WPP | Quarterly Trading Update

- **Reported revenue up 8.3% at £2.783 billion in sterling, down 1.1% at $4.211 billion in dollars and up 20.9% at €3.753 billion in euros reflecting volatile exchange rates**
- **Constant currency revenue up 7.4%, like-for-like revenue up 5.2%**
- **Constant currency net sales up 5.0%, like-for-like net sales up 2.5%**
- **First quarter profits and margin well above target**
- **Share buy-backs continue above target rate with 10.5 million shares or 0.8% of share capital purchased in first quarter**
- **Constant currency net debt at 31 March 2015 up £218 million on same date in 2014, with average net debt in first quarter of 2015 up by £185 million over same period in 2014 reflecting strong acquisition and buy-back activities**
- **Recent new business activity and net new business wins continue as clients react to past and potential changes in the agency industry's structure**

Quarter 1 highlights

- **Revenue growth of 8.3%,** with constant currency growth of 7.4%, like-for-like growth of 5.2%, 2.2% growth from acquisitions and 0.9% from currency, reflecting the weakness of sterling against the US dollar, partly offset by the strength of sterling, primarily against the euro.
- **Net sales growth of 6.0%** in sterling (down 3.2% in dollars and up 18.3% in euros), with constant currency growth of 5.0%, like-for-like growth of 2.5%, 2.5% growth from acquisitions and 1.0% from currency
- **Like-for-like revenue growth in all regions and business sectors,** except data investment management, characterised by particularly strong growth geographically in the United Kingdom and Asia Pacific, Latin America, Africa & the Middle East and Central & Eastern Europe, and functionally in advertising and media investment management and sub-sectors direct, digital and interactive and healthcare
- **Like-for-like net sales growth of 2.5%,** with all regions and sectors, including data investment management, showing growth. The gap compared to revenue growth is similar to the first quarter of 2014, reflecting the scale of digital media purchases in the media investment management and data investment management direct costs
- **Constant currency average net debt in the first quarter increased by £185m** (7%) to £2.734 billion compared to the same period in 2014, continuing to reflect the significant incremental net acquisition spend and share re-purchases of £331 million in the twelve months to 31 March 2015, compared with the previous twelve months, more than offsetting the improvements in working capital seen in the second half and final quarter of last year
- **Net new business of almost exactly $1.0 billion in the first quarter,** compared to $1.275 billion in the first quarter last year.

Current trading and outlook

- **FY 2015 quarter 1 preliminary revised forecasts** | Similar to budget, with like-for-like revenue and net sales growth up over 3%. Headline net sales margin target of 0.3 margin points improvement on a constant currency basis
- **Dual focus in 2015** | 1. Stronger than competitor revenue and net sales growth due to leading position in faster growing geographic markets and digital, premier parent company creative and effectiveness position, new business, horizontality and strategically targeted acquisitions; 2. Continued emphasis on balancing revenue and net sales growth with headcount increases and improvement in staff costs/net sales ratio to enhance operating margins
- **Long-term targets** | Above industry revenue and net sales growth due to geographically superior position in new markets and functional strength in new media and data investment management, including data analytics and the application of new technology; improvement in staff costs/net sales ratio of 0.2 per annum or more depending on net sales growth; net sales operating margin expansion of 0.3 margin points or more on a constant currency basis, with an ultimate goal of almost 20%; and headline diluted EPS growth of 10% to 15% per annum from revenue growth, margin expansion, strategically targeted small and medium-sized acquisitions and share buy-backs

Review of quarter one

Revenue and net sales

In the first quarter of 2015, reported revenue was up 8.3% at £2.783 billion. Revenue in constant currency was up 7.4%, reflecting the slight currency tailwinds in the first quarter, principally reflecting the weakness of sterling against the US dollar, partly offset by the strength of sterling against the euro. On a like-for-like basis, excluding the impact of acquisitions and currency fluctuations, revenue was up 5.2%. Reported net sales were up 6.0%, up 5.0% in constant currency and up 2.5% like-for-like. As outlined in both the 2013 and 2014 Preliminary Announcements, due to the increasing scale of digital media purchases within the Group's media investment management businesses and of direct costs in data investment management, net sales is the more meaningful and accurate reflection of top line growth, although currently none of our competitors report net sales. As a result the tables and commentary below give both revenue and net sales data.

The pattern of net sales growth in 2015 has started similarly to the final quarter of 2014, with both constant currency and like-for-like growth showing continuing improvement across all geographies and sectors. On a like-for-like basis, advertising and media investment management and branding & identity, healthcare and specialist communications (including direct, digital and interactive), were the strongest sectors, with data investment management showing significant improvement compared with the final quarter of 2014. Public relations & public affairs was slower than the final quarter of 2014, which was the strongest quarter last year for this sector. Our budgets for 2015 indicated like-for-like revenue and net sales growth of over 3% against last year. For the first three months actual performance was ahead of budget, due to the stronger than budgeted performance in the Group's data investment management, public relations and public affairs and specialist communications (including direct, digital and interactive) businesses. A preliminary look at our quarter one revised forecasts for the full year, again, indicates revenue growth and net sales growth up over 3%.

Regional review

The pattern of revenue and net sales growth differed regionally. The tables below give details of revenue and net sales, revenue and net sales growth by region for the first quarter of 2015, as well as the proportion of Group revenue and net sales by region;

Revenue analysis

£ million	2015	Δ reported	Δ constant[1]	Δ LFL[2]	% group	2014	% group
N. America	1,036	13.2%	4.1%	4.4%	37.3%	915	35.6%
United Kingdom	417	16.7%	16.7%	8.1%	15.0%	357	13.9%
W. Cont. Europe	547	-7.6%	2.5%	2.7%	19.6%	592	23.0%
AP, LA, AME, CEE[3]	783	10.9%	11.1%	6.8%	28.1%	706	27.5%
Total Group	**2,783**	**8.3%**	**7.4%**	**5.2%**	**100.0%**	**2,570**	**100.0%**

Net sales analysis

£ million	2015	Δ reported	Δ constant	Δ LFL	% group	2014	% group
N. America	915	10.7%	1.8%	2.1%	37.8%	827	36.2%
United Kingdom	350	10.5%	10.5%	3.6%	14.5%	317	13.9%
W. Cont. Europe	462	-8.2%	1.7%	0.3%	19.1%	504	22.1%
AP, LA, AME, CEE	692	8.9%	9.1%	4.0%	28.6%	635	27.8%
Total Group	**2,419**	**6.0%**	**5.0%**	**2.5%**	**100.0%**	**2,283**	**100.0%**

North America, with constant currency net sales growth of 1.8% and like-for-like growth of 2.1%, was stronger than the last quarter of 2014, with advertising and media investment management, direct, digital and interactive and healthcare performing well.

The **United Kingdom's** rate of net sales growth, which slowed in the final quarter of 2014, grew strongly in the first quarter of 2015, with constant currency growth of 10.5% and like-for-like growth 3.6%, the second strongest region in the first quarter. The Group's advertising and media investment management and direct, digital and interactive operations performed strongly, partly offset by pressure on branding & identity and data investment management.

Western Continental Europe, constant currency net sales grew at 1.7%, with like-for-like growth 0.3%, compared with 1.7% in the first quarter of 2014 which was the strongest quarter of the year. There were some brighter spots, with Germany, Greece, Italy, Portugal and Spain growing more strongly, but Austria, France, Norway, Sweden and Switzerland were more difficult.

Asia Pacific, Latin America, Africa & the Middle East and Central & Eastern Europe, was the strongest region in the first quarter, with constant currency net sales growth of 9.1% and like-for-like growth 4.0%. In Asia Pacific, all markets, except Korea and Japan, grew strongly, with Mainland China, the Group's largest market in the region, up 9.0% like-for-like, driven by media investment management, data investment management and public relations and public affairs. India, the Group's second largest market in the region, was up almost 10% like-for-like, with advertising and media investment management, data investment management and direct, digital and interactive performing particularly well. **Africa** also showed strong growth, with like-for-like net sales up almost 9%, compared with over 7% in the final quarter of 2014, which was the strongest quarter last year, with the **Middle East** and **Central & Eastern Europe** both up 2.5% like-for-like. In the **BRICs**[4], like-

[1] Percentage change at constant currency exchange rates
[2] Like-for-like growth at constant currency exchange rates and excluding the effects of acquisitions and disposals
[3] Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe
[4] Brazil, Russia, India and China, which accounted for over $610 million revenue, including associates, in the first quarter

for-like net sales growth was 4.8%, reflecting the strength of China and India and, somewhat surprisingly, Russia (up over 4%), being somewhat offset by a slowdown in Brazil.

Latin America was slower in the first quarter than the final quarter of 2014, with like-for-like net sales growth of 0.3%, with the Group's advertising businesses in Brazil and call centre operations in Chile under pressure. Growth in the **Next 11**[5] and **CIVETS**[6] was 4.2% and 6.4% respectively, on the same basis.

In the first quarter of 2015, the seasonally smallest quarter for faster growth markets, 28.6% of the Group's reported net sales came from Asia Pacific, Latin America, Africa and the Middle East and Central & Eastern Europe. This was almost 1.0 percentage point higher compared with the previous year, and moving towards the Group's strategic objective of 40-45% in the next five years.

Business sector review

The pattern of revenue and net sales growth also varied by communications services sector and operating brand. The tables below give details of revenue and net sales and revenue and net sales growth by communications services sector, as well as the proportion of Group revenue and net sales by those sectors;

Revenue analysis

£ million	2015	Δ reported	Δ constant[7]	Δ LFL[8]	% group	2014	% group
AMIM[9]	1,236	13.5%	12.6%	10.7%	44.4%	1,089	42.4%
Data Inv. Mgt.	558	-1.4%	0.3%	0.0%	20.1%	566	22.0%
PR & PA[10]	224	5.2%	2.3%	0.9%	8.0%	212	8.2%
BI, HC & SC[11]	765	8.8%	6.5%	2.4%	27.5%	703	27.4%
Total Group	**2,783**	**8.3%**	**7.4%**	**5.2%**	**100.0%**	**2,570**	**100.0%**

Net sales analysis

£ million	2015	Δ reported	Δ constant	Δ LFL	% group	2014	% group
AMIM	1,061	6.3%	5.7%	3.8%	43.8%	998	43.7%
Data Inv. Mgt.	407	0.4%	1.6%	1.2%	16.8%	406	17.8%
PR & PA	219	4.5%	1.6%	1.2%	9.1%	210	9.2%
BI, HC & SC	732	9.4%	7.0%	1.6%	30.3%	669	29.3%
Total Group	**2,419**	**6.0%**	**5.0%**	**2.5%**	**100.0%**	**2,283**	**100.0%**

In the first quarter of 2015, almost 37% of the Group's revenue came from direct, digital and interactive, up 1.1 percentage points from the previous year and closer to the Group's strategic objective of 40-45% in the next five years. Digital revenue across the Group was up almost 11% in constant currency and 5.1% like-for-like.

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[5] Bangladesh, Egypt, Indonesia, South Korea, Mexico, Nigeria, Pakistan, Philippines, Vietnam and Turkey (the Group has no operations in Iran), which accounted for almost $200 million revenue, including associates, in the first quarter

[6] Colombia, Indonesia, Vietnam, Egypt, Turkey and South Africa, which accounted for almost $210 million revenue, including associates, in the first quarter

[7] Percentage change at constant currency exchange rates

[8] Like-for-like growth at constant currency exchange rates and excluding the effects of acquisitions and disposals

[9] Advertising, Media Investment Management

[10] Public Relations & Public Affairs

[11] Branding and Identity, Healthcare and Specialist Communications

Advertising and Media Investment Management

In constant currencies, advertising and media investment management revenue grew by 12.6% with like-for-like growth of 10.7%, the strongest performing sector. On the same bases, net sales grew 5.7% and 3.8% respectively. The Group's advertising businesses remain challenged in the mature markets, where most of the restructuring costs incurred in 2014 were directed, but Y&R and Grey performed well in Asia Pacific, with J. Walter Thompson Worldwide, Ogilvy and Grey up strongly in Latin America. Growth in the Group's media investment management businesses has been consistently strong over the last two years and this has continued into the first quarter of 2015, with constant currency net sales and like-for-like growth both up double digits.

The Group gained a total of £624 million (almost $1.0 billion) in net new business wins (including all losses) in the first quarter, compared to £797 million ($1.275 billion) in the same period last year. Of this, J. Walter Thompson Worldwide, Ogilvy & Mather, Y&R and Grey generated net new business billings of £173 million ($277 million). Also, of the Group total, GroupM, the Group's media investment management company, which includes Mindshare, MEC, MediaCom, Maxus, GroupM Search and Xaxis, together with tenthavenue, generated net new business billings of £264 million ($422 million).

Data Investment Management

On a constant currency basis, data investment management net sales grew 1.6%, with like-for-like net sales up 1.2%, compared with -1.0% in the final quarter of 2014. All regions, except the United Kingdom, grew in the first quarter, with particularly strong growth in Asia Pacific, Latin America and Africa, whilst North America and Continental Europe were up just under 1.0%.

Public Relations and Public Affairs

In constant currencies, public relations and public affairs net sales were up 1.6% and up 1.2% like-for-like, a slower rate of growth than the final quarter of 2014, but similar to the first quarter of last year. All regions, except the United Kingdom and Continental Europe, were up, with strong growth in Asia Pacific, Latin America, Africa and the Middle East.

Branding and Identity, Healthcare and Specialist Communications

In constant currencies, the Group's branding and identity, healthcare and specialist communications businesses (including direct, digital and interactive) net sales growth was up strongly at 7.0%, with like-for-like growth of 1.6%. All of the Group's businesses in this sector, except branding & identity, grew in the first quarter, with particularly strong growth in the Group's direct, digital and interactive businesses.

Operating profitability

In the first quarter, on a constant currency basis, revenue, net sales, profits and operating margins were ahead of budget and well ahead of last year, and well ahead of the full year margin targeted improvement of 0.3 margin points. Slightly lower severance costs were offset by increased incentive accruals, when compared with the first quarter of last year.

We are in the process of reviewing our quarter one preliminary revised forecasts, but early indications are that full year like-for-like revenue and net sales growth will be up over 3%, with a stronger second half, partly the result of easier comparatives.

The number of people in the Group, on a proforma basis excluding associates, was down 1.9% or 2,407 at 31 March 2015 to 122,505, as compared to 31 March 2014, against an increase in revenue on the same basis of 5.2% and net sales of 2.5%. This reflected, in part, the transfer of approximately 1,200 people to IBM in February and March 2015, as part of the strategic partnership agreement

and IT transformation programme. Similarly, the average number of people in the Group in the first quarter of this year was down 1.1% to 122,846 compared to 124,203 for the same period last year. Since 1 January 2015, on a like-for-like basis, the number of people in the Group has decreased by 1.7% or over 2,000 at 31 March 2015 to 122,505, reflecting continued caution by the Group's operating companies in hiring and the usual seasonality of a relatively smaller first quarter in comparison to all other quarters. As noted above, the preliminary quarter one revised forecast indicates a similar improvement in revenue and net sales, whilst forecast headcount at the end of the year remains well balanced.

Balance sheet highlights

The Group continues to implement its strategy of using free cash flow to enhance share owner value through a balanced combination of capital expenditure, acquisitions, share repurchases and dividends. In the twelve months to 31 March 2015, the Group's free cash flow was £1.246 billion (over $1.9 billion). Over the same period, acquisitions, share repurchases and dividends was £1.369 billion (over $2.1 billion).

During the quarter, share buy-backs continued at an annualised rate ahead of the Group's target of 3% of the issued share capital, with 10.5 million shares, or 0.8% of the issued share capital, purchased at an average price of £14.86, 7.0 million shares being held as Treasury stock and 3.5 million shares held by the ESOP Trusts.

Average net debt in the first quarter of 2015 was £2.734 billion, compared to £2.549 billion in 2014, at 2015 exchange rates, an increase of £185 million. Net debt at 31 March 2015 was £3.175 billion, compared to £2.957 billion in 2014 (at 2015 exchange rates), an increase of £218 million. The increased average and period end debt figures, reflect both the significant incremental net acquisition spend of £158 million and incremental share re-purchases of £173 million in the twelve months to 31 March 2015, compared with the previous twelve months, more than offsetting the improvements in working capital seen in the second half and final quarter of last year. The net debt figure of £3.175 billion at 31 March, compares with a market capitalisation of approximately £21.1 billion, giving an enterprise value of £24.3 billion.

In the quarter, a €600 million 15 year bond was issued at a coupon of 1.625%, in conjunction with a three year exchange offer of €252 million at 0.43% for part of the existing €750 million 6.625% bond due in May 2016. This continues the plan to extend maturities and take advantage of current low interest rates.

In June 2013, the Board decided to target a further increase in the pay-out ratio to 45% over the next two years and, as a result, declared total dividends of 34.21p for 2013 an overall increase of 20%. This represented a dividend pay-out ratio of 42%, compared to a pay-out ratio of 39% in 2012. Given the strong progress in 2014, the Board declared total dividends of 38.20p per share for 2014, an overall increase of 11.7%. This represented a dividend pay-out ratio of 45%, compared to a pay-out ratio of 42% in 2013. The achievement of the targeted 45% dividend pay-out ratio one year ahead of schedule now raises the question of whether the pay-out ratio target should be raised further, a question your Board will be considering shortly.

Acquisitions

In line with the Group's strategic focus on new markets, new media and data investment management, the Group completed 7 transactions in the first quarter; 2 acquisitions and investments were in new markets and 5 in quantitative and digital. Of these, 1 was in new markets and quantitative and digital. Two further transactions have recently been announced and are due for completion in the second quarter. They involved the purchases of a controlling interest in IBOPE

in data investment management in Latin America and a minority interest in comScore, also in data investment management in the United States, and will total an investment of approximately £380 million, more medium-sized than usual.

Specifically, in the first quarter of 2015, acquisitions and increased equity stakes have been completed in **data investment management** in the United States; **in direct, digital and interactive** in the United States, Sweden and Peru; **in healthcare** in Australia.

Outlook

Macroeconomic and industry context – reasonable top line growth, with strong bottom line improvement

Following the Group's record year in 2014, 2015's first quarter top line growth has been reasonably above budget, particularly given that worldwide GDP growth, both nominal and real, has slowed in the second half of last year and the first quarter of this year. However, bottom line growth and operating margin improvement has been strong, well beyond budget, target and last year. Net sales growth was also better than the final quarter of 2014, with all geographies and sectors growing net sales on both a constant currency and like-for-like basis. Like-for-like net sales were up 2.5% compared with 3.8% in the same quarter last year, which was the second strongest quarter, and 2.1% in the fourth quarter of last year. Our operating companies are still hiring cautiously and responding to any geographic, functional and client changes in revenue – positive or negative. On a constant currency basis, operating profit is above budget and well ahead of last year and the increase in the net sales margin is well above the Group's full year target of a 0.3 margin point improvement.

Geopolitical issues remain top of business leaders' concerns. The Ukraine and consequent Russian sanctions, continued tensions in the Middle East and North Africa and, the increasing likelihood of a "Grexit" from the European Community top the agenda. Lower oil prices and first time quantitative easing in Europe and continued easing in Japan may bottom or underpin the recovery and a continued, but somewhat patchy, United States recovery and United Kingdom and Indian strength may help confidence, but concerns about China and Brazil remain, although we remain unabashed bulls of both. Countries like Indonesia, the Philippines, Vietnam, Egypt, Nigeria, Mexico, Colombia and Peru add to confidence (and maybe even Cuba and Iran will), along with a mild recovery in Western Continental Europe, chiefly in Germany, Spain and Italy. France remains soft, although there are some small signs of improvement. But there are other "grey swans", chiefly two. First, what impact will the much anticipated Federal Reserve tightening have on bond and equity markets. Although interest rates are likely to remain lower, longer than many anticipate, when the tightening comes, as it inevitably will, it may have a dramatic impact on bond and equity valuations. Secondly, the result of the "Morton's Fork" United Kingdom General Election will probably result either in a Labour-led coalition, which does not favour business and causes jitters in sterling exchange rates and stock markets, or a Conservative-led coalition, which will result in an uncertainty-stimulating European Union referendum. In either case, any coalition will have to re-address reducing the still remaining, substantial, United Kingdom budget deficit.

So all in all, whilst clients are certainly more confident than they were in September 2008 post-Lehman, with stronger balance sheets (over $7 trillion in net cash and limited leverage), sub-trend global GDP growth at around 3.0-3.5% real and 5.0-5.5% nominal, combined with these levels of geopolitical uncertainty, low inflation or fears of deflation, resulting in limited pricing power, short-term focused activist investors and strengthened corporate governance scrutiny, make them unwilling to take further risks and, therefore, focus on costs, rather than revenue growth. Procurement and finance tends to take the lead over marketing and investment and suppliers are

encouraged to play the additional roles of banks and/or insurance companies. At best, clients focus on a strategy of adding capacity and brand building in both fast growth geographic markets and functional markets, like digital, and containing or reducing capacity, perhaps with brand building to maintain or increase market share, in the mature, slow growth markets. This approach also has the apparent virtue of limiting fixed cost increases and increasing variable costs, although we naturally believe that marketing is an investment, not a cost. We see little reason, if any, for this pattern of behaviour to change in 2015, with continued caution being the watchword. There is certainly no evidence to suggest any such change in behaviour so far in 2015, although one or two institutional investors are saying that they are tiring with some companies' total focus on short-term cost cutting and would favour strategies based more on the long-term and top line growth.

The pattern for 2015 looks very similar to 2014, but with no maxi- or mini-quadrennial events like the Olympics, FIFA World Cup or United States Presidential Election (as there will be in 2016) to boost marketing investments. Forecasts of worldwide real GDP growth still hover around 3.0 to 3.5%, with inflation of 2.0% giving nominal GDP growth of around 5.0 to 5.5% for 2015, although they have been reduced recently and may be reduced further in due course. Advertising as a proportion of GDP should at least remain constant overall. Although it is still at relatively depressed historical levels, particularly in mature markets, post-Lehman, it should be buoyed by incremental branding investments in the under-branded faster growing markets.

Although consumers and corporates both seem to be increasingly cautious and risk averse, the latter should continue to purchase or invest in brands in both fast and slow growth markets to stimulate top line sales growth. Merger and acquisition activity may be regarded as an alternative way of doing this, particularly funded by cheap long-term debt, but we believe clients may regard this as a more risky way than investing in marketing and brand and hence growing market share, particularly as equity valuations are strong.

All in all, 2015 looks to be another demanding year, although a weaker UK pound against a stronger US dollar may continue to provide some modest currency tailwind, partly offset by a stronger pound against the euro, although a modest impact on profits, unlike the fierce currency headwind in 2014.

Financial guidance

The budgets for 2015 were prepared on a cautious basis as usual (hopefully), but continue to reflect the faster growing geographical markets of Asia Pacific, Latin America, Africa & the Middle East and Central & Eastern Europe and faster growing functional sectors of advertising, media investment management and direct, digital and interactive to some extent moderated by the slower growth in the mature markets of Western Continental Europe, although a recovery does appear to be developing. Our quarter one preliminary revised forecast are in line with budget at the net sales level and show the following;

- Like-for-like revenue and net sales growth of over 3%
- Target net sales margin improvement of 0.3 margin points, excluding the impact of currency

In 2015, our prime focus will remain on growing revenue and net sales faster than the industry average, driven by our leading position in the new markets, in new media, in data investment management, including data analytics and the application of technology, creativity, effectiveness and horizontality. At the same time, we will concentrate on meeting our operating margin objectives by managing absolute levels of costs and increasing our flexibility in order to adapt our cost structure to significant market changes and by ensuring that the benefits of the restructuring investments taken in 2014 continue to be realised. The initiatives taken by the parent company in the areas of human resources, property, procurement, information technology and practice development continue to improve the flexibility of the Group's cost base. Flexible staff costs

(including incentives, freelance and consultants) remain close to historical highs of around 8% of net sales and continue to position the Group extremely well should current market conditions deteriorate.

The Group continues to improve co-operation and co-ordination among its operating companies in order to add value to our clients' businesses and our people's careers, an objective which has been specifically built into short-term incentive plans. We have, in addition, decided that an even more significant proportion, one-third, of operating company incentive pools are funded and allocated on the basis of Group-wide performance in 2015. This may be increased to one-half in 2016. Horizontality has been accelerated through the appointment of 46 global client leaders for our major clients, accounting for over one third of total revenue of almost $19 billion and 16 country and regional managers in a growing number of test markets and sub-regions, amounting to about half of the 111 countries in which we operate. Emphasis has been laid on knowledge-sharing in the areas of media investment management, healthcare, sustainability, government, new technologies, new markets, retailing, shopper marketing, internal communications, financial services and media and entertainment. The Group continues to lead the industry, in co-ordinating investment geographically and functionally through parent company initiatives and winning Group pitches. For example, the Group has been very successful in the recent wave of consolidation in the pharmaceutical and shopper marketing industries and the resulting "team" pitches. Whilst talent and creativity (in its broadest sense) remain the key potential differentiators between us and our competitors, increasingly differentiation can also be achieved in three additional ways – through application of technology, for example, Xaxis and AppNexus; through integration of data investment management, for example, Kantar, Rentrak and comScore; and lastly investment in content, for example, Imagina, Vice, Media Rights Capital, Fullscreen, Indigenous Media, China Media Capital and Bruin.

Our business remains geographically and functionally well positioned to compete successfully and to deliver on our long-term targets:

- Revenue and net sales growth greater than the industry average
- Improvement in net sales margin of 0.3 margin points or more, excluding the impact of currency, depending on net sales growth and staff cost to net sales ratio improvement of 0.2 margin points or more
- Annual headline diluted EPS growth of 10% to 15% p.a. delivered through revenue growth, margin expansion, acquisitions and share buy-backs

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This announcement has been filed at the Company Announcements Office of the London Stock Exchange and is being distributed to all owners of Ordinary shares and American Depository Receipts. Copies are available to the public at the Company's registered office.

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