For Immediate Release **22 April 2005**

WPP

QUARTERLY TRADING UPDATE

REPORTED REVENUES UP OVER 16%

CONSTANT CURRENCY REVENUES UP OVER 16%

LIKE-FOR-LIKE REVENUES UP ALMOST 6%

FIRST QUARTER OPERATING MARGIN ABOVE BUDGET

FULL YEAR OPERATING MARGIN FORECAST TO INCREASE IN LINE WITH TARGET

Current Trading

Reported revenues rose by over 16%. In constant currencies, first quarter revenues were up over 16%, primarily reflecting strong organic growth and a first-time contribution from Grey Global Group ("Grey") from 7 March. The impact of currency in the first quarter of 2005 was minimal. On a like-for-like basis, excluding acquisitions and currency fluctuations, revenues were up almost 6%. This maintains the improvement in the organic growth rate of the last two quarters of 2004 and reflects the growing focus by clients on improving profitability through innovation and branding and top line growth, rather than by relying solely on cost cutting.

As shown in the appendix, on a constant currency basis, all regions showed double digit revenue growth. In North America, revenues were up over 16%. In Europe, the UK was up 12% and Continental Europe up over 15%. Asia Pacific, Latin America, Africa and the Middle East was up 22%.

By communications services sector, advertising & media investment management was up over 17%, information, insight & consultancy up 19%, public relations & public affairs up over 12%, and branding & identity, healthcare and specialist communications up almost 15%.

Net new business billings of £875 million ($1.62 billion) were won during the first quarter. The Group continues to benefit from consolidation trends in the industry, winning several large assignments from existing and new clients.

In the first quarter both profitability and operating margin were ahead of budget. Full year margin forecasts are in line with the Group's revised combined margin target for 2005, including Grey, of 14.3%.

The Group's operating companies continued to improve productivity. On a pro-forma basis, the number of people in the Group (excluding associates) was up 3.8% at 31 March 2005 to 71,097, as compared to the previous year. In the first quarter of 2005, average headcount on a like-for-like basis was up 5.2% to 64,368, compared with the first quarter of 2004.

Balance Sheet and Cash Flow

The Group continues to implement its strategy of using free cash flow to enhance share owner value through a judicious combination of capital expenditure, acquisitions and share cancellations, whilst ensuring that these expenditures are covered by free cash flow.

Average net debt in the first quarter of 2005 was down £240 million to £586 million, compared to £826 million in 2004, at 2005 exchange rates. The current net debt figure compares with a market capitalisation of approximately £7.5 billion. Net debt at 31 March 2005 was £938 million compared to £825 million in 2004 (at constant exchange rates) an increase of £113 million, reflecting a £384 million gross cash payment for Grey. In the twelve months to 31 March 2005, the Group's free cash flow was £572 million. Over the same period, the Group's capital expenditure, acquisitions and share cancellations were £646 million (including a £384 million gross cash payment for Grey).

In the first quarter of 2005, in addition to the completion of the acquisition of Grey, the Group made acquisitions or increased equity interests in advertising and media investment management in the United Kingdom, Denmark and Argentina; in information, insight and consultancy in Hong Kong; in public relations and public affairs in Denmark; in healthcare in the United States, Netherlands and Switzerland; and in direct, internet and interactive in the United States.

In the first quarter of 2005, 3,367,000 ordinary shares were purchased, at an average price of £6.17 per share and total cost of £20.8 million. 2,250,000 of these shares were cancelled. The company's objective remains to repurchase up to 2% annually of its share base in the open market at an approximate cost of £150 million, when market conditions are appropriate.

International Financial Reporting Standards ("IFRS")

In addition to the quarterly trading update, attached as a separate appendix are the changes to the full year 2004 financial statements as a result of adopting IFRS.

As disclosed previously, the major impact on the Group results is a charge for share based compensation, a reduction in equity income as a result of showing equity income net of taxes, and an increase in the Group's reported tax rate. In addition there is a reduction of £680 million in goodwill and corporate brands, the majority of which arises as a result of translating historic goodwill and brands (previously fixed in sterling), on the opening balance sheet at 31 December 2003 exchange rates.

The impact of all this on reported earnings per share is a reduction of over 6%. This reduction at the after tax earnings level is greater than at the operating level, due to the disproportionate impact of certain items on the Group's reported tax charge. None of these adjustments impact the cash earnings per share, cash taxes paid, or the cash generating ability of the Group.

Future Objectives

The Group continues to focus on its key objectives of improving operating profits by 10% to 15% per annum; improving operating margins by half to one margin point per annum; improving staff cost to revenue ratios by 0.6 margin points per annum; growing revenue faster than industry averages; improving our creative reputation and stimulating co-operation among Group companies.

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Appendix: Revenue and revenue growth by region and communications services sector

3 months ended March 31, 2005

Region	2005 £m	% Total	2004 £m	% Total	Revenue Growth Reported 2005/2004 %	Constant Currency Growth[1] 2005/2004 %
North America	443.9	40	390.3	41	13.7	16.6
United Kingdom	184.4	17	164.7	17	12.0	12.0
Continental Europe	291.5	26	246.0	26	18.5	15.5
Asia Pacific, Latin America, Africa & Middle East	194.7	17	159.3	16	22.2	22.0
TOTAL GROUP	1,114.5	100	960.3	100	16.1	16.4

Communications Services Sector	2005 £m	% Total	2004 £m	% Total	Revenue Growth Reported 2005/2004 %	Constant Currency Growth[1] 2005/2004 %
Advertising, Media Investment Management	515.9	46	439.5	46	17.4	17.3
Information, Insight & Consultancy	188.7	17	158.3	16	19.2	19.0
Public Relations & Public Affairs	117.1	11	105.3	11	11.2	12.4
Branding & Identity, Healthcare and Specialist Communications	292.8	26	257.2	27	13.8	14.8
TOTAL GROUP	1,114.5	100	960.3	100	16.1	16.4

[1]Constant currency growth excludes the effects of currency movements.