

Singleton Group Limited to take 49% stake in J Walter Thompson Australia and New Zealand
14 December 2001

WPP announces that Singleton Group Limited ("SGN") has conditionally agreed to take a 49% interest in J Walter Thompson's advertising operations in Australia and New Zealand ("JWT") in consideration for the issue to WPP of 16.2 million ordinary shares in SGN representing 10.69% of SGN's fully diluted share capital.

SGN will seek shareholder approval for the transaction at an EGM to be held on February 1st 2002, at which it will also seek approval to change its name to "STW Communications Group Limited" in recognition of SGN's increasing diversification.

Commenting on the investment, SGN Chief Executive Officer, Russell Tate said "Unlike the arrangement between John Singleton Advertising and Ogilvy & Mather back in 1998, which was a merger resulting in the formation of Singleton Ogilvy & Mather ("SOM"), this proposal does not involve the merging of JWT's advertising operations with any company. JWT and SOM will continue to operate in Australia and New Zealand under separate management and as often competitors, just as the JWT, Ogilvy & Mather, Young & Rubicam and Red Cell brands do internationally even though all four are owned by WPP".

WPP has an 11.65% shareholding in SGN representing 15.79 million shares and intends to dispose of 15 million shares immediately following this announcement, together with The John Singleton Limited Partnership ("JS") which will dispose of 10 million SGN shares. Upon completion of SGN's investment in JWT, WPP's shareholding in SGN will be 11.22% and JS's shareholding will be 18.11% on a fully diluted basis.

The investment by SGN will substantially strengthen J Walter Thompson's operations in Australasia and access a broader range of communication services.