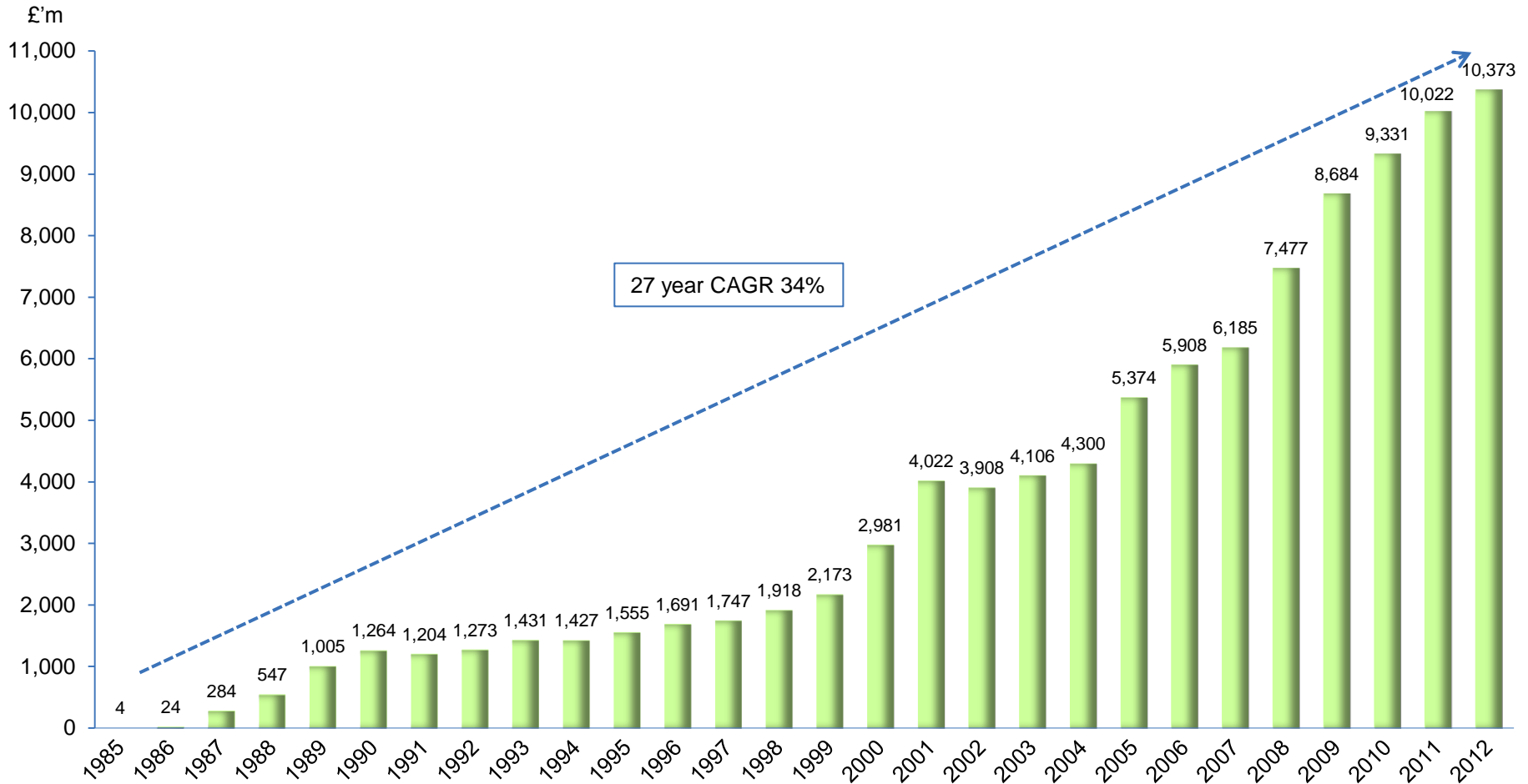
5 27 Year History

(Hard Copy Only)



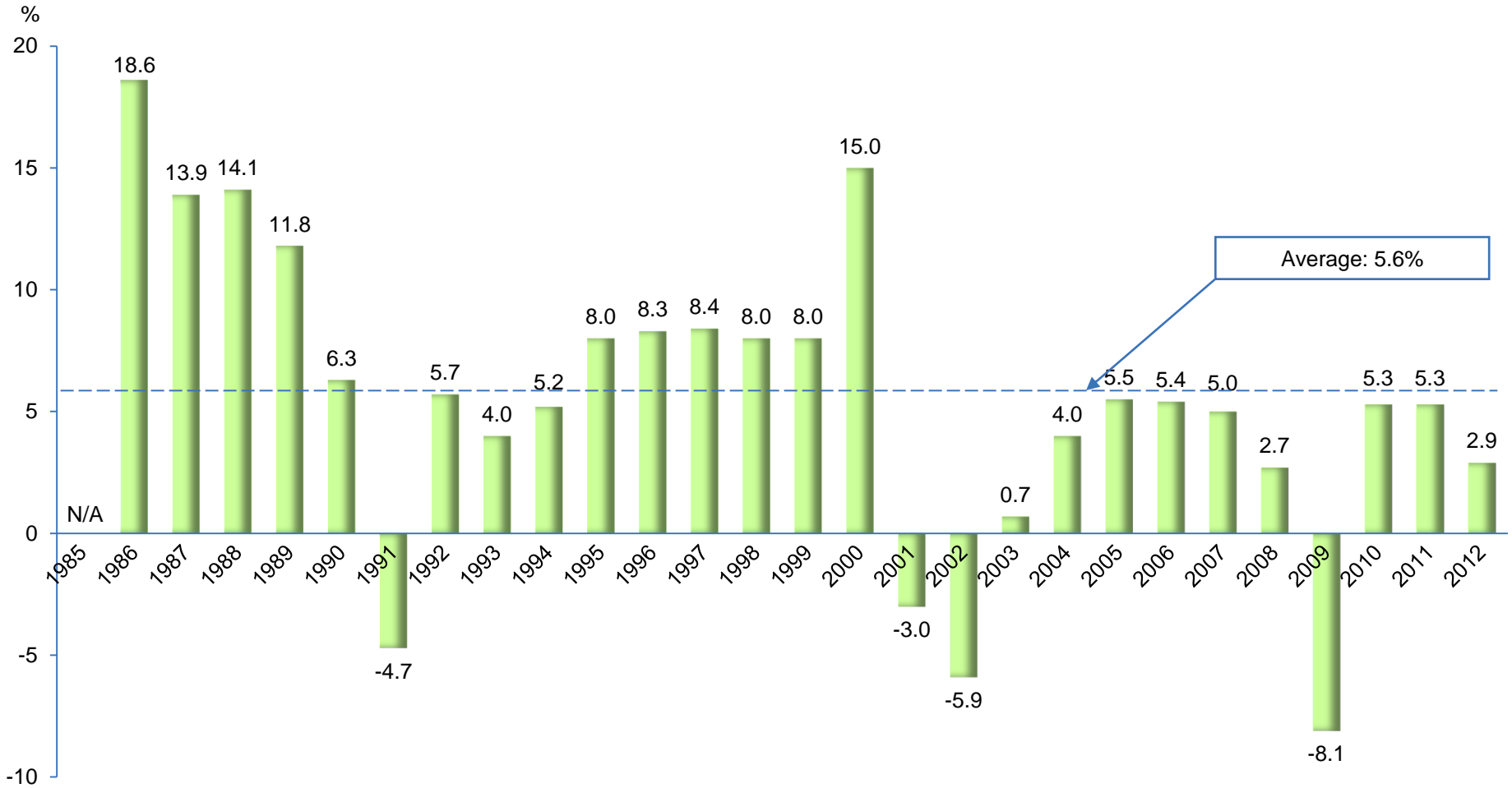
27 Year History

WPP Reported Revenue



27 Year History

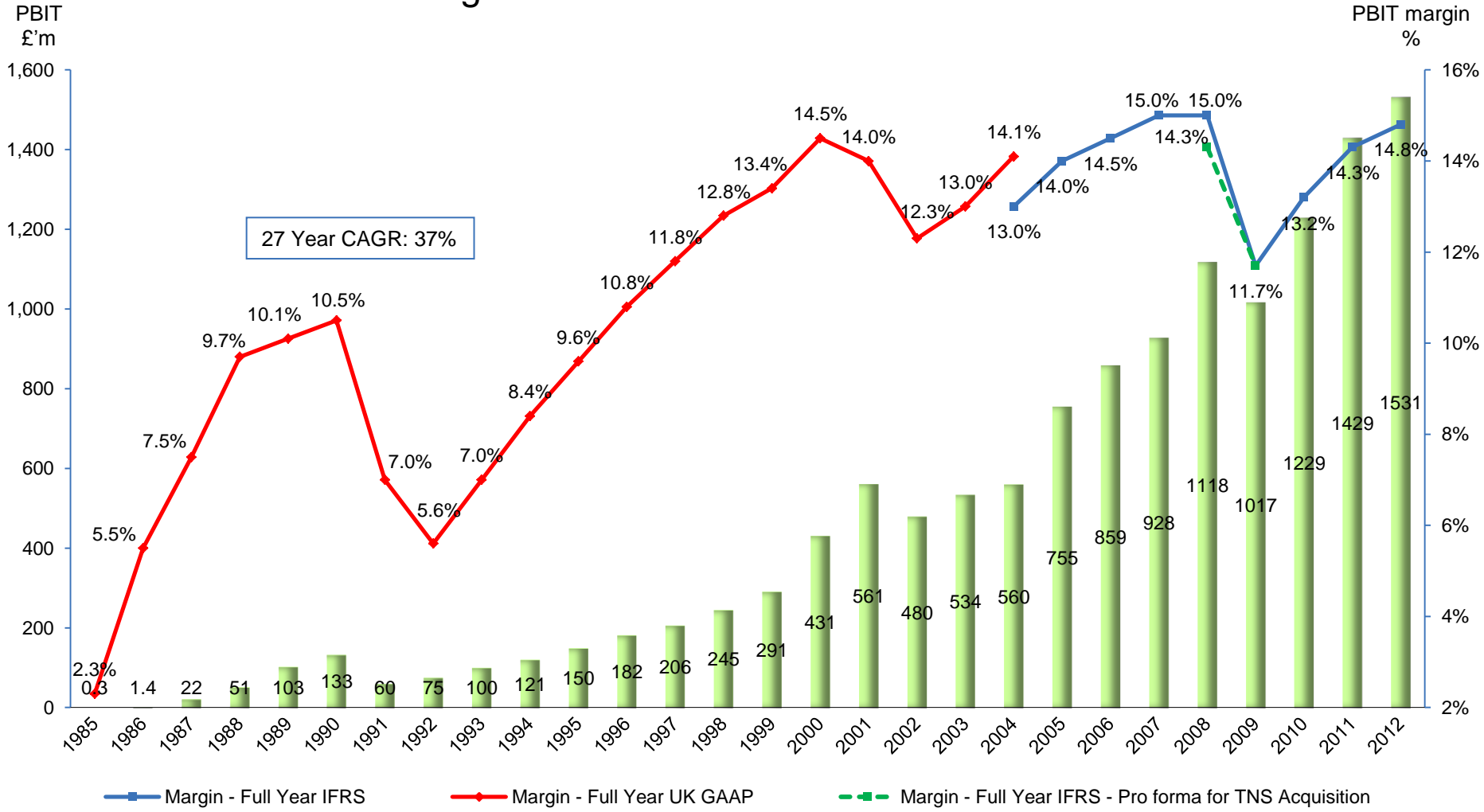
WPP Organic Growth



Note: Estimates for 1985-1990

27 Year History

WPP PBIT and Margins

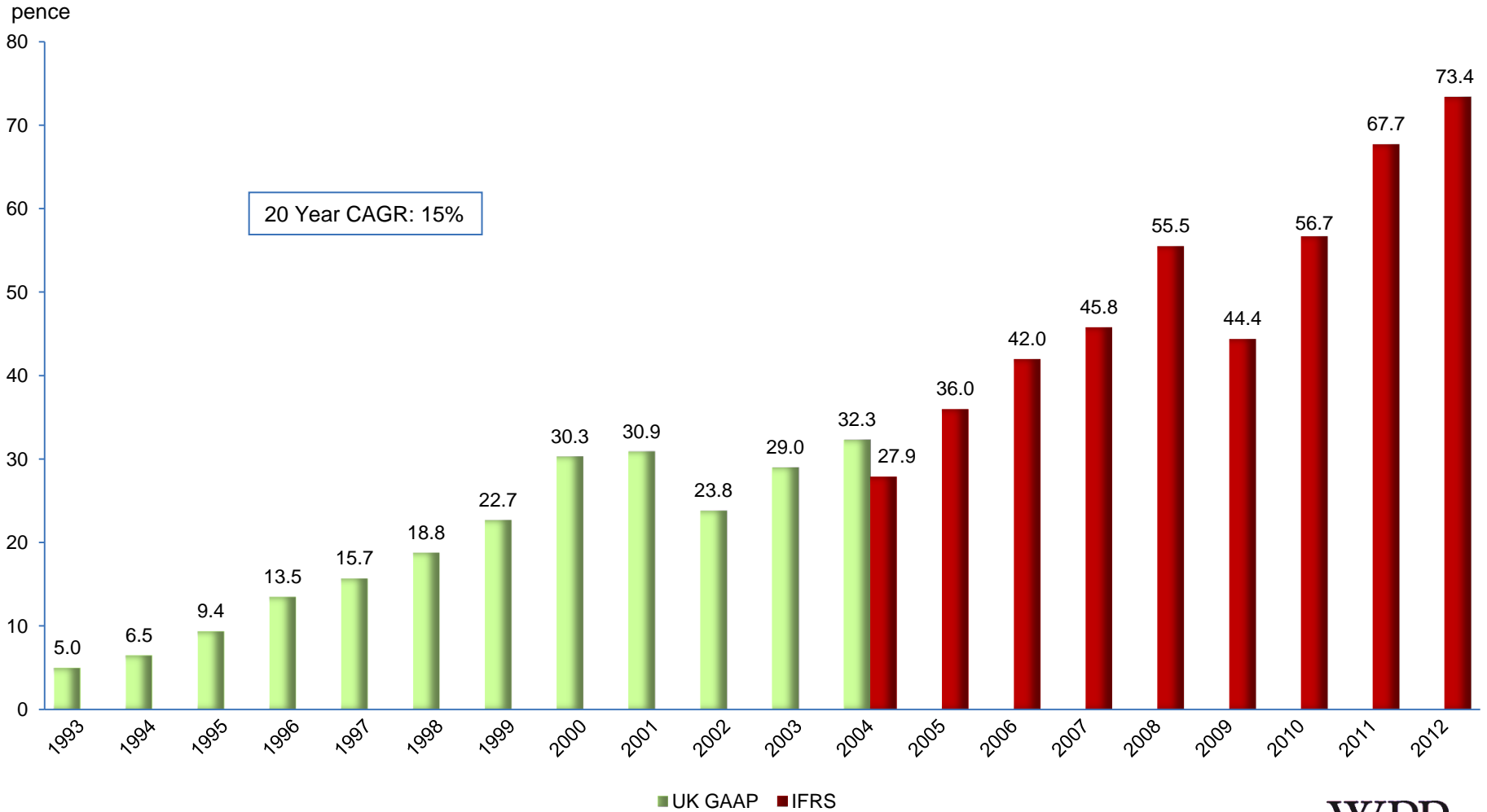


Note: Headline PBIT includes associates and excludes goodwill and intangible charges, gain on sale of New York property, restructuring charges, costs of changes in corporate structure, investment gains/losses, and share of exceptional gains/losses of associates. For 2004 onwards, headline PBIT has been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



History

WPP Headline Diluted EPS Post 1992 Rights Issue



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



6 Other Financial Information

(Hard Copy only)





Results for 2012

Net Finance Costs

£m	2012	2011	B/(W)
Interest on net debt	193	179	(14)
Investment income	(1)	(1)	-
IAS 19 (Pensions)	13	13	-
IAS 32 (Convertibles)	9	9	-
Sub-total	21	21	-
Headline finance costs	214	200	(14)
IAS 39 (Financial Instruments)	5	50	45
Net finance costs	219	250	31



Results for 2012

Pensions Deficit

£m	2012	2011
Deficit B/F	(282)	(242)
Service cost	(24)	(24)
Deficit interest charge	(41)	(44)
Funding	56	67
Investment returns	70	27
Change in valuation assumptions ¹	(124)	(66)
Other movements	(2)	(1)
Movements in the year excluding FX	(65)	(41)
Foreign exchange impact	11	1
Deficit C/F	(336)	(282)

¹ Primarily from lower discount rates



Results for 2012

Earnout Accrual

2012 Rollforward	£m
31 December 2011	234
Earnouts paid	(86)
New acquisitions	61
Revised estimates taken to goodwill	9
Revaluations of payments	(15)
Increase excluding FX	203
Foreign exchange impact	(9)
31 December 2012	194

Expected Payments	£m
2012	33
2013	36
2014	29
2015	30
2016	64
2017+	2
Total	194



Results for 2012

Debt Maturity Profile £m

As at 31 December 2012	Total Credit	Total Drawn	2013	2014	2015	2016	2017	2018+
US bond \$300m (5.125% '42)	185	185						185
US bond \$500m (3.625% '22)	308	308						308
US bond \$812m (4.75% '21)	500	500						500
£ bonds £200m (6.375% '20)	200	200						200
£ bonds £400m (6% '17)	400	400					400	
Eurobonds €750m (6.625% '16)	610	610				610		
Eurobonds €500m (5.25% '15)	406	406			406			
£ convertible £450m (5.75% '14)	450	450		450				
US bond \$600m (8% '14)	369	369		369				
US bond \$369m (5.875% '14)	227	227		227				
Eurobonds €600m (4.375% '13)	488	488	488					
TNS notes retained ¹ \$25m	15	15		15				
Bond Debt	4,158	4,158	488	1,061	406	610	400	1,193
Bank revolver ¹ (\$1,050m and £375m)	1,021	-						
Net cash, overdrafts and other adjustments	-	(1,337)						
Total Borrowing Capacity/Net debt	5,179	2,821	Available liquidity £2,358m					

¹ These instruments are subject to financial covenants



Results for 2012

Ordinary Shares - Basic

	December 2012 Actual	December 2011 Actual	
No. of Shares (million)			
1 January	1,266	1,264	
Share cancellations	(7)	(7)	
Option exercise	10	6	
Scrip dividend	2	3	
Treasury share cancellations	(6)	-	
31 December	1,265	1,266	(0.1%)
Weighted Average	1,268	1,267	
ESOP, Treasury & Other	(25)	(24)	
Average Basic	1,243	1,243	-



Results for 2012

Ordinary Shares – Diluted

	December 2012 Actual	December 2011 Actual	
No. of Shares (million)			
Average Basic	1,243	1,243	
Share Option Dilution	5	4	
Other Potentially Issuable Shares	28	18	
Sub-Total	1,276	1,265	0.9%
Convertibles: £450m 5.75% bond	77	77	
Diluted Shares	1,353	1,342	0.8%





Key Priorities, Objectives and Strategy

Using Free Cash Flow to Enhance Share Owner Value

Dividends and Share Repurchases

2012 final dividend increased by 15% to 19.71p per share (2011 – 17.14p).

Distributions to share owners:

		Share Repurchases	
	Dividends Paid	Amount	% of Share Base
2004	£81.7m	£88.7m	1.4%
2005	£100.2m	£152.3m	2.1%
2006	£118.9m	£257.7m	3.1%
2007	£138.9m	£415.4m	4.7% ¹
2008	£161.8m	£112.2m	1.6%
2009	£189.8m	£9.5m	0.2%
2010	£200.4m	£46.4m	0.5%
2011	£218.4m	£182.2m	2.1% ²
2012	£306.6m	£134.5m	1.3% ³

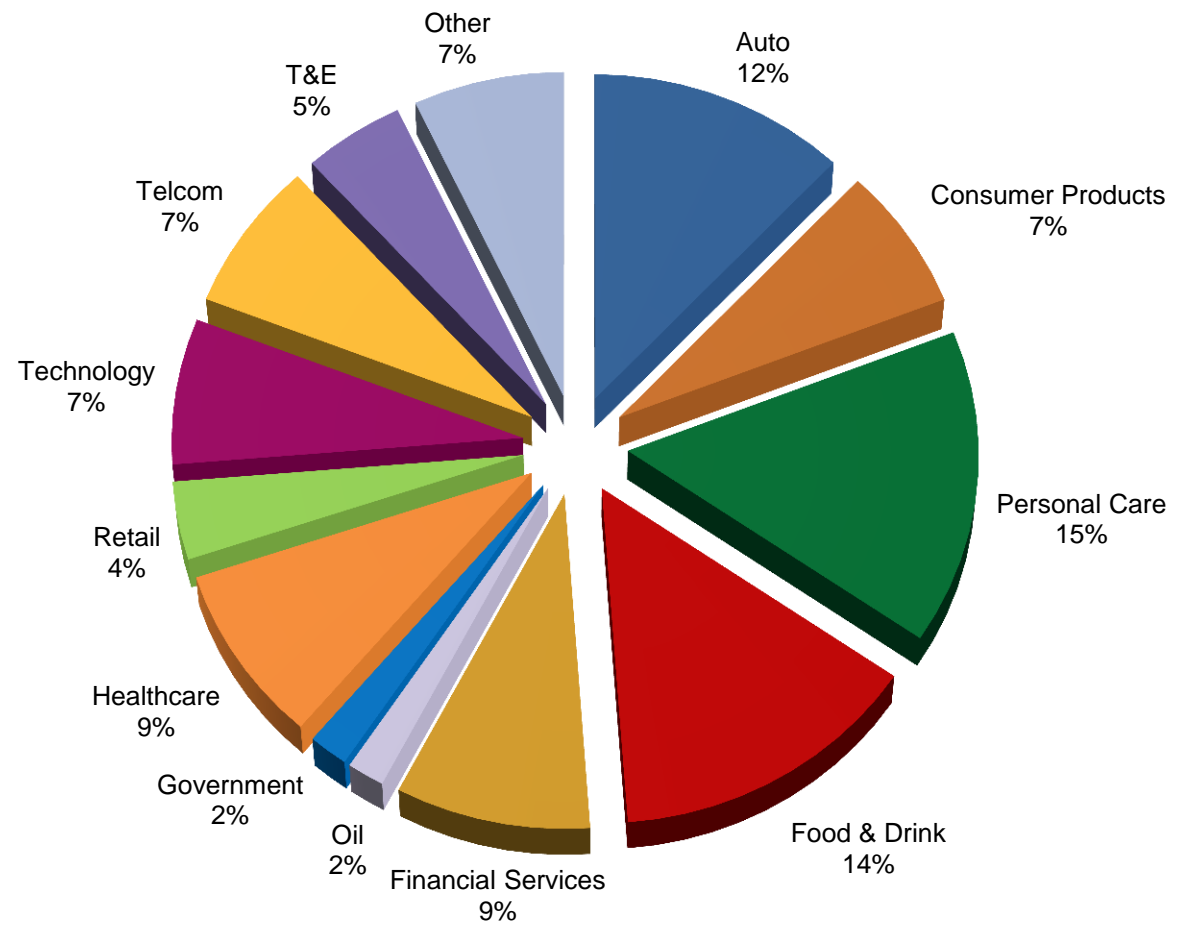
¹ Of which 4.6% relates to share cancellations

² Of which 0.6% relates to share cancellations

³ Of which 0.5% relates to share cancellations

Results for 2012

Revenue by Industry



Charts represent 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 2012.



Key Priorities, Objectives and Strategy

WPP Clear No. 1 in Brazil¹

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

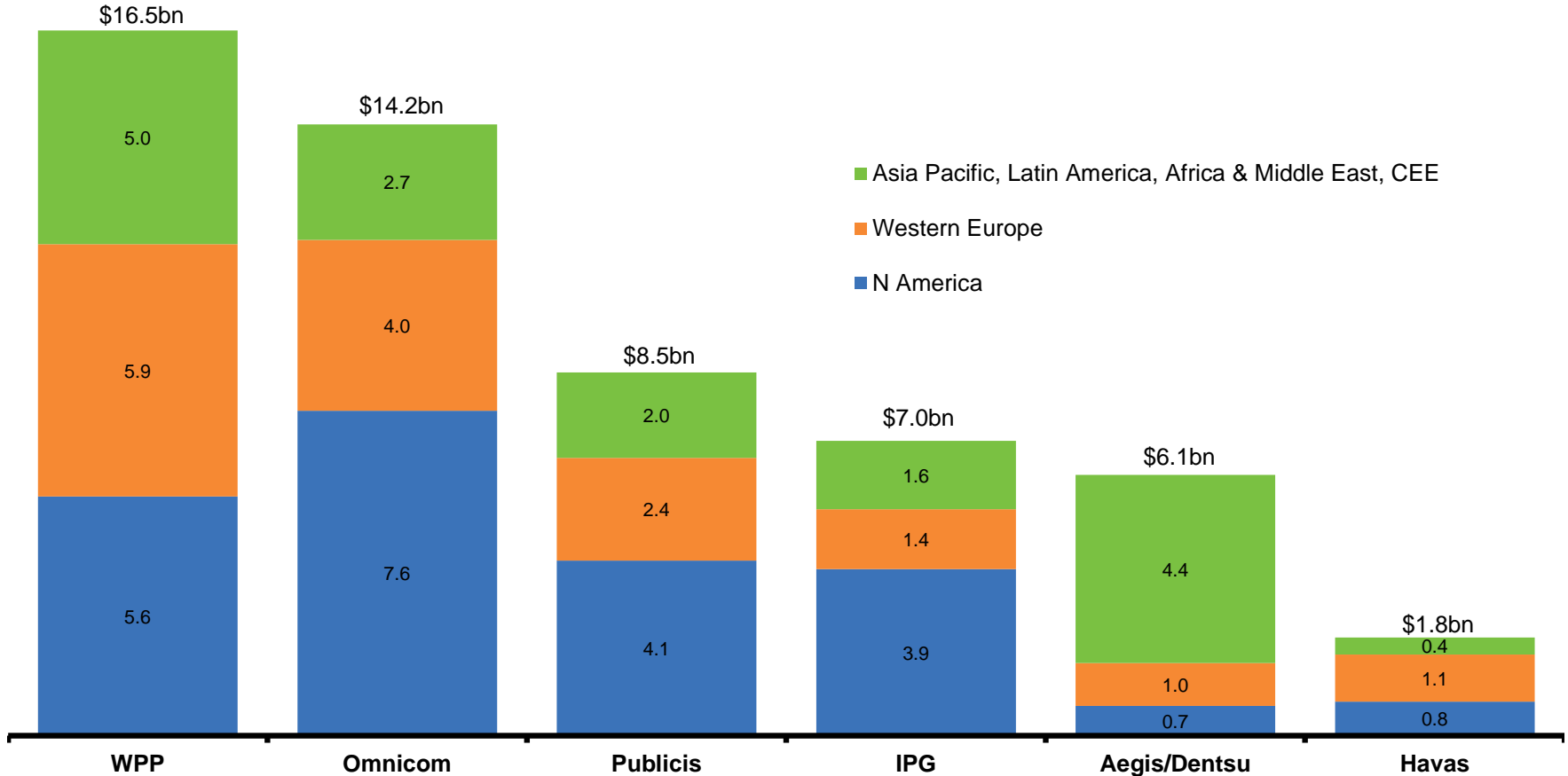
Agency	R\$'bn	Rank
Y&R	6.9	1
Ogilvy/Grey141	4.3	2
Almap/BBDO	3.3	3
W/McCann	2.8	4
JWT	2.3	5
BorghiEhr/Lowe	2.3	6
Giovanni/FCB Draft	2.2	7
DDB/DM9	2.1	8
Africa	2.0	9
Publicis	1.9	10
Total Top 10 Agencies	27.3	



¹ Source of data “IBOPE Monitor” survey of 2012 media spend issued February 2013

Key Priorities, Objectives and Strategy

2012 Revenue by Geography



¹ Source: WPP – reportable US \$'s per WPP preliminary results. Omnicom, IPG, Publicis and Havas - company presentations for 2012 with CEE estimated at 3%.

² FX. Havas and Publicis assumes \$1=€0.79 based on the average for 2012

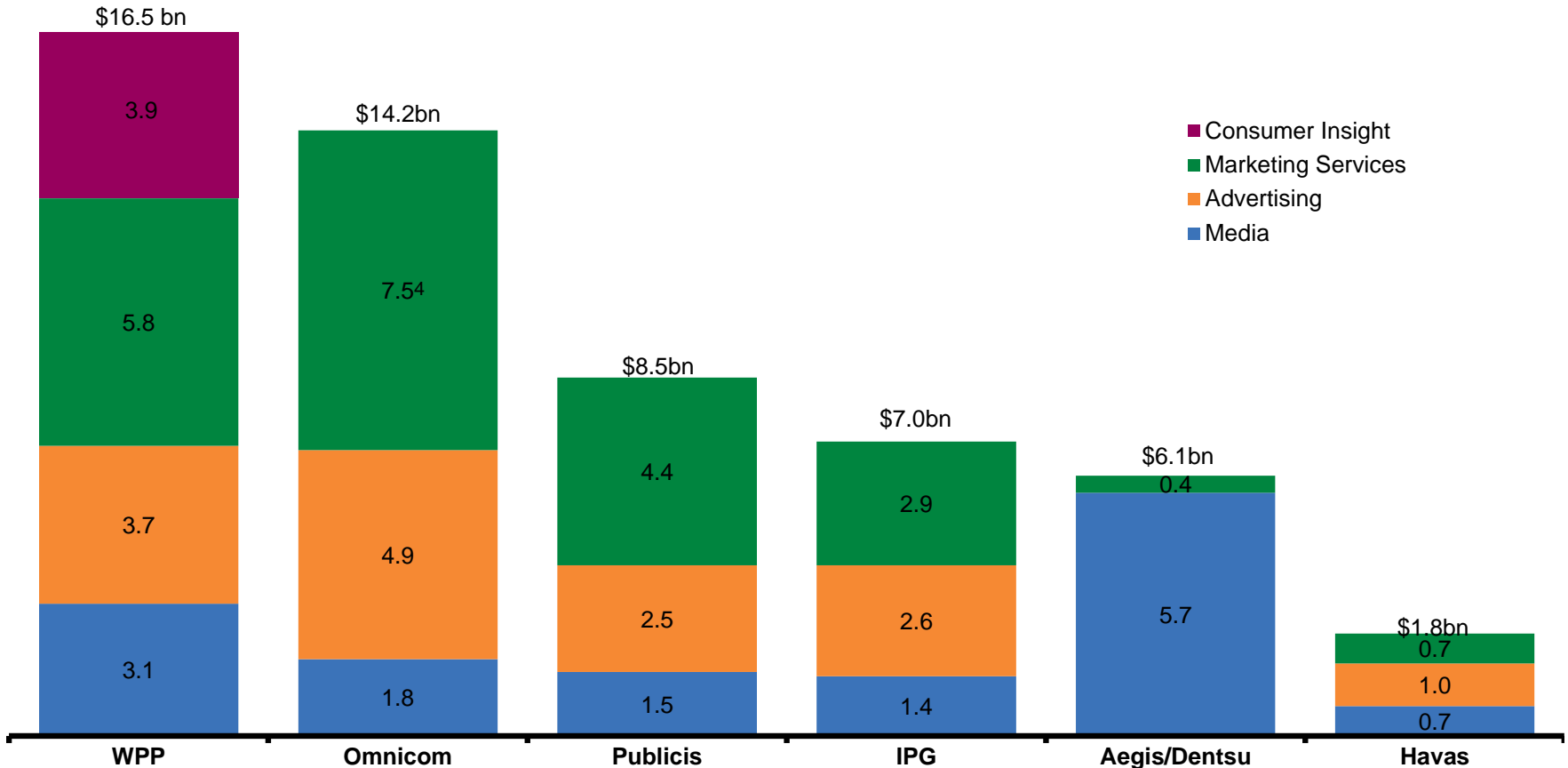
³ OMC. Assumes “non Euro currency” Europe, ie Switzerland, Turkey, Norway, Denmark, Sweden are ca 3% of revenue and Canada is 1.5% of revenue

⁴ IPG. Assumes Canada is ca 1.5% of revenue ⁵ Rest of World. Asia Pacific, Latin America, Africa & Middle East

⁶ Aegis/Dentsu based on disclosed pro forma group revenue splits against 2012 analyst estimates

Key Priorities, Objectives and Strategy

2012 Revenue by Discipline



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

² 2012 company disclosures except: Aegis 2012 consensus estimate revenue at 2011 splits excluding marketing services due to business sale, Havas, and IPG media splits analyst estimates

³ FX. Havas and Publicis assumes \$1=€0.79 based on the average for 2012

⁴ Omnicom's \$7.5bn of Marketing Services revenue includes food broking, barter, SELLBYTEL and consumer insight operations

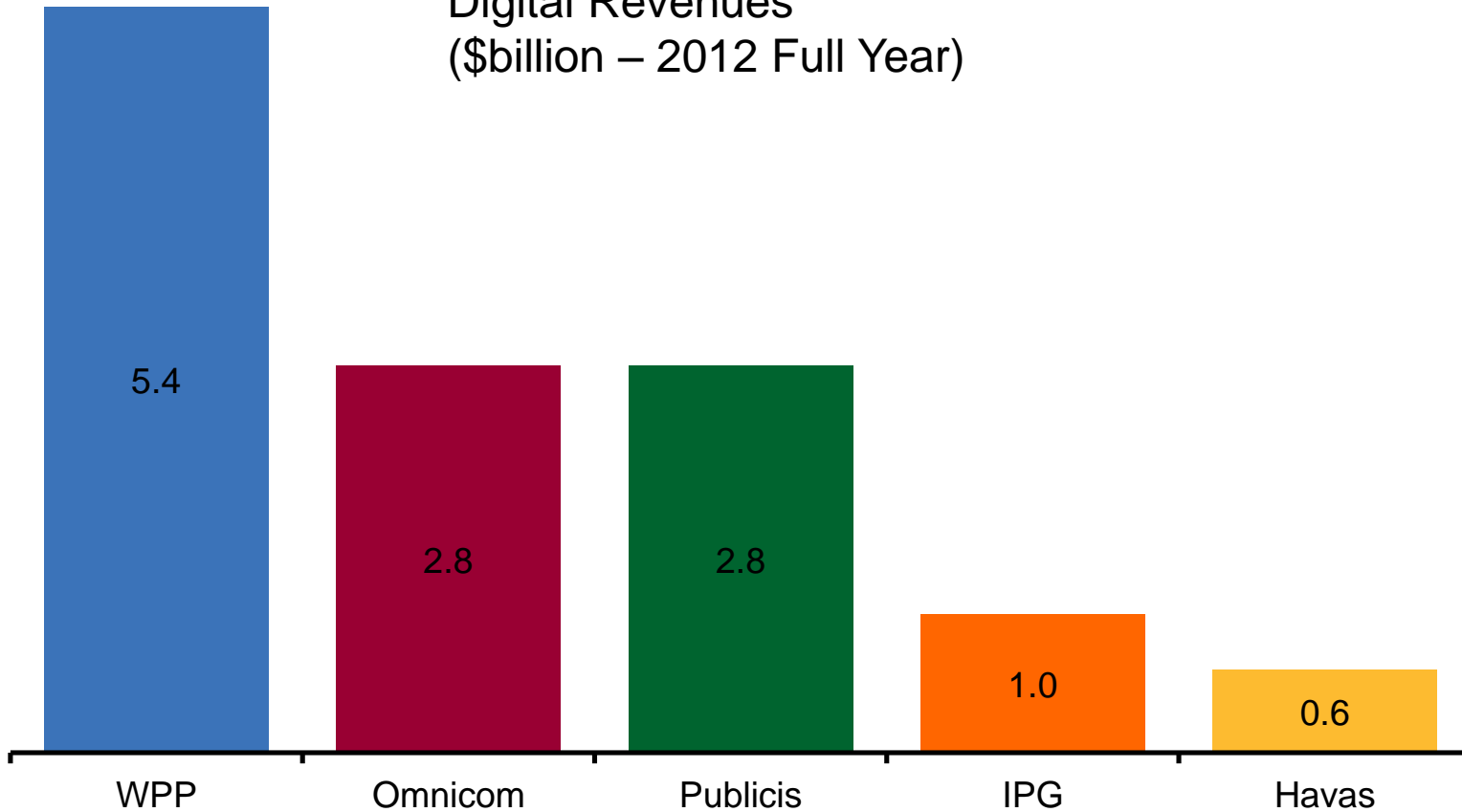
WPP

Digital In All Our Businesses

Global Scale and Quality



Digital Revenues
(\$billion – 2012 Full Year)



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

Key Priorities, Objectives & Strategy

WPP Position in Direct, Digital and Interactive



	Revenue \$'m
Direct, Digital and Interactive Networks (OgilvyOne, Wunderman, G2 and WPP Digital)	2,925
% of Group revenues	18%
Specialist Direct, Digital and Interactive resources:	
- Consumer Insight (Millward Brown, TNS and Lightspeed)	1,067
- GroupM	695
- Other	730
Total 2012	5,417
% of Group revenues	32%
Total 2011 Pro forma	5,078
% of Group revenues	31%





7 Structure and Competitive Position *(Hard Copy Only)*



WPP Today



- WPP is the world's largest communication services group with over 165,000 people (including associates) in over 3,000 offices in 110 countries worldwide.
- 350 of the Fortune Global 500, all 30 of the Dow Jones 30, 63 of the NASDAQ 100 and 31 of the Fortune e-50 as clients. 479 clients in all four disciplines and 357 clients in six or more countries.
- Quoted in London and on NASDAQ, with market capitalisation of around £13.3 billion.
- 34th in FTSE 100 Index, 7th in FT Top 500 UK companies by turnover, 101st in Euro FT 300, 334th in S&P Global 1200 and 369th 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



Ogilvy & Mather
JWT
Y&R Advertising
United
Grey

Mindshare
MEC
MediaCom
Maxus
Xaxis
tenthavenue
KR Media

Hill + Knowlton Strategies
Burson-Marsteller
Ogilvy Public Relations Worldwide
Cohn & Wolfe

TNS
Millward Brown
BrandAsset Valuator and BRANDZ

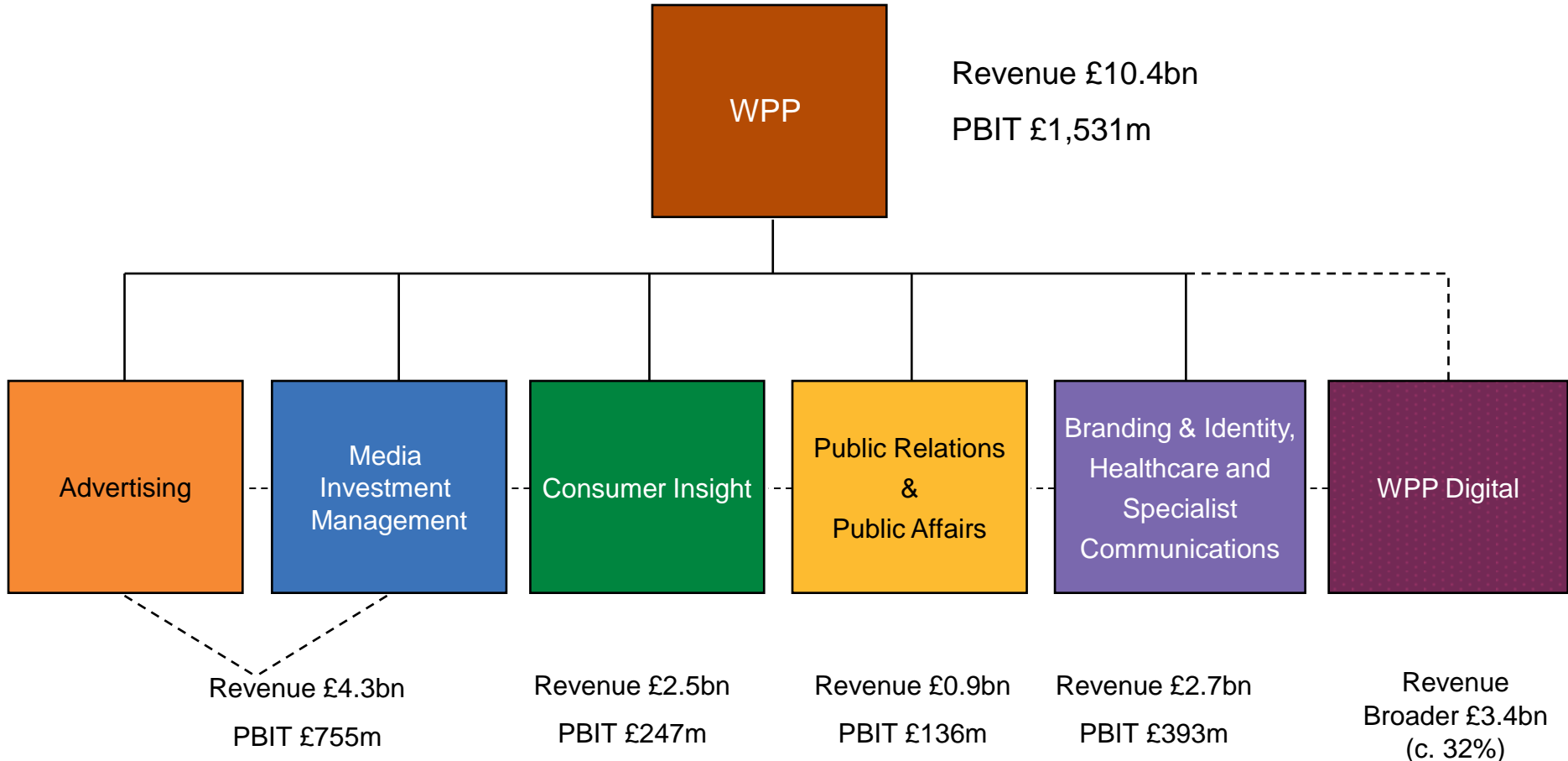
OgilvyOne
Wunderman
OgilvyAction
G2
24/7 Media
POSSIBLE
AKQA

Ogilvy CommonHealth
Sudler & Hennessey
Grey Healthcare Group

The Brand Union
Landor Associates
FITCH



WPP Today

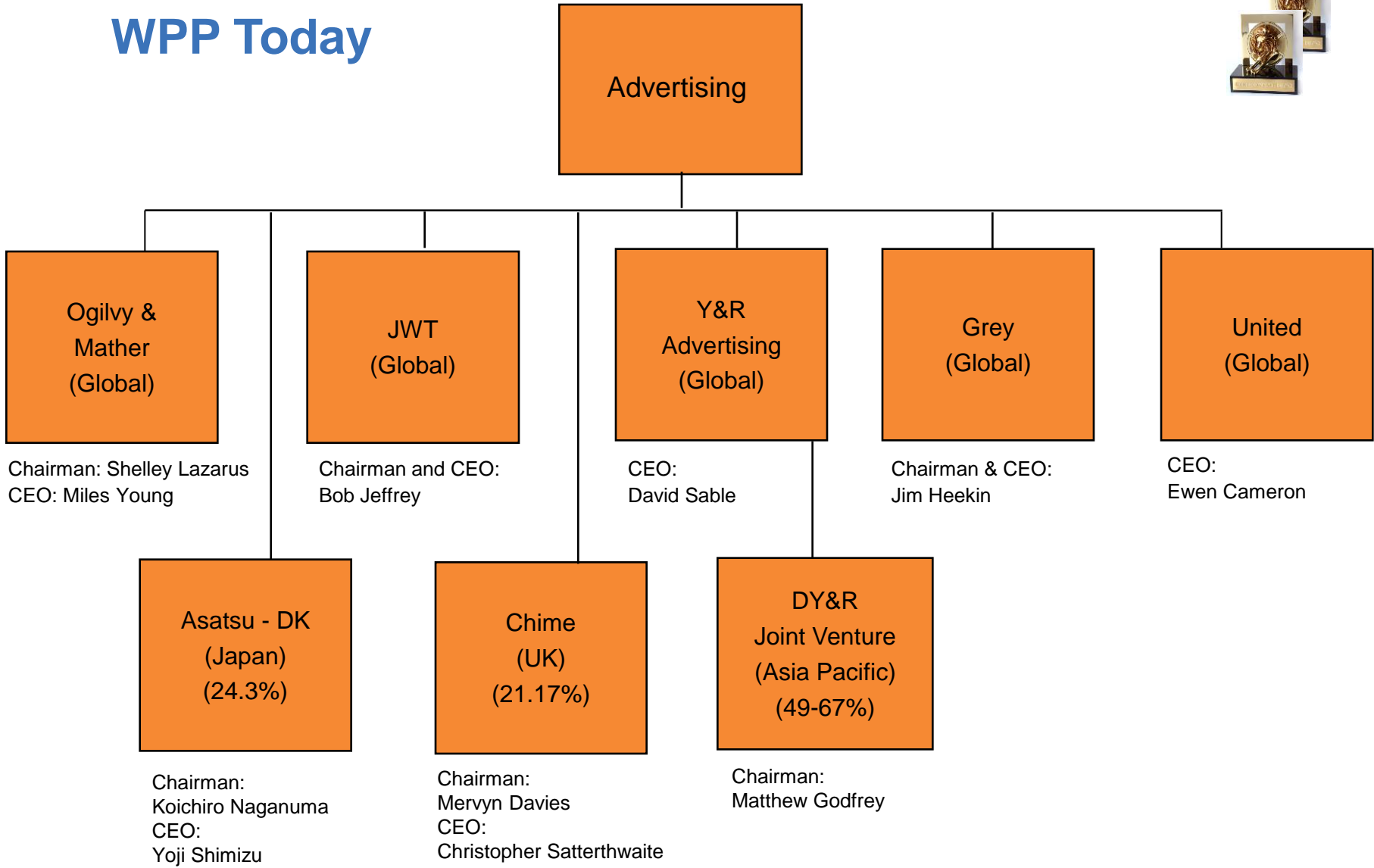


Revenue and PBIT figures are 2012 reported sterling actuals.

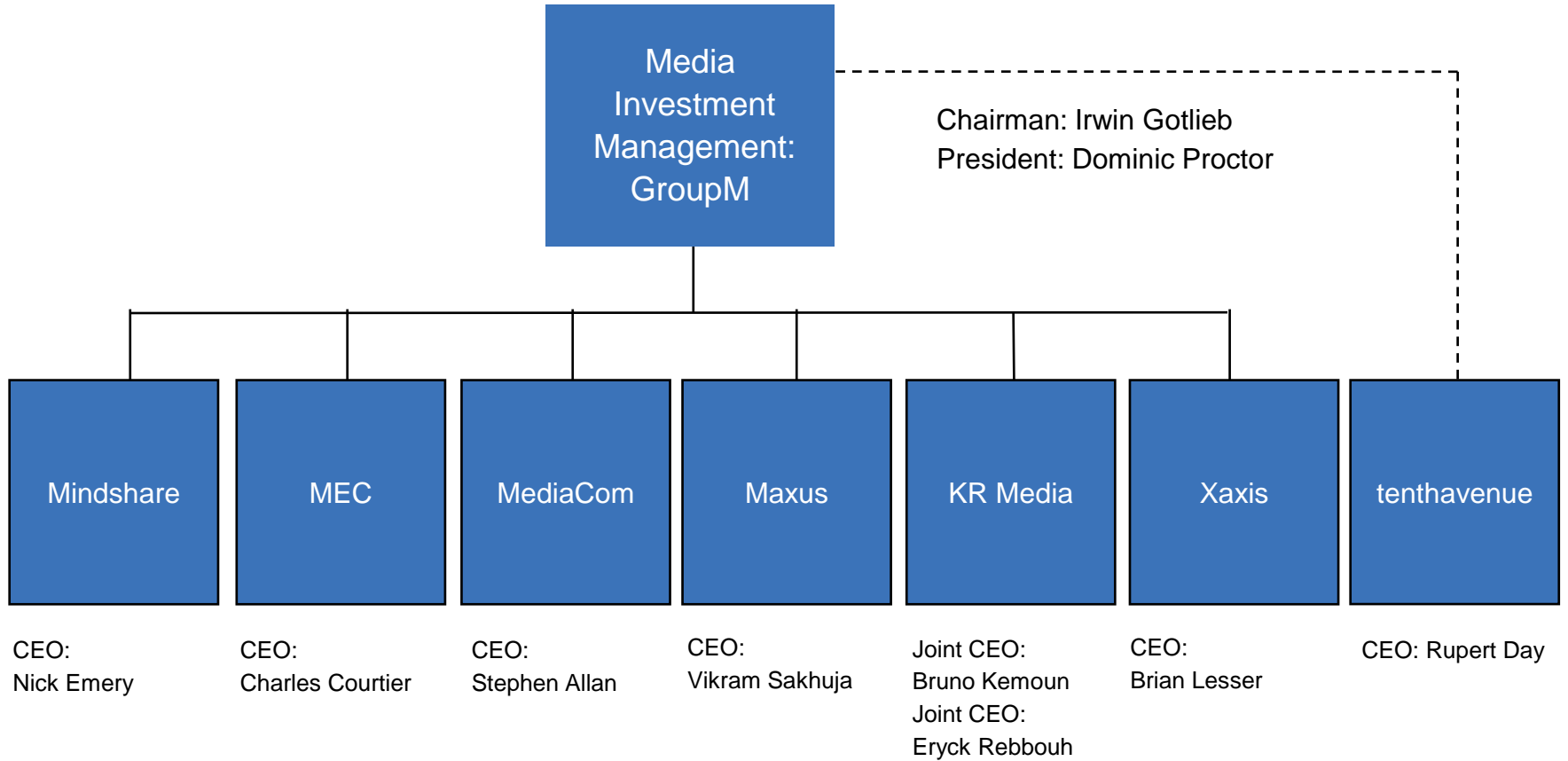
PBIT includes associates and excludes goodwill and intangible charges, gain on sale of New York property, restructuring charges, costs of changes in corporate structure, investment gains/losses, and share of exceptional gains/losses of associates.



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Media Investment Management - Competitive Worldwide Ranking

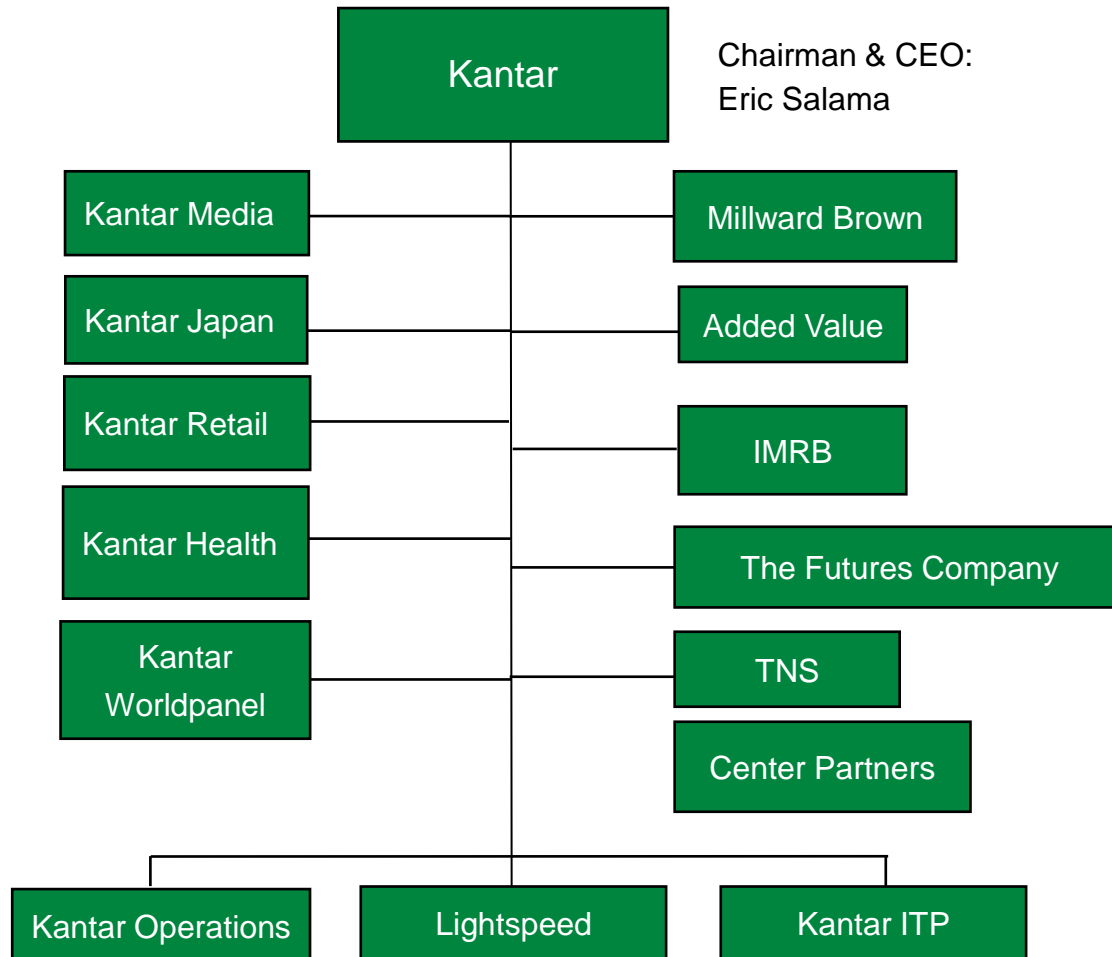


	Americas	EMEA	Asia Pacific	Worldwide
Mindshare	4	6	1	2
MEC	5	4	7	6
MediaCom	8	2	5	3
Maxus	12	13	10	13
GroupM	2	1	1	1



Source: RECMA July 2012 Billings Rankings report, based on 2011 data.

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Consumer Insight – Worldwide Competitive Ranking

- 1. The Nielsen Company
- 2. Kantar
- 3. ipsos
- 4. GfK
- 5. SymphonyIRI
- 6. IMS Health
- 7. Westat
- 8. Intage
- 9. Arbitron
- 10. The NPD Group Inc

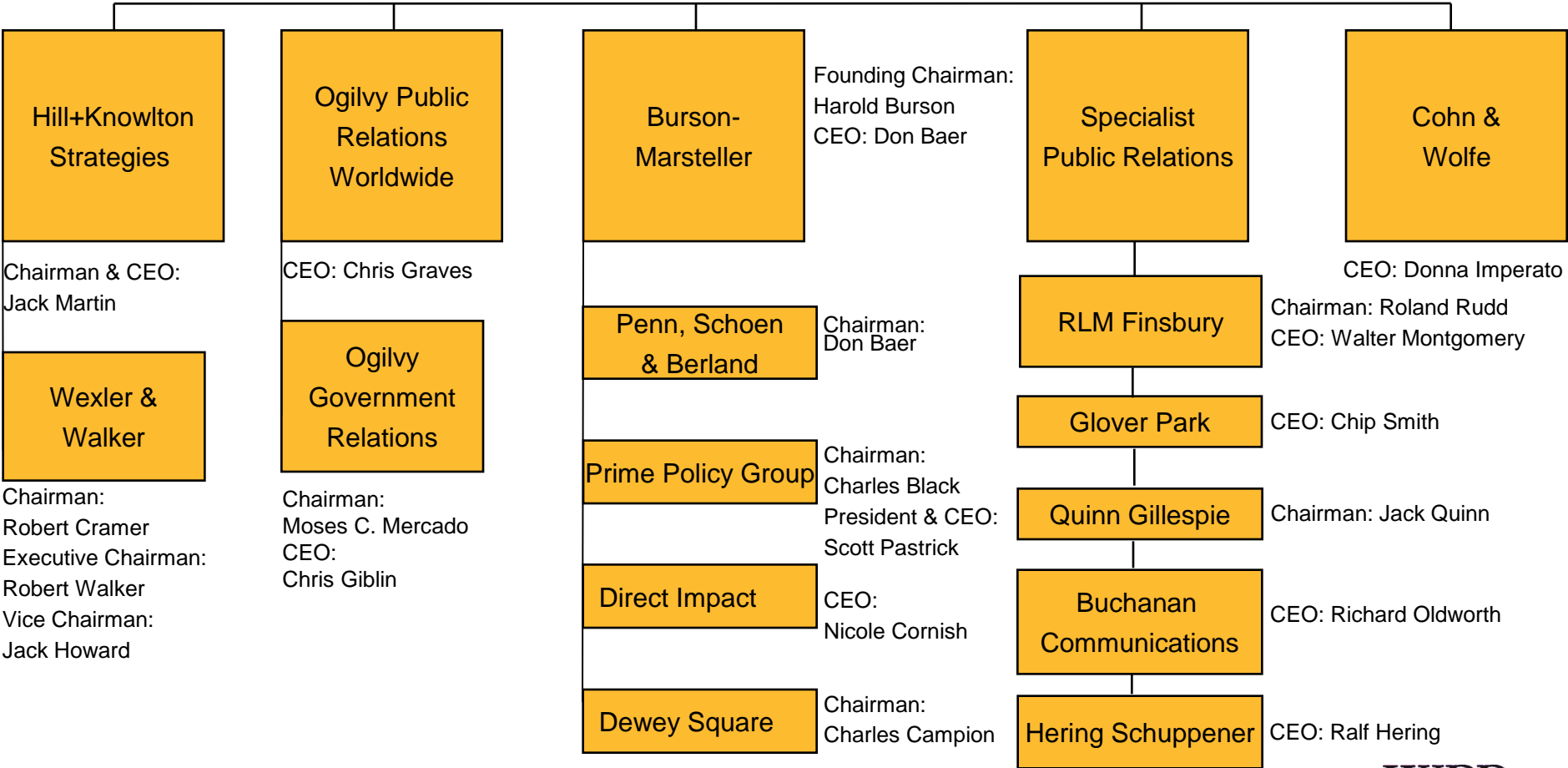


Source: ESOMAR 2012 ranking based on 2011 consolidated revenues, adjusted for ipsos acquisition of synovate, published September 2012

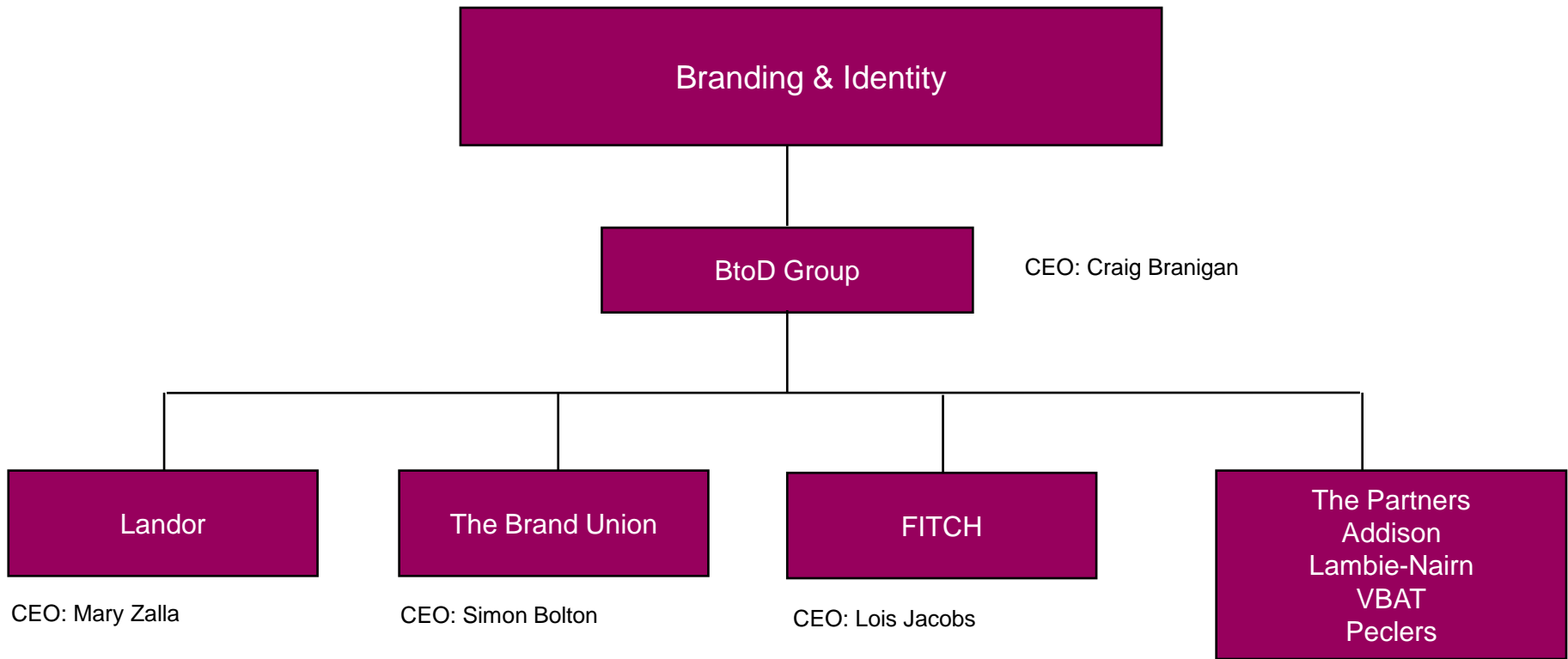
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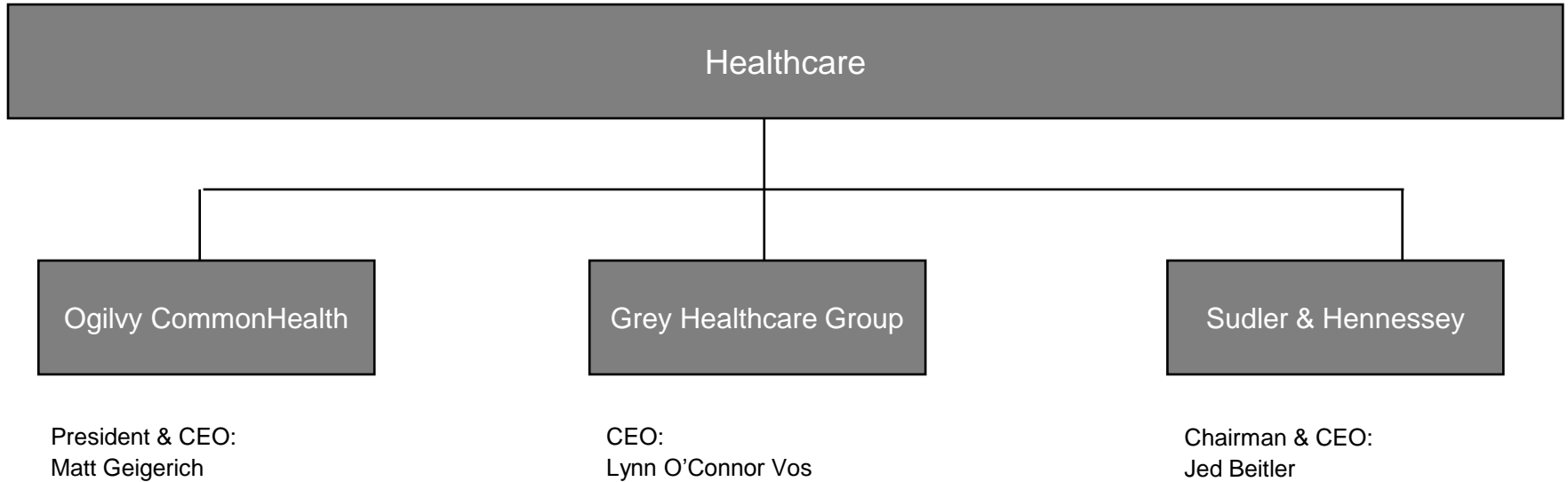
Public Relations & Public Affairs



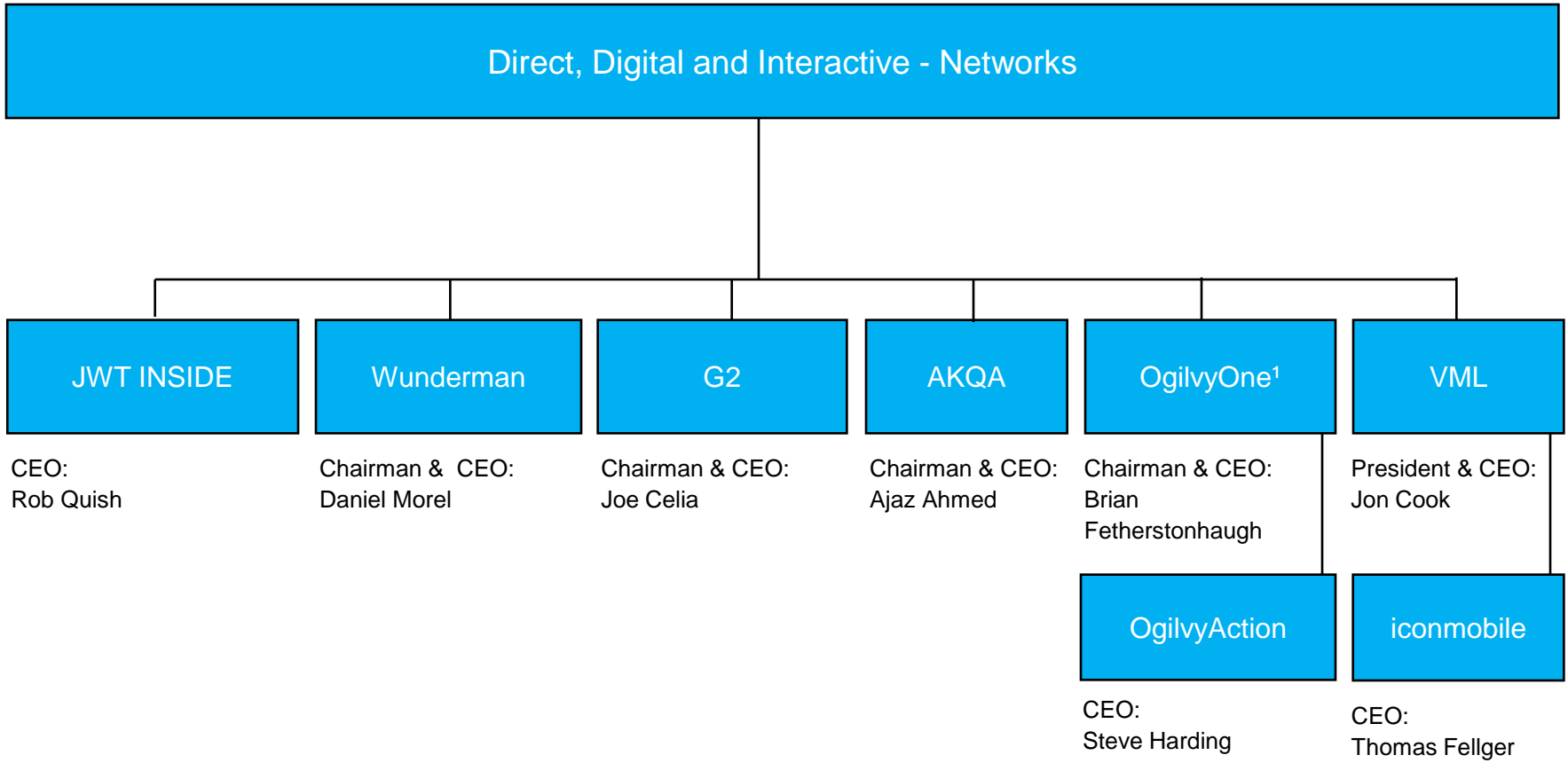
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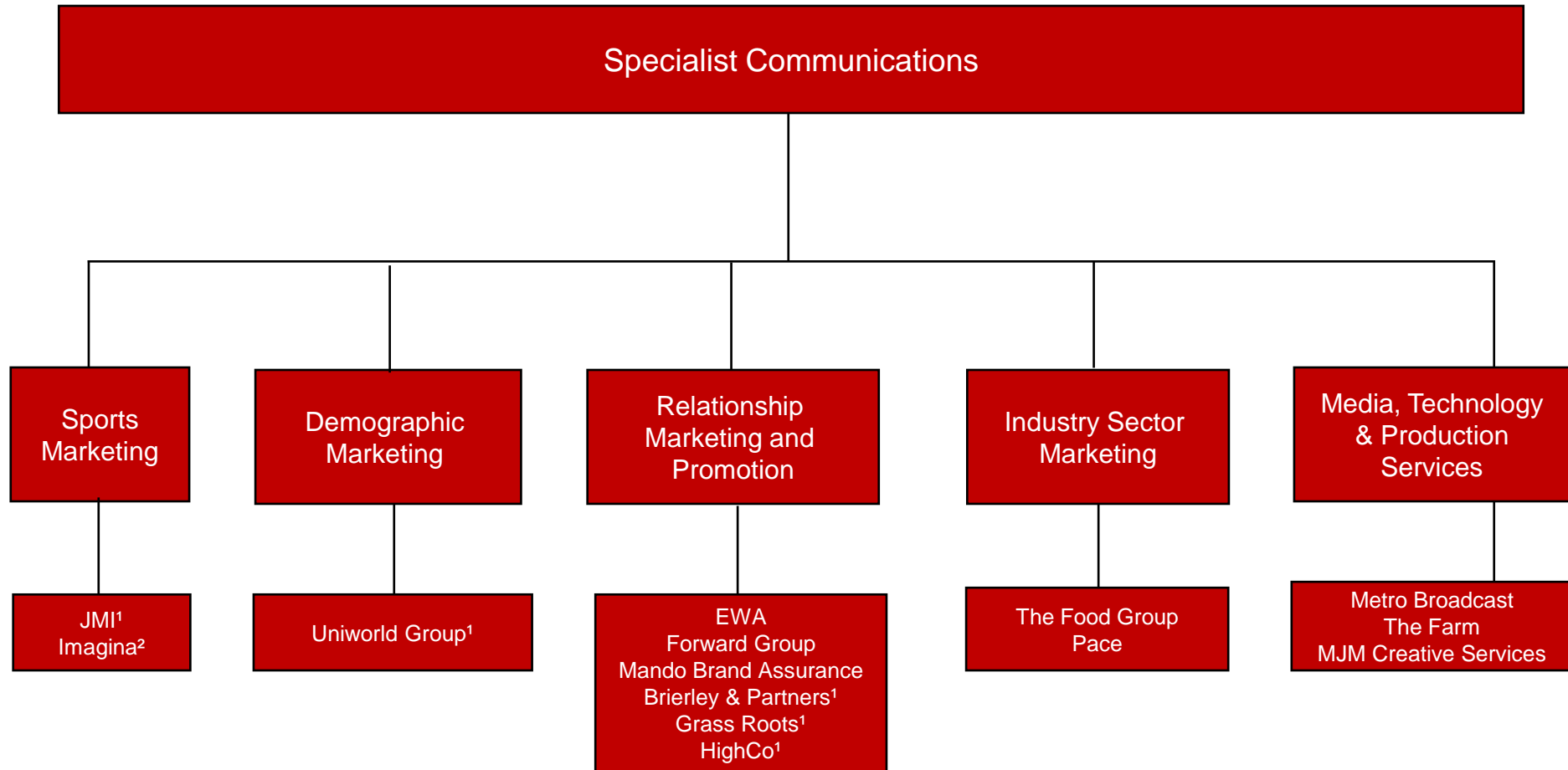


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¹ Includes Neo@Ogilvy

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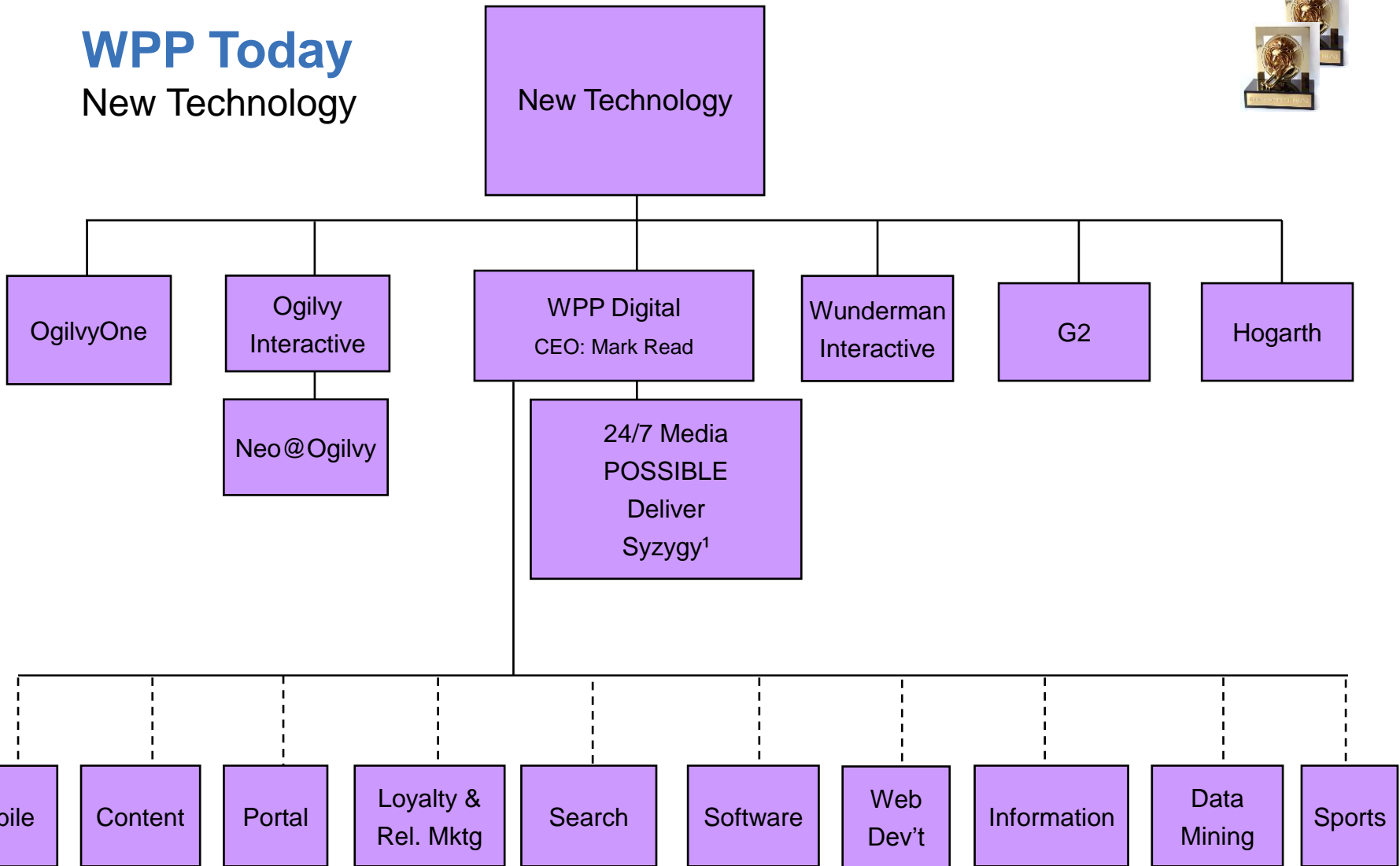


¹ Associate company

² Investment

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New Technology



¹ Associate company.

WPP



Results for 2012

London

