



# Results for 2014

London



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*Hard Copy only*

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# 1 Results for 2014



## Results for 2014

### Another Record Year Despite Strong Currency Headwinds

- Billings £46.2bn, up 6.8% in constant currency.
- Revenue growth of 11.3% in constant currency, and 8.2% like-for-like, reduced to 4.6% reportable by currency -6.7%.
- Net sales growth of 6.3% in constant currency, and 3.3% like-for-like, reduced to -0.1% reportable by currency -6.4%.
- Headline PBIT of £1,681m, up 8.0% in constant currency, reduced to 1.1% reportable by currency -6.9%.
- Reported net sales margin of 16.7% up 0.2 margin points, but up 0.3 margin points in constant currency and in line with the full year margin target of 0.3 margin points pre currency.
- Headline diluted EPS up 5.1% to 84.9p, up 12.6% in constant currency.
- Dividends per share of 38.2p, up 11.7%, a pay-out ratio of 45% versus 42% last year.
- No 1 in New Business league tables for the third year in a row.
- Increase in value of £0.4bn in technology and content investments.
- ROE improved again – reaching 15.0% from 14.4% in 2014.

# Results for 2014

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

			+/-	
	Actual	Consensus		
£ million	Results	Median <sup>2</sup>	£	%
Net Sales	10,065	10,050	+15	+0.1
PBIT	1,681	1,673	+8	+0.5
Net finance costs	(168)	(189)	+21	+11.1
PBT	1,513	1,484	+29	+2.0
Diluted EPS	84.9p	82.2p	+2.7p	+3.3
Net Sales PBIT Margin	16.7%	16.6%	n/a	+0.1 <sup>3</sup>

<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 revaluation of financial instruments

<sup>2</sup> Median consensus as at 31 January 2015

<sup>3</sup> Margin points

# Results for 2014

## 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	+0.3 <sup>2</sup>	+0.3 <sup>2</sup>	✓
Reportable diluted EPS growth	5.1%	10-15%	✗
Constant currency diluted EPS growth	12.6%	10-15%	✓

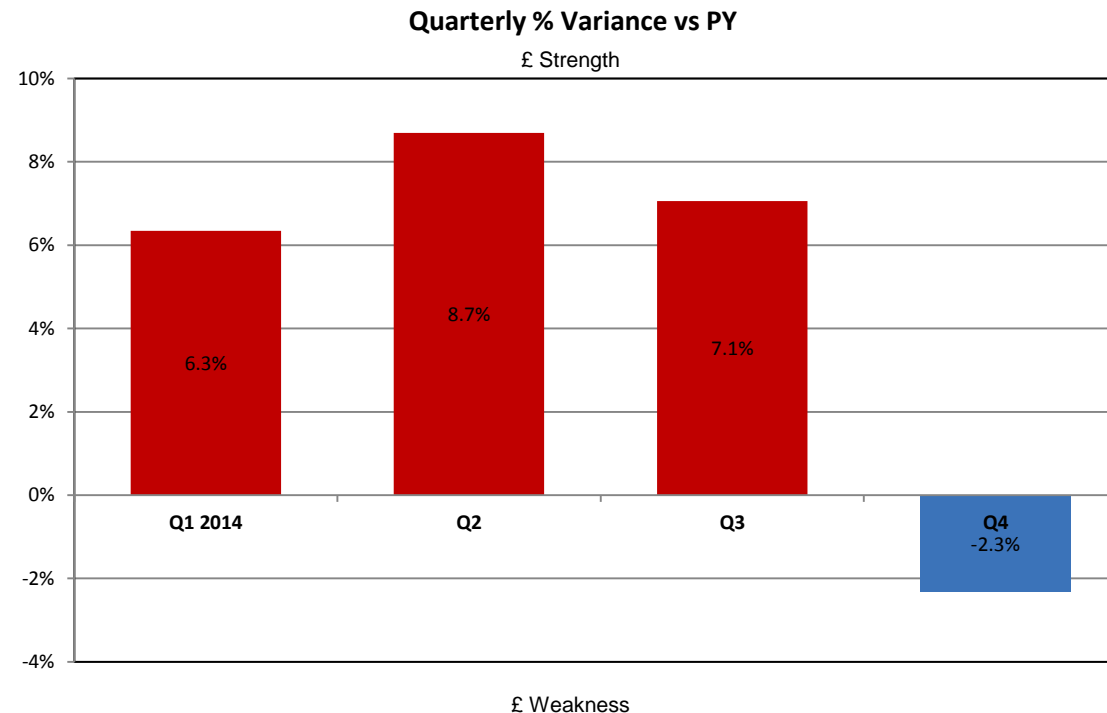
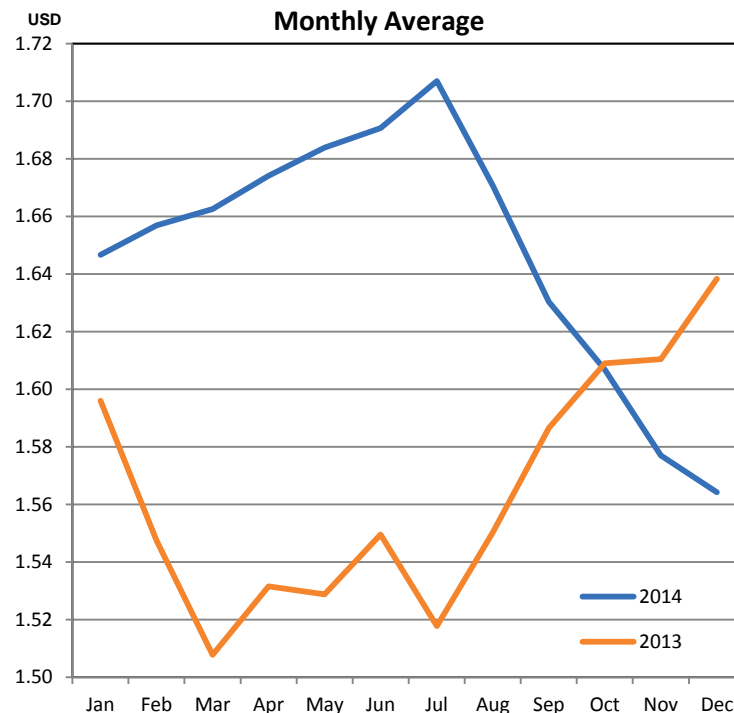
- Good performance versus target – currency headwind of ca. 6-7%.

<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 and revaluation of financial instruments

<sup>2</sup> Margin points

# Results for 2014

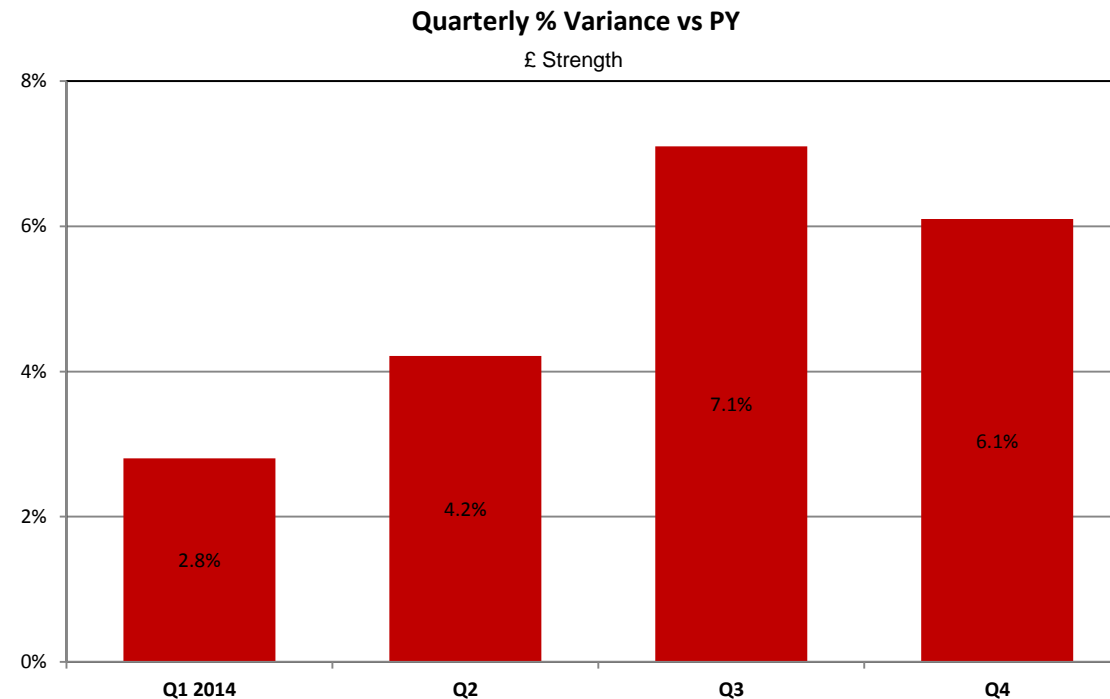
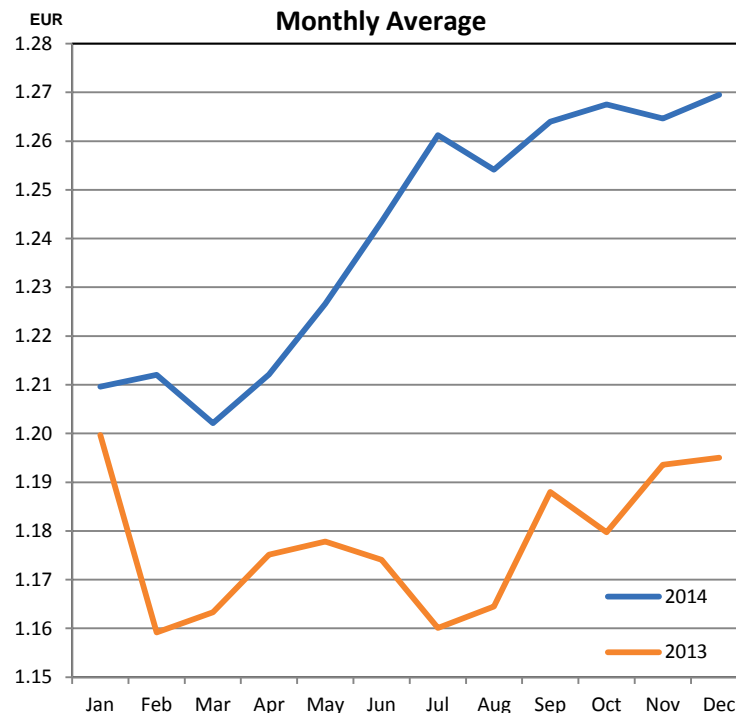
24 month US\$ range 1.51 to 1.71



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
2014 Monthly Average	1.65	1.66	1.66	1.67	1.68	1.69	1.71	1.67	1.63	1.61	1.58	1.56
% change vs PY	3.1%	6.6%	9.3%	8.5%	9.2%	8.4%	11.1%	7.2%	2.7%	-0.1%	-2.1%	-4.7%
Quarterly Average	Q1			Q2			Q3			Q4		
	1.66			1.68			1.67			1.58		
% change vs PY	6.3%			8.7%			7.1%			-2.3%		

# Results for 2014

24 month € range 1.16 to 1.27



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
2014 Monthly Average	1.21	1.21	1.20	1.21	1.23	1.24	1.26	1.25	1.26	1.27	1.26	1.27
% change vs PY	0.8%	4.4%	3.2%	3.1%	4.0%	5.6%	8.0%	7.1%	6.0%	6.9%	5.6%	5.9%
Quarterly Average	Q1			Q2			Q3			Q4		
% change vs PY	2.8%			4.2%			7.1%			6.1%		



# Results for 2014

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

Year to 31 December	2014	2013	% Change	
			Reported	Constant Currency
Revenue £m	11,529	11,019	4.6	11.3
Net Sales £m	10,065	10,076	-0.1	6.3
Net Sales Margin	16.7%	16.5%	+0.2 <sup>2</sup>	+0.3 <sup>2</sup>
PBIT £m	1,681	1,662	1.1	8.0
EBITDA £m	1,910	1,896	0.7	7.5
Diluted EPS	84.9p	80.8p	5.1	12.6
Dividend per share	38.2p	34.2p	11.7	11.7
Average Net Debt £m	(3,001)	(2,989)	-0.4	-
Average Net Debt / EBITDA	1.6x	1.6x		
Average Headcount <sup>3</sup>	121,397	120,279	-0.9	
Closing Headcount <sup>3</sup>	123,621	124,124	+0.4	
Enterprise Value / EBITDA	11.9x	10.6x		

<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 revaluation of financial instruments

<sup>2</sup> Margin points

<sup>3</sup> 2014 and 2013 like-for-like number of people

# Results for 2014

## Exceptional Gains and Restructuring Costs

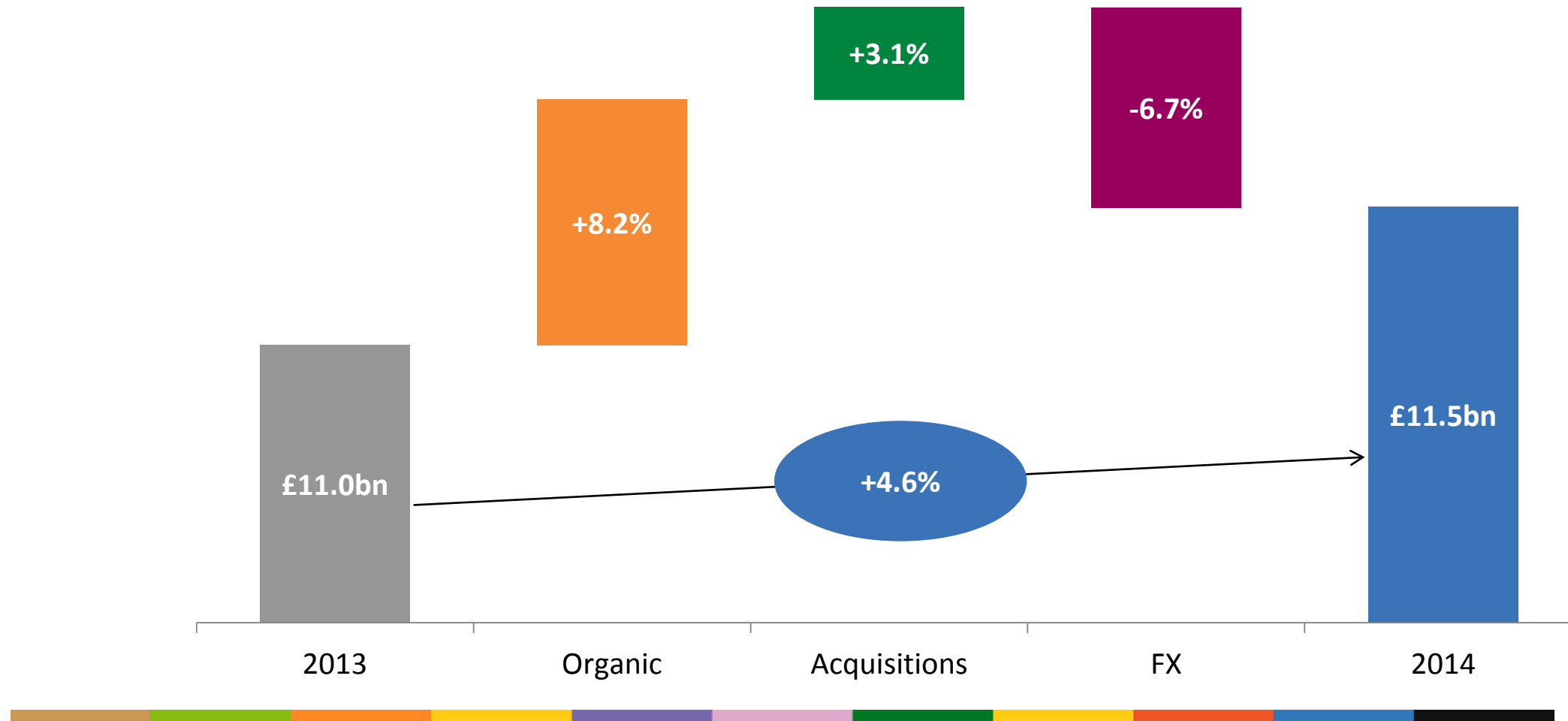
Exceptional Gains <sup>1</sup>		Restructuring Costs				
	£m	£m	N. America	Europe	ROW	Total
AppNexus	83	Severance	(6)	(52)	(9)	(67)
Rentrak	68	Property				(16)
oOh!Media	10	IT				(39)
Other	35	Other				(6)
<b>Gains on disposals &amp; remeasurement</b>	<b>196</b>	<b>Total restructuring costs</b>				<b>(128)</b>
Investment write-downs	(7)					
<b>Exceptional gains</b>	<b>189</b>					

- Net exceptional gain of £61m.
- Severance focused on traditional businesses in certain Western European markets.
- IT charges relate to our transformation and IBM partnership program.

<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

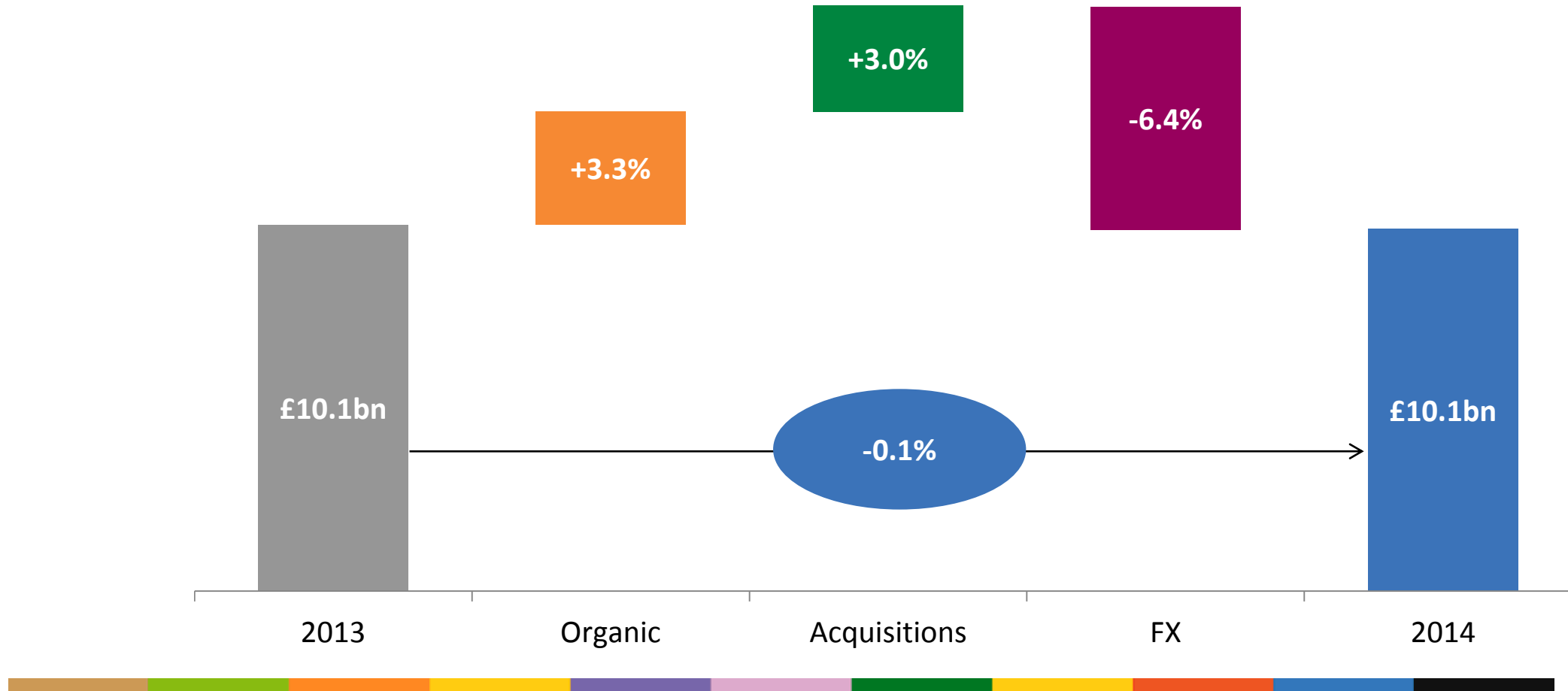
# Results for 2014

## Revenue Growth



# Results for 2014

## Net Sales Growth



# Results for 2014

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

Year to 31 December	2014 £m	2013 £m	% Change	
			Reported	Constant Currency
Revenue	11,529	11,019	4.6	11.3
Net sales	10,065	10,076	-0.1	6.3
<b>Operating profit</b>	<b>1,612</b>	<b>1,583</b>	<b>1.8</b>	<b>8.5</b>
Income from associates	69	79	-11.9	-2.1
<b>PBIT</b>	<b>1,681</b>	<b>1,662</b>	<b>1.1</b>	<b>8.0</b>
Net finance costs	(168)	(204)	17.5	16.9
<b>Profit before tax</b>	<b>1,513</b>	<b>1,458</b>	<b>3.7</b>	<b>11.6</b>
Tax at 20.0% (2013 20.2%)	(303)	(294)	-2.8	-11.5
<b>Profit after tax</b>	<b>1,210</b>	<b>1,164</b>	<b>4.0</b>	<b>11.6</b>
<b>Diluted EPS</b>	<b>84.9p</b>	<b>80.8p</b>	<b>5.1</b>	<b>12.6</b>
<b>Net sales margin</b>	<b>16.7%</b>	<b>16.5%</b>	<b>+0.2<sup>2</sup></b>	<b>+0.3<sup>2</sup></b>
EBITDA	1,910	1,896	0.7	7.5

<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 revaluation of financial instruments

<sup>2</sup> Margin points

# Results for 2014

## Unaudited IFRS Income Statement

Year to 31 December	2014 £m	2013 £m	% Change	
			Reported	Constant Currency
Revenue	11,529	11,019	4.6	11.3
Net sales	10,065	10,076	-0.1	6.3
<b>Operating Profit pre-goodwill / intangibles</b>	<b>1,612</b>	<b>1,583</b>	<b>1.8</b>	<b>8.5</b>
Net exceptional gain <sup>1</sup>	61	30	97.7	97.7
Goodwill / intangible charges	(166)	(203)	19.1	19.1
<b>Operating Profit</b>	<b>1,507</b>	<b>1,410</b>	<b>6.9</b>	<b>14.6</b>
Income from associates	62	68	-9.1	2.2
<b>PBIT</b>	<b>1,569</b>	<b>1,478</b>	<b>6.1</b>	<b>14.1</b>
Net finance costs	(117)	(182)	35.8	35.0
<b>Profit before tax</b>	<b>1,452</b>	<b>1,296</b>	<b>12.0</b>	<b>21.3</b>
Tax	(300)	(284)	-5.9	-15.0
<b>Profit after tax</b>	<b>1,152</b>	<b>1,012</b>	<b>13.8</b>	<b>23.1</b>
Reported diluted EPS	80.5p	69.6p	15.7	24.9

<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, and restructuring costs

# Results for 2014

## % Growth Versus Prior Year

	Revenue	Net Sales	Headline <sup>1</sup> PBIT	Headline <sup>1</sup> EPS
Like-for-like	8.2	3.3	n/a	n/a
Acquisitions <sup>2</sup>	3.1	3.0	n/a	n/a
Constant currency	11.3	6.3	8.0	12.6
Foreign exchange	-6.7	-6.4	-6.9	-7.5
<b>Reportable sterling</b>	<b>4.6</b>	<b>-0.1</b>	<b>1.1</b>	<b>5.1</b>
<b>Reportable US dollars<sup>3</sup></b>	<b>9.9</b>	<b>4.9</b>	<b>4.6</b>	<b>8.4</b>
<b>Reportable euros<sup>4</sup></b>	<b>10.4</b>	<b>5.4</b>	<b>7.0</b>	<b>11.3</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 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 2014 of \$1.648, compared to \$1.565 for FY 2013

<sup>4</sup> Translated into euros, using among other currencies, average exchange rates of €/£ for FY 2014 of €1.241, compared to €1.178 for FY 2013

# Results for 2014

## Revenue and Net Sales by Sector

	Revenue <sup>1</sup>			
		% Change		
	2014 £m	Reported	Constant Currency	Like-for- like <sup>2</sup>
Advertising, Media Investment Management	5,134	12.1	19.8	16.1
Data Investment Management	2,429	-4.7	1.5	0.6
Public Relations & Public Affairs	892	-3.1	2.6	2.5
Branding & Identity, Healthcare and Specialist Communications	3,074	3.5	9.5	4.0
<b>Total</b>	<b>11,529</b>	<b>4.6</b>	<b>11.3</b>	<b>8.2</b>

	Net Sales <sup>1</sup>			
		% Change		
	2014 £m	Reported	Constant Currency	Like-for- like <sup>2</sup>
	4,502	0.9	7.8	5.0
	1,749	-5.1	0.9	0.6
	880	-3.0	2.7	2.7
	2,934	2.5	8.6	2.5
<b>Total</b>	<b>10,065</b>	<b>-0.1</b>	<b>6.3</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 11.4% and Digital net sales by 6.5%



# Results for 2014

## Revenue and Net Sales by Region

	Revenue <sup>1</sup>			
		% Change		
	2014 £m	Reported	Constant Currency	Like-for- like
North America	3,900	4.1	10.0	9.5
UK	1,640	16.0	16.0	12.9
Western Continental Europe	2,569	-0.9	5.1	3.8
Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe	3,420	4.6	15.8	8.0
<b>Total</b>	<b>11,529</b>	<b>4.6</b>	<b>11.3</b>	<b>8.2</b>

	Net Sales <sup>1</sup>			
		% Change		
	2014 £m	Reported	Constant Currency	Like-for- like
North America	3,472	-2.1	3.4	3.0
UK	1,396	7.1	7.1	4.8
Western Continental Europe	2,143	-3.4	2.5	1.1
Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe	3,054	1.6	12.5	4.6
<b>Total</b>	<b>10,065</b>	<b>-0.1</b>	<b>6.3</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 2014

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

	Headline PBIT		Headline Margin	
	2014 £m	2013 £m	2014 %	2013 %
Advertising, Media Investment Management	836	824	18.6	18.5
Data Investment Management	273	264	15.6	14.3
Public Relations & Public Affairs	139	134	15.8	14.7
Branding & Identity, Healthcare and Specialist Communications	433	440	14.7	15.4
<b>Total</b>	<b>1,681</b>	<b>1,662</b>	<b>16.7</b>	<b>16.5</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 and revaluation of financial instruments

# Results for 2014

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

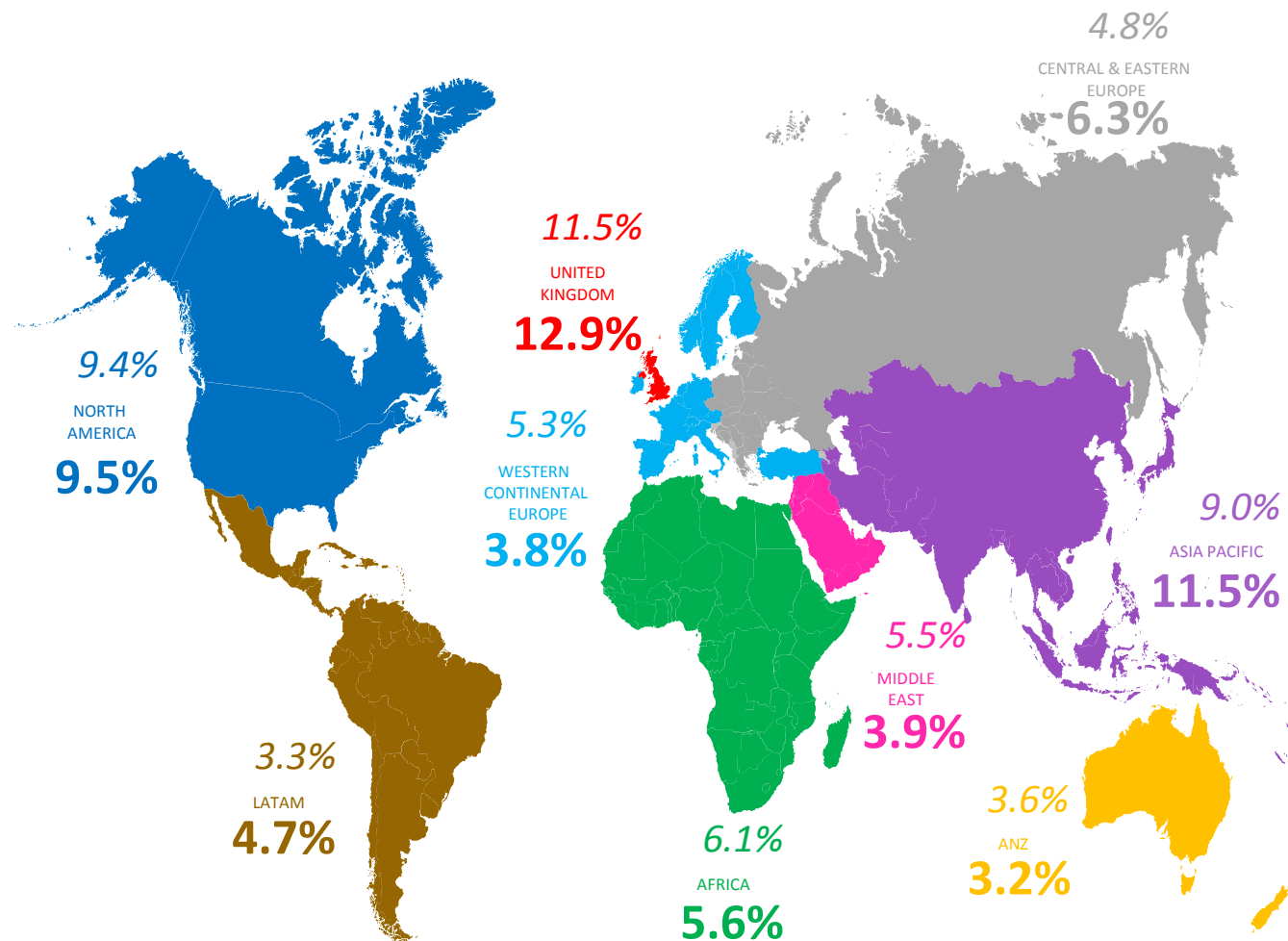
	Headline PBIT		Headline Margin	
	2014 £m	2013 £m	2014 %	2013 %
North America	622	617	17.9	17.4
UK	221	205	15.8	15.7
Western Continental Europe	277	272	12.9	12.3
Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe	561	568	18.3	18.9
<b>Total</b>	<b>1,681</b>	<b>1,662</b>	<b>16.7</b>	<b>16.5</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 and revaluation of financial instruments

# Results for 2014

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

Q4 %
REGION
FY %



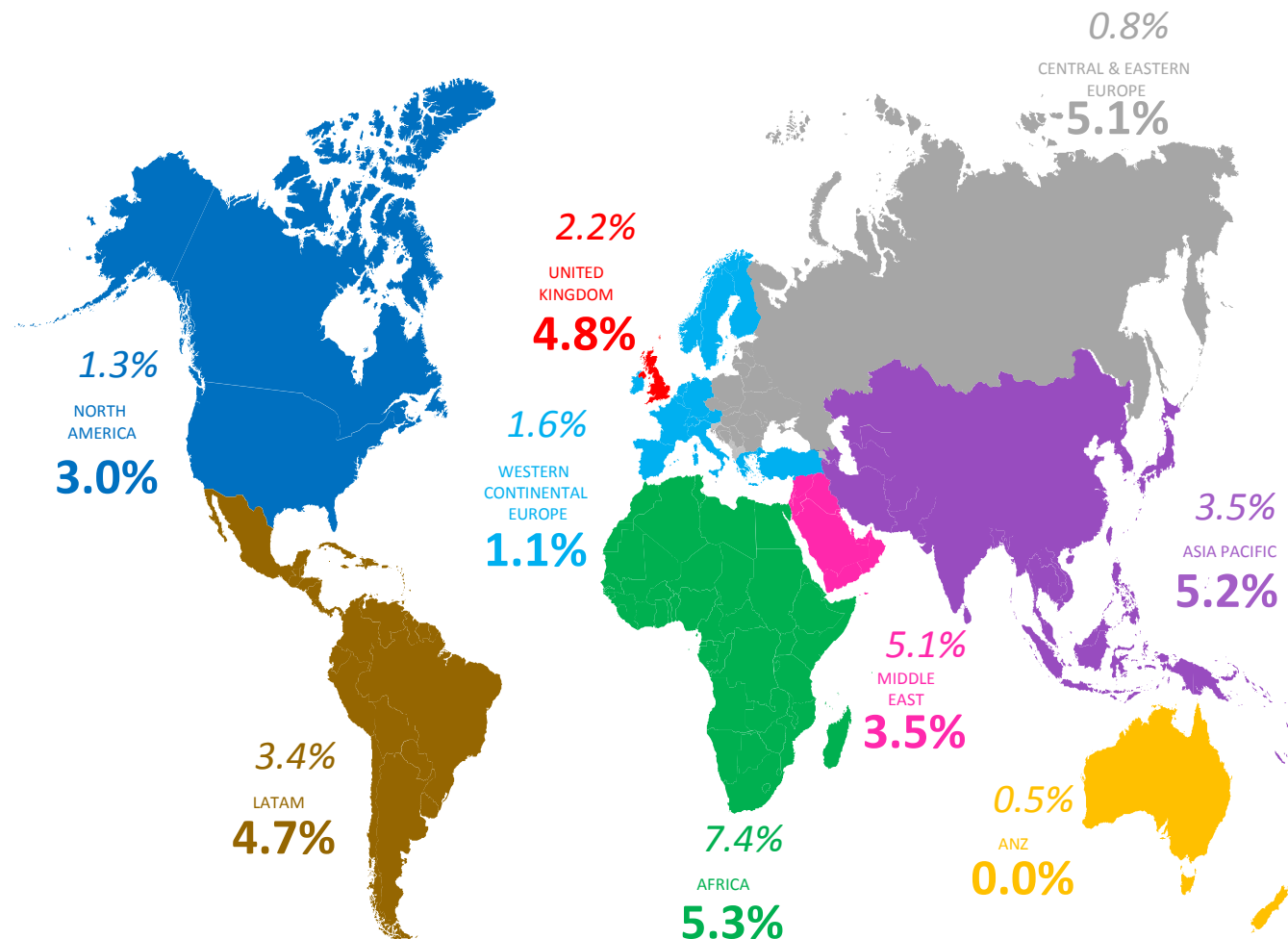
	Q4	FY
Mature Markets	8.3%	8.2%
Faster Growing Markets	6.5%	8.0%
Total	7.8%	8.2%

<sup>1</sup> Like-for-like revenue growth vs. 2013

# Results for 2014

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

Q4 %
REGION
FY %



	Q4	FY
Mature Markets	1.6%	2.7%
Faster Growing Markets	3.3%	4.6%
Total	2.1%	3.3%

<sup>1</sup> Like-for-like net sales growth vs. 2013

# Results for 2014

Top 5 Markets - Over 62%<sup>1</sup> of Revenue and Net Sales, Like-For-Like Revenue Growth of 9.1%<sup>1</sup> and Net Sales Growth of 3.4%<sup>1</sup>

Including associates:				
Revenue	\$6.2bn	\$3.2bn	\$1.5bn	\$1.4bn
People '000 <sup>2</sup>	24	16	15	7
				\$0.8bn



USA



UK



Greater China<sup>4</sup>



Germany



France

	Revenue	Net Sales	Revenue	Net Sales	Revenue	Net Sales	Revenue	Net Sales	Revenue	Net Sales
2014 <sup>3</sup>	9.9%	3.1%	12.9%	4.8%	7.9%	4.0%	5.2%	3.3%	-0.4%	-0.7%
2013 <sup>3</sup>	2.9%	2.9%	4.8%	6.8%	4.0%	3.5%	3.3%	-0.3%	-2.6%	-2.2%
2012 <sup>3</sup>	0.0%	0.1%	4.0%	3.3%	12.3%	12.2%	1.8%	-1.5%	-1.6%	-2.7%

<sup>1</sup> % excluding associates

<sup>2</sup> Closing headcount at 31 December 2014

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

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

# Results for 2014

BRICs Markets - Over 12% of Revenue and Net Sales, Like-For-Like Revenue Growth of 8.2%<sup>1</sup> and Net Sales Growth of 4.6%<sup>1</sup>

Including associates:				
Revenue	\$1.5bn	\$0.6bn	\$0.5bn	\$0.3bn
WPP Rank <sup>5</sup>	#3	#8	#11	#17
People '000 <sup>2</sup>	15	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
2014 <sup>3</sup>	7.9%	4.0%	-0.5%	0.7%	25.4%	10.4%	6.1%	7.5%
2013 <sup>3</sup>	4.0%	3.5%	8.5%	7.8%	4.6%	6.2%	7.9%	5.5%
2012 <sup>3</sup>	12.3%	12.2%	11.4%	11.1%	6.0%	6.3%	9.6%	9.5%

<sup>1</sup> % excluding associates

<sup>2</sup> Closing headcount at 31 December 2014

<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 2014

## Revenue Growth by Country

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

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

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

<sup>3</sup> WPP Group average like-for-like revenue growth of 8.2%



# Results for 2014

## Revenue Growth by Category

Revenue Growth <sup>1</sup>	Categories
More than 10%	Travel & Airline
Average <sup>2</sup> to 10%	Entertainment
5% to Average <sup>2</sup>	Automotive, Drinks, Financial Services
Less than 5%	Computers, Electronics, Food, Government, Oil, Personal Care & Drugs, Retail, Telecommunications

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

<sup>2</sup> WPP Group average like-for-like revenue growth of 8.2%

## Results for 2014

Trade Estimates of Major New Business Wins Over \$100m Billings

WPP Agency	Incumbent	Account	Office	Billings(\$m)
MEC	OMC	Vodafone	Global	1,008
MediaCom	PUB	Mars	Global	747
MediaCom	PUB	AB InBev	N. America	575
Mindshare	MEC	Blackrock	Global	400
David	IND	Burger King	Global	325
Mindshare	OMC	Pepsi	China	250
Maxus	DEN/IND	NBC Universal	USA	200
MEC	PUB	BGL Group	Global	185
MediaCom	DEN	ebay	Global	170
Cavalry	PUB	Miller Lite	USA	160
MediaCom	IPG	Bayer (Merck)	USA	150
MEC	N/A	Otsuka Biogen	Asia Pacific	150
MediaCom	DEN	ebay	EMEA	131
Grey	OMC	Papa John's	USA	119
GroupM/Ogilvy	PUB	E-Trade	Global	109
Mindshare	PUB	Marks & Spencer	UK	101
Ogilvy	N/A	Tiffany & Co.	Global	100
MEC	N/A	Tiffany & Co.	Global	100
Johannes Leonardo	IND	Estée Lauder	Global	100
MediaCom	PUB	Coca-Cola	Mexico	100

Shaded figures are Q4 wins

# Results for 2014

Trade Estimates of Major New Business Wins \$30m-\$100m Billings

WPP Agency	Incumbent	Account	Office	Billings(\$m)
Ogilvy	Grey	Allianz	Global	90
Johannes Leonardo	IND	TTI Floor Care	Global	80
Mindshare	HAV	Volvo	Global	80
MediaCom	PUB	Procter & Gamble	Latin America	75
Maxus/MediaCom	DEN	RWE/nPower	EMEA	73
Wunderman	Various	GSK	Global	61
MediaCom	IND	DSW	Global	60
MEC	PUB	Nestlé	Australia	60
Maxus	OMC	L'Oreal	EMEA	60
JWT	OMC	Bayer	Global	60
RKCR/Y&R	N/A	UK Government	Global	50
MEC	PUB	L'Oreal	USA	50
MEC	PUB	Flight Centre	USA	50
ShopperWorks	IND	General Mills	Global	50
Mindshare	MediaCom	Foxtel	Australia	50
JWT	N/A	Tata	Global	45
MEC	OMC/DEN	RAF/Royal Navy	UK	42
MediaCom	IND	Bose	Global	40
Mindshare	OMC	Nordstrom	Global	40
JWT	N/A	Puma	Global	35
MediaCom	N/A	Indeed.com	Global	30
MediaCom	DEN	Hillarys	Global	30
MediaCom	PUB	Coca-Cola	Italy	30
Johannes Leonardo	PUB	TripAdvisor	Global	30
POSSIBLE	OMC/Various	Danone	Global	30

Shaded figures are Q4 wins

# Results for 2014

## Trade Estimates of Major New Business Losses

WPP Agency	Winning Agency	Account	Office	Billings(\$m)
MEC	Mindshare	Blackrock	Global	400
Wunderman	IPG/DEN	Microsoft	Global	320
M4C	DEN	UK Government	UK	235
MediaCom	PUB	ConAgra	USA	135
Mindshare	PUB	Nestlé	UK	96
Grey	Ogilvy	Allianz	Global	90
OgilvyOne	PUB	British Airways	Global	90
Grey	PUB	Red Lobster	USA	60
MediaCom	Mindshare	Foxtel	Australia	50
Ogilvy	OMC	Myer	Australia	30
Ogilvy/Mindshare	OMC	SAP	Global	30
Ogilvy	IND	Vodafone	Australia	30

Shaded figures are Q4 losses

# Results for 2014

Totals of Major New Business Wins & Losses Over \$30m Billings

	WPP	From OMC	From PUB	From DEN	From IPG	From HAV	Other
<b>Total Wins Above \$30m</b>	<b>6,481</b>	<b>1,573</b>	<b>2,272</b>	<b>525</b>	<b>150</b>	<b>80</b>	<b>1,881</b>
<i>% Of Total</i>		24%	35%	8%	2%	1%	30%
<b>Total Losses Above \$30m</b>	<b>1,566</b>	<b>60</b>	<b>381</b>	<b>395</b>	<b>160</b>	<b>-</b>	<b>570</b>
<i>% Of Total</i>		4%	24%	25%	10%	-	37%



# Results for 2014

Internal Estimates of Net New Business Wins

(\$m)	Creative	Media	Total
Advertising	1,436	7,002	8,438
Other Businesses	892	-	892
<b>2014</b>	<b>2,328</b>	<b>7,002</b>	<b>9,330</b>



## Results for 2014

Trade Estimates of Major New Business Wins/Losses Since 1 January 2015

	WPP Agency	Incumbent	Account	Office	Billings(\$m)
WINS	Grey	RKCR/Y&R	Vodafone	UK	80
	JWT	Various	Treasury Wine Estates	Global	70
	GroupM	IND	Airtel	India	64
	JWT	N/A	Askme-.com	India	56
	Team WPP	None	Pandora Jewellery	Global	55

	WPP Agency	Winning Agency	Account	Office	Billings(\$m)
LOSSES	m/SIX	PUB	Dixons Carphone	UK	135
	RKCR/Y&R	Grey	Vodafone	UK	80
	MediaCom	MDC	American Legacy	USA	50



# Results for 2014

## Cash Flow

£m	2014	2013
<b>Operating Profit</b>	<b>1,507</b>	<b>1,410</b>
Non-cash compensation	102	105
Depreciation & amortisation charges	393	438
Net interest paid & similar charges	(179)	(203)
Tax paid	(290)	(273)
<b>Net cash generation</b>	<b>1,533</b>	<b>1,477</b>



# Results for 2014

## Uses of Cash Flow

£m	2014	2013
<b>Net cash generation</b>	<b>1,533</b>	<b>1,477</b>
Capital expenditure	(214)	(285)
Acquisition payments	(495)	(221)
- Net initial payments <sup>1</sup>	(461)	(193)
- Earnout payments/loan note redemptions	(34)	(28)
Share buy-backs	(511)	(197)
Other	(151)	27
<b>Net cash inflow before dividends</b>	<b>162</b>	<b>801</b>
Dividends	(460)	(397)
<b>Net cash (outflow)/inflow before NWC changes</b>	<b>(298)</b>	<b>404</b>

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

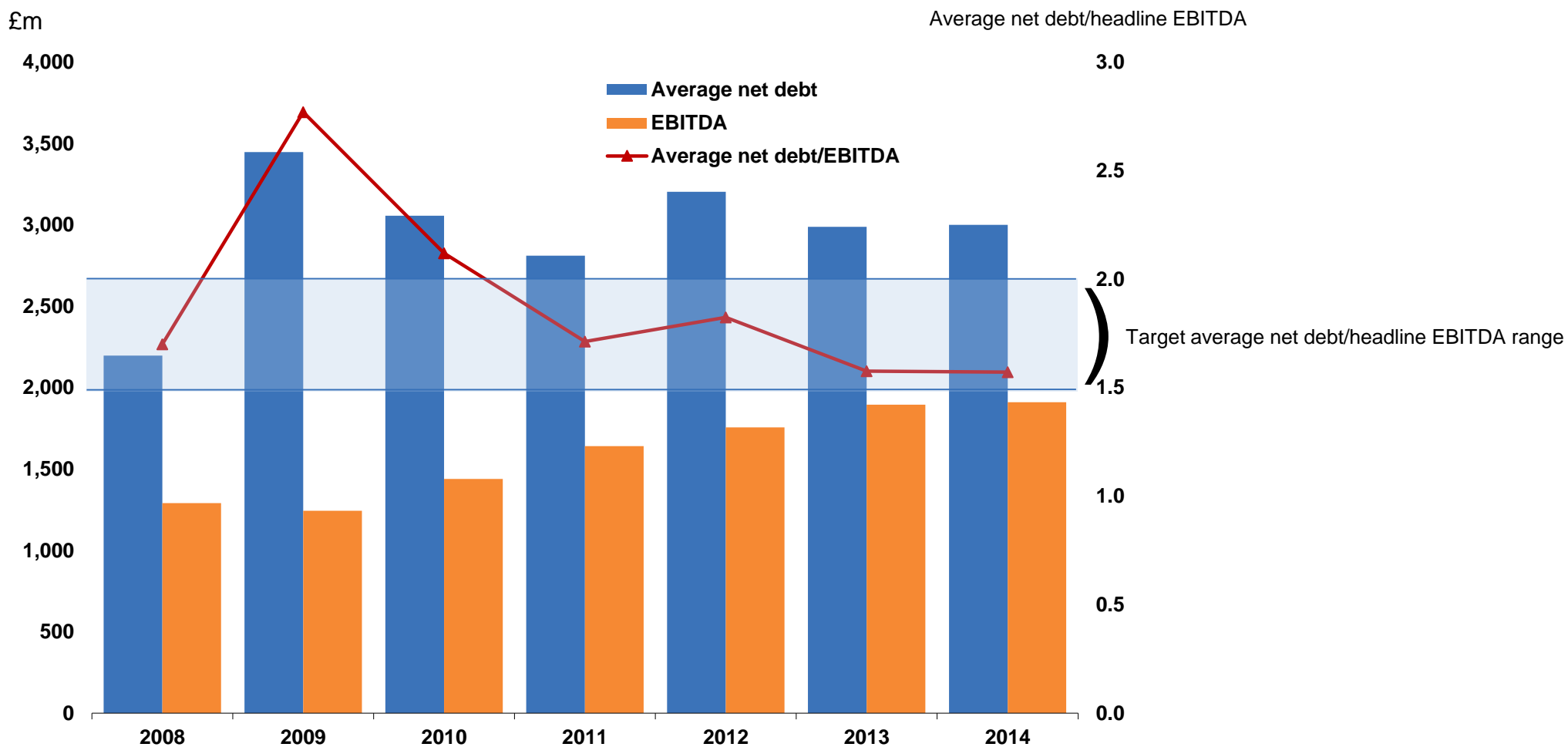
# Results for 2014

## Net Debt – 31 December 2014

£m	2014	2013	% Variance
YTD average net debt on constant currency basis	(3,001)	(3,001)	-
YTD average net debt on reportable basis	(3,001)	(2,989)	-
Net debt at 31 December on constant currency basis	(2,275)	(2,296)	+1%
Net debt at 31 December on reportable basis	(2,275)	(2,240)	-2%
Headline finance costs	(168)	(204)	+18%
<b>Interest cover on headline PBIT</b>	<b>10.0x</b>	<b>8.2x</b>	
Headline EBITDA	1,910	1,896	+1%
<b>Average net debt / headline EBITDA</b>	<b>1.6x</b>	<b>1.6x</b>	

# Results for 2014

## Historic Average Net Debt/Headline EBITDA



# Results for 2014

## Uses of Free Cash Flow

Category	Target	FY 2014	FY 2013
Acquisitions <sup>1</sup>	£300m-£400m <sup>2</sup>	£461m	£193m
Share purchases:	n/a	£511m	£197m
% of issued share capital	2-3%	3.0%	1.4%
Dividend increase	n/a	12%	20%
Pay-out ratio	45% <sup>3</sup>	45%	42%
Headroom: Undrawn facilities & surplus cash	n/a	£3.9bn	£3.1bn

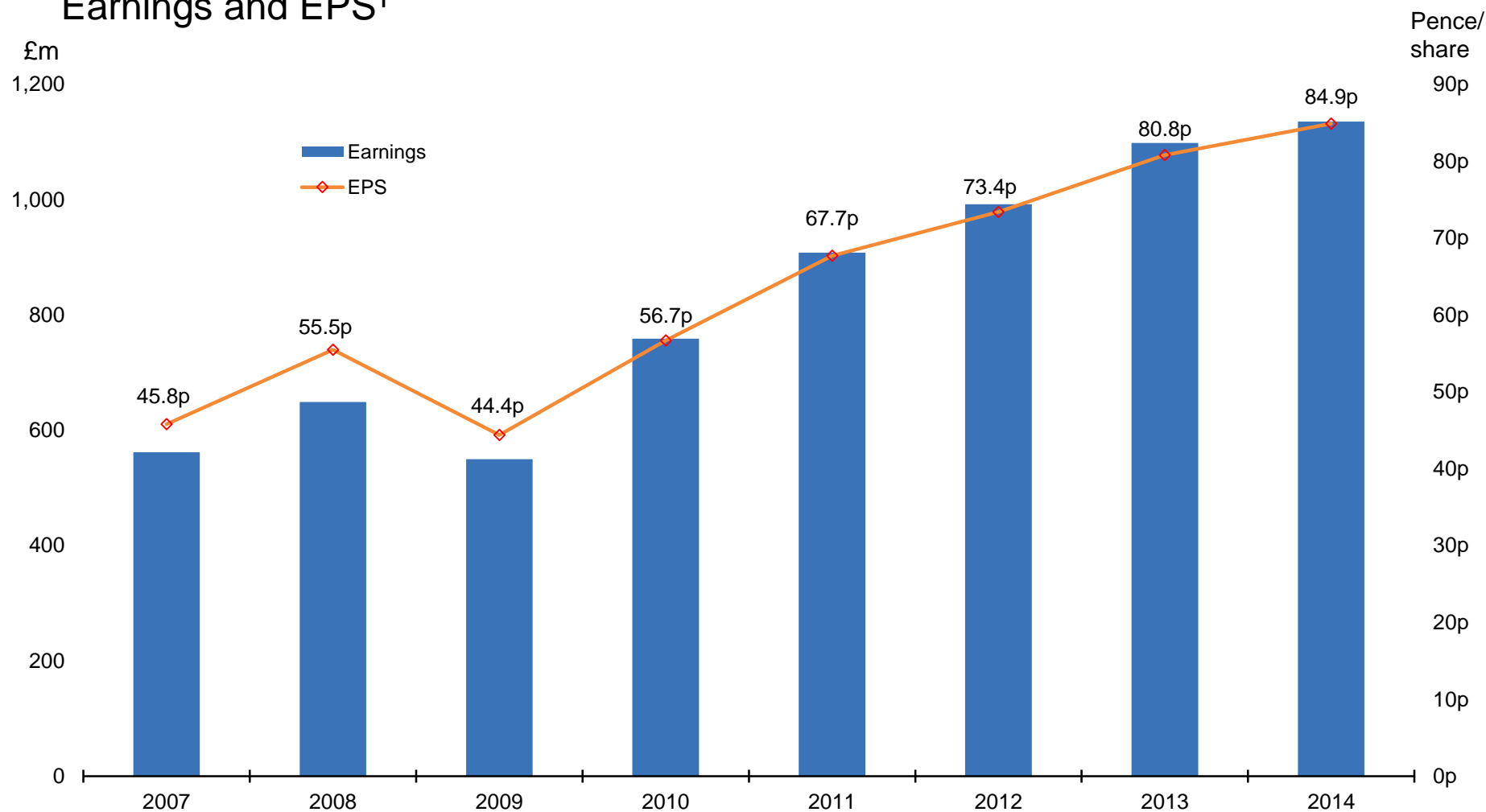
<sup>1</sup> Acquisitions are initial payments, net of cash acquired and disposal proceeds, and include other investments and associates

<sup>2</sup> Excluding one-offs like IBOPE or comScore

<sup>3</sup> Future target ratio to be considered by the Board shortly

# Results for 2014

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



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

# Results for 2014

## Taxation

- Headline tax rate of 20.0%, compared to 20.2% for 2013.
- Reported tax rate of 20.7% in 2014 (2013 – 21.9%).
- Cash tax paid of £290m compares to £273m paid in 2013.
- Estimated employer and employee social taxes paid during 2014 almost \$1.5bn for the Group.



## 2 GroupM - This Year Next Year



# Market Environment

GroupM 2014 Forecast for Global AdSpend

3.9%

Source: GroupM This Year Next Year Worldwide Report, December 2014



# Market Environment

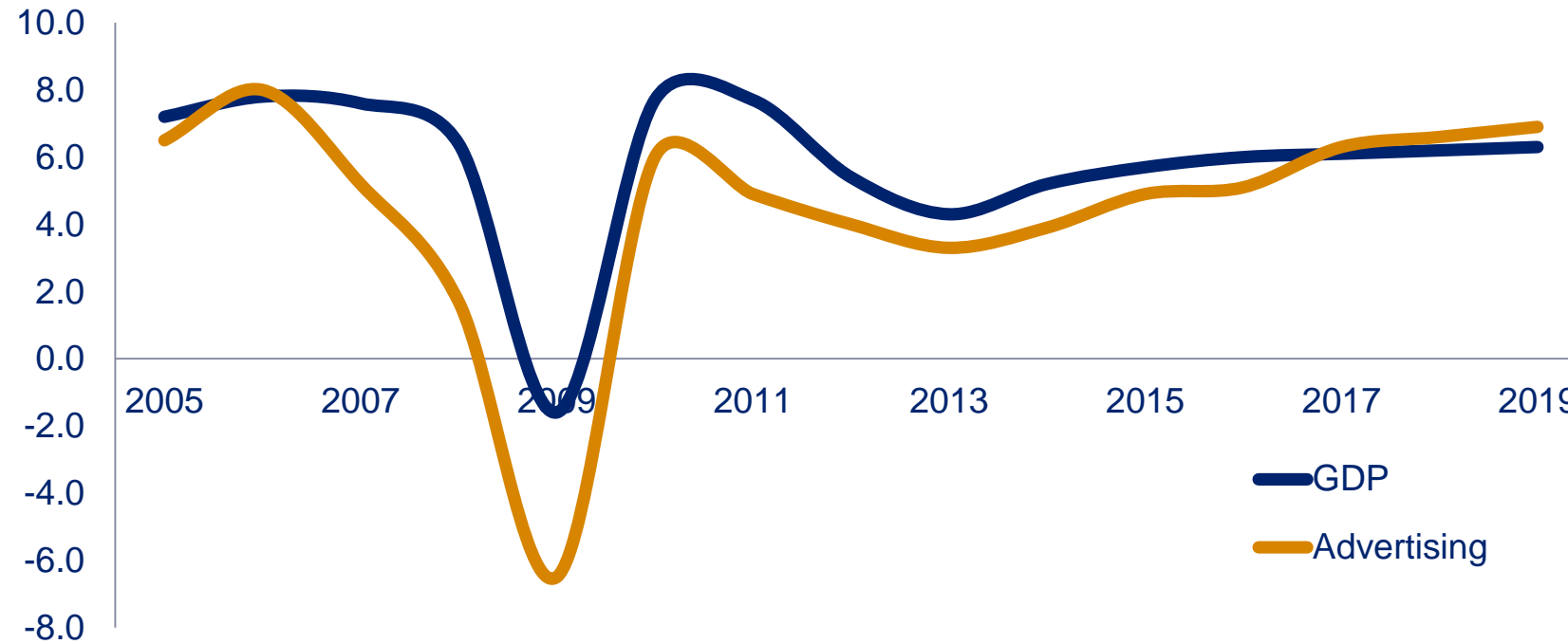
GroupM 2015 Forecast for Global AdSpend

4.9%

Source: GroupM This Year Next Year Worldwide Report, December 2014

# Market Environment

GDP and Advertising Year-on-Year Nominal % Change

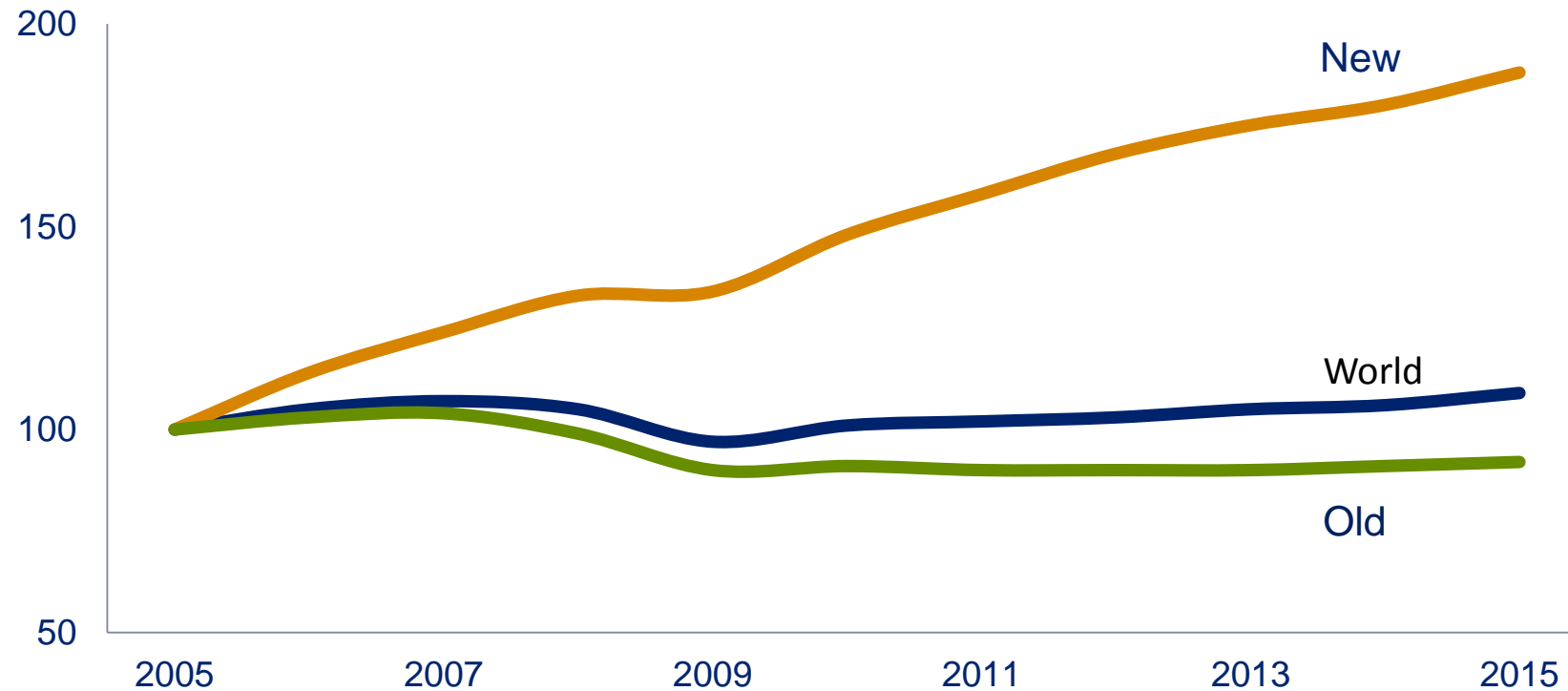


Source: IMF/GroupM

# Market Environment

Advertising Peak Recovered

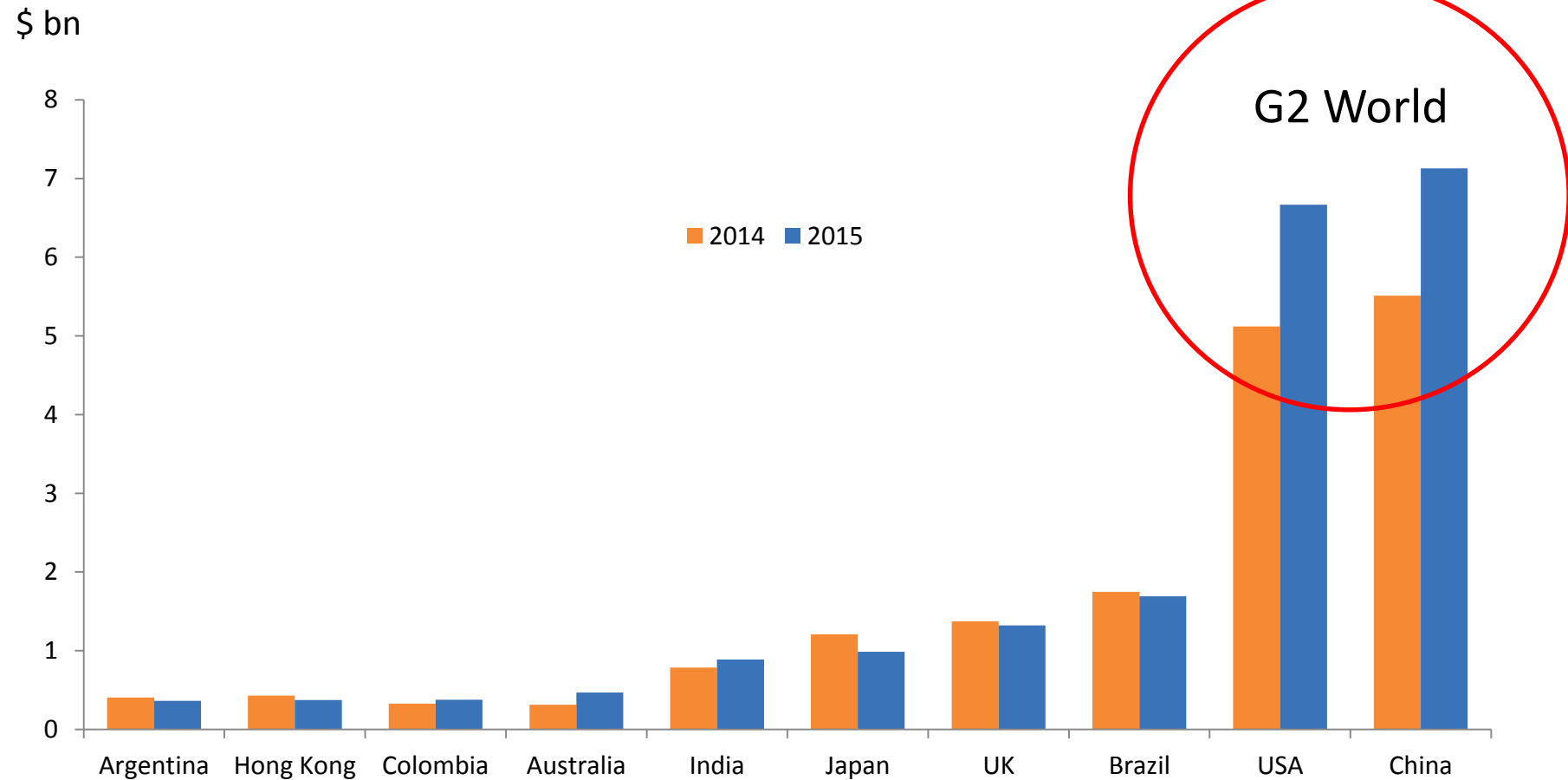
Real ad investment (2005 = 100)



Source: GroupM This Year Next Year Worldwide Report, December 2014

# Market Environment

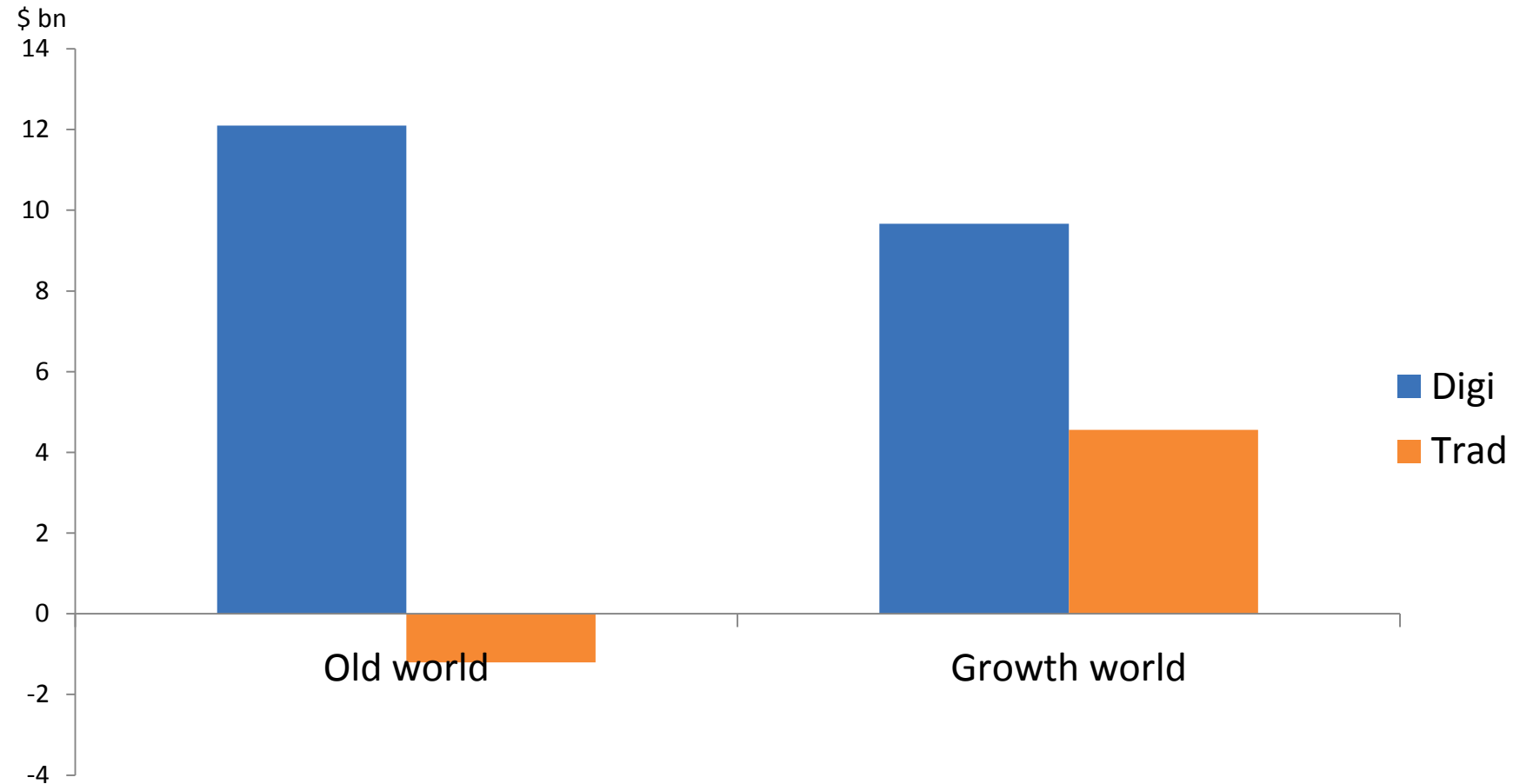
## Contributions to 2014 and 2015



Source: GroupM This Year Next Year Worldwide Report, December 2014

# Market Environment

## Digi vs Trad Contributions to 2015 YoY Growth



Source: GroupM This Year Next Year Worldwide Report, December 2014

# Market Environment

## 2014/2015 Forecast Adspend Growth by Region

Growth % YoY	2015	2014
North America	3.8	3.1
Lat Am	9.7	8.9
W Europe	2.4	1.8
CEE	0.1	1.5
Asia-Pacific	6.8	6.0
<b>World</b>	<b>4.9</b>	<b>3.9</b>

# 3 Four Core Strategic Priorities



# Market Environment

## Ten Key Global Trends

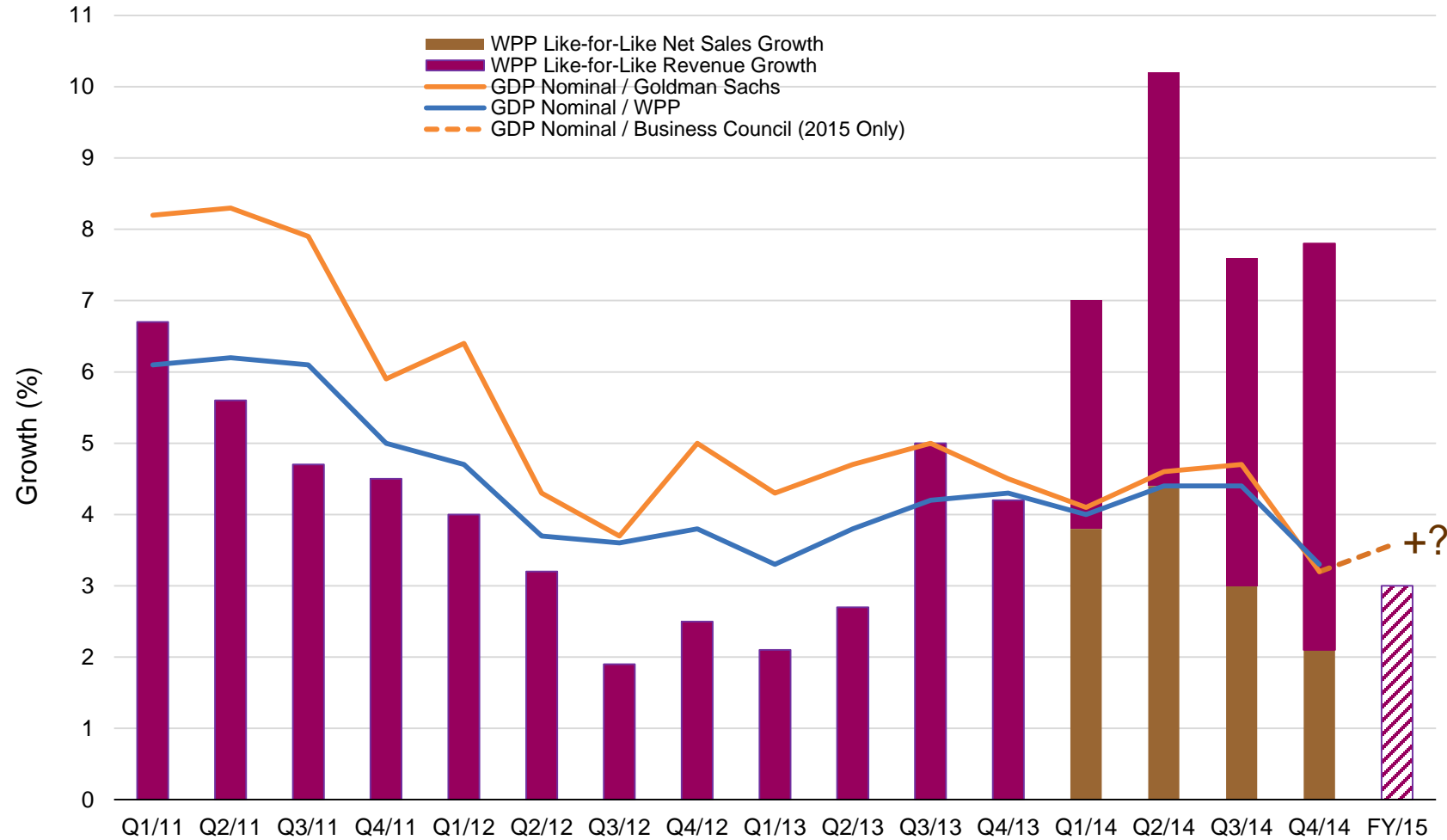
- Shift to East, South and South-East.
- Overcapacity and shortage of human capital.
- Rise and rise of the web.
- Growth of retail power.
- Importance of internal communications.
- Global and local structures.
- Relative power of finance and procurement.
- Growth of government.
- Acceptance of social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





# Market Environment

## Like-for-Like Growth and GDP



# Market Environment

## Macro and Micro Trends

### Macro

- Uniformly slightly higher nominal and real GDP projections for 2015 than for 2014.
- Continued recovery in US and UK and signs of growth in Eurozone.
- Deficit management still key for US, EU and UK but not “front of mind”.
- Pressure on traditional media from viewing habits and hyperactivity in new media.
- Concerns over Syria, Russia/Ukraine, Middle East and implications of Greece bailout.
- Possible opportunities in Cuba, Egypt and Iran.

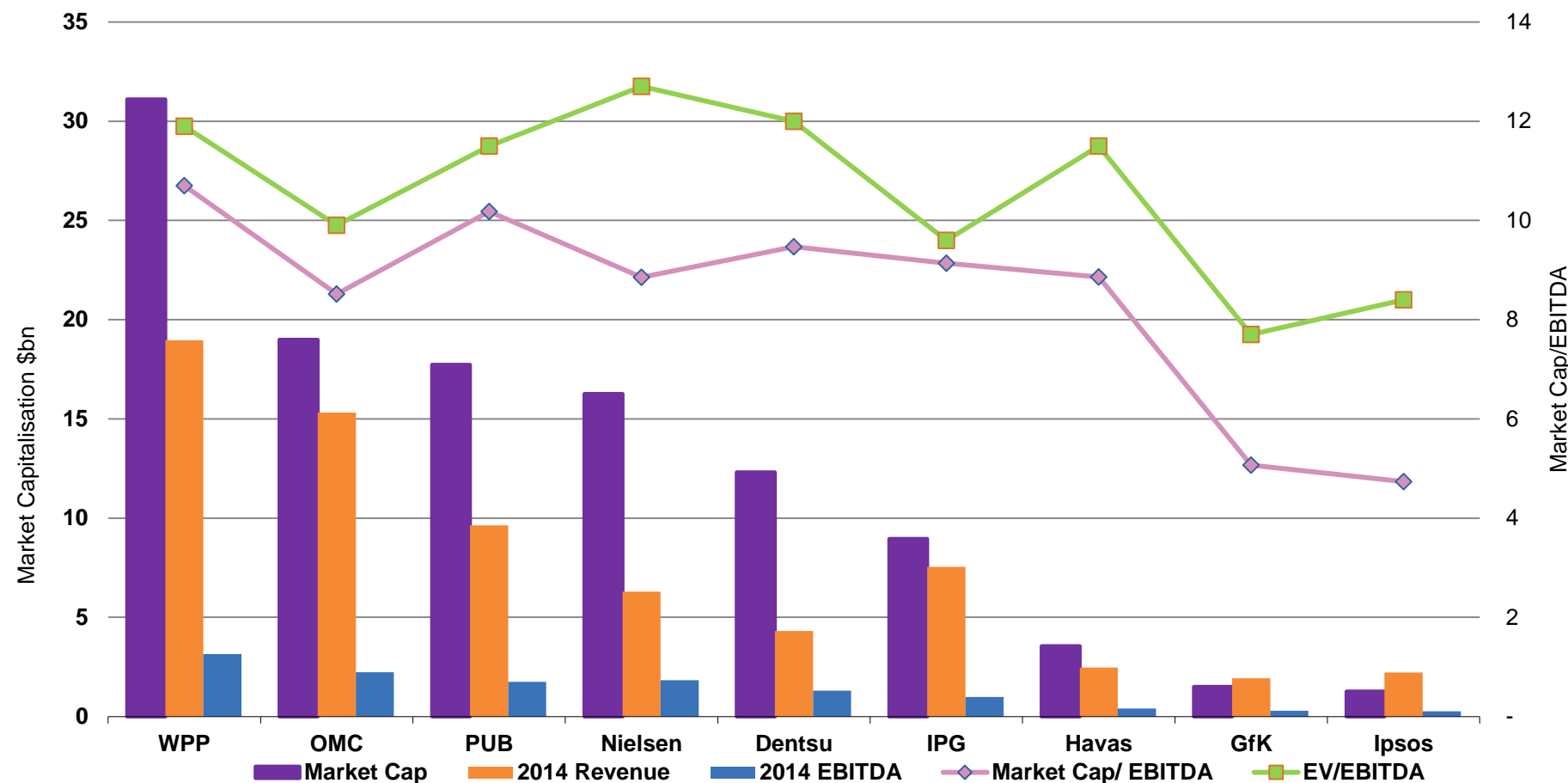
### Micro

- Clients focused on opportunities in faster growing markets and on following consumers in new media.
- Client investment in capacity and brands in faster growing markets and brands in mature markets to maintain or gain share.
- Growing importance of Horizontality, role of Big Data and Shopper Marketing.
- Efficiency and effectiveness still key with client pressure on pricing and payment terms.
- Pressure for continuous improvement.
- Application of technology, data and content.



# Market Environment

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



<sup>1</sup> Market Capitalisation/ Enterprise Value as of 6 March 2015

## Four Strategic Priorities

New Markets, New Media, Data Investment Management and Horizontality

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



# The Application of Technology, Big Data and Digital

## Trifecta

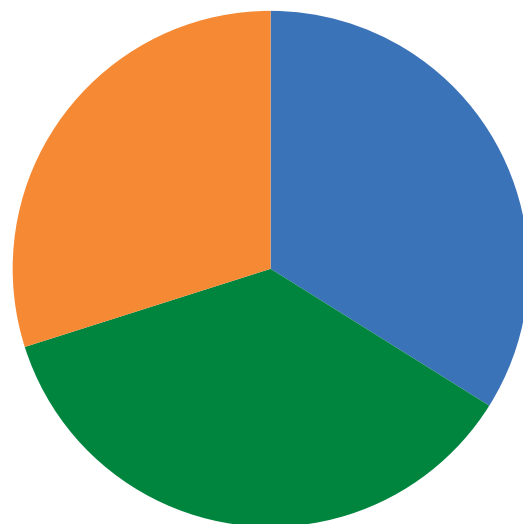
- Technology/Data Trifecta – injecting assets and cash:
  1. Partnership with AppNexus, the leading independent provider of programmatic advertising technology.
  2. Partnership with Rentrak delivering census level data on TV usage from set-top box data and from Cable Operator data.
  3. Partnership 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 over \$1bn (£0.7bn) based on quoted market values or latest funding rounds.
- Foundation for continued leadership in media investment management and data investment management.
- Based on market comparisons, Xaxis on its own would be valued at up to \$4bn.



# New Markets, New Media and Data

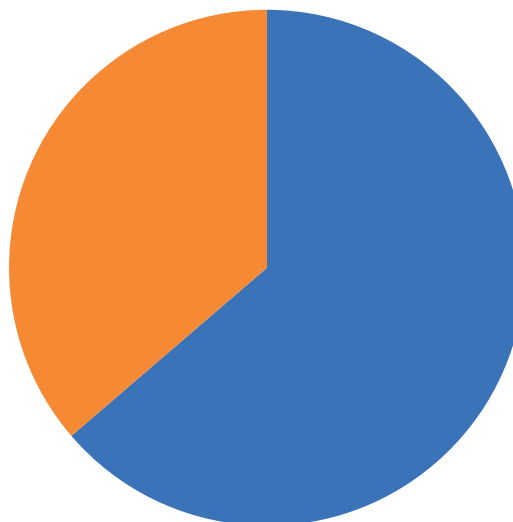
Today

1: New Markets  
Today 30%<sup>1</sup>



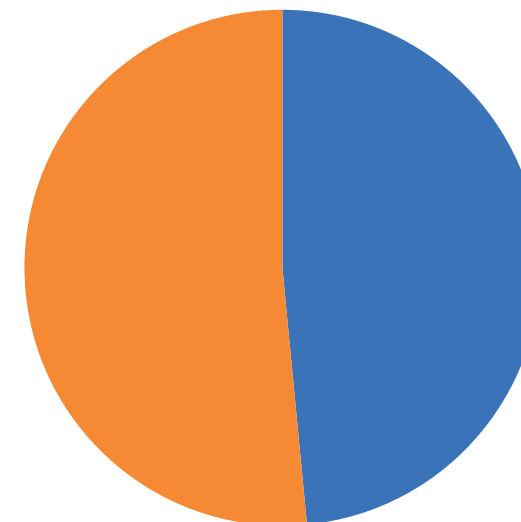
■ North America  
■ UK & Western Continental Europe  
■ Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe

2: New Media  
Today 36%<sup>1</sup>



■ Traditional Media  
■ New Media

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



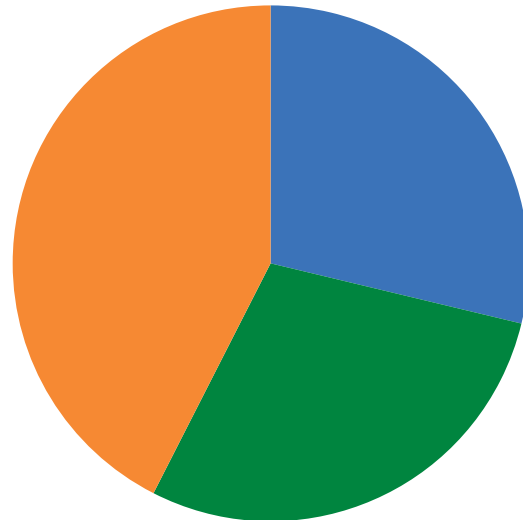
■ Qualitative  
■ Quantitative

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

# New Markets, New Media and Data Investment Management

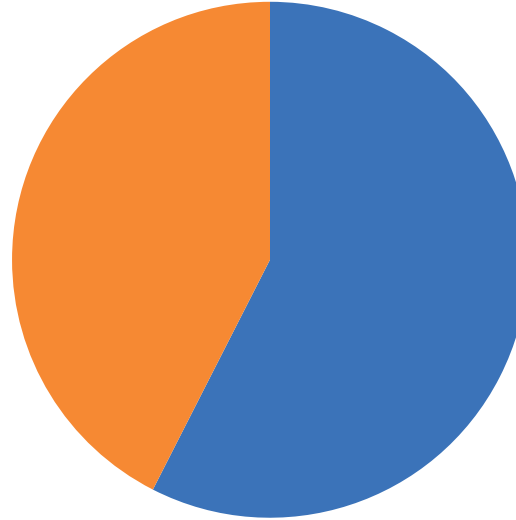
Tomorrow

**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

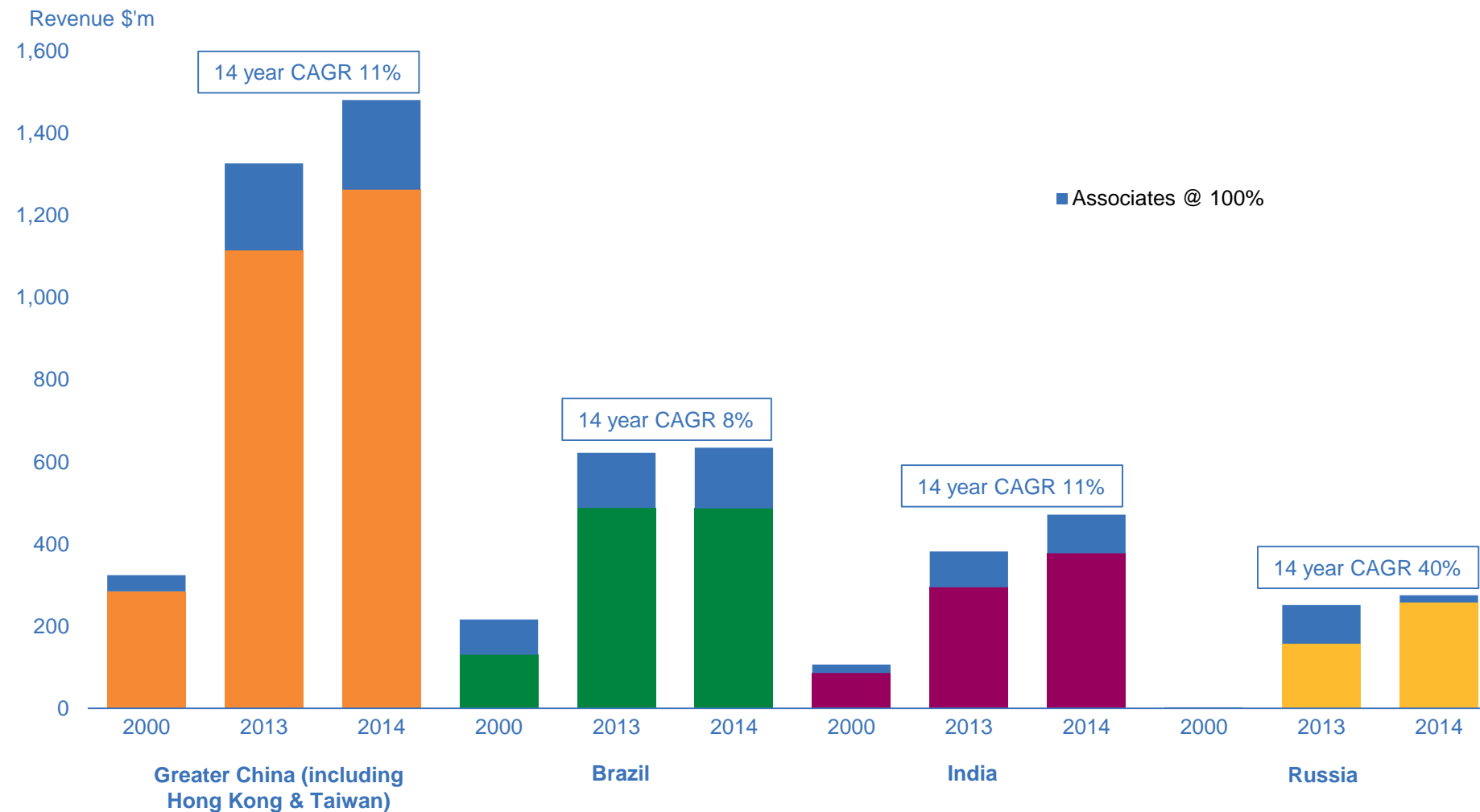
## Revenue in Faster Growing Markets 2004-2014





# New Markets

## WPP's Performance Remains Strong in BRICs Markets



# New Markets

## WPP in Faster Growing 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>	12.1	37%	1	1.5	15
	India	2.8	49%	1	0.5	14
	Thailand	1.0	39%	1	0.1	2
LatAm:	Brazil	n/a	n/a	1 <sup>4</sup>	0.6	6
	Mexico	0.9	25%	2	0.2	2
	Argentina	0.8	30%	1	0.4	5
Other:	Africa <sup>5</sup> /Middle East	2.6	30%	1	0.9	30
	Poland	1.1	41%	1	0.2	1
	Russia	1.8	19%	4	0.3	2

<sup>1</sup> Source RECMA 2013 overall billings as issued July 2014

<sup>2</sup> 12 months to 31 December 2014 including associates, people at 31 December 2014

<sup>3</sup> China, Hong Kong and Taiwan

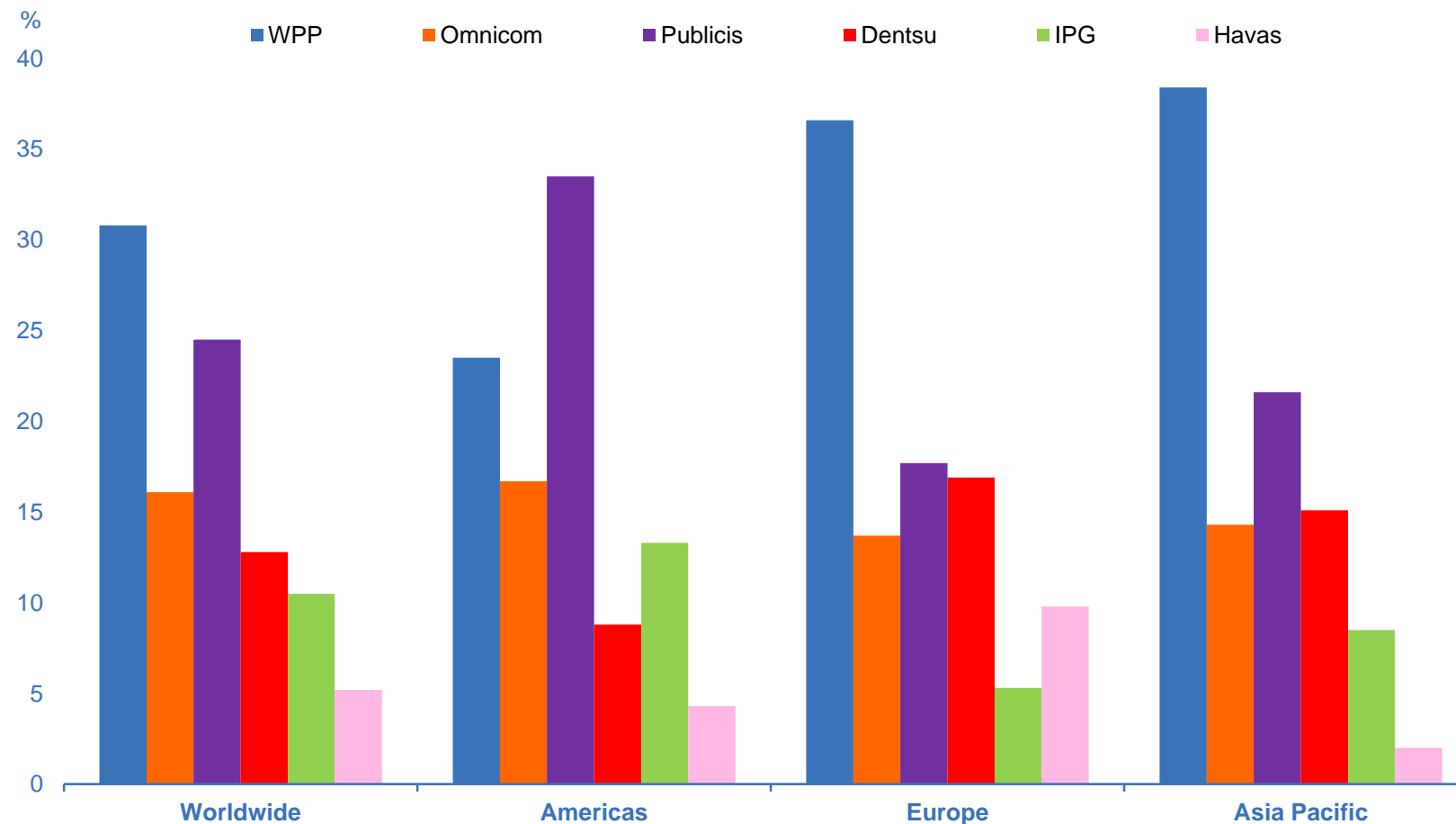
<sup>4</sup> WPP estimate

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

# New Markets

## Media Billings by Geography

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

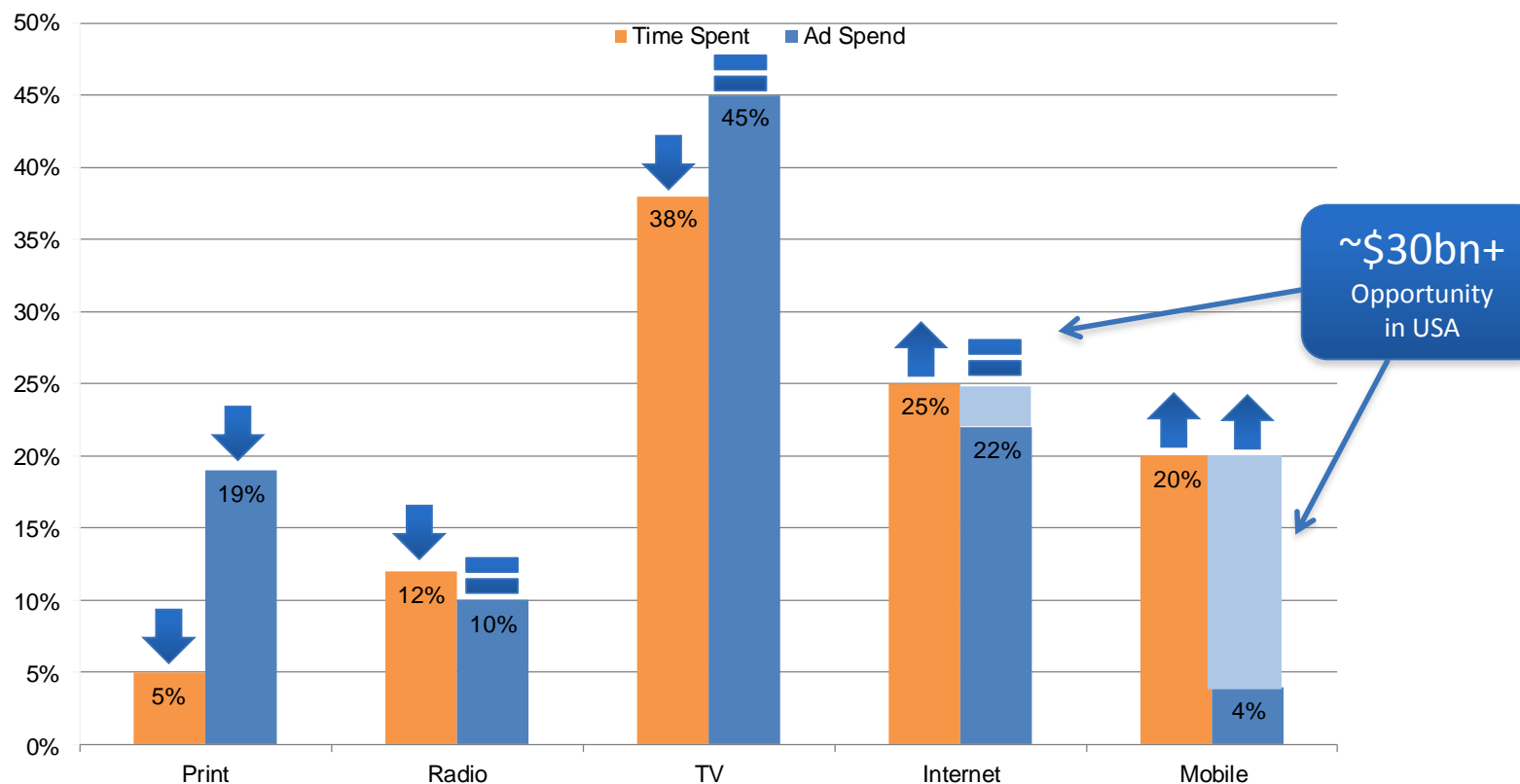


Source: RECMA July 2014 billings report, based on 2013 data

## 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 2013



Source: (KPCB 2014)

Note: Print includes newspaper and magazine. \$30bn+ opportunity calculated assuming Internet and Mobile ad spend share equal their respective time spent share. Source: eMarketer 7/13

\* Based on \$ spend, not impressions

# 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, programmatic platform, web development, DSPs, mobile, social, eCommerce and eShopper, etc.

### 3. Data and Technology

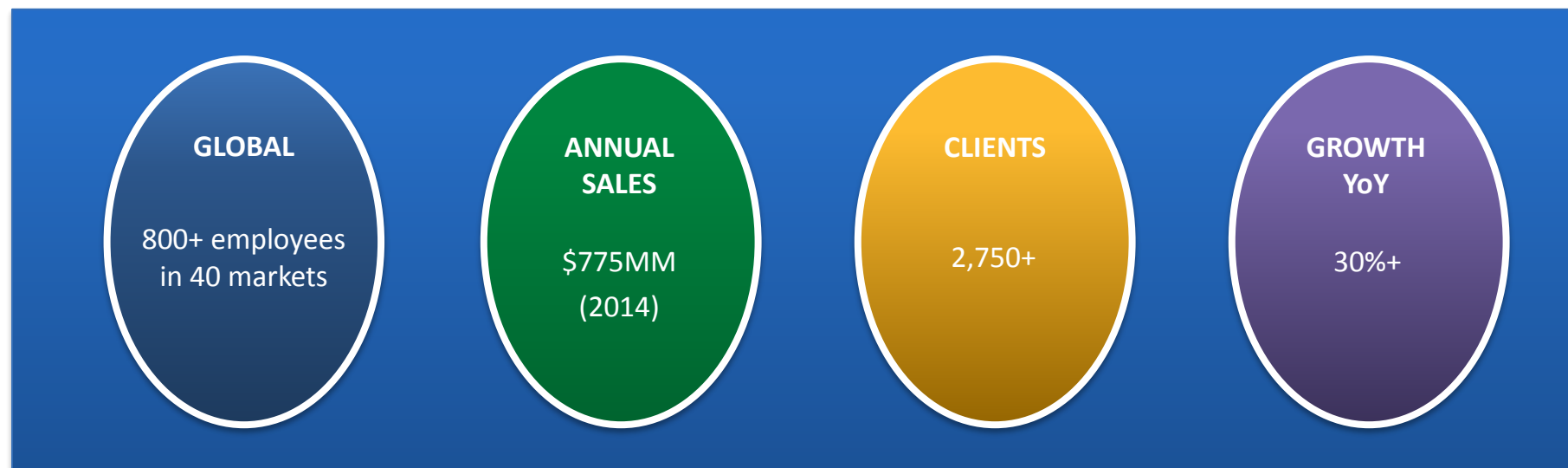
- Establish a proprietary technology platform – based on own and licensed technologies such as Xaxis.
- Invest in ability to control and use data for WPP and client benefit.

### 4. Partner with digital leaders

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

# New Media

Xaxis - World's Largest Programmatic Media and Technology Platform



## North America

- 28% net sales growth

## EMEA

- 25% net sales growth

## Latin America

- 420% net sales growth

## APAC

- 77% net sales growth

Unrestricted access to exclusive and premium content.

# New Media

## Xaxis Markets February 2015 Update

### Group 1: Mature markets

USA  
Canada  
Austria  
Germany  
Denmark  
Italy  
Netherlands  
Poland  
Spain  
Turkey  
UK  
Australia  
Malaysia  
Singapore

### Group 2: Growth markets

Belgium  
Norway  
Portugal  
Sweden  
China  
Hong Kong  
India  
Taiwan  
Thailand  
Vietnam  
Mexico

### Group 4: New markets 2015

Finland  
Greece  
Hungary  
Slovakia  
South Africa

### Group 3: New markets 2014

Czech Republic  
France  
Romania  
Russia  
Indonesia  
Japan  
Philippines  
South Korea  
Argentina  
Brazil  
Colombia  
Puerto Rico  
MENA



# 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.





Over 188,000 people<sup>1</sup> in over 3,000 offices in 111 countries with access to almost \$27bn<sup>1</sup> of annual revenue



65

# Horizontality

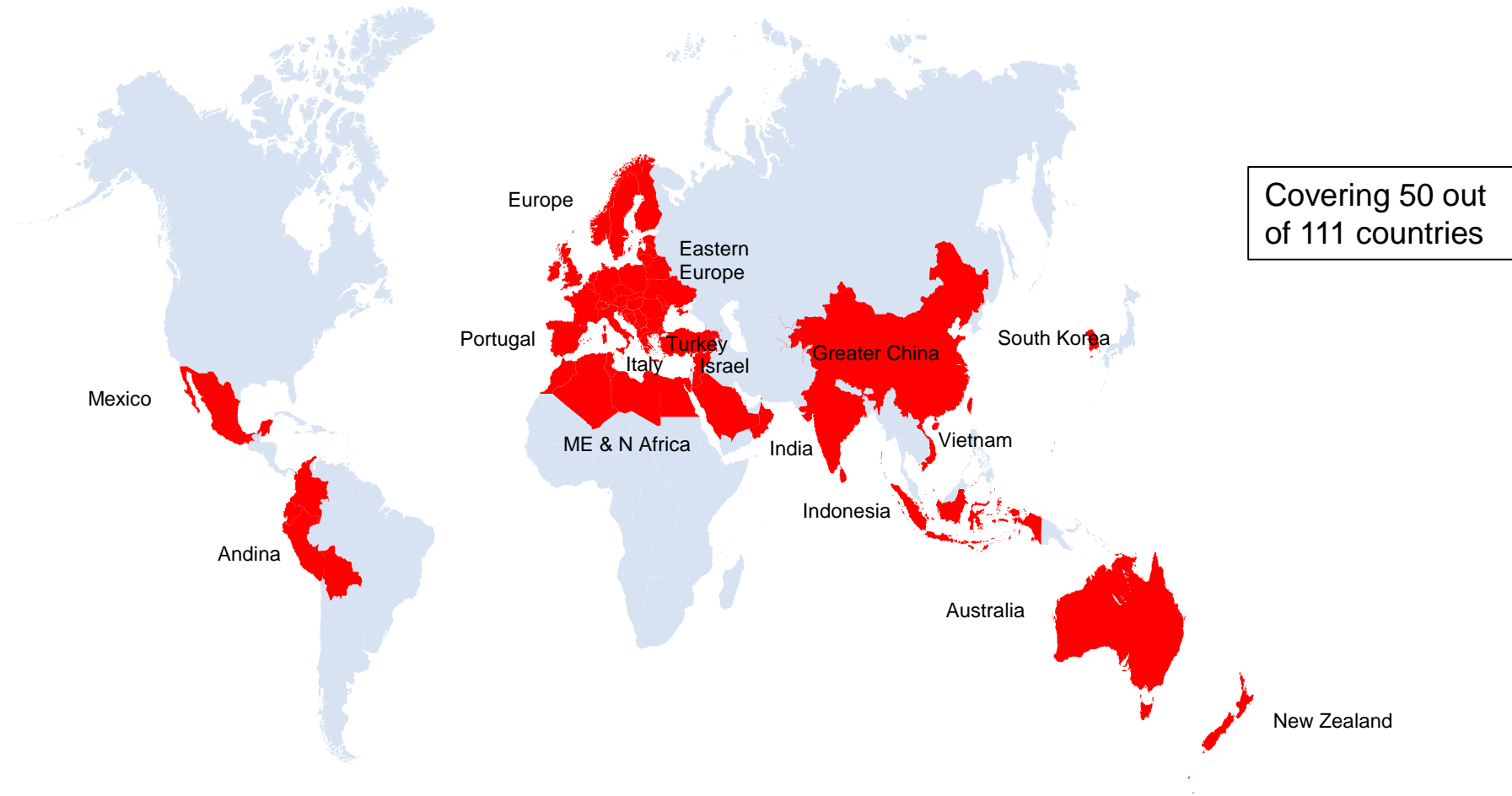
46 Account Teams – Over 38,000 WPP employees work on these clients



WPP

# Horizontality

16 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 – Allianz, Bayer (Merck), General Mills and Pandora Jewellery.



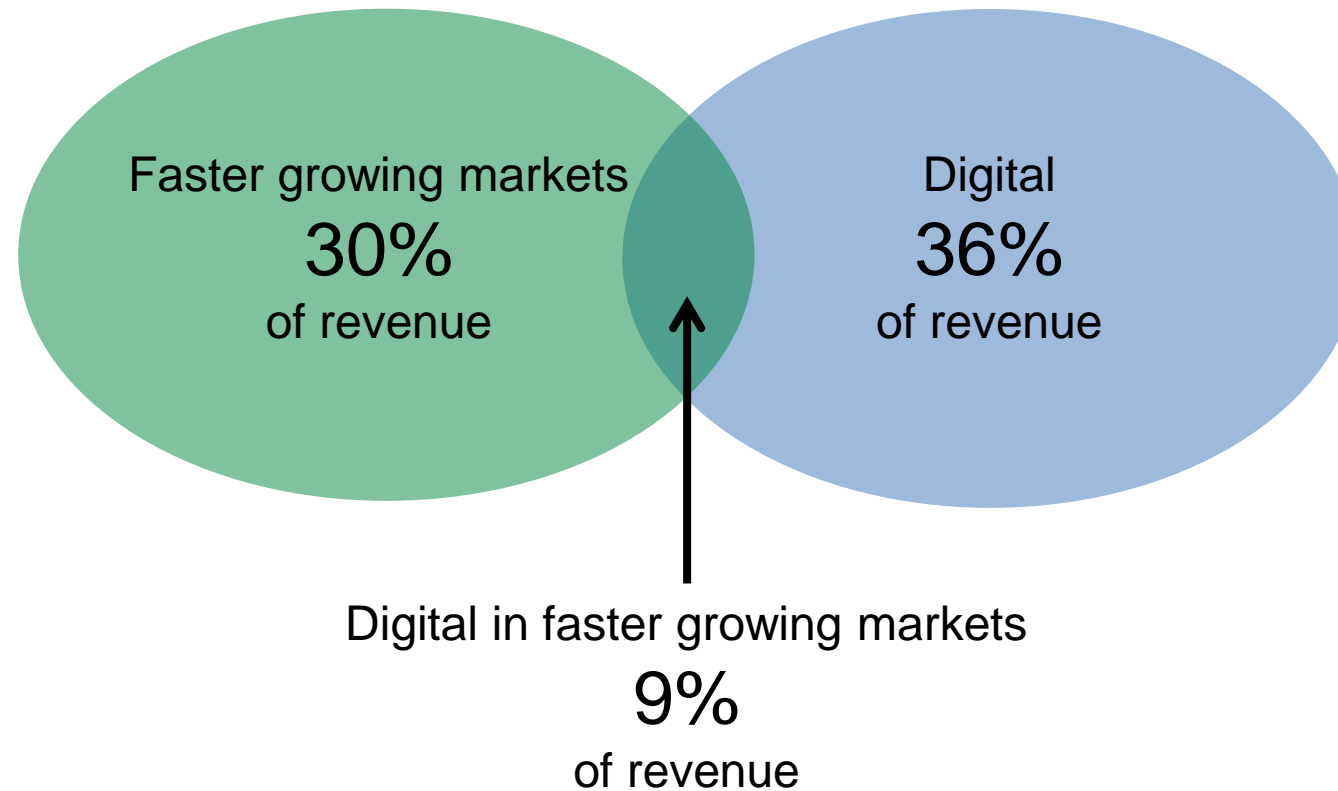
## Our Billion \$ Revenue Brands



# Digital and Faster Growing Markets

Two Key Long-Term Growth Drivers

- Overall 57% of 2014 Actual Revenue



## 4 Key Objectives



## Key Objectives

We Continue to Focus on Our Key Objectives

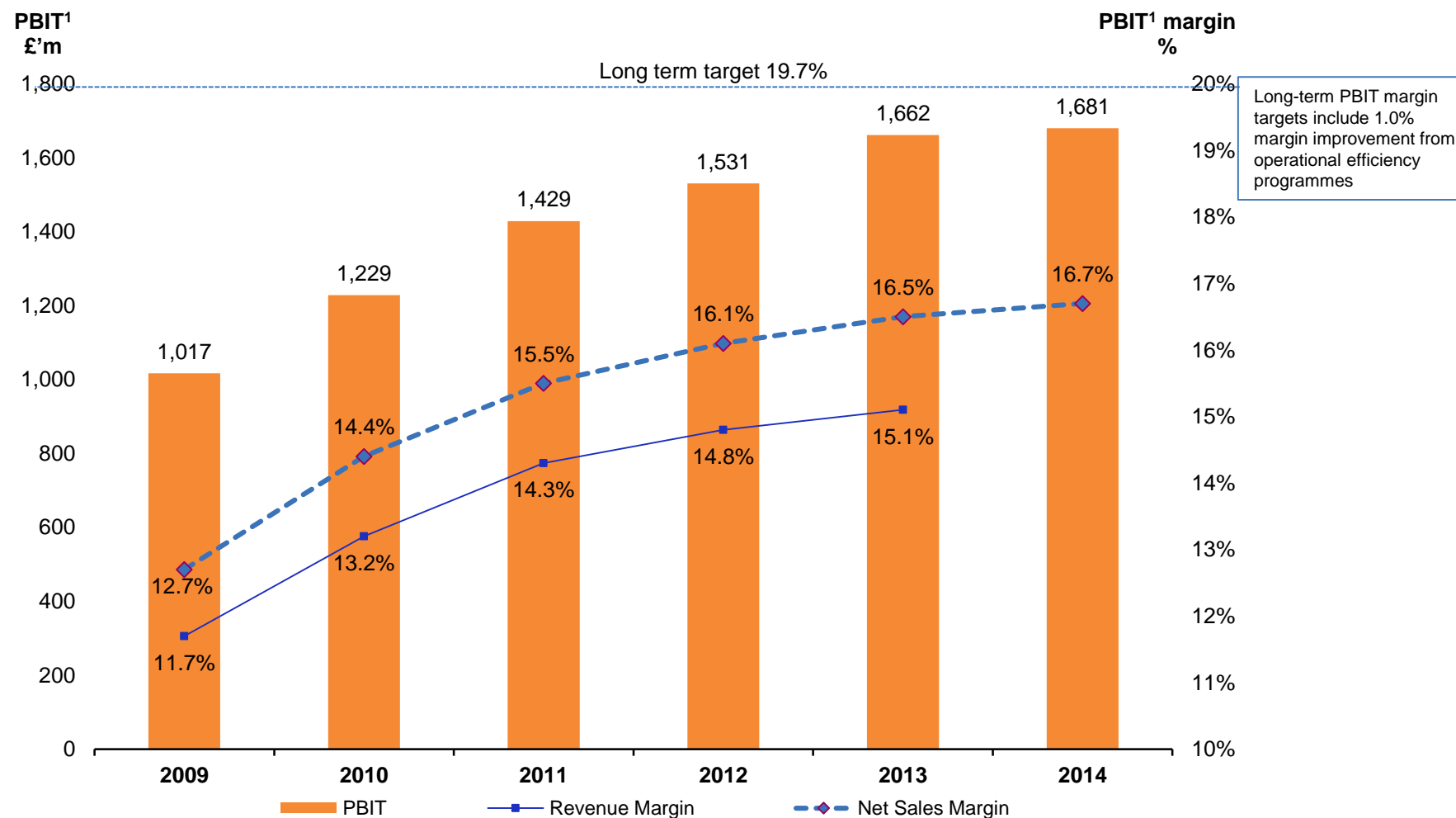
- Improving operating margins.
- Increasing flexibility in the cost base.
- Using free cash flow to enhance share owner value and improve return on capital employed.
- Developing the role of the parent company.
- Emphasising net sales growth more as margins improve.
- Improving the creative capabilities 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 and revaluation of financial instruments

# Key Objectives

## Improving Operating Margins

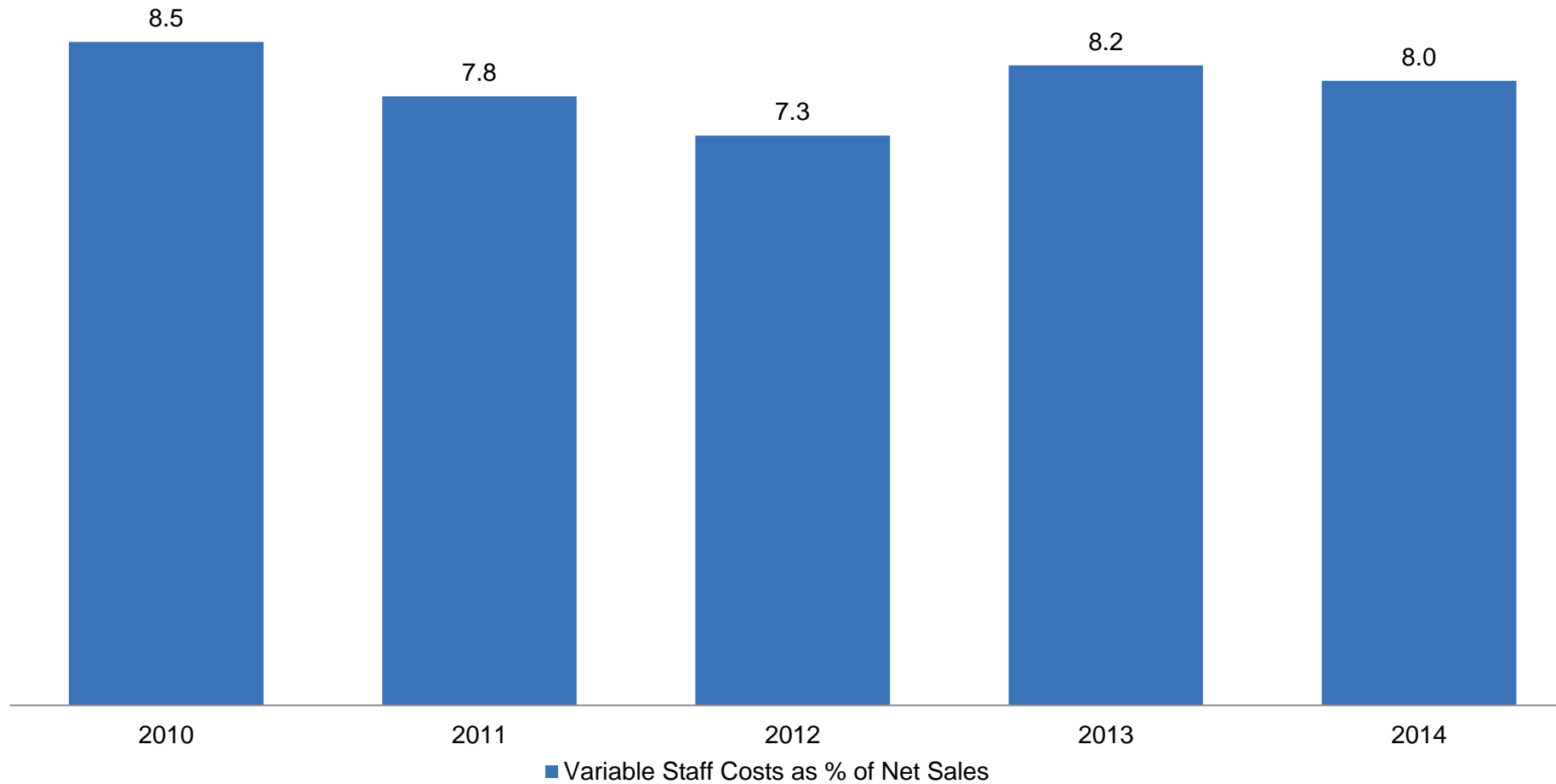
### Operational Effectiveness Programmes

- 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.



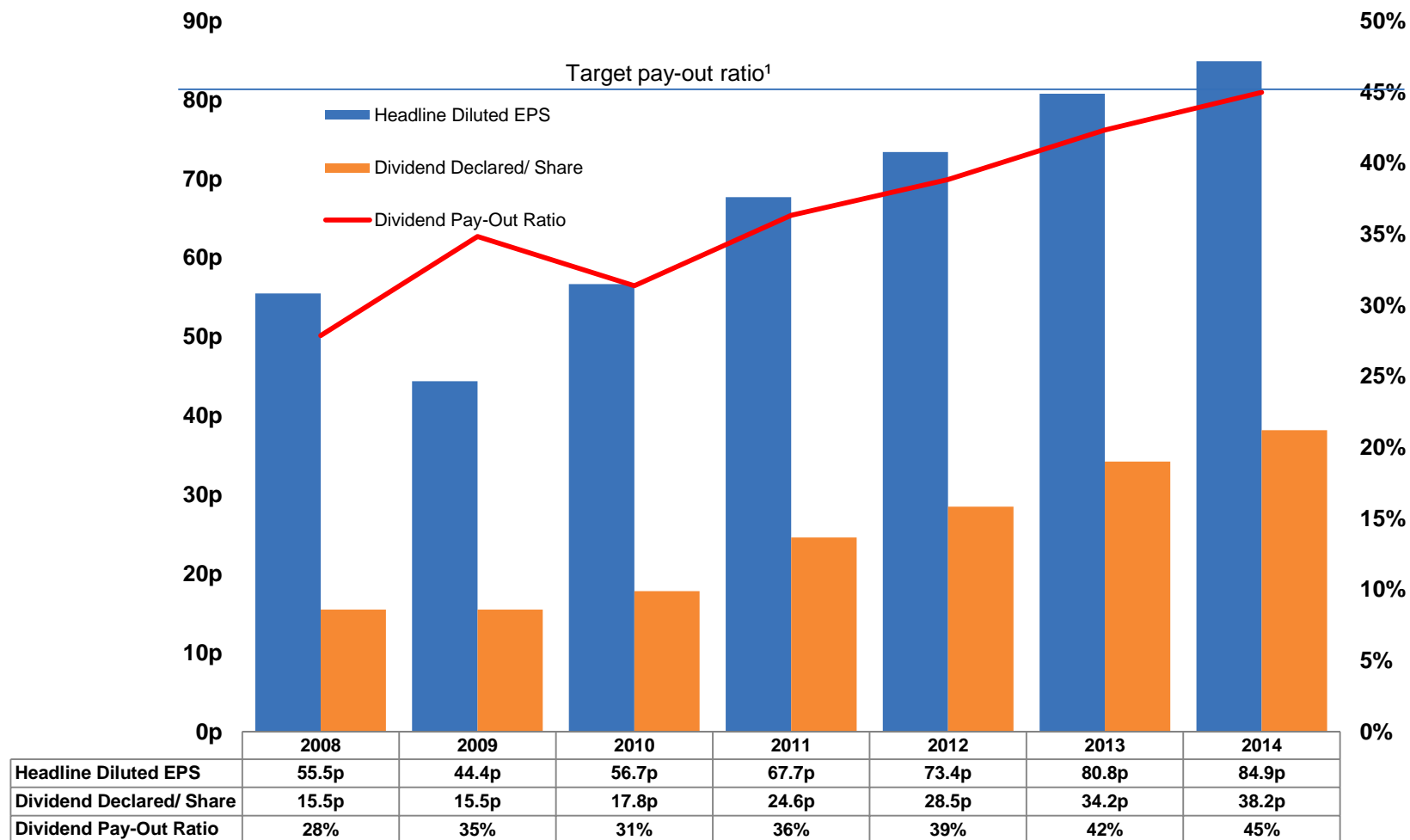
## Key Objectives

Increasing Flexibility in The Cost Base  
Change in Variable Costs



# Key Objectives

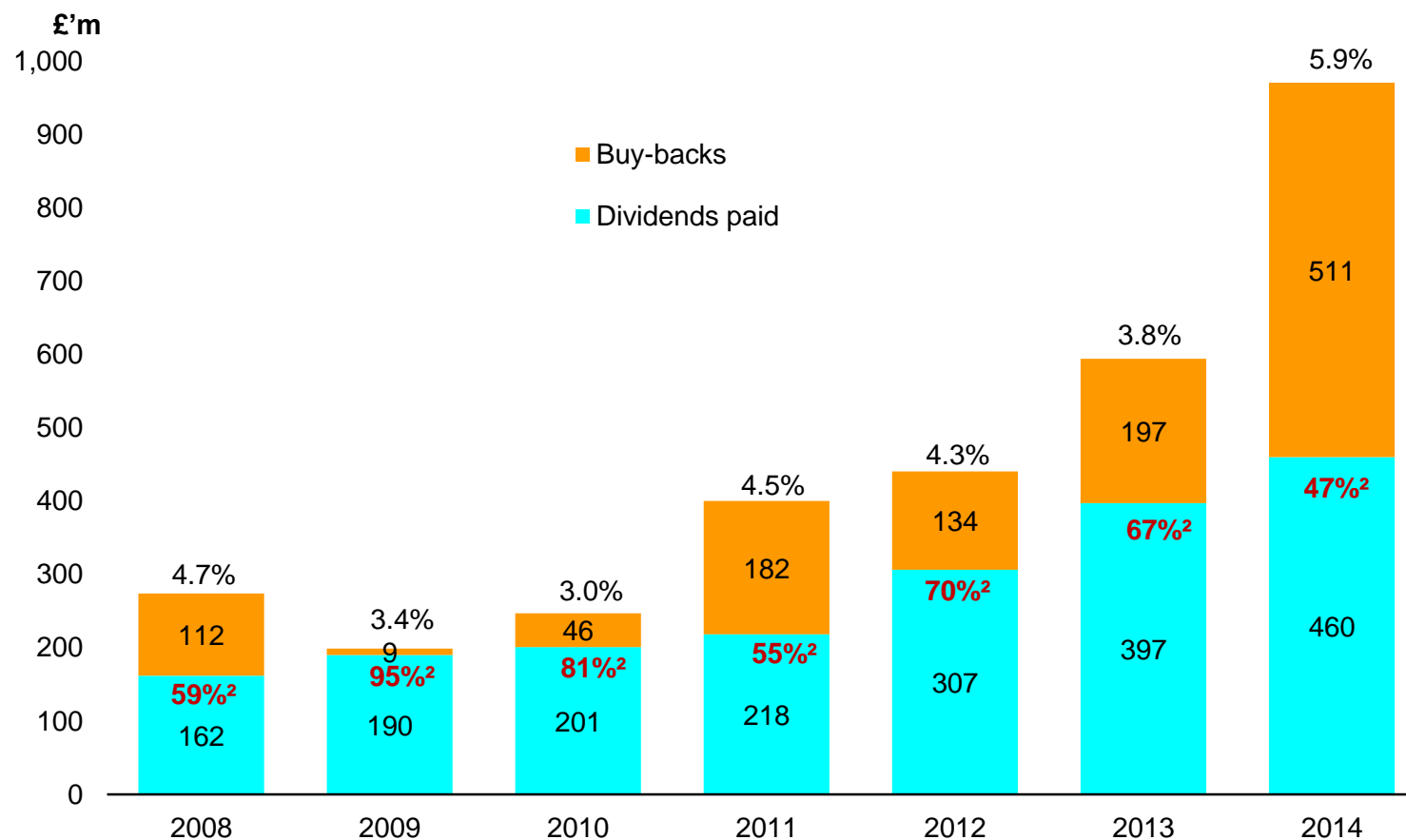
## Using Free Cash Flow to Enhance Dividend Pay-Out Ratio



<sup>1</sup> Future target ratio to be considered by the Board shortly

# Key Objectives

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

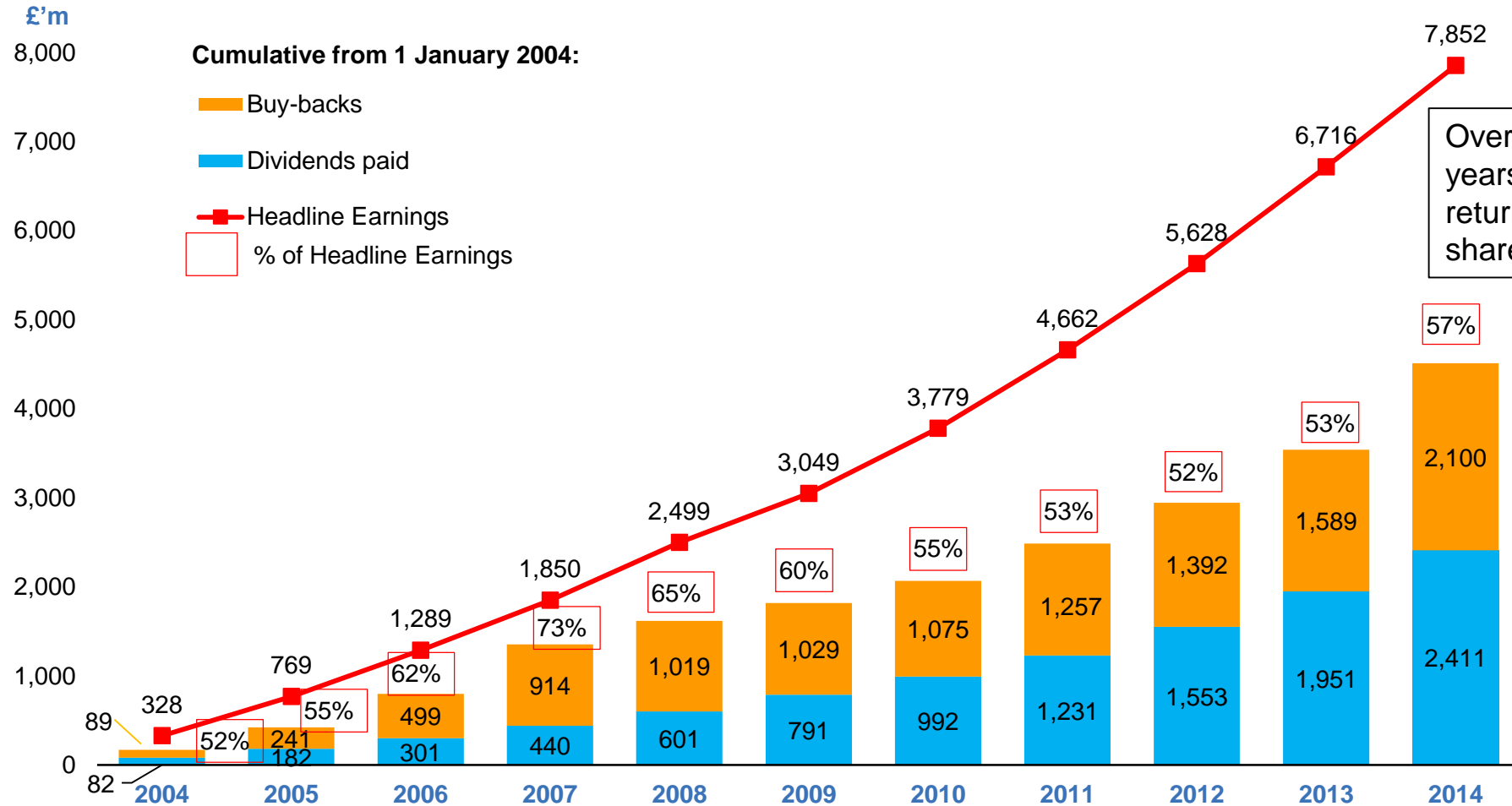


<sup>1</sup> Sum of share buy-backs and dividends paid divided by average shares in issue for the relevant period, as a % of the average share price for the relevant period

<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



# 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 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, Egypt and Iran.
- During the year, 65 small and medium-sized acquisitions completed in executing this strategy.
- We continue to find opportunities at earnings enhancing multiples, with the 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 growing markets like China, Brazil and India.
- Acquisitions added 3.1% to revenue growth and 3.0% to net sales growth in 2014.

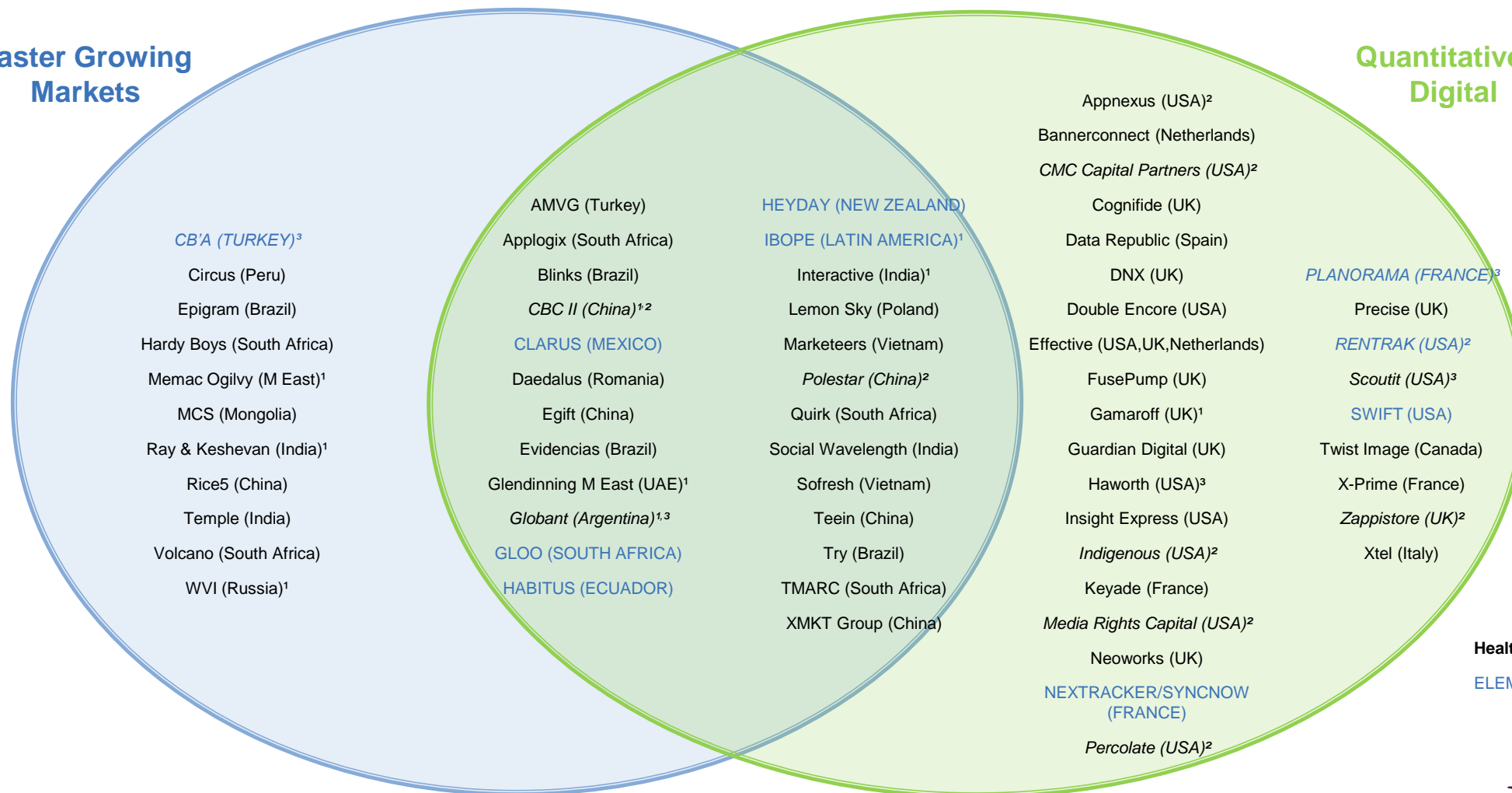


# Key Objectives

## Acquisitions and Investments

### Faster Growing Markets

### Quantitative & Digital



Healthcare  
ELEMENT (USA)

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

<sup>2</sup> Investment

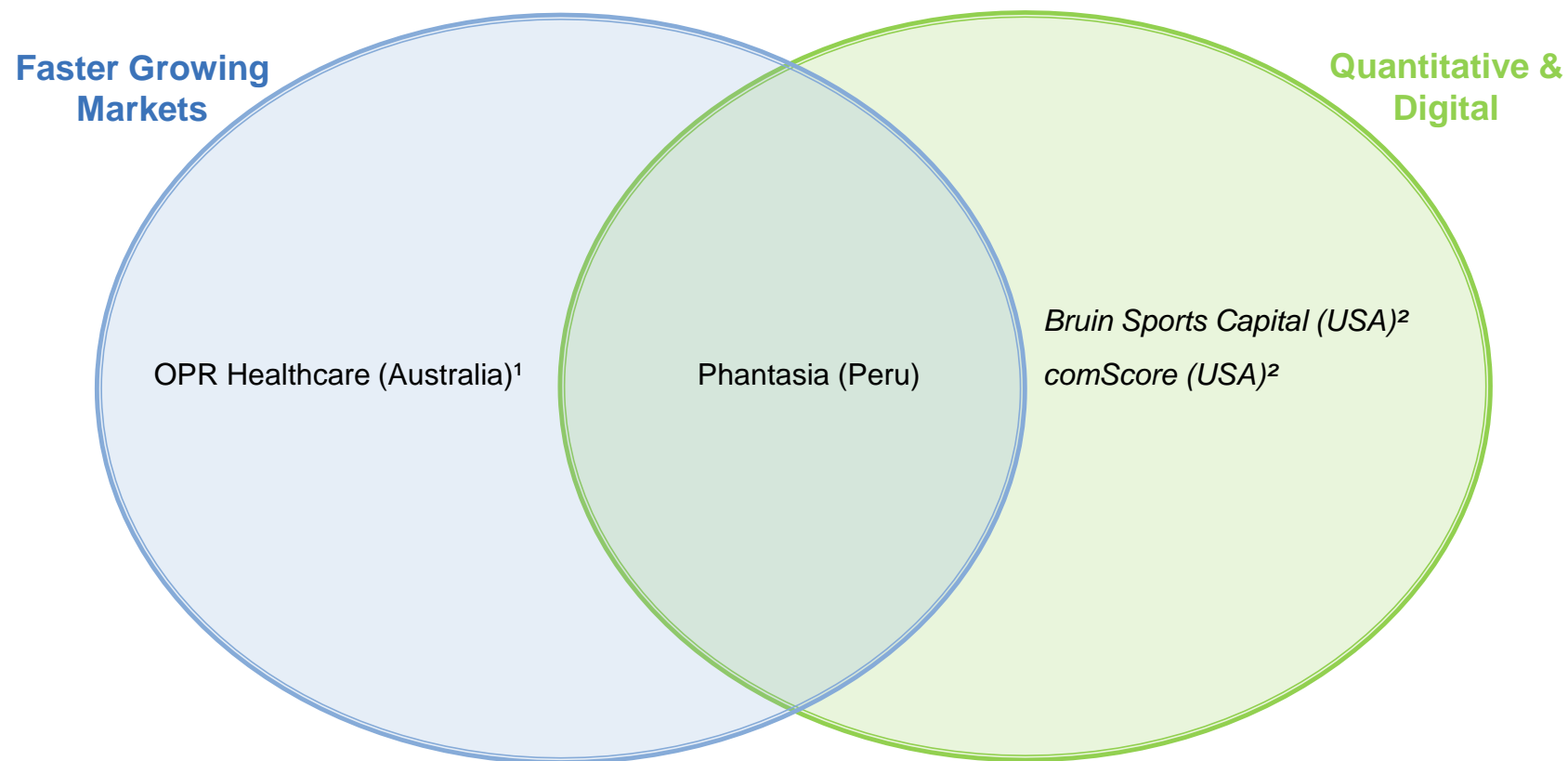
<sup>3</sup> Associate

CAPITALS ARE Q4 ACQUISITIONS



# Key Objectives

Acquisitions and Investments – Since 1 January 2015

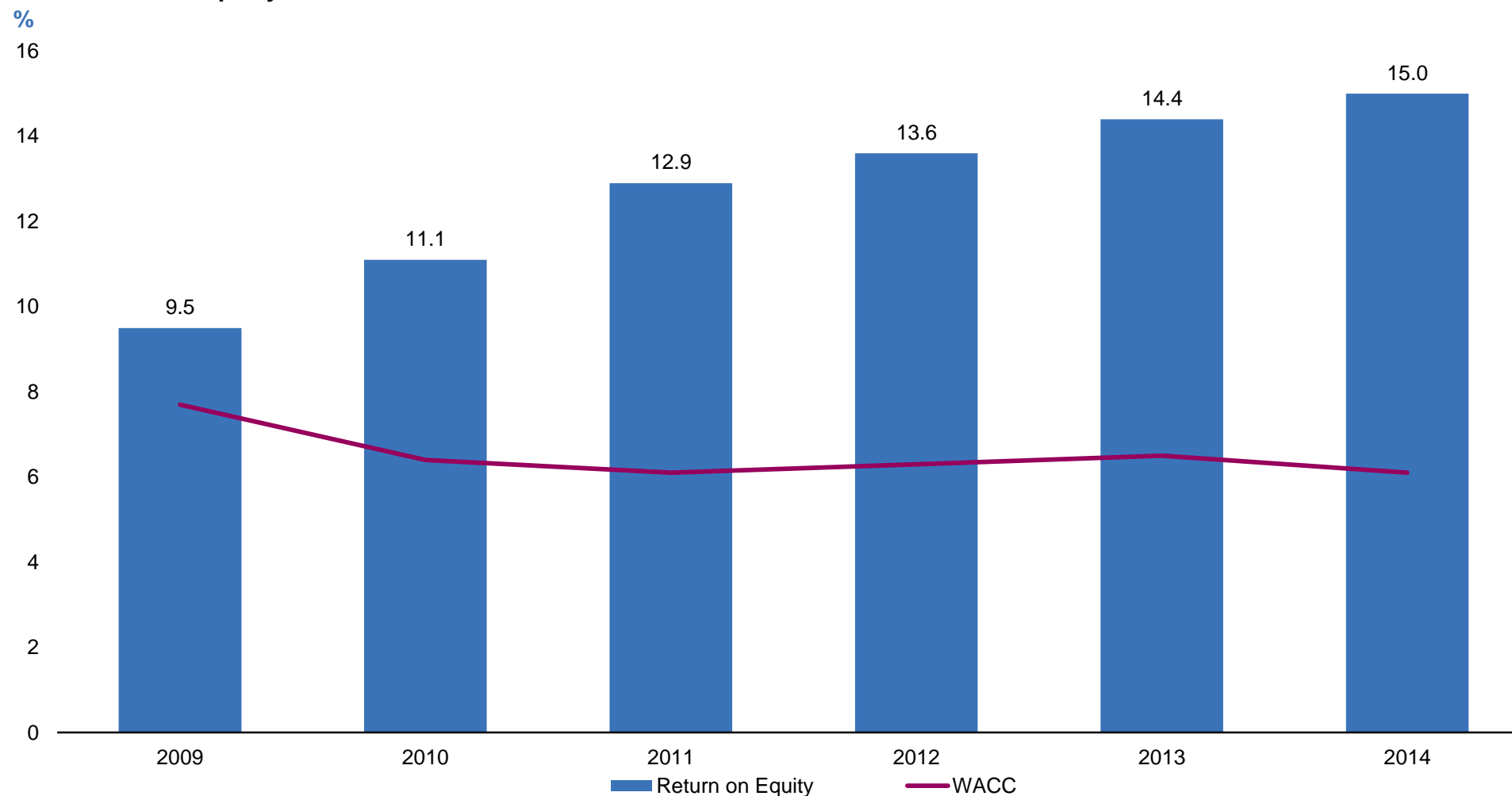


<sup>1</sup> Step-ups in investments, associates and subsidiaries' equity

<sup>2</sup> Investment

# Key Objectives

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



<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, 2012, 2013 and 2014.
- Awarded the EFFIE as Most Effective Holding Company 2012, 2013 and 2014.

Cannes Awards 2014	Points
WPP	1,648
OMC	1,522
Publicis	897

# Key Objectives

Improving the Creative Reputation of all our Businesses

	Network	Points <sup>1</sup>
1	Ogilvy & Mather	663
2	DDB	608
3	BBDO	552
4	Y&R	423
5	Leo Burnett	336
6	TBWA	294
7	FCB	253
8	Publicis	247
9	McCann	245
10	Grey	230
11	J. Walter Thompson Worldwide	194



**Ogilvy & Mather**  
**Cannes Network of the Year**  
**2012, 2013 and 2014**



**Grey Global Agency of the**  
**Year 2013**



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

<sup>1</sup> WPP calculation based on official Cannes data

## 5 Outlook and Conclusions



## Conclusions 2014

### Another Record Year Despite Strong Currency Headwinds

- Strong year with market leading like-for-like revenue and net sales growth enhanced by 3% of revenue from acquisitions.
- Strong currency headwind ravages reported revenue and net sales.
- Margin improvement of 0.3 margin points before currency, in line with full year target, and 0.2 margin points on a reported basis.
- Constant currency net sales up 6.3%, PBIT up 8% and diluted EPS up 13%.
- Strong cash flow enabled company to invest £1.0bn in both acquisitions and buy-back of 3.0% of share capital.
- Average Net Debt to EBITDA ratio of 1.6 x at bottom of our target range, in spite of increasing dividend pay-out, share buy-backs and acquisitions.
- No 1 in New Business league tables for the third year in a row.



# Outlook for 2015

## 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	45% <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> Future target ratio to be considered by the Board shortly

## Outlook for 2015

- Our budgets indicate
  - Like-for-like revenue and net sales growth of over 3%.
  - Margin improvement in line with our target of 0.3 margin points pre-currency.
  - Acquisitions to add over 2% to revenue.
- At current exchange rates full year currency impact is balanced and will likely have little effect.
- Staff costs and headcount to remain controlled to deliver the margin target.
- Operational effectiveness and efficiency programmes will start to deliver significantly in 2016.



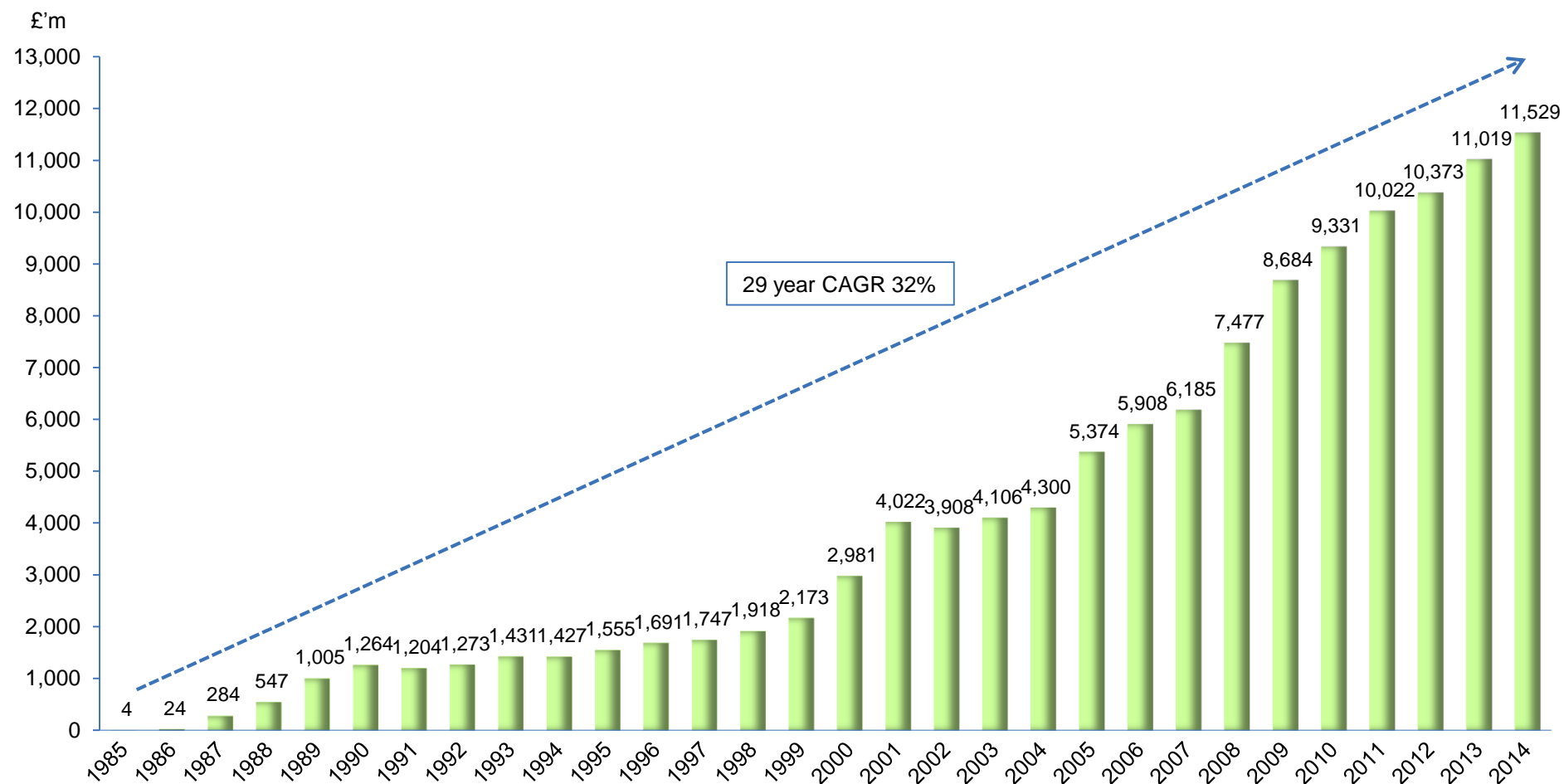


# 6 29 Year History *(Hard Copy Only)*



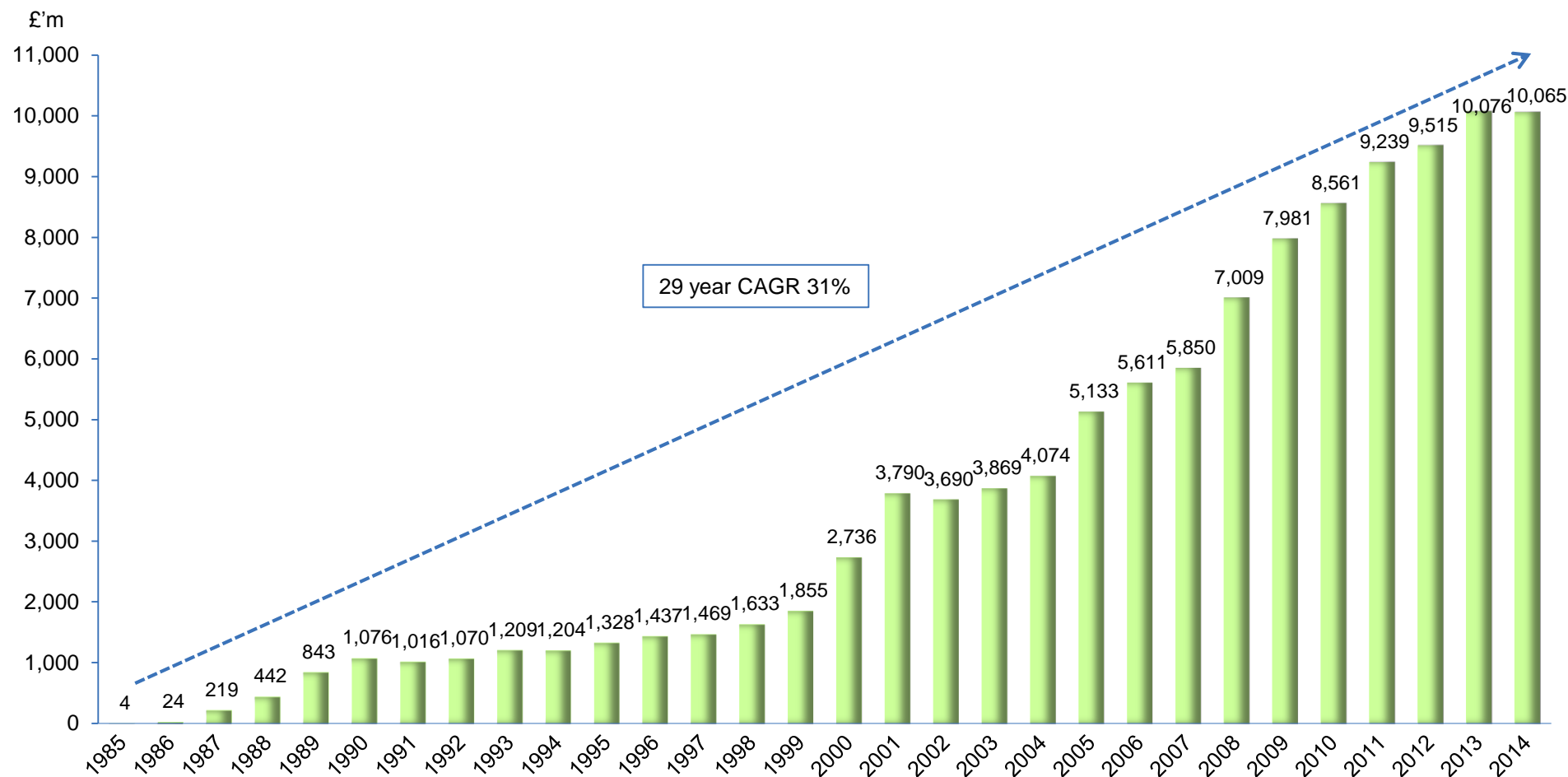
# 29 Year History

## WPP Reported Revenue



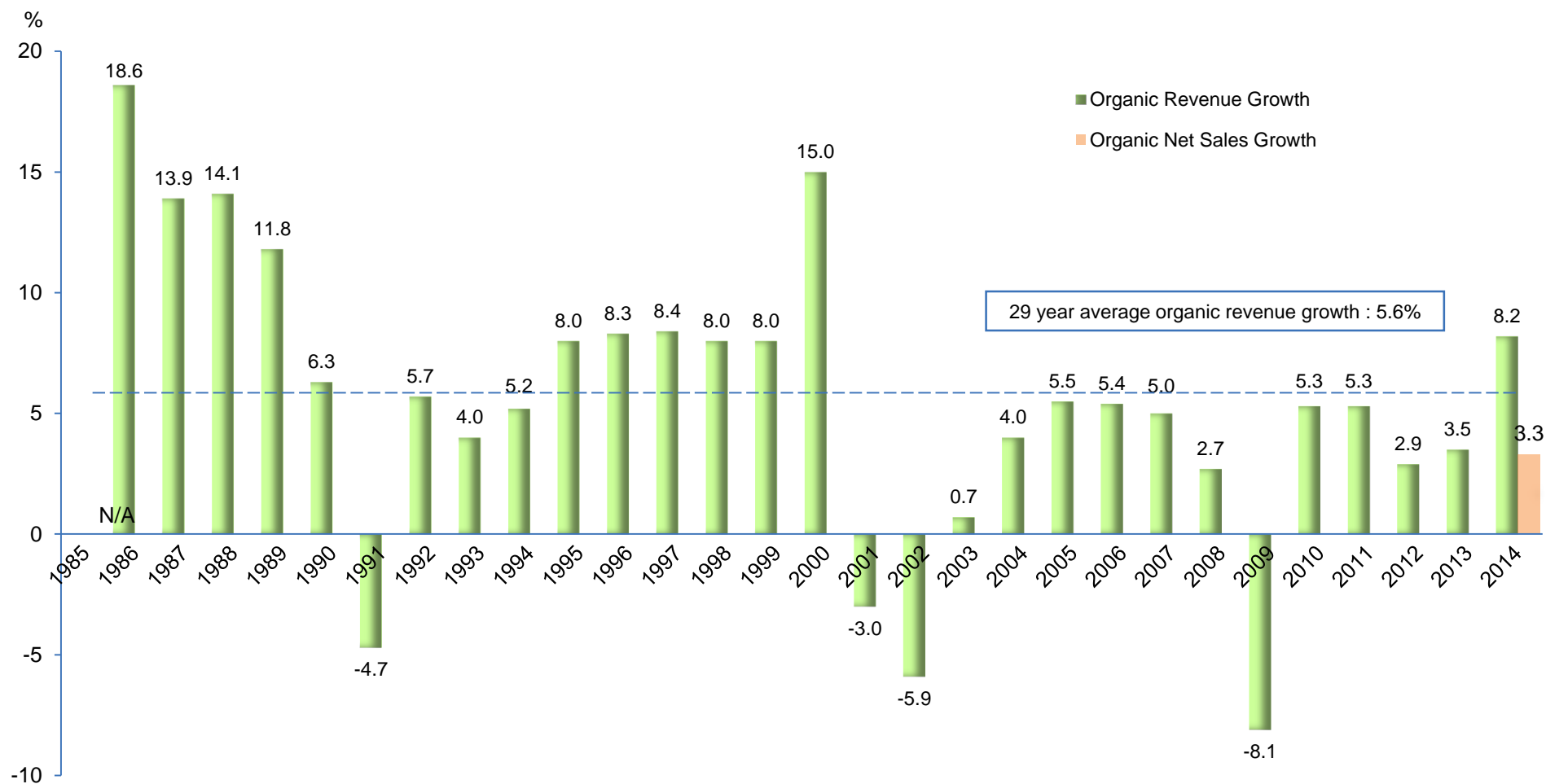
# 29 Year History

## WPP Net Sales



# 29 Year History

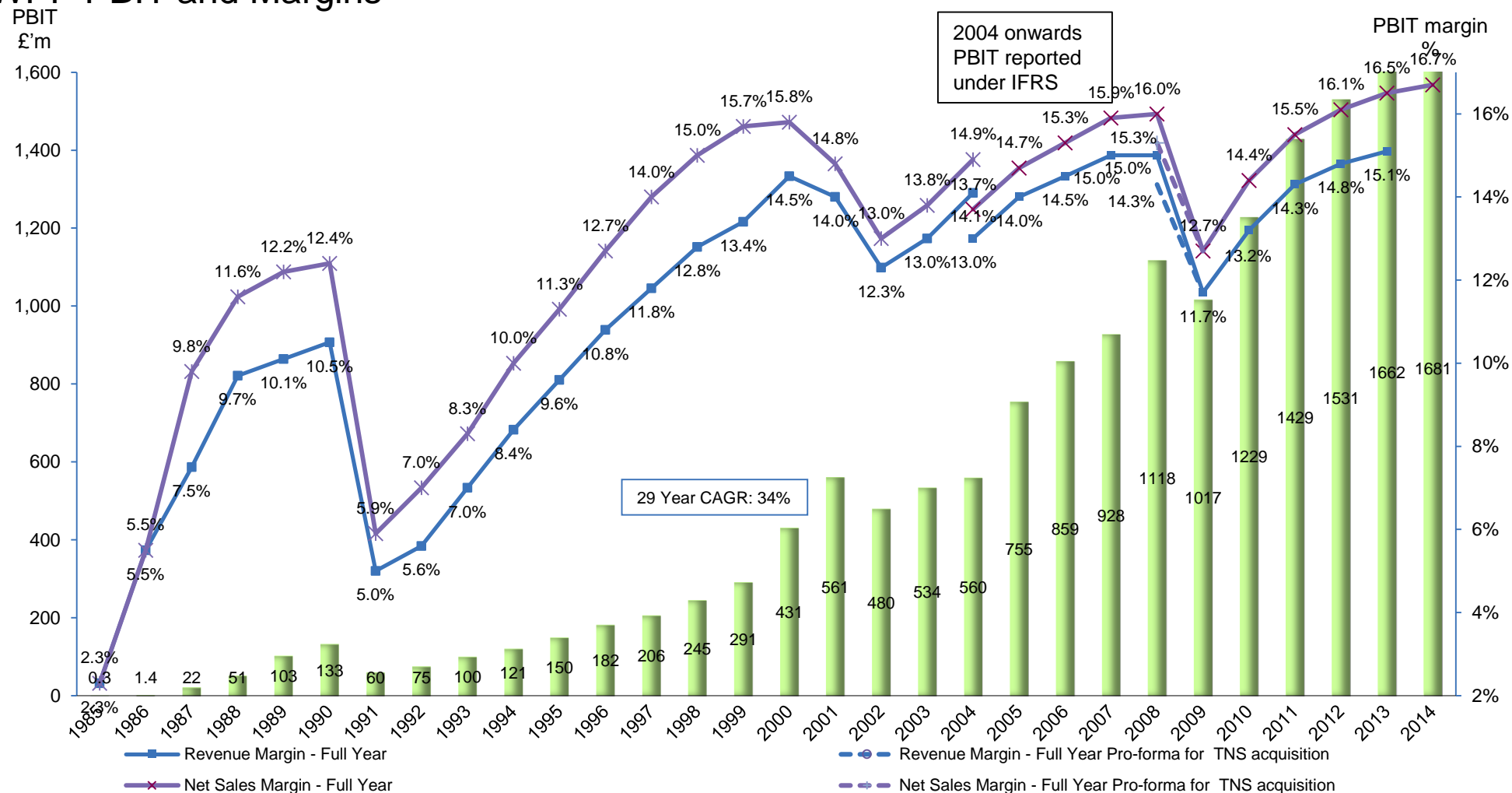
## WPP Organic Growth



Note: Estimates for 1985-1990

# 29 Year History

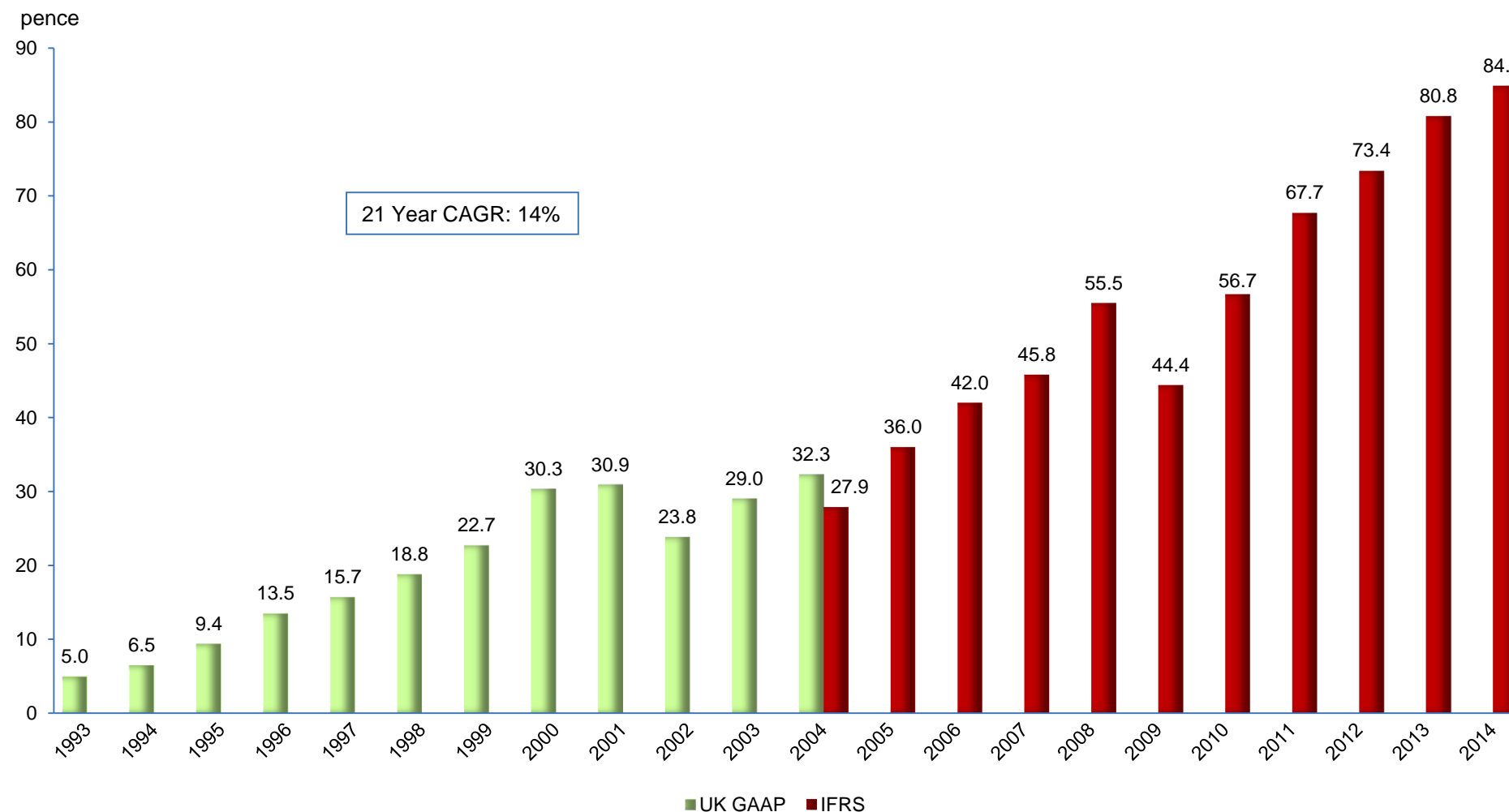
## WPP PBIT and Margins



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. 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

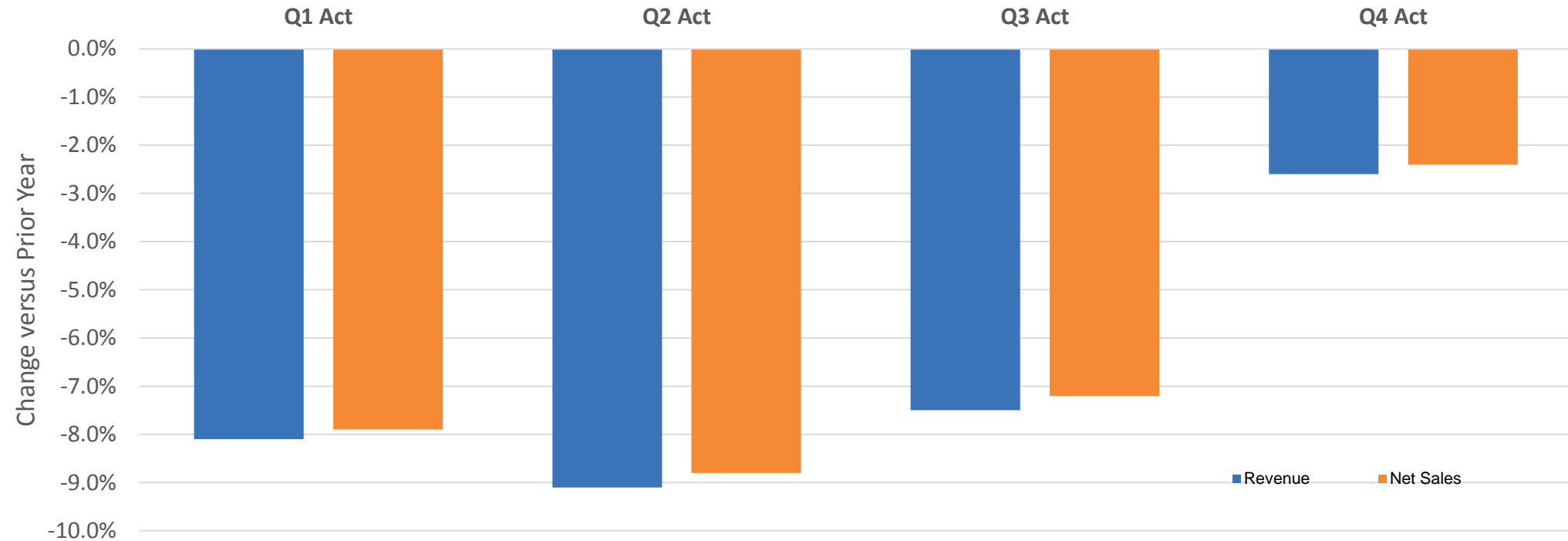
# 7 Other Financial Information

*(Hard Copy only)*



# Results for 2014

## Impact of Foreign Exchange



- Full year impact of -6.7% on revenue and -6.4% on net sales.





# Results for 2014

## Effects of Currency

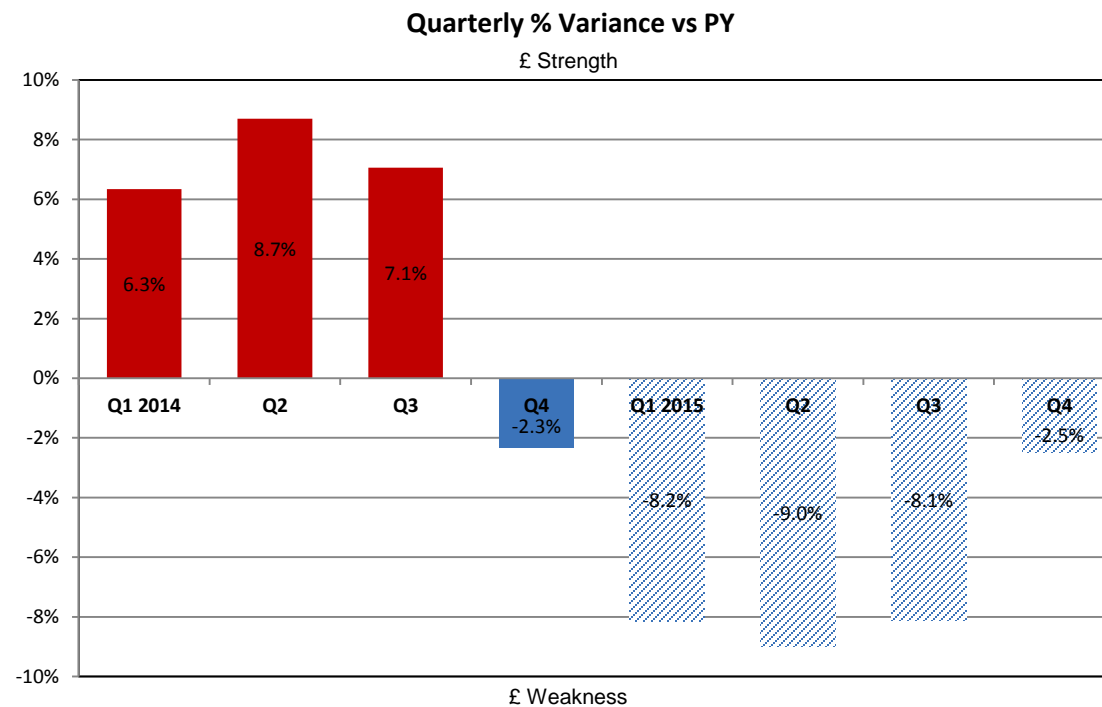
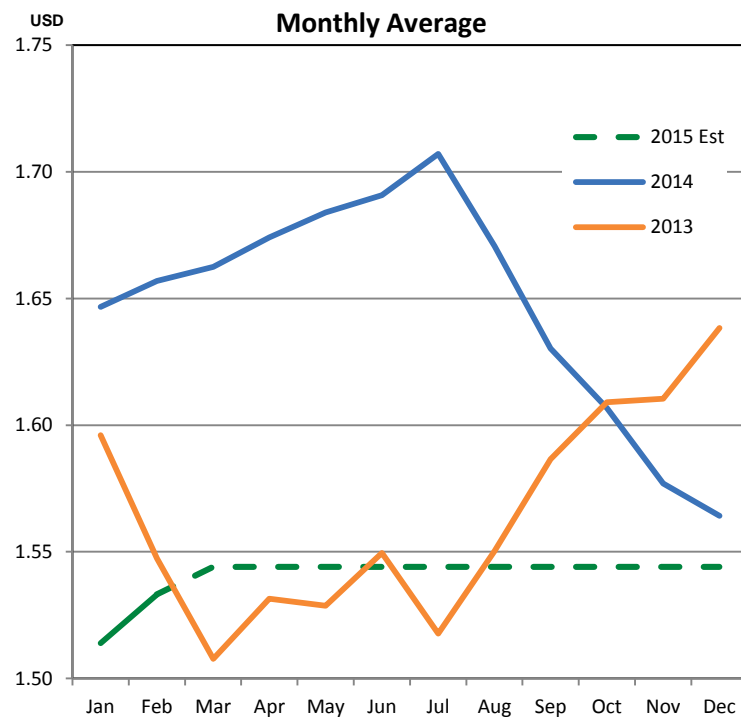
	2014	2013	Sterling Stronger
US\$	1.65	1.56	5%
€	1.24	1.18	5%
¥	174	153	14%
Chinese Renminbi	10.2	9.6	6%
Brazilian Real	3.87	3.38	14%
Australian \$	1.83	1.62	13%
Canadian \$	1.82	1.61	13%
Indian Rupee	100	92	9%
Singapore \$	2.09	1.96	7%
Russian Rouble	63.3	49.9	27%
South African Rand	17.9	15.1	18%

Net sales were reduced by £656m and headline PBIT<sup>1</sup> by £112m as a result of the 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 and restructuring costs

# Exchange Rate Analysis

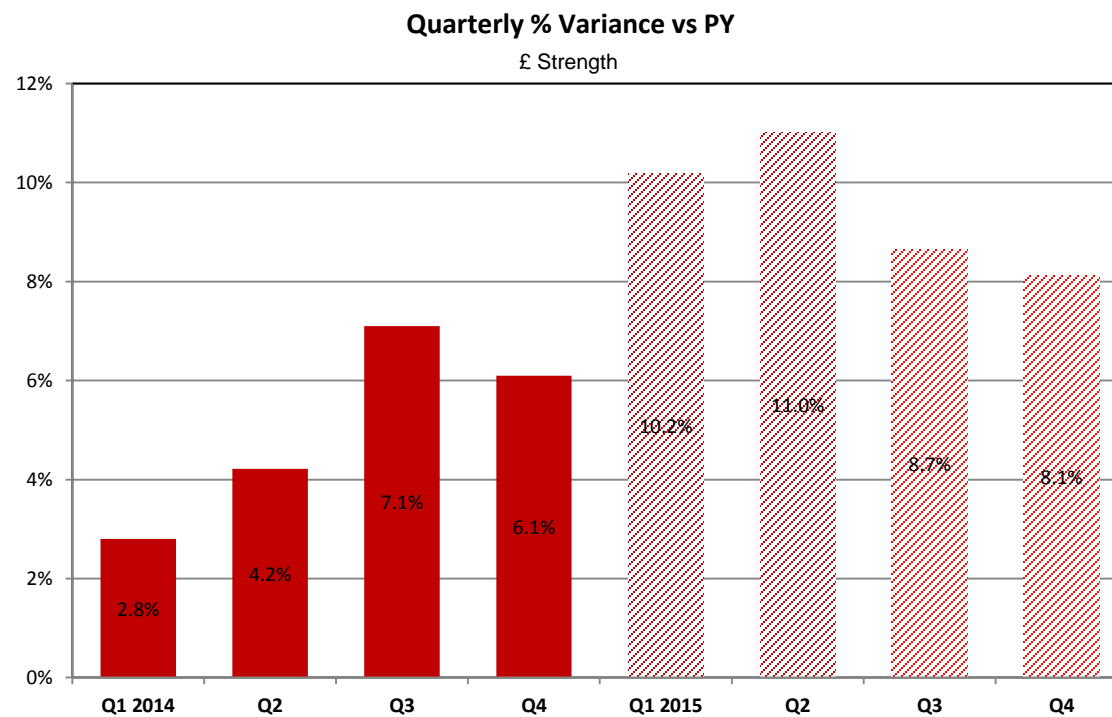
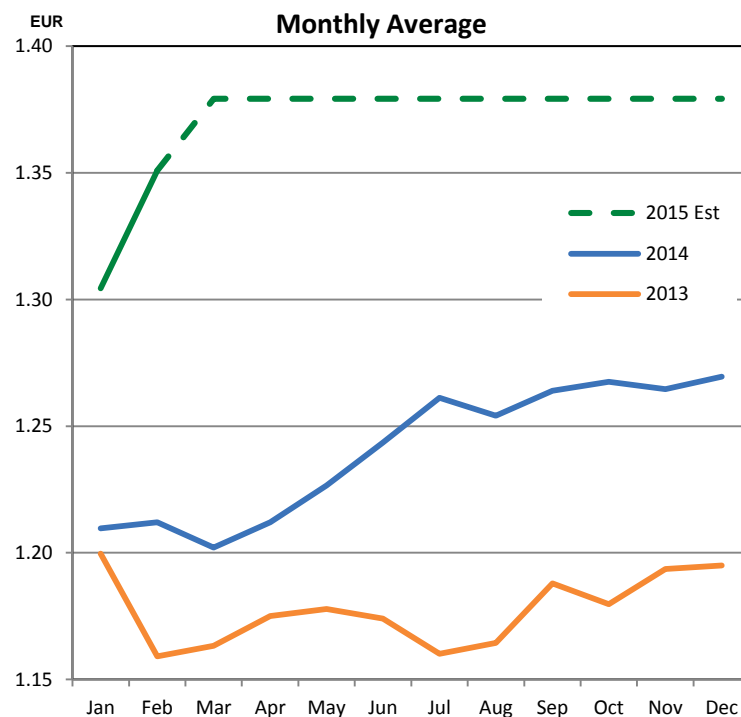
Range since 1<sup>st</sup> January 2013 \$1.51 - \$1.71



2015 Q1 based on 2 months of average FX rates and 1 month estimated, Q2, Q3 & Q4 estimated using the closing FX rate of \$1.544 to £1 on the 27<sup>th</sup> of February 2015

# Exchange Rate Analysis

Range since 1<sup>st</sup> January 2013 €1.16 - €1.38



2015 Q1 based on 2 months of average FX rates and 1 month estimated, Q2, Q3 & Q4 estimated using the closing FX rate of €1.3792 to £1 on the 27<sup>th</sup> of February 2015

# Results for 2014

## Net Finance Costs

£m	2014	2013	B/(W)
<b>Interest on net debt</b>	<b>184</b>	<b>197</b>	<b>13</b>
Investment income	(26)	(10)	16
IAS 19 (Pensions)	10	13	3
IAS 32 (Convertibles)	-	4	4
Sub-total	(16)	7	23
<b>Headline finance costs</b>	<b>168</b>	<b>204</b>	<b>36</b>
IAS 39 (Financial Instruments)	(51)	(21)	30
<b>Net finance costs</b>	<b>117</b>	<b>183</b>	<b>66</b>

# Results for 2014

## Pensions Deficit

£m	2014	2013
<b>Deficit B/F</b>	<b>(247)</b>	<b>(336)</b>
Service cost	(17)	(25)
Plan liabilities interest charge	(41)	(40)
Funding	68	48
Investment returns	102	32
Change in valuation assumptions <sup>1</sup>	(155)	73
Other movements	(4)	-
<b>Movements in the year excluding FX</b>	<b>(47)</b>	<b>88</b>
Foreign exchange impact	(2)	1
<b>Deficit C/F</b>	<b>(296)</b>	<b>(247)</b>

### Asset Allocation

Bonds and insured annuities	66%	65%
Equities	18%	20%
Other	16%	15%

<sup>1</sup> Primarily due to a 106 basis point decrease in discount rates in 2014 (3.28%) compared with 2013 (4.34%) and a 55 basis point increase in discount rates in 2013 compared with 2012 (3.79%).

# Results for 2014

## Earnout Accrual

2014 Rollforward	£m
<b>31 December 2013</b>	<b>193</b>
Earnouts paid	(34)
New acquisitions	136
Revised estimates taken to goodwill	26
Revaluations of payments	(13)
<b>Increase excluding FX</b>	<b>308</b>
Foreign exchange impact	3
<b>31 December 2014</b>	<b>311</b>

Expected Payments	£m
2015	67
2016	67
2017	65
2018	35
2019	52
2020+	25
<b>Total</b>	<b>311</b>

# Results for 2014

## Ordinary Shares - Basic

	December 2014 Actual	December 2013 Actual	
<b>No. of Shares (million)</b>			
<b>1 January</b>	<b>1,349</b>	<b>1,265</b>	
Bond conversion	-	77	
Treasury share cancellations	(27)	-	
Option exercise	4	7	
<b>31 December</b>	<b>1,326</b>	<b>1,349</b>	<b>1.7%</b>
Weighted Average	1,339	1,316	
ESOP, Treasury & Other	(32)	(22)	
<b>Average Basic</b>	<b>1,307</b>	<b>1,294</b>	<b>-1.0%</b>

# Results for 2014

## Ordinary Shares – Diluted

	December 2014 Actual	December 2013 Actual	
<b>No. of Shares (million)</b>			
<b>Average Basic</b>	<b>1,307</b>	<b>1,294</b>	
Share Option Dilution	5	7	
Other Potentially Issuable Shares	25	31	
<b>Sub-Total</b>	<b>1,337</b>	<b>1,332</b>	<b>-0.4%</b>
Convertibles: £450m 5.75% bond	-	28	
<b>Diluted Shares</b>	<b>1,337</b>	<b>1,360</b>	<b>1.7%</b>



# Key Priorities, Objectives and Strategy

## Using Free Cash Flow to Enhance Share Owner Value

### Dividends and Share Buy-Backs

- 2014 final dividend increased by 12.4% to 26.58p per share (2013 – 23.65p) to give a full year dividend of 38.2p per share (2013 – 34.21p), up 11.7%.
- Distributions to share owners:

Share Buy-Backs			
	Dividends Paid	Amount	% of Share Base
2005	£100m	£152m	2.1%
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%

<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 2014

## Revenue by Industry

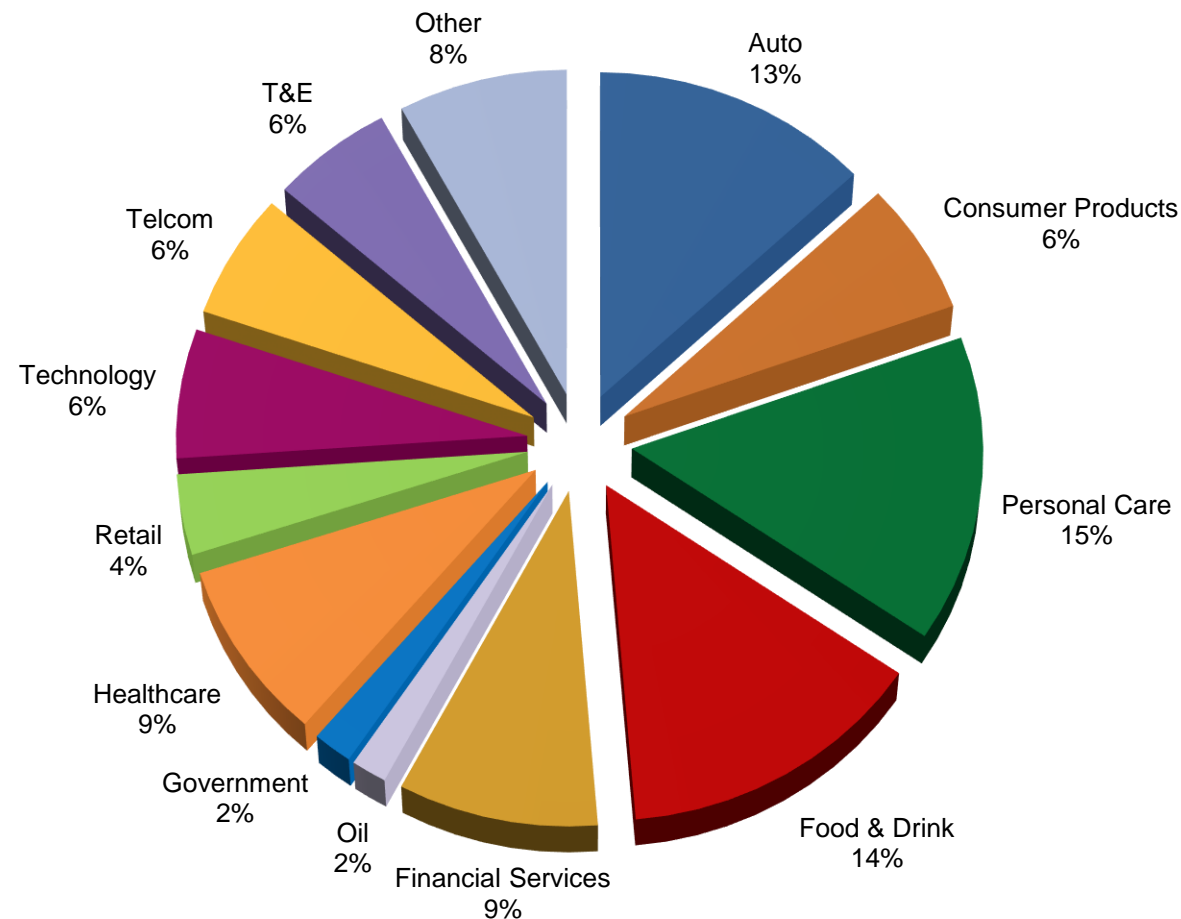
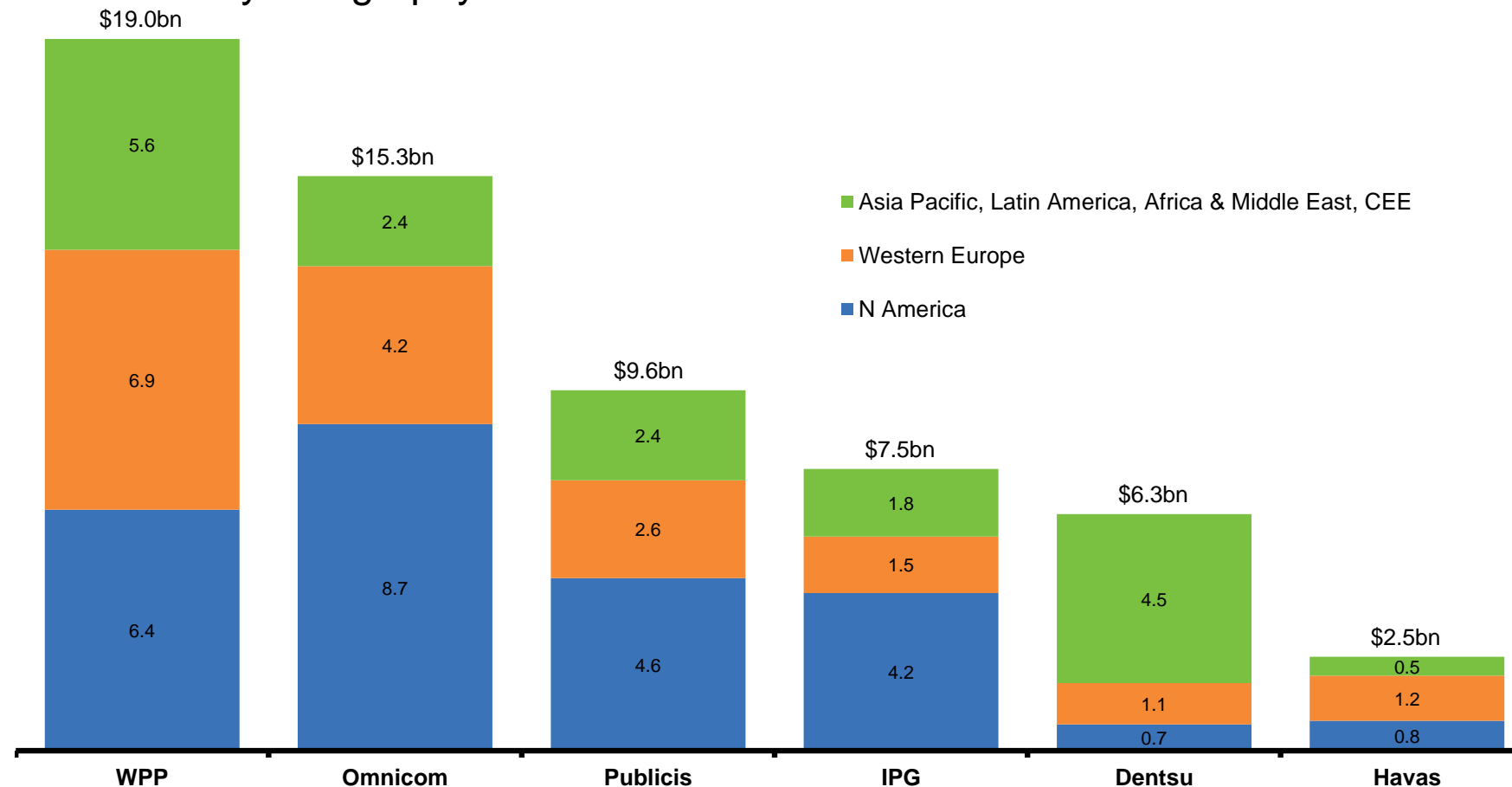


Chart represents the amount of revenue attributed to each industry expressed as a percentage of the total revenue from WPP's designated clients (over 3,000) for the period ended 31 December 2014

# Key Priorities, Objectives and Strategy

## 2014 Revenue by Geography



Source:

<sup>1</sup> WPP – reportable US \$'s per WPP preliminary results. Omnicom, IPG, Publicis and Havas - company presentations for 2014 with CEE estimated at 3%.

<sup>2</sup> FX. Havas and Publicis assumes \$1=€0.754 based on the average for 2014

<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 2013 actual reported revenue

## New Markets

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

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

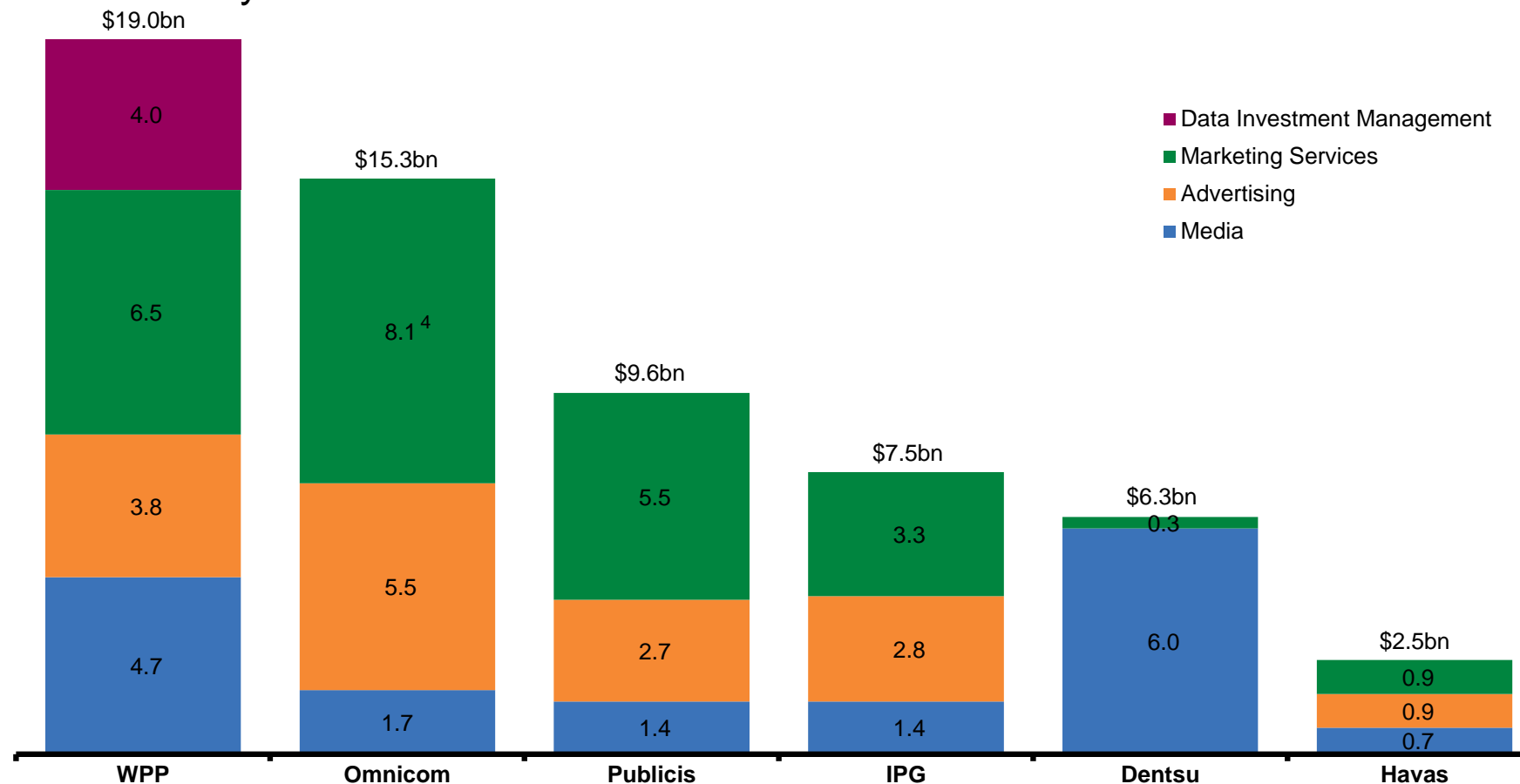
Agency	R\$'bn	Rank
Y&R	7.6	1
Ogilvy/Grey141	4.8	2
W/McCann	3.9	3
Borghi/Lowe	3.5	4
Almap/BBDO	3.4	5
Havas World	2.9	6
Africa	2.8	7
J. Walter Thompson Worldwide	2.7	8
Publicis	2.4	9
Leo Burnett	2.4	10
<b>Total Top 10 Agencies</b>	<b>36.4</b>	

	R\$'bn	Rank
WPP	15.1	1
IPG	7.4	2
PUB	4.8	3
OMC	3.4	4
HAV	2.9	5
Other	2.8	6
<b>Total Top 10</b>	<b>36.4</b>	

<sup>1</sup> Source of data “IBOPE Monitor” survey of 2014 media spend issued January 2015

# Key Priorities, Objectives and Strategy

## 2014 Revenue by Sector



Source:

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

<sup>2</sup> 2014 company disclosures except: Havas, IPG and OMC media splits analyst estimates

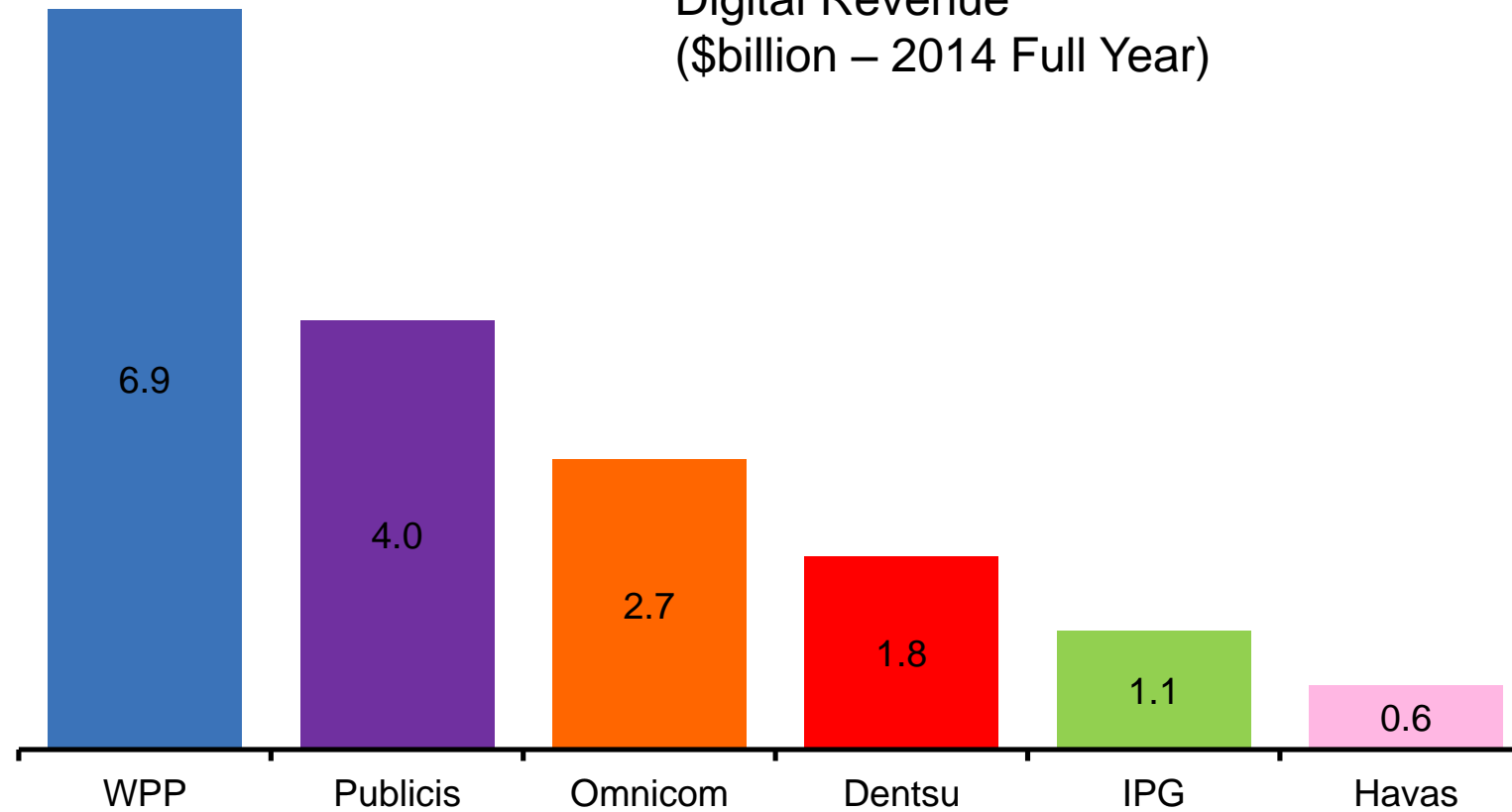
<sup>3</sup> FX. Havas and Publicis assumes \$1=€0.754 based on the average for 2014

<sup>4</sup> Omnicom's \$8.1bn of Marketing Services revenue includes food broking, barter, SELLBYTEL and consumer insight operations

# Digital In All Our Businesses

Global Scale and Quality

Digital Revenue  
(\$billion – 2014 Full Year)

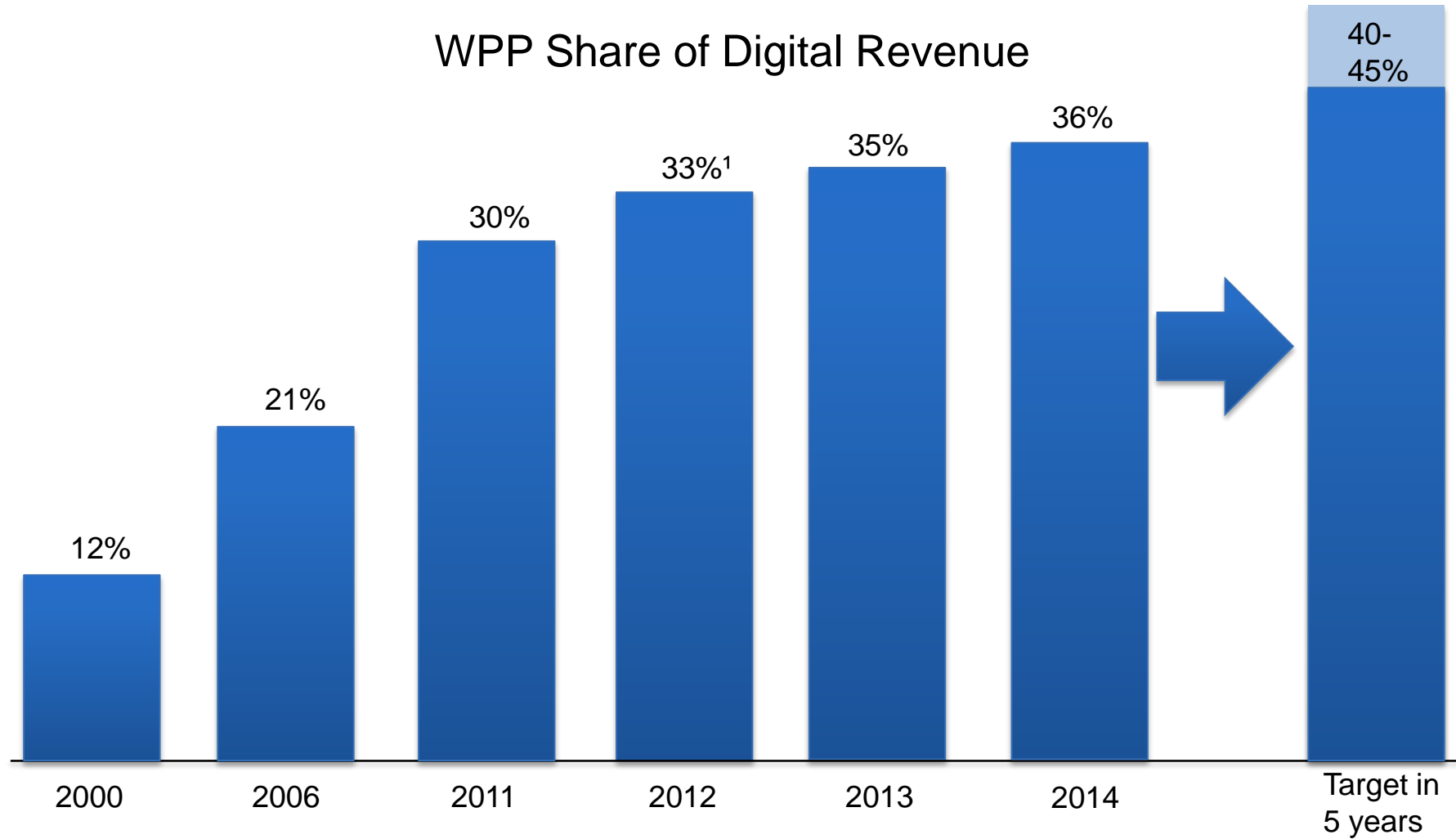


<sup>1</sup> Peer digital revenue according to Sanford Bernstein %'s applied to FY 2014 US\$ revenue.

## 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, VML, WPP Digital &amp; AKQA)</b>	<b>3,255</b>
% of Group revenue	17%
Specialist Direct, Digital and Interactive resources:	
- Data Investment Management (Millward Brown, TNS and Lightspeed)	1,111
- GroupM	1,564
- Other	970
<b>Total 2014</b>	<b>6,900</b>
% of Group revenue	36%
Total 2013 Pro forma	6,193
% of Group revenue	35%



# Impact of Xaxis on our Revenue

Underlying principles and worked example

## Accounting Principles driving new model

Billings to be reported as revenue if

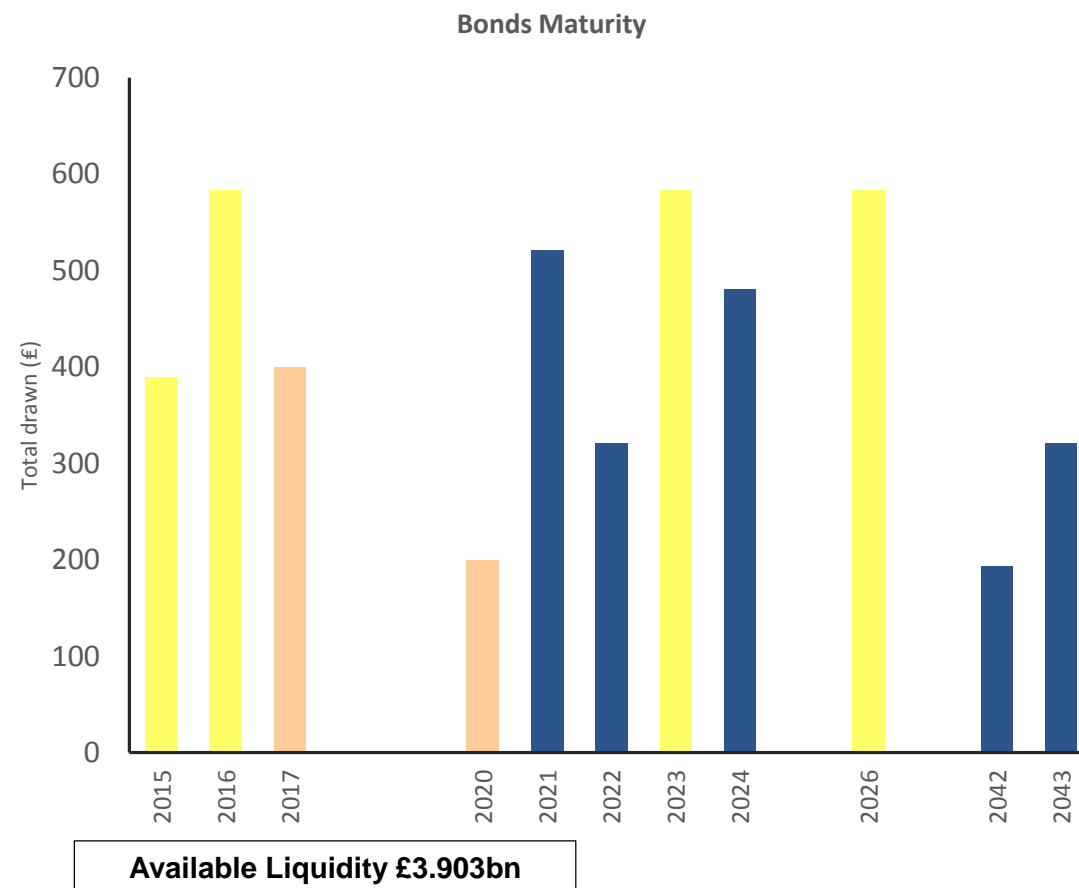
- Company is responsible for fulfilment.
- Company acts as principal in the media buying and has inventory risk.
- Company has credit risk.

	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

	31st Dec 2014	
	Total Credit	Total Drawn
US bond \$500m (5.625% '43)	321	321
US bond \$300m (5.125% '42)	192	192
Eurobonds €750m (2.25% '26)	583	583
US bond \$750m (3.75% '24)	481	481
Eurobonds \$750m (3.00% '23)	583	583
US bond \$500m (3.625% '22)	321	321
US bond \$812m (4.75% '21)	521	521
£ bonds £200m (6.375% '20)	200	200
£ bonds £400m (6% '17)	400	400
Eurobonds €750m (6.625% '16)	583	583
Eurobonds €500m (5.25% '15)	388	388
<b>Debt facilities</b>	<b>4,573</b>	<b>4,573</b>
Bank revolver <sup>1</sup> (\$2,500m)	1,605	-
Net cash, overdrafts and other adjustments	-	(2,298)
<b>Total Borrowing Capacity/Net debt</b>	<b>6,178</b>	<b>2,275</b>



<sup>1</sup> These instruments are subject to financial covenants - As from 23/07/2014 the Bank Revolver increased in size to \$2.5bn  
31<sup>st</sup> Dec 2014 Exchange Rates £/\$ 1.5581 £/€ 1.2874

# Results for 2014

## Fourth Quarter Acquisitions

### CB'a – Turkey (Ogilvy)<sup>1</sup>

CB'a Turkey is a branding and design agency in Turkey. Founded in 2006 and employing 15 people in Istanbul, CB'a Turkey's clients include Ulker, Coca-Cola and Nestlé.



### Clarus – Mexico (J. Walter Thompson Worldwide)

Clarus is a leading digital marketing agency in Mexico. Clients include Telcel, Citi-Banamex, Aeromexico, and Sigma Alimentos. The agency, which now employs 112 people, was founded in 2009 and provides full-service digital marketing and media buying capabilities to its clients. It is based in Mexico City.



### Element – USA (Ogilvy CommonHealth)

Element is a leader in providing clients in the pharmaceutical and biotech industries with solutions that link them and their sales representatives with physicians to provide improved communication, marketing and reimbursement solutions on and off line. Element's clients include a number of leading biotech and pharmaceutical companies. It employs 30 people and is based in Newtown, CT, with an office in Irvine, CA. The company was founded in 2007.



### Gloo Digital Design – South Africa (Ogilvy)

Gloo Digital Design is an award winning South African digital design agency, specialising in creative campaign solutions for all sectors across the digital media space. Founded in 2005, with offices in Cape Town and Johannesburg, Gloo is one of South Africa's most awarded digital agencies and has been named Digital Agency of the Year, every year for the past seven years.



<sup>1</sup> Associate

# Results for 2014

## Fourth Quarter Acquisitions

### Habitus – Ecuador (Kantar)

Habitus is the leading market research company in Ecuador. Clients include the Interamerican Development Bank, Coca-Cola, SAB Miller and Nestlé. Habitus employs 80 people and is based in Quito with an office in Guayaquil. It was founded in 2002. Habitus is the leading provider of key demographic surveys and quantitative and qualitative analysis for its blue-chip client base.



### Heyday – New Zealand (J. Walter Thompson Worldwide)

Heyday is an independent digital agency based in Wellington, New Zealand. Founded in 2000, Heyday is one of New Zealand's most comprehensive and respected digital agencies. The company's services include digital strategy, visual design, user experience design, content development, digital film, smartphone applications and web application development. Key clients include ANZ Bank; Trade Me, New Zealand's largest Internet-auction website; and Z Energy. The company employs 35 people.



### IBOPE – Latin America (Kantar)<sup>1</sup>

Founded in 1942 in Rio de Janeiro, Brazil, as The Brazilian Institute of Public Opinion and Statistics, IBOPE is the leading provider of insight, information and data in the Brazilian and Latin American markets. The IBOPE Media Group employs over 2,200 people in offices in 16 countries, throughout Latin America and the United States. Clients include media owners, investors and marketing communications agencies. Commenting on the deal, Sir Martin Sorrell, CEO, WPP said: "I'm very pleased to welcome our long-standing partners at IBOPE fully into the WPP group. This acquisition further strengthens our capabilities in data investment management and at the same time in an important fast growth region. We intend to accelerate and deepen IBOPE's investment plans in Latin America, enabling us to offer regional clients the critical data they need, both in stand-alone media research and also in ways that combine media and purchase data to even more powerful effect. "



<sup>1</sup> Step-up from associate to subsidiary

# Results for 2014

## Fourth Quarter Acquisitions

### NexTracker/SyncNow – France (Kantar)

NexTracker is an audience measurement business and SyncNow is a second screen audio watermarking business. They are based in Rennes, France and SyncNow is recognised as a world leader in audio watermarking technology, which is deployed in hundreds of channels worldwide. The SyncNow business allows second screen devices, such as tablets and smartphones, to automatically sync to TV content through watermark detection. The NexTracker audio watermarking technology identifies viewing of content across TV, tablet and mobile screens, enriching Kantar Media's existing techniques to meet the digital measurement needs of advertisers and broadcasters.



### Planorama – France (Kantar)<sup>1</sup>

Planorama is a leading image recognition technology company in France. It provides solutions to manufacturers and retailers allowing them to save time and increase productivity through its unique technology that swiftly transforms images captured in-store into usable commercial and marketing data. Founded in 2009, Planorama employs 50 people and has its headquarters in Paris, with offices in the US, Singapore, Brazil, South Africa, Germany, UK and Hungary. Clients include Coca-Cola Enterprises, Danone, Mondelez, L'Oreal, Reckitt Benckiser and Unilever.



<sup>1</sup> Associate

# Results for 2014

## Fourth Quarter Acquisitions

### Rentrak – USA (GroupM and Kantar)<sup>1</sup>

GroupM and Kantar Media have entered into agreements with Rentrak, the US-based film and television measurement company. The partnerships are designed to deliver new services in television measurement and consumer insights to clients in the United States. Rentrak will integrate its national and local TV measurement with a number of Kantar's US-based services that focus on digital media and purchase data, providing US advertisers, agencies, TV networks and local TV stations with even more powerful tools to understand consumers' TV and purchasing habits.



### Swift – USA (WPP Digital)

Swift is a digital agency that specializes in creative and strategy, branded content creation and social media. Swift's clients include HTC Corporation, Starbucks, Nestle USA and REI. Based in Portland, Oregon, Swift employs over 70 people.



<sup>1</sup> Investment

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



## WPP Today

- WPP is the world's largest communication services group with almost 179,000 people (including associates) in over 3,000 offices in 111 countries worldwide.
- 355 of the Fortune Global 500, all 30 of the Dow Jones 30 and 71 of the NASDAQ 100. 534 clients in all four disciplines and 426 clients in six or more countries.
- Quoted in London and on NASDAQ, with market capitalisation of around £20.4 billion.
- 27th in FTSE 100 Index, 5th in FT Top 500 UK companies by turnover, 75th in Euro FT 300, 274th in S&P Global 1200 and 346th in Forbes Global 2000.
- The Group includes many of the best known brands in the industry.



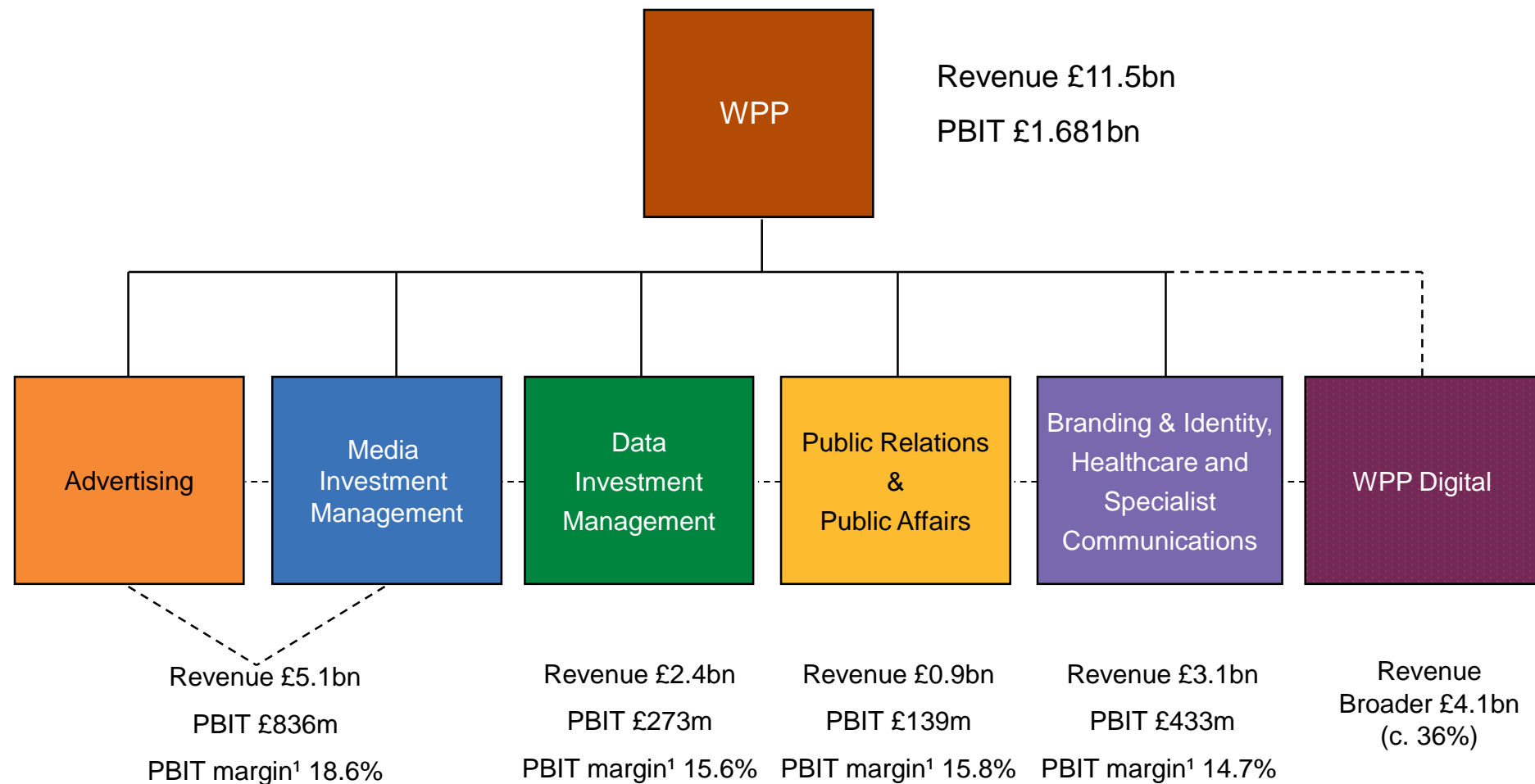


## WPP Today

WPP has many of the best known brands in the industry  
Ranked 1 or 2 in all sectors in which it competes



# WPP Today

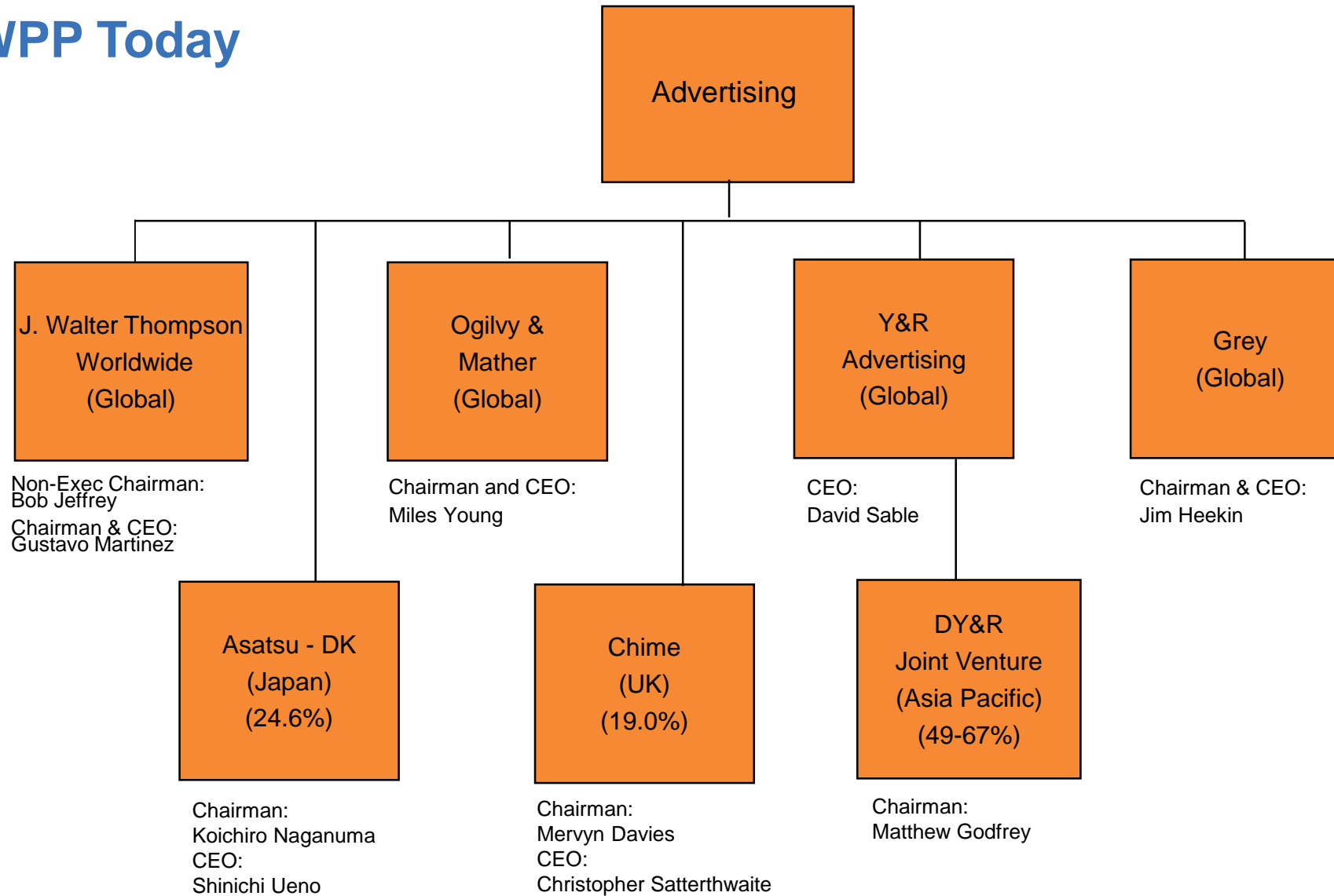


Revenue and PBIT figures are 2014 reported sterling actuals

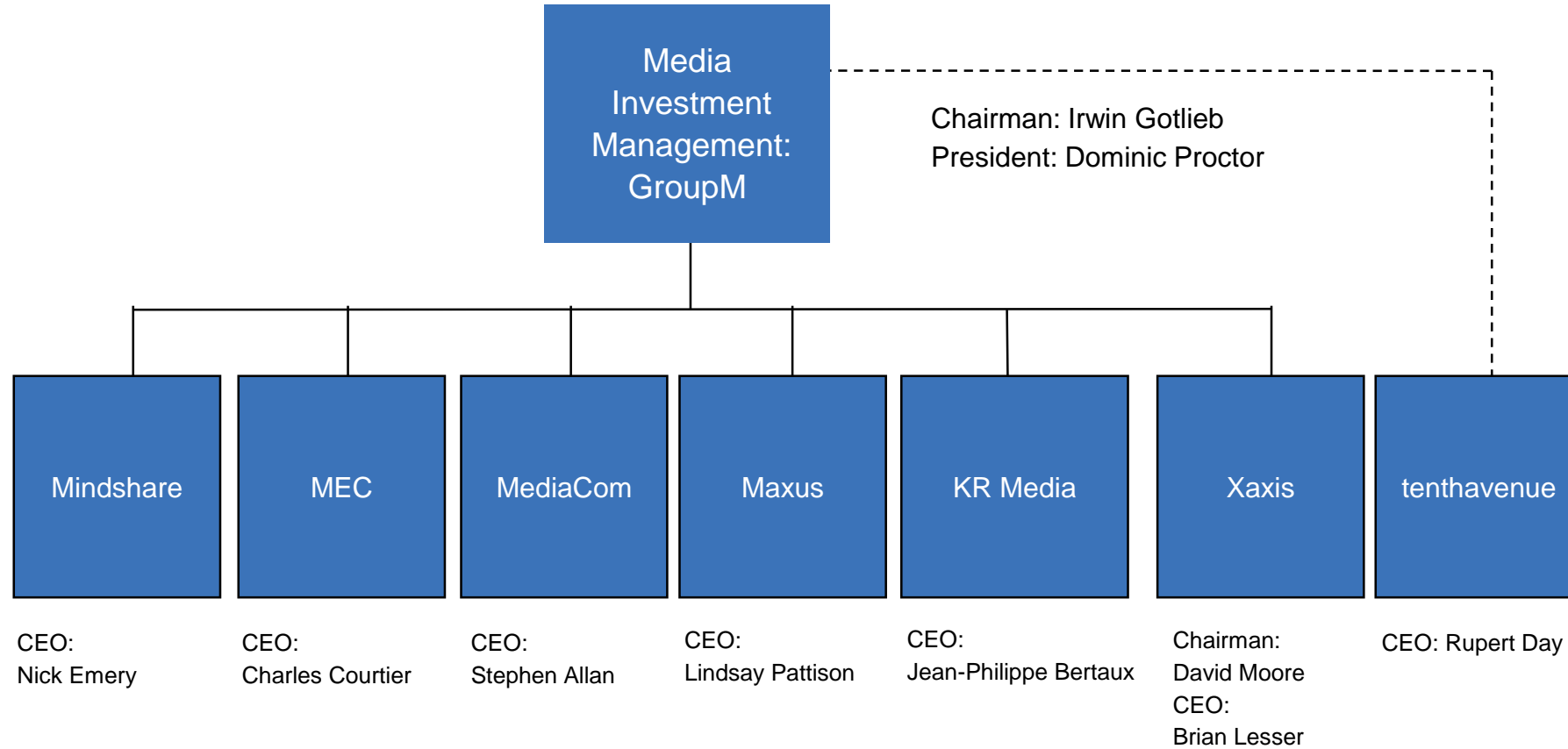
PBIT includes associates and excludes goodwill and intangibles charges, gains/losses on step-ups from associate to subsidiary, gains/losses on disposals of subsidiaries and investments, investment write downs, share of exceptional gains/losses of associates and restructuring costs

<sup>1</sup> PBIT margin as % of net sales

# WPP Today



# WPP Today



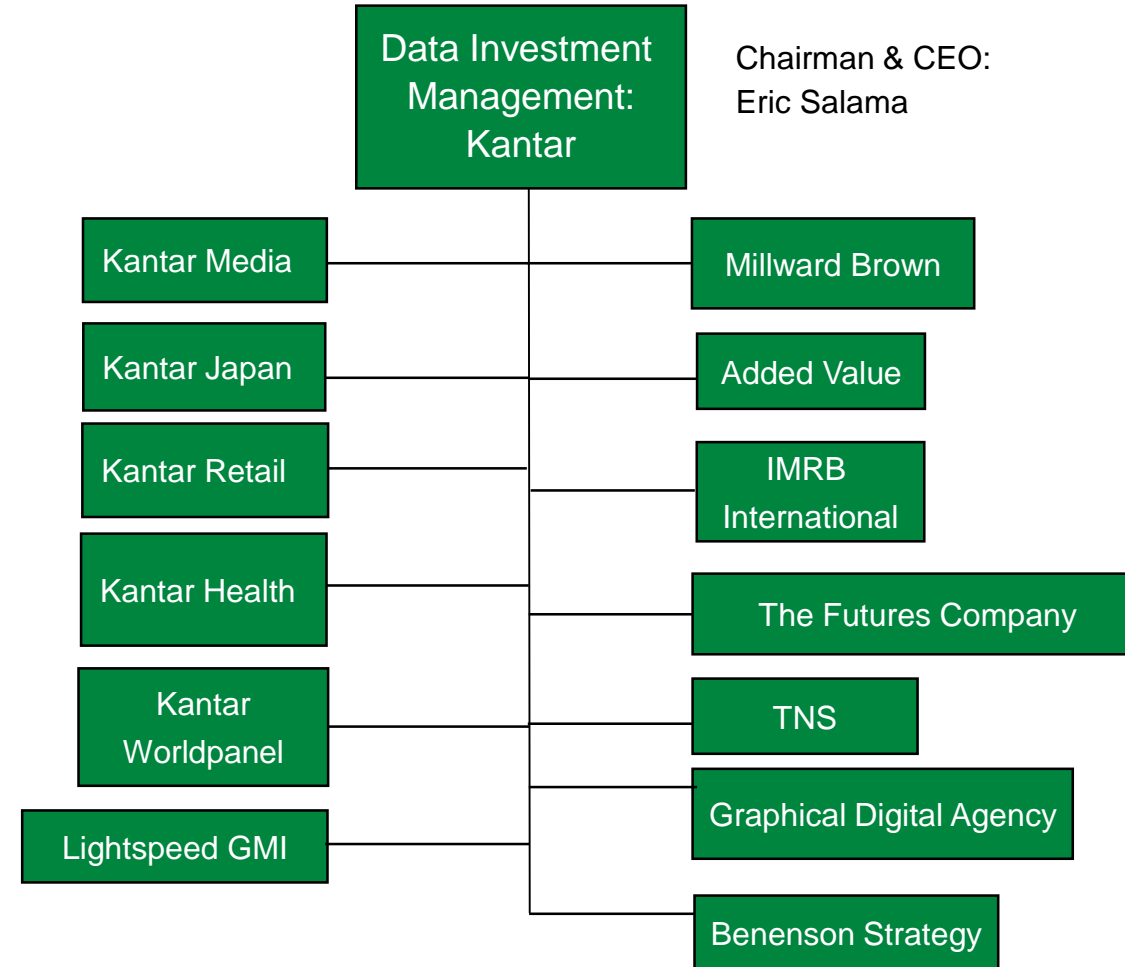
# WPP Today

## Media Investment Management - Competitive Worldwide Ranking

	Americas	EMEA	Asia Pacific	Worldwide
Mindshare	4	6	1	4
MEC	7	5	7	7
MediaCom	8	2	3	6
Maxus	12	12	9	12
GroupM	2	1	1	1

Source: RECMA July 2014 Billings Rankings report, based on 2013 data.

# WPP Today



# WPP Today

## Data Investment Management – Worldwide Competitive Ranking

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1. The Nielsen Company

---

2. Kantar

---

3. IMS Health

---

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.

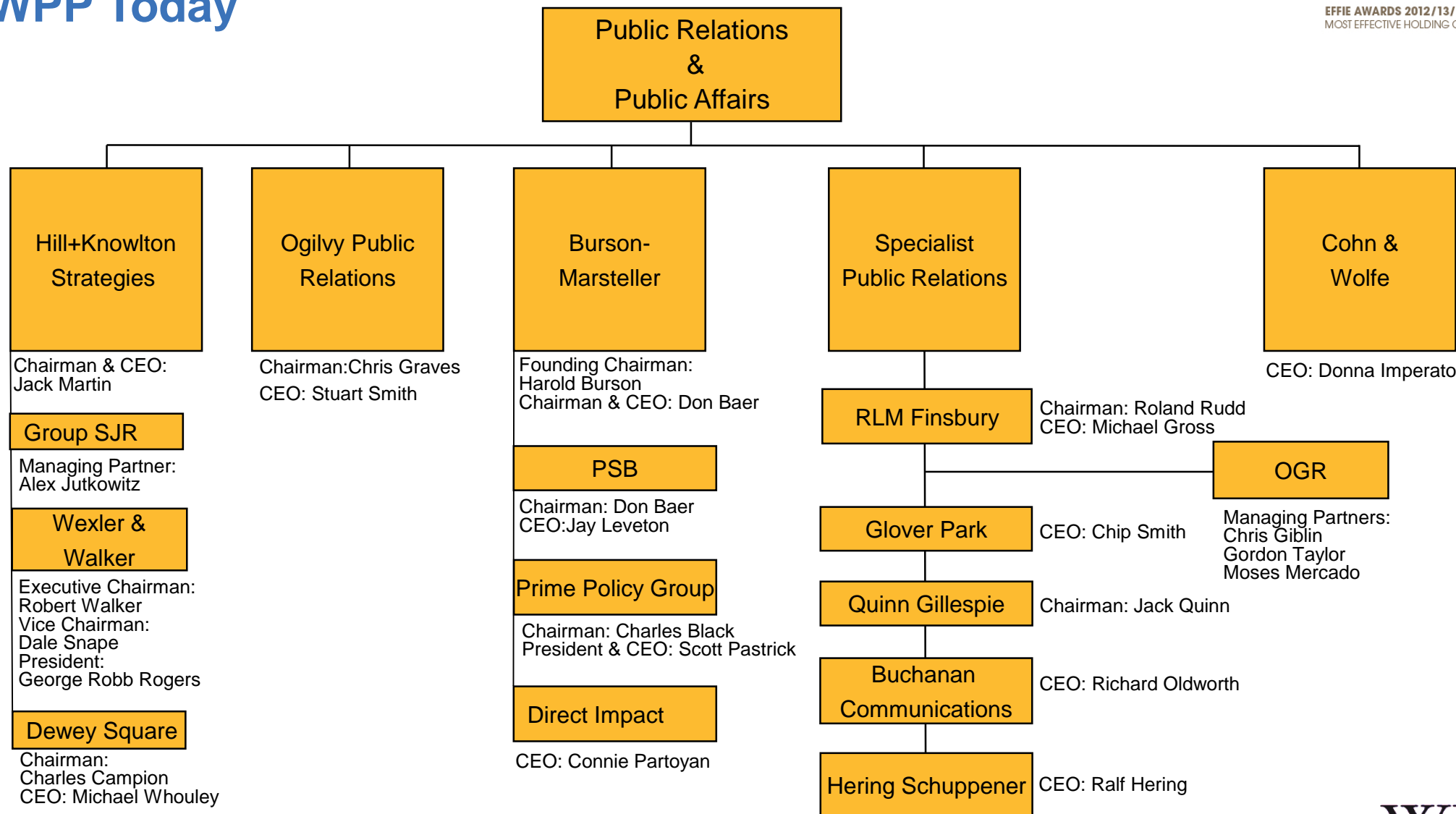
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10. NPD Group

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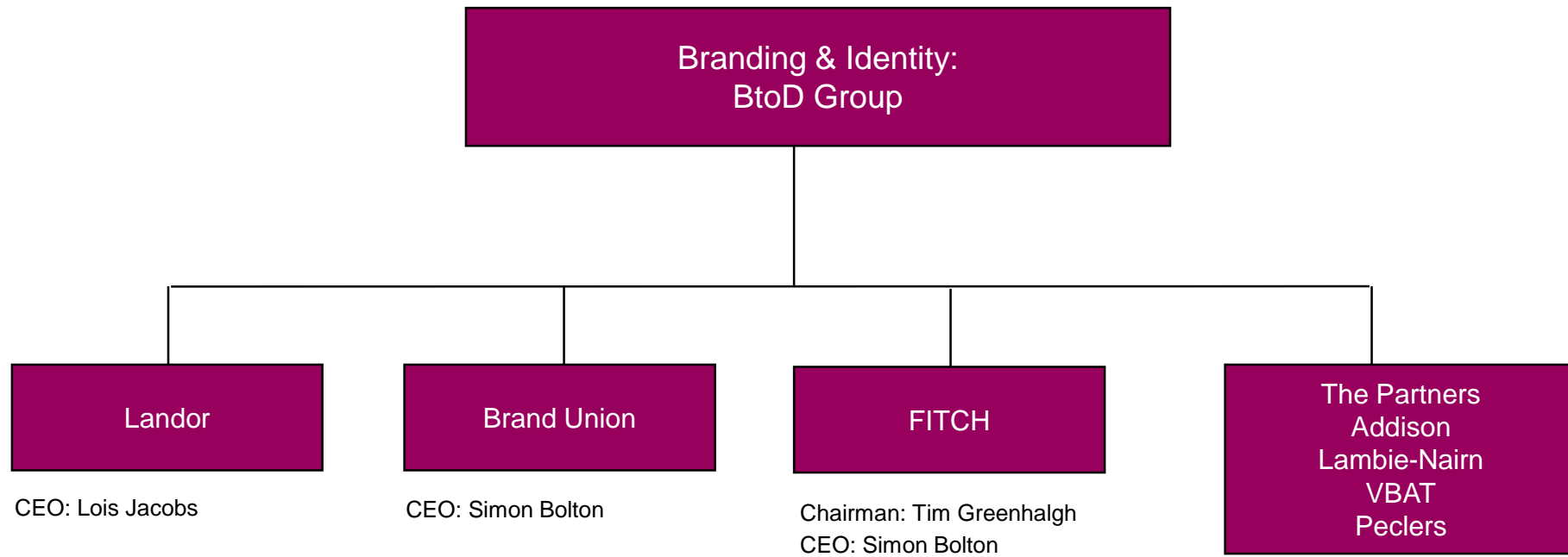
Source: ESOMAR 2014 report. Top 25 Global research organizations ranking based on 2013 consolidated revenue. Esomar top 10 company ranking from same publication has Gartner inc. & IDC replacing Dunnhumby & NPD.

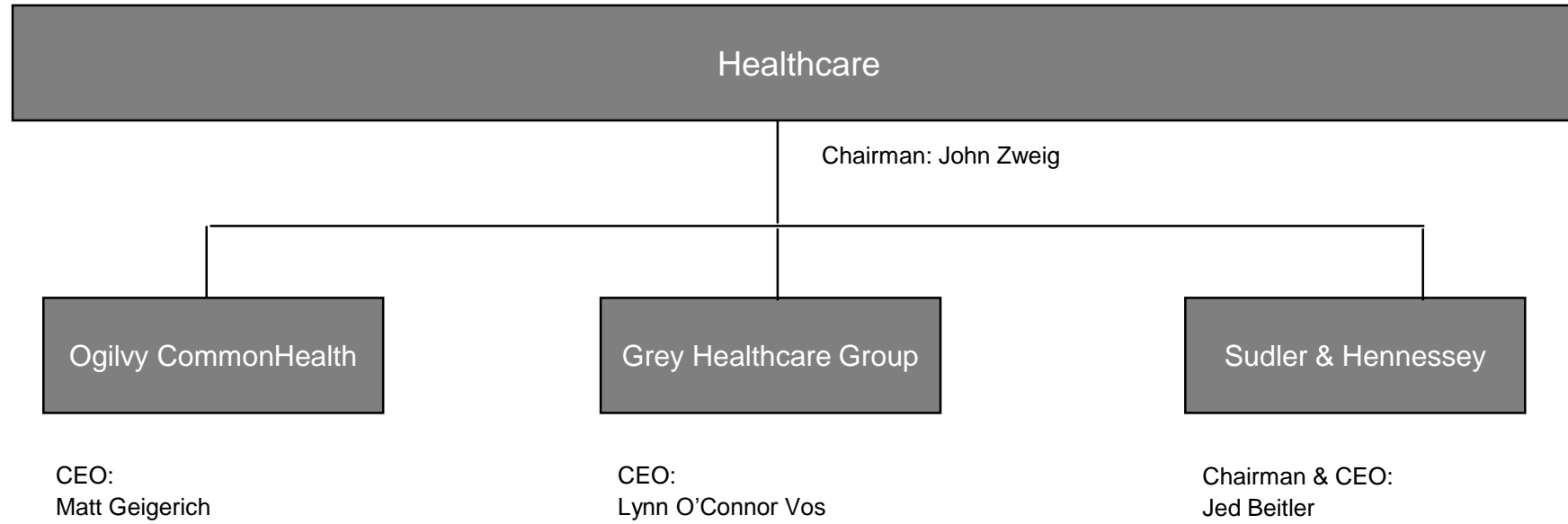
# WPP Today



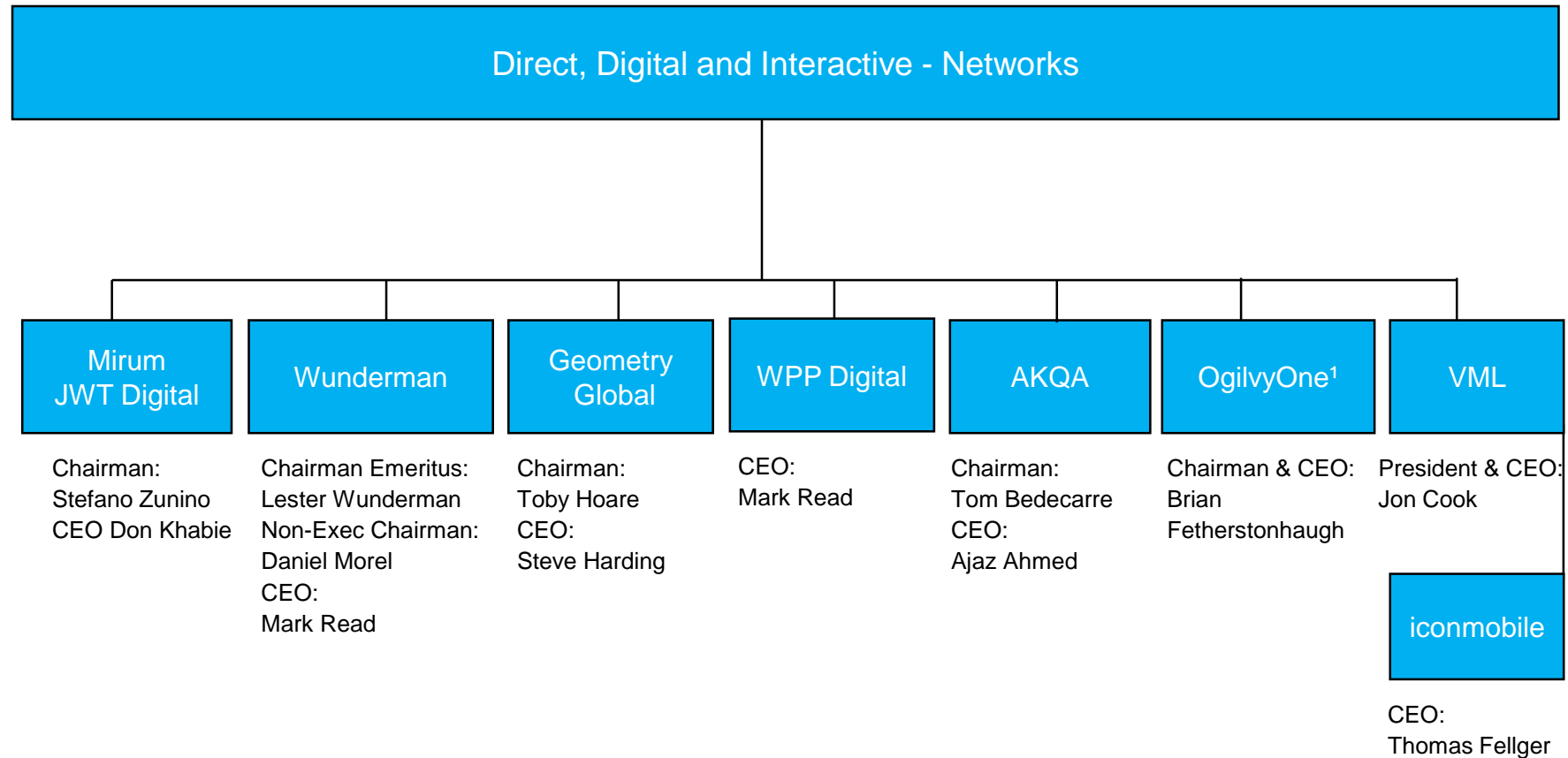


# WPP Today



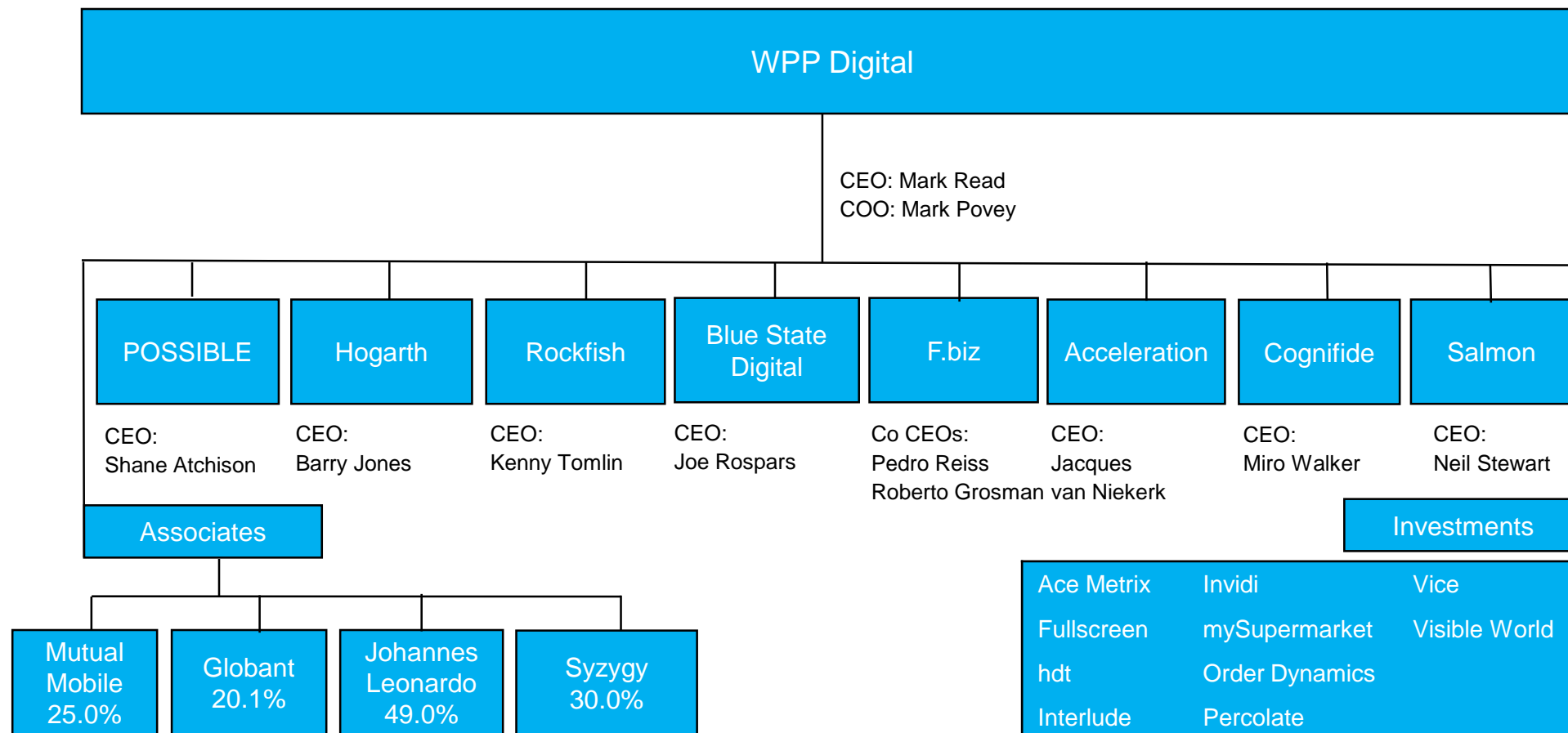


# WPP Today

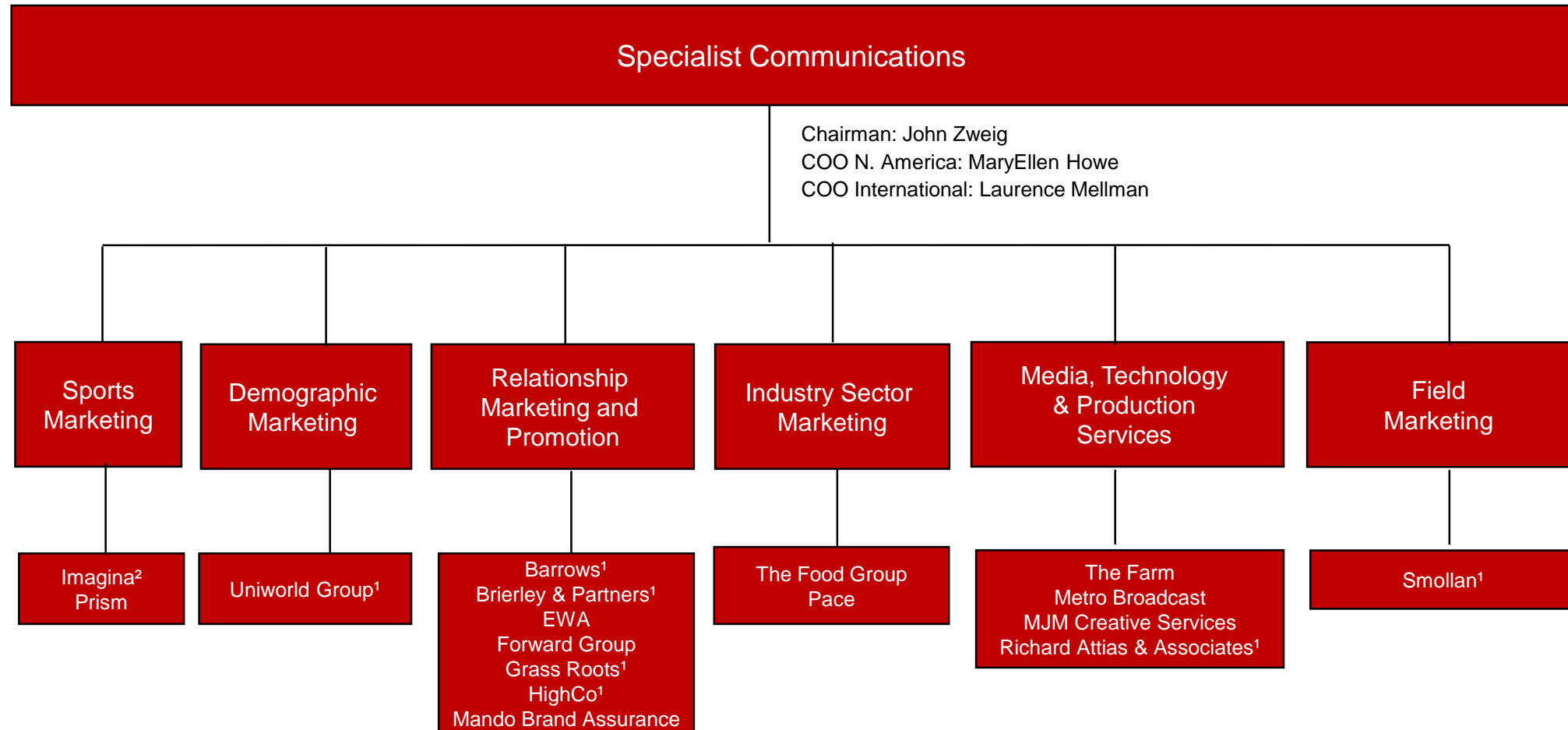


<sup>1</sup> Includes Neo@Ogilvy

# WPP Today



# WPP Today



<sup>1</sup> Associate company

<sup>2</sup> Investment



# Results for 2014

London

