

WPP

Future Priorities

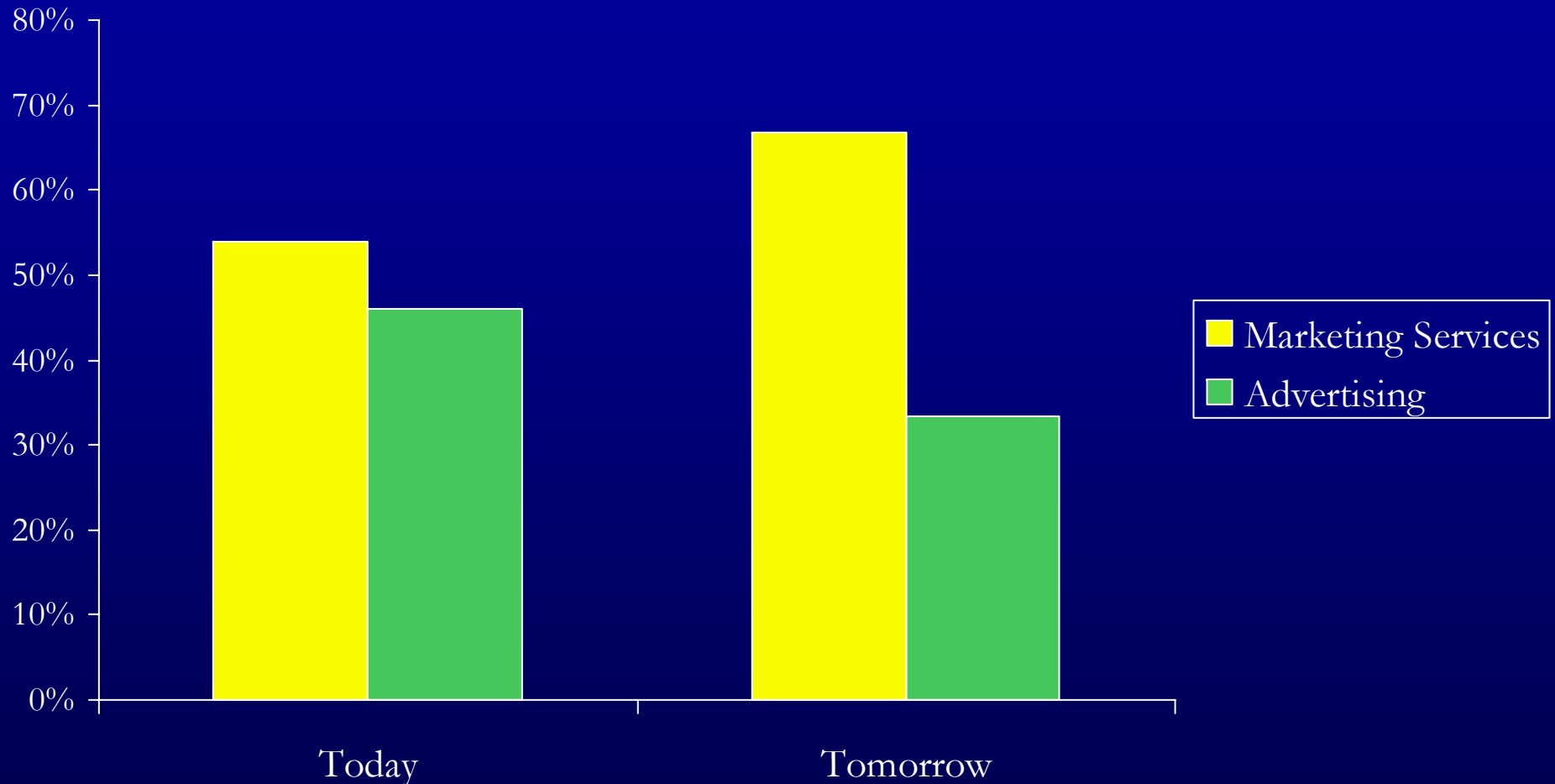
2002 Annual General Meeting

Strategic Priorities

- Short-term; to weather the recession
- Medium-term; to continue to successfully integrate the mergers with Y&R and Tempus
- Long-term; to develop our businesses in the faster growing geographic regions and functional areas

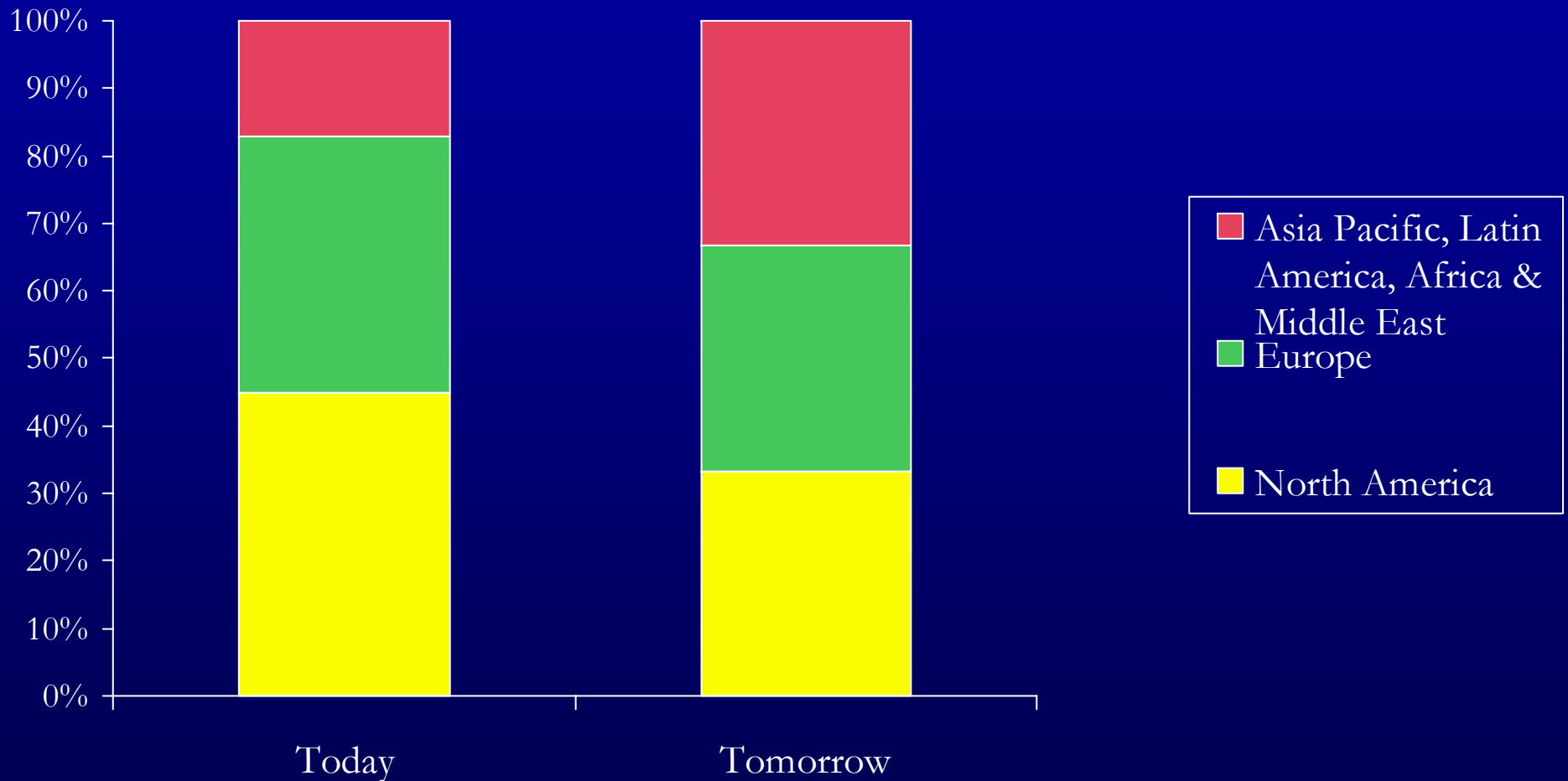
Strategic Priorities

Revenue by discipline (%) - tomorrow



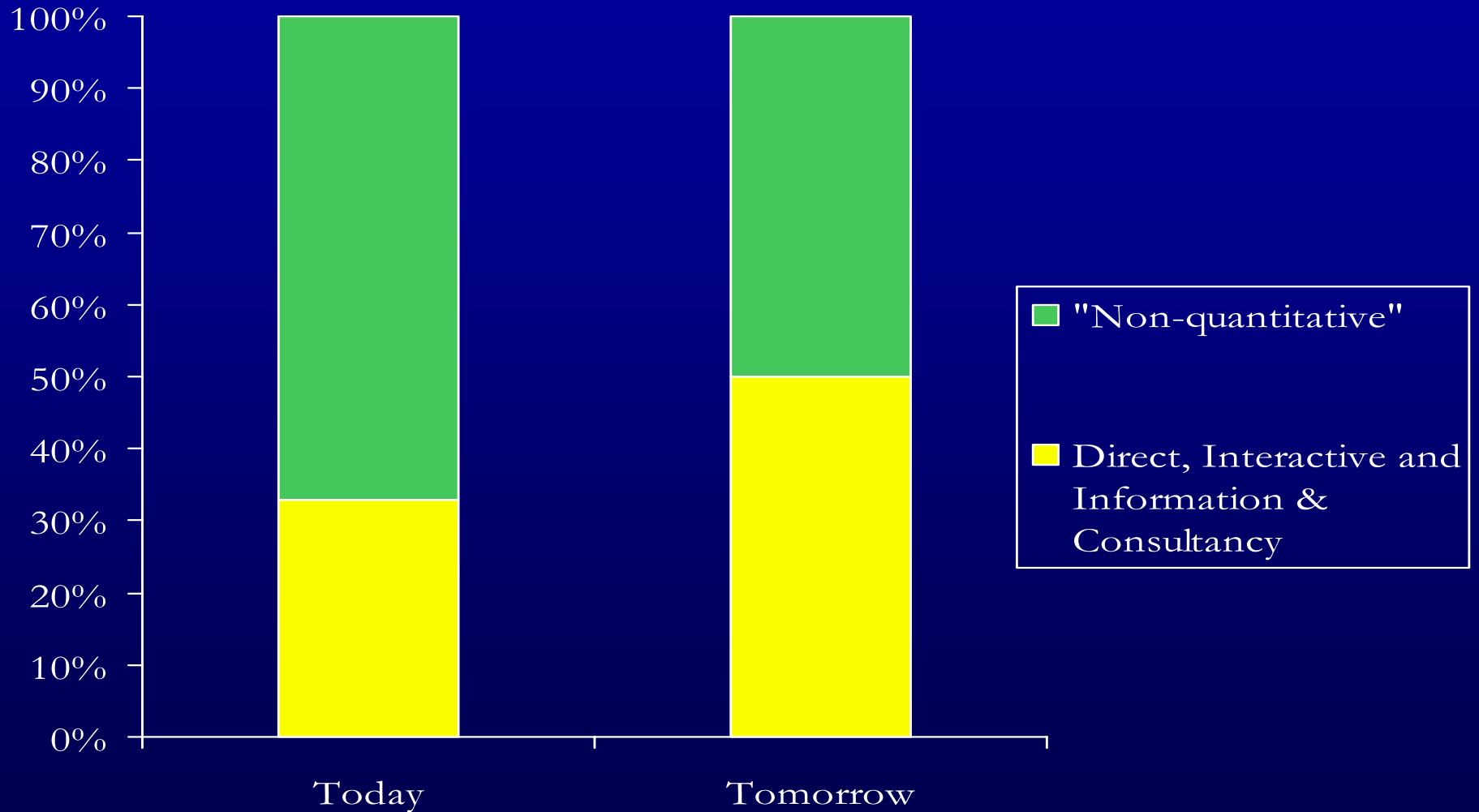
Strategic Priorities

Revenue by region (%) - tomorrow



Strategic Priorities

Quantitative Aids To Decision Making (%) - tomorrow



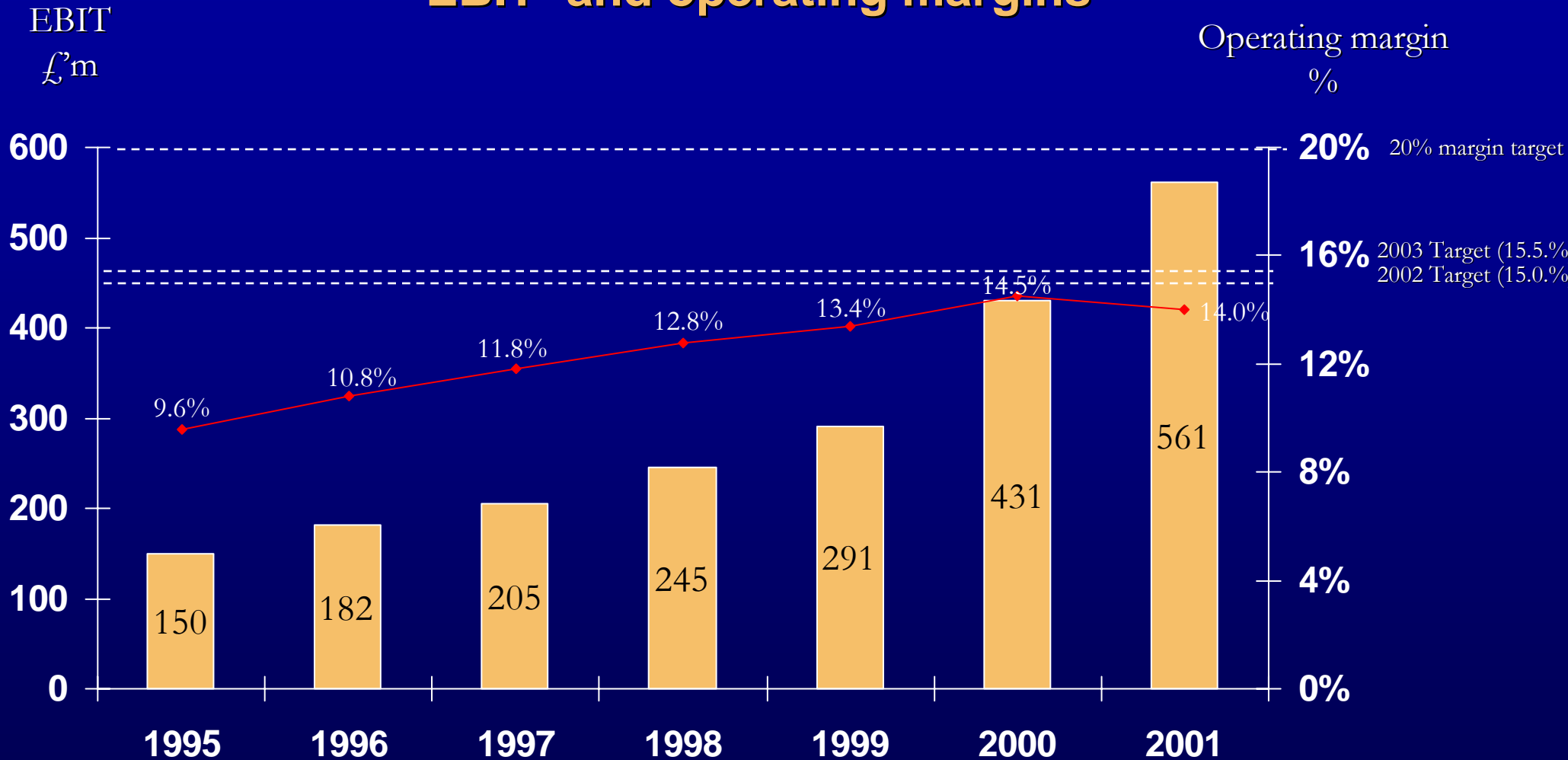
Strategy

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
- Developing the role of the parent company
- Emphasising revenue growth more as margins improve
- Improving the creative capabilities and reputation of all our businesses

Historical financial record

EBIT¹ and operating margins

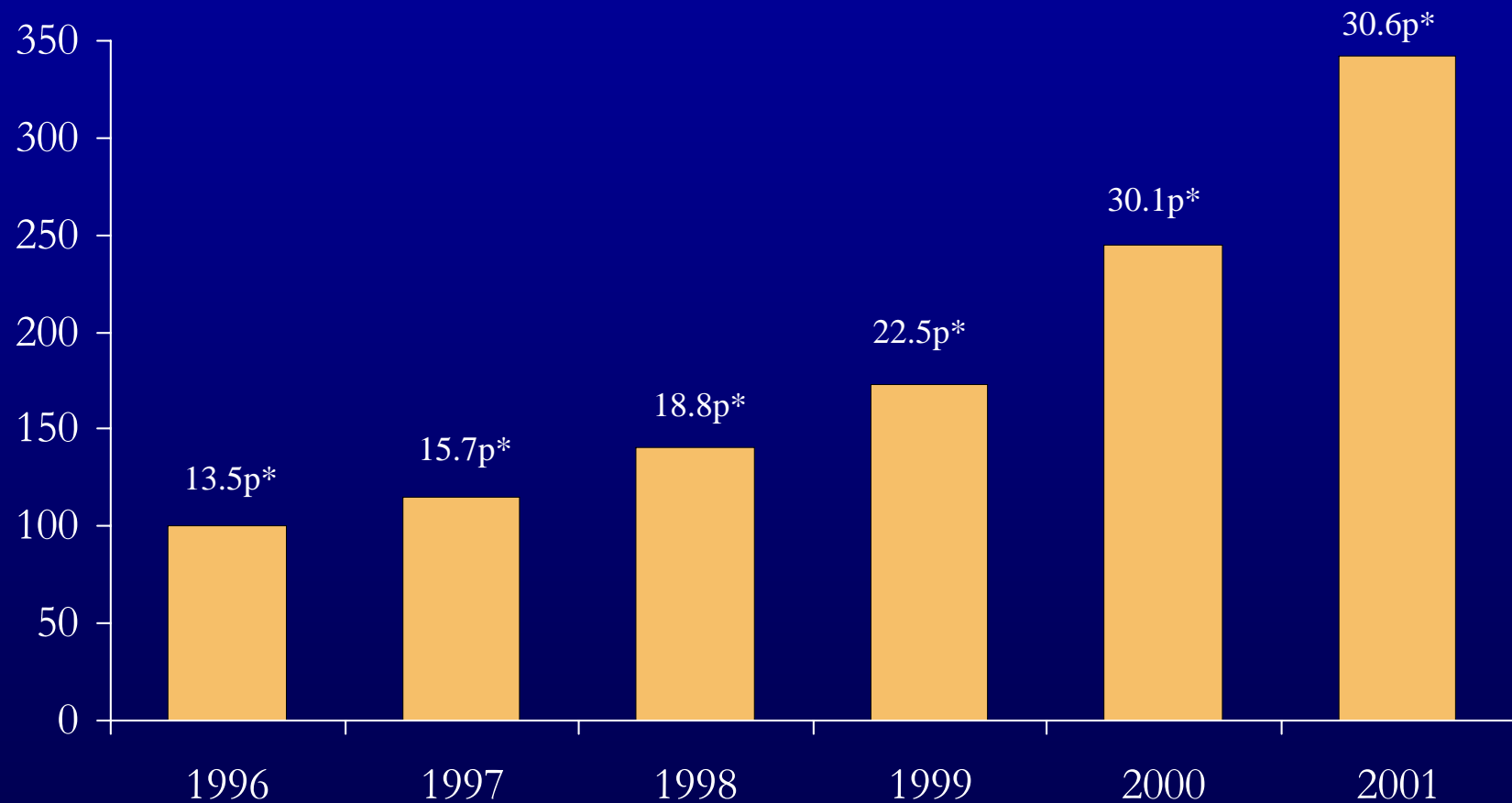


1. 2001 and 2002 EBIT excludes goodwill, investment gains and write-downs

Five year financial record

Earnings and EPS* 1996-2001

Earnings
(£m)



*Diluted EPS (2000 and 2001 restated to exclude goodwill, investment gains and write-downs)

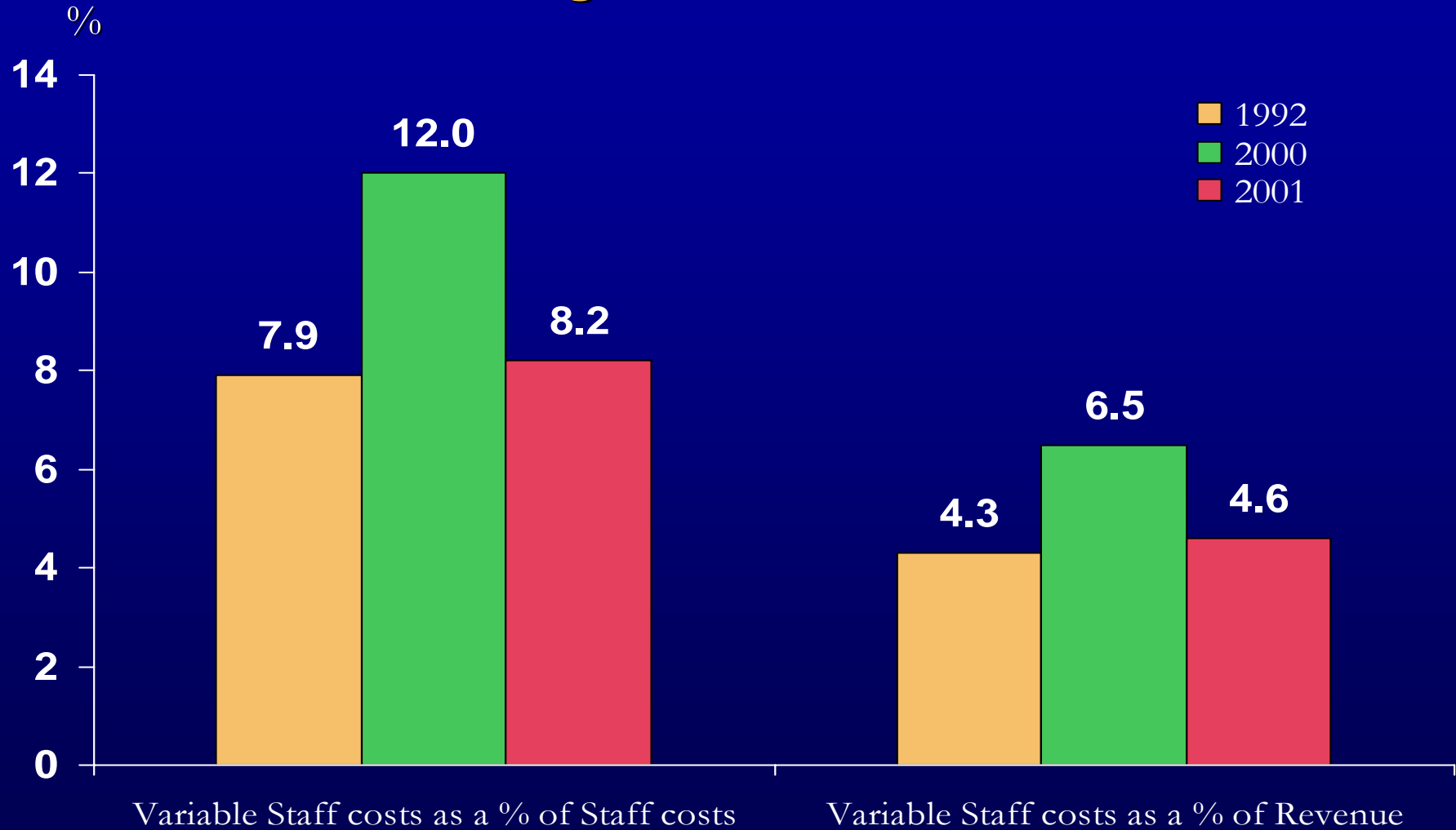
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Increasing flexibility in the cost base

- We continue to focus on a more flexible cost structure in three key areas:
 - Staff c. 50% of revenue
 - Property c. 10% of revenue
 - Bought in services c. 30% of revenue
- Increased flexibility in all areas will be important to combat any economic slowdown

Increasing flexibility in the cost base

Change in variable costs



Using Free Cash Flow to Enhance Share Owner Value

- Capital expenditure
- Acquisitions
- Dividends and share buy-backs

Using Free Cash Flow to Enhance Share Owner Value

Acquisitions

- Continued focus on strategic acquisitions
- Major focus continues to be on Information and Consultancy and the faster growing sectors within Branding and Identity, Healthcare and Specialist Communications
- Acquisitions in advertising used to address specific client or local agency needs
- Continue to find attractive opportunities particularly outside the US

Using Free Cash Flow to Enhance Share Owner Value

Dividends and Share buy-backs

- 2001 dividend raised by 20% to 4.50p per share
- On-going share purchase programme started in 1997;
 - 1997 £31m (average £2.55 per share)
 - 1998 £55m (average £3.50 per share)
 - 1999 £18m (average £5.53 per share)
 - 2000 £94m (average £9.13 per share)
 - 2001 £103m (average £6.71 per share)
- 2002: £150-200m allocated
 - 6.0m shares purchased to date worth £39.1m (average £6.53 per share)

Developing the Role of the Parent Company

Key Areas for Group Co-operation

- * Media Investment Management
- * Healthcare
- * New Technologies
- * Emerging Markets
- * Privatisation
- * Internal Communications
- * Retailing
- * Hi-Tech
- * Financial Services
- * Entertainment & Media

Emphasize Revenue Growth More as Margins Improve

Deliver Above Average Revenue Growth by:

- * Expanding networks to take advantage of faster growing geographical markets
- * Re-enforcing competitive advantage in high growth segments
- * Taking advantage of consolidation trends to gain market share

Improving Creative Capabilities and Reputation

- * By placing greater emphasis on recruitment
- * By recognising creative success tangibly and intangibly
- * By acquiring or investing in highly regarded creative businesses (e.g. Chime, Batey, Asatsu DK, Berlin Cameron, SCPF)
- * By placing greater emphasis on awards

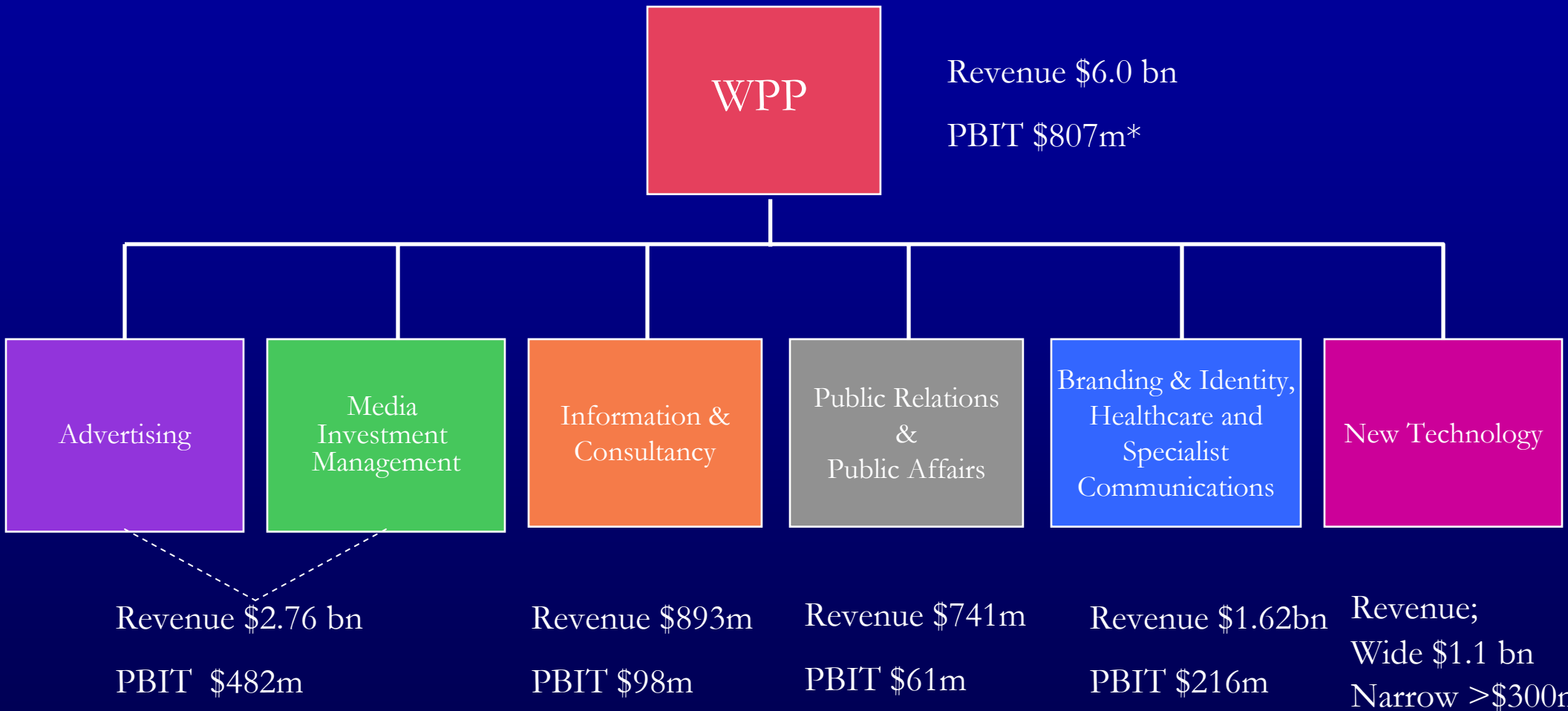
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Structure and competitive position

WPP Today



Revenue and PBIT figures are 2001 actual results

* Pre-WPP overhead