GROUPM PREDICTS 2017 GLOBAL MARKETING EXPENDITURES WILL SURPASS $1 TRILLION

2016 Global Ad Investment Revised Downward With Slower 'New Normal' Growth in China
USA Again Top Driver of Global Ad Growth in 2016
Digital Advertising Investment Accounts for 99 Percent of Net 2016 Growth versus Traditional Media

LONDON AND NEW YORK, August 2, 2016 – WPP's GroupM, the world's leading media investment management group, today trimmed its 2016 global ad expenditure forecast and shared its initial outlook for 2017. The 2017 ad volume prediction of $552 billion (+ 4.3 percent), when combined with other marketing services, pushes total marketing services expenditures worldwide past the $1 trillion threshold for first time. However, slowing growth in China and Brazil this year drive GroupM to revise down their 2016 growth estimate to 4.0 percent from the 4.5 percent earlier predicted, (net new investment of $22B trimmed to $20.5B).

Media USD m, current prices	*2016*	2017
	2016	**2017**
WORLD	**529,134**	**551,992**
yoy %	4.0	4.3
NORTH AMERICA	**188,769**	**194,202**
yoy %	3.0	2.9
USA	178,676	183,979
yoy %	3.1	3.0
LATIN AMERICA	**35,798**	**38,349**
yoy %	4.6	7.1
WESTERN EUROPE	**98,321**	**101,056**
yoy %	3.4	2.8
CENTRAL & EASTERN EUROPE	**13,464**	**14,469**
yoy %	6.9	7.5
ASIA-PACIFIC	**176,295**	**186,686**
yoy %	5.3	5.9
China	80,947	86,593
yoy %	6.6	7.0
MIDDLE EAST & AFRICA	**16,487**	**17,230**
yoy %	3.0	4.5

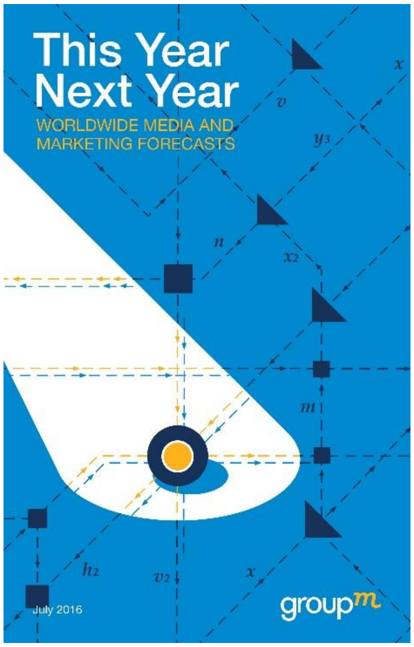
GroupM China reports a "new normal;" 2016 growth is now forecast at 6.6 percent, revised downward from 9.1 percent as the slowdown in fixed investment and profits affects consumer demand. The initial advertising growth estimate for China in 2017 is 7.0 percent. These estimates keep China among the top growing large markets, with ample fundamental support tied to growing urbanization and consumer confidence, though China no longer boasts the double-digit growth rates of recent years.

After a slow growth 2015, the communications market in Brazil is feeling the effects of economic crisis in 2016, but is still hopeful of ending the year positive for growth at 1 percent. Prior optimism for 7 percent growth in 2016 was dashed by Brazil's continuing economic recession, increasing unemployment (topping 10 percent), and political turmoil.

With the slowing of China, GroupM believes that the United States will again be the leading contributor of global ad growth this year, assuming a mantle China has held since 2007. GroupM's U.S. advertising growth estimate for 2016 is revised up from 2.7 percent to 3.1 percent, driven primarily by a healthier TV marketplace that will grow 3.4 percent in 2016 instead of the 2.3 percent earlier predicted. Political, CPG and Pharmaceutical categories are key contributors to TV's strength.

Supported by stable finances, sustained urban demand and important reforms, India remains the fastest-growing larger economy at a forecast annual run rate of 14 percent to 15 percent in 2016 and 2017. By GroupM's estimates, India is on track to become the tenth advertising market with greater than $10B in annual investment in 2018.

Meanwhile in Russia, fourth of the BRIC markets, where the economy and media investment shrank 3.7 percent and 10 percent respectively in 2015, very rapid recovery in the first quarter this year is probably not sustainable given the lack of evidence that the GDP or consumer income is improving, but GroupM still thinks 2016's ad investment will grow 7.8 percent, with 9.4 percent to follow in 2017.



These predications and more are published in GroupM's biannual worldwide media and marketing forecast report, ***This Year, Next Year.*** The intelligence is drawn from data supplied by WPP's worldwide resources in advertising, public relations, market research and specialist communications by GroupM's Futures Director, Adam Smith.

In his update to the 2016 forecast, Smith paid particular attention to the impact of the United Kingdom's vote to exit the European Union. "At this time, there is no tangible evidence of a Brexit effect in macro indicators nor budgeting decisions. However, in the next six months to a year, it is likely companies will invest less. Job creation, wage growth and productivity will be lower than it otherwise might have been. This is a difference of degree, not magnitude," said Smith. "There is no evidence of a Brexit-driven recession at the time of this writing, and though some have deferred 2016 advertising investments, worst-case we still see that UK advertising growth will reach 4.5 percent this year, propelled exclusively by the growth of digital. Our base case remains 6.3 percent, which we will revise as usual in November."

Globally, the growth of digital continues to be high, but it is moderating from 18 percent in 2015 to 14 percent in 2016 and 12 percent in 2017. This is to be expected as markets like China see the medium surpass 50 percent of media investment. Still, digital will account for 99 percent of all net ad growth in 2016, and comprise 31 percent of investment this year and precisely one-third next year. Print media continues to lose the most share to online, while TV remains resilient. The new ***This Year, Next Year*** report also includes a discussion of perspectives on measuring the success of online video and developments with online ad networks (inventory aggregators and sellers); this continues conversation from GroupM's last digitally-focused report, ***Interaction,*** published in April.

"The impact of media consumption migrating to digital platforms, and the flow of advertising investment with it, must not be underestimated by advertising clients," said Dominic Proctor, President, GroupM Global. "This fragmentation of billions of consumer impressions across thousands of platforms demands the use of data and technology to create bespoke and meaningful targeted audiences for brands. This is the transition from media planning to audience planning and the reason why GroupM continues to focus investment in talent and technology around data and analytics. We see this as crucial to creating sustainable marketplace advantage for our clients, and it's an important dialogue we're having which is increasingly and appropriately focused on performance versus the commodity pricing of media."

About GroupM
GroupM is the leading global media investment management company serving as the parent to WPP media agencies including Mindshare, MEC, MediaCom, Maxus, and Essence, as well as the programmatic digital media platform, Xaxis, each global operations in their own right with leading market positions. GroupM's primary purpose is to maximize performance of WPP's media agencies by

operating as leader and collaborator in trading, content creation, sports, digital, finance, proprietary tool development and other business-critical capabilities. GroupM's focus is to deliver unrivaled marketplace advantage to its clients, stakeholders and people.

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