
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 20-F**

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended 31 December 2010

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report _____

Commission file number 0-16350

WPP plc

(Exact Name of Registrant as specified in its charter)

Jersey

(Jurisdiction of incorporation or organization)

6 Ely Place

Dublin 2, Ireland

(Address of principal executive offices)

Andrea Harris, Esq.

Group Chief Counsel

6 Ely Place Dublin 2, Ireland

011-353-1-669-0333

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class
Not applicable

Name of each exchange on which registered
Not applicable

Securities registered or to be registered pursuant to Section 12(g) of the Act.

Ordinary Shares of 10p each

(Title of Class)

American Depositary Shares, each representing five Ordinary Shares (ADSs)

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None

(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

At December 31, 2010, the number of outstanding ordinary shares was 1,264,391,221 which includes at such date ordinary shares represented by 10,766,211 ADSs.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

YES NO

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

YES NO

Note – Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP International Financial Reporting Standards issued by the International Accounting Standards Board Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES NO

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Forward-Looking Statements

In connection with the provisions of the Private Securities Litigation Reform Act of 1995 (the 'Reform Act'), the Company (as defined below) may include forward-looking statements (as defined in the Reform Act) in oral or written public statements issued by or on behalf of the Company. These forward-looking statements may include, among other things, plans, objectives, projections and anticipated future economic performance based on assumptions and the like that are subject to risks and uncertainties. As such, actual results or outcomes may differ materially from those discussed in the forward-looking statements. Important factors which may cause actual results to differ include but are not limited to: the unanticipated loss of a material client or key personnel, delays or reductions in client advertising budgets, shifts in industry rates of compensation, regulatory compliance costs or litigation, natural disasters or acts of terrorism, the Company's exposure to changes in the values of major currencies other than the UK pound sterling (because a substantial portion of its revenues are derived and costs incurred outside of the United Kingdom) and the overall level of economic activity in the Company's major markets (which varies depending on, among other things, regional, national and international political and economic conditions and government regulations in the world's advertising markets). In addition, you should consider the risks described in Item 3D., captioned "Risk Factors," which could also cause actual results to differ from forward-looking information. In light of these and other uncertainties, the forward-looking statements included in this document should not be regarded as a representation by the Company that the Company's plans and objectives will be achieved.

The Company undertakes no obligation to update or revise any such forward-looking statements, whether as a result of new information, future events or otherwise.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

Overview

WPP plc (WPP) and its subsidiaries and affiliates comprise one of the largest communications services businesses in the world. At 31 December 2010, the Group had approximately 104,000 employees. Including all employees of associated companies, this figure was approximately 146,000. For the year ended 31 December 2010, the Group had revenue of approximately £9,331 million and operating profit of approximately £973 million.

Unless the context otherwise requires, the terms "Company", "Group" and "Registrant" as used herein shall mean WPP and its subsidiaries.

A. Selected Financial Data

The selected financial data should be read in conjunction with, and is qualified in its entirety by reference to, the Consolidated Financial Statements of the Company, including the notes thereto.

The selected income statement data for the three years ended 31 December 2010 and the selected balance sheet data at 31 December 2010 and 2009 are derived from the Consolidated Financial Statements of the Company that appear elsewhere in this Form 20-F. The selected financial data for prior periods is derived from the Consolidated Financial Statements of the Company previously filed with the Securities and Exchange Commission as part of the Company's Annual Reports on Form 20-F. The Consolidated Financial Statements were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), for all periods.

The reporting currency of the Group is the UK pound sterling and the selected financial data has been prepared on this basis.

Selected Consolidated Income Statement Data

	Year ended 31 December				
	2010	2009	2008	2007	2006
	£m	£m	£m	£m	£m
Revenue	9,331.0	8,684.3	7,476.9	6,185.9	5,907.8
Operating profit	973.0	761.7	876.0	804.7	741.6
Profit for the year	661.0	506.9	513.9	515.1	482.6
Profit attributable to equity holders of the parent	586.0	437.7	439.1	465.9	435.8
Earnings per ordinary share:					
Basic	47.5p	35.9p	38.4p	39.6p	36.3p
Diluted	45.9p	35.3p	37.6p	38.0p	35.2p
Earnings per ADS ¹ :					
Basic	237.5p	179.5p	192.0p	198.0p	181.5p
Diluted	229.5p	176.5p	188.0p	190.0p	176.0p
Dividends per ordinary share	16.25p	15.47p	14.32p	11.93p	9.94p
Dividends per ADS (US dollars) ²	126.7c	135.9c	139.5c	113.3c	90.9c

¹ Basic and diluted earnings per American Depositary Share (ADS) have been calculated using the same method as earnings per share, multiplied by a factor of five.

² These figures have been translated for convenience purposes only, using the average rate for the year shown in the exchange rate table on page 4. This conversion should not be construed as a representation that the pound sterling amounts actually represent, or could be converted into, US dollars at the rates indicated.

Selected Consolidated Balance Sheet Data

	At 31 December				
	2010	2009	2008	2007	2006
	£m	£m	£m	£m	£m
Total assets	24,345.1	22,351.5	24,463.3	17,252.0	14,695.9
Net assets	6,647.9	6,075.7	5,959.8	4,094.8	3,918.4
Called-up share capital	126.4	125.6	125.5	119.2	124.1
Number of shares (in millions)	1,264.4	1,256.5	1,255.3	1,191.5	1,240.6

Dividends

Dividends on the Company's ordinary shares, when paid, are paid to share owners as of a record date, which is fixed by the Company.

The table below sets forth the amounts of interim, second interim and total dividends paid on the Company's ordinary shares in respect of each fiscal year indicated. In the United States, the Company's ordinary shares are represented by ADSs, which are evidenced by American Depositary Receipts (ADRs) or held in book-entry form. The dividends are also shown translated into US cents per ADS using the average Bloomberg Closing Mid Point rate for pounds sterling, as shown on page 4, for each year presented.

Year ended 31 December:	Pence per ordinary share			US cents per ADS		
	First Interim	Second Interim ¹	Total	First Interim	Second Interim ¹	Total
2006	3.60	7.61	11.21	33.18	70.13	103.31
2007	4.32	9.13	13.45	43.24	91.39	134.63
2008	5.19	10.28	15.47	48.07	95.21	143.28
2009	5.19	10.28	15.47	40.66	80.53	121.19
2010	5.97	11.82	17.79	46.15	91.37	137.52

¹ Income access share arrangements have been put in place by the Company. The mechanics of the income access share arrangements mean that the Company will declare a second interim rather than a final dividend. The Board has no plans to announce any additional dividend in respect of the year ended 31 December 2010.

The 2010 first interim dividend was paid on 8 November 2010 to share owners on the register at 8 October 2010. The 2010 second interim dividend is expected to be paid on 4 July 2011 to share owners on the register at 3 June 2011.

Exchange rates

Fluctuations in the exchange rate between the pound sterling and the US dollar will affect the dollar equivalent of the pound sterling prices of the Company's ordinary shares on The London Stock Exchange Limited (The London Stock Exchange) and, as a result, are likely to affect the market price of the ADSs in the United States. US dollar amounts paid to holders of ADSs also depend on the sterling/US dollar exchange rate at the time of payment.

The following table sets forth for each of the most recent six months, the high and low Bloomberg Closing Mid Point rates. As of 18 April 2011, the Bloomberg Closing Mid Point rate was 1.6247.

Month ended	High	Low
31 October 2010	1.6020	1.5685
30 November 2010	1.6257	1.5556
31 December 2010	1.5884	1.5371
31 January 2011	1.6033	1.5495
28 February 2011	1.6250	1.6006
31 March 2011	1.6381	1.5986

The annual average of the Bloomberg Closing Mid Point rate for pounds sterling expressed in US dollars for each of the five years ended 31 December was:

Year ended 31 December	Average
2006	1.8432
2007	2.0019
2008	1.8524
2009	1.5667
2010	1.5461

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

The Company is subject to a variety of possible risks that could adversely impact its revenues, results of operations or financial condition. Some of these risks relate to the industries in which the Company operates while others are more specific to the Company. The table below sets out principal risks the Company has identified that could adversely affect it. See also the discussion of Forward-Looking Statements preceding Item 1.

Risk	Potential Impact
Clients	
The Group competes for clients in a highly competitive industry and client loss may reduce market share and decrease profits.	Competitors include large multinational advertising and marketing communication companies and regional and national marketing services companies. New market participants include database marketing and modeling companies, telemarketers and internet companies. Service agreements with clients are generally terminated by the client on 90 days' notice and many clients put their advertising and communications business up for competitive review from time to time. The ability to attract new clients and to retain existing clients may also in some cases be limited by clients' policies about conflicts of interest.
The Group receives a significant portion of its revenues from a limited number of large clients and the loss of these clients could adversely impact the Group's prospects, business, financial condition and results of operations.	A relatively small number of clients contribute a significant percentage of the Group's consolidated revenues. The Group's 10 largest clients accounted for almost 18% of revenues in the year ended 31 December 2010. Clients generally are able to reduce advertising and marketing spend or cancel projects on short notice. The loss of one or more of the Group's largest clients, if not replaced by new client accounts or an increase in business from existing clients, would adversely affect the Group's financial condition.
Corporate Responsibility	
The social and environmental impact of our work for clients.	The operating companies across 107 countries may not always consider the social and environmental impact of their work.
Damage to WPP's reputation from undertaking controversial client work.	The operating companies may undertake controversial client accounts and may not always consider the impact on the Group.
Marketing ethics, compliance with marketing standards, and increasing transparency about our marketing practices.	Our work may not always comply with all laws and industry codes governing marketing material.
Compliance with privacy and data protection regulations.	Increased regulation unless the operating companies meet best practice standards, contribute to the debate on privacy, increase transparency for consumers on how their data are obtained and used.
Employment, including diversity and equal opportunities, business ethics, employee development, remuneration, communication and health and safety.	Failing to meet standards on diversity and gender would impact the perception of the Group and quality of work.
Climate change, including the emissions from energy used in our offices and during business travel.	Negative cost and reputational impact if the Group failed to meet target to reduce per head carbon intensity to 1.2 tonnes by 2020 (from 3.3 tonnes in 2006).
Economic	
The Group's businesses are subject to economic and political cycles. Many of the economies in which the Group operates have significant economic challenges.	Reduction in client spending or postponing spending on the services offered by the Group or switching of client expenditure to non-traditional media and renegotiation of contract terms leading to reduced profitability and cash flow.
Financial	
Currency exchange rate fluctuations could adversely impact the Group's consolidated results.	The Company's reporting currency is pounds sterling. Given the Group's significant international operations, changes in exchange rates cause fluctuations in the Company's results when measured in pounds sterling.

Risk	Potential Impact
Financial (continued)	
Changes to the Group's debt issue ratings by the rating agencies Moody's Investor Services and Standard and Poor's Rating Service may affect the Group's access to debt capital.	If the Company's financial performance and outlook materially deteriorate, a ratings downgrade could occur and the interest rates and fees payable on certain of the Company's revolving credit facilities could be increased.
The Group may be unable to collect balances due from any client that files for bankruptcy or becomes insolvent.	The Group is generally paid in arrears for its services. Invoices are typically payable within 30 to 60 days. The Group commits to media and production purchases on behalf of some of its clients as principal or agent depending on the client and market circumstances. If a client is unable to pay sums due, media and production companies may look to the Group to pay such amounts to which it committed as an agent on behalf of those clients.
Mergers & Acquisitions	
The Group may be unsuccessful in evaluating material risks involved in completed and future acquisitions and may be unsuccessful in integrating any acquired operations with its existing businesses.	The Group regularly reviews potential acquisitions of businesses that are complementary to its operations and clients needs. If material risks are not identified prior to acquisition or the Group experiences difficulties in integrating an acquired business, it may not realise the expected benefits from such acquisition and the Group's financial condition could be adversely affected.
Goodwill and other intangible assets recorded on the Group's balance sheet with respect to acquired companies may become impaired.	The Group has a significant amount of goodwill and other intangible assets recorded on its balance sheet with respect to acquired companies. The Group annually tests the carrying value of goodwill and other intangibles for impairment. The estimates and assumptions about results of operations and cash flows made in connection with impairment testing could differ from future results of operations and cash flows. Future events could cause the Group to conclude that the asset values associated with a given operation have become impaired which could have a material impact on the Group's financial condition.
Operational	
The Group operates in 107 countries and is exposed to the risks of doing business internationally.	The Group's international operations are subject to exchange rate fluctuations, restrictions and/or taxation on repatriations of earnings, social, political and economic instability, conflicts of laws and interpretation of contracts.
People	
The Group's performance could be adversely affected if it were unable to attract and retain key talent or had inadequate talent management and succession planning for key management roles.	The Group is highly dependent on the talent, creative abilities and technical skills of our personnel as well as their relationships with clients. The Group is vulnerable to the loss of personnel to competitors and clients leading to disruption to the business.
Regulatory/Legal	
The Group may be subject to regulations affecting its activities.	Governments, government agencies and industry self-regulatory bodies from time to time adopt statutes and regulations that directly or indirectly affect the form, content and scheduling of advertising, public relations and public affairs and market research or otherwise limit the scope of the activities of the Group and its clients which could have a material adverse impact on our financial position. Changes in tax laws or their application may also adversely affect the Group's reported results.
The Group may be exposed to liabilities from allegations that certain of its clients' advertising claims may be false or misleading or that its clients' products may be defective.	The Group may be, or may be joined as a defendant, in litigation brought against its clients in respect of services provided by the Group.
The Group operates in 107 countries and is subject to increased anti-corruption legislation and enforcement not only in the US and UK.	The Group may be exposed to liabilities in the event of breaches of anti-corruption legislation.
Civil liabilities or judgements against the Company or its directors or officers based on U.S. federal or state securities laws may not be enforceable in the U.S. or in England and Wales or in Jersey.	The Company is a public limited company incorporated under the laws of Jersey. Some of the Company's directors and officers reside outside of the United States. In addition, a substantial portion of the directly owned assets of the Company are located outside of the United States. As a result, it may be difficult or impossible for investors to effect service of process within the United States against the Company or its directors and officers or to enforce against them any of the judgements, including those obtained in original actions or in actions to enforce judgements of the U.S. courts, predicated upon the civil liability provisions of the federal or state securities laws of the United States.

ITEM 4. INFORMATION ON THE COMPANY

The Company operates through a number of established global, multinational and national advertising and marketing services companies that are organised into four business segments. Our largest segment is Advertising and Media Investment Management where we operate the well-known advertising networks Ogilvy & Mather, JWT, Y&R, Grey, Bates 141 and the United Network, as well as Media Investment Management companies such as MediaCom, MEC, Mindshare and Maxus. Our other segments are Consumer Insight, where our operations are conducted through Kantar; Public Relations & Public Affairs, where we operate through well-known companies such as Burson-Marsteller, Cohn & Wolfe, Hill & Knowlton and Ogilvy Public Relations Worldwide; and Branding & Identity, Healthcare and Specialist Communications, where our operations are conducted by B to D Group, ghg, Wunderman, Sudler & Hennessey, OgilvyOne Worldwide, Ogilvy CommonHealth Worldwide, G2, OgilvyAction, 24/7 Real Media Inc and other companies.

The Company's ordinary shares are admitted to the Official List of the UK Listing Authority and trade on The London Stock Exchange and American Depositary Shares (which are evidenced by ADRs or held in book-entry form) representing deposited ordinary shares are quoted on the NASDAQ Global Select Market (NASDAQ). At 14 April 2011 the Company had a market capitalisation of £9,159 million.

The Company's executive office is located at 6 Ely Place, Dublin 2, Ireland, Tel: 011-353-1-669-0333 and its registered office is located at 22 Grenville Street, St Helier, Jersey, JE4 8PX.

A. History and Development of the Company

WPP plc was incorporated in Jersey on 12 September 2008.

On 19 November 2008, under a scheme of arrangement between WPP 2008 Limited (formerly WPP Group plc), (Old WPP), the former holding company of the Group, and its share owners under Part 26 of the Companies Act 2006, and as sanctioned by the High Court, all the issued shares in that company were cancelled and the same number of new shares were issued to WPP plc in consideration for the allotment to share owners of one ordinary share in WPP plc for each ordinary share in WPP 2008 Limited held on the record date, 18 November 2008. Citibank, N.A., depositary for the ADSs representing Old WPP ordinary shares, cancelled Old WPP ADSs held in book-entry uncertificated form in the direct registration system maintained by it and issued ADSs representing ordinary shares of the Company in book entry uncertificated form in the direct registration system maintained by it to the holders. Holders of certificated ADSs, or ADRs, of Old WPP were entitled to receive Company ADSs upon surrender of the Old WPP ADRs to the Depositary. Each Old WPP ADS represented five ordinary shares of Old WPP and each Company ADS represents five ordinary shares of the Company.

As part of the scheme of arrangement noted above, 1,252,652,646 ordinary shares were issued at a price of 340.75 pence each. On 24 November 2008 the entire balance standing to the credit of the share premium account was transferred to retained earnings as sanctioned by The Royal Court of Jersey. As a result £4,143.1 million was added to retained earnings for both WPP plc and the Group. For the Company this amount is distributable.

Pursuant to Rule 12g-3 under the Securities Exchange Act of 1934, as amended (the Exchange Act), WPP plc succeeded to Old WPP's registration and periodic reporting obligations under the Exchange Act.

Old WPP became the holding company of the WPP Group on or about 25 October 2005 when the company now known as WPP 2005 Limited, the original holding company of the WPP Group, completed a reorganisation of its capital and corporate structure. WPP 2005 Limited (formerly WPP Group plc) was incorporated and registered in England and Wales in 1971 and is a private limited company under the Companies Act 1985, and until 1985 operated as a manufacturer and distributor of wire and plastic products. In 1985, new investors acquired a significant interest in WPP and changed the strategic direction of the Company from being a wire and plastics manufacturer and distributor to being a multinational communications services organisation. Since then, the Company has grown both organically and by the acquisition of companies, most significantly the acquisitions of JWT Group, Inc. in 1987, The Ogilvy Group, Inc. in 1989, Young & Rubicam Inc. (Young & Rubicam or Young & Rubicam Brands, as the group is now known) in 2000, Tempus Group plc (Tempus) in 2001, Cordiant Communications Group plc (Cordiant) in 2003, Grey Global Group, Inc. (Grey) in 2005, 24/7 Real Media Inc (TFSM) in 2007 and Taylor Nelson Sofres plc (TNS) in 2008.

The Company spent £295.9 million (excluding cash and cash equivalents acquired), £196.6 million and £1,054.0 million for acquisitions and investments in 2010, 2009 and 2008, respectively, including payments in respect of loan note redemptions and earnout consideration resulting from acquisitions in prior years. For the same periods, cash spent on purchases of property, plant and equipment and other intangible assets was £217.5 million, £253.3 million and £220.6 million, respectively, and cash spent on share repurchases and cancellations was £46.4 million, £9.5 million and £112.2 million, respectively.

B. Business Overview

The Company's business comprises the provision of communications services on a national, multinational and global basis. It operates from almost 2,400 offices in 107 countries including associates. The Company organises its businesses in the following areas: Advertising and Media Investment Management; Consumer Insight; Public Relations & Public Affairs; and Branding & Identity, Healthcare and Specialist Communications (including direct, digital, promotion and relationship marketing).

Approximately 40% of the Company's reported revenues in 2010 were from Advertising and Media Investment Management, with the remaining 60% of its revenues being derived from the business segments of Consumer Insight; Public Relations & Public Affairs; and Branding & Identity, Healthcare and Specialist Communications.

The following table shows, for the last three fiscal years, reported revenue attributable to each business segment in which the Company operates.

Revenue	2010 (£m)	% of Total in 2010	2009 ¹ (£m)	% of Total in 2009	2008 ¹ (£m)	% of Total in 2008
Advertising and Media Investment Management	3,733.3	40.0	3,420.5	39.3	3,380.2	45.2
Consumer Insight	2,430.2	26.0	2,297.1	26.5	1,301.8	17.4
Public Relations & Public Affairs	844.5	9.1	795.7	9.2	752.3	10.1
Branding & Identity, Healthcare and Specialist Communications	2,323.0	24.9	2,171.0	25.0	2,042.6	27.3
Total	9,331.0	100.0	8,684.3	100.0	7,476.9	100.0

¹ 2009 and 2008 comparatives have been restated to reflect the transfer of certain revenues of RMG from Branding & Identity, Healthcare and Specialist Communications to Advertising and Media Investment Management.

The following table shows, for the last three fiscal years, reported revenue attributable to each geographic area in which the Company operates and demonstrates the Company's regional diversity.

Revenue	2010 (£m)	% of Total in 2010	2009 (£m)	% of Total in 2009	2008 (£m)	% of Total in 2008
North America ¹	3,299.8	35.3	3,010.0	34.7	2,603.2	34.8
United Kingdom	1,087.6	11.7	1,029.0	11.8	954.2	12.8
Western Continental Europe ²	2,325.3	24.9	2,327.8	26.8	1,879.1	25.1
Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe	2,618.3	28.1	2,317.5	26.7	2,040.4	27.3
Total	9,331.0	100.0	8,684.3	100.0	7,476.9	100.0

¹ North America includes the US with revenues of £3,097.9 million (2009: £2,835.8 million, 2008: £2,444.7 million).

² Western Continental Europe includes Ireland with revenues of £37.4 million (2009: £43.4 million, 2008: £41.3 million).

The Company's principal activities within each of its business segments are described below.

Advertising and Media Investment Management

Advertising

The principal functions of an advertising agency are the planning and creation of marketing and branding campaigns and the design and production of advertisements for all types of media such as television, cable, the internet, radio, magazines, newspapers and outdoor locations such as billboards.

The Company's principal advertising agencies include Ogilvy & Mather, JWT, Y&R, Grey, United Network and Bates 141. The Company also owns interests in Asatsu-DK (24.3%); CHI & Partners Limited (49.9%); GIIIR, Inc (22.7%) and The Jupiter Drawing Room & Partners (49.0%).

Ogilvy & Mather is a full-service multinational advertising agency. *Ogilvy & Mather* was formed in 1948 and is headquartered in New York. Its strategy includes an integrated service offering known as *360 Degree Brand Stewardship*[®], a business platform that enables *Ogilvy & Mather* to integrate its growing range of disciplines which includes *OgilvyAction*, *Ogilvy's* brand activation company, *Ogilvy Public Relations Worldwide (OPR)*, *Ogilvy CommonHealth Worldwide* and *Neo@Ogilvy*.

JWT, one of the world's first advertising agencies, was founded in 1864 and is a full service multinational advertising agency headquartered in New York. *JWT's* relationships with a number of its major clients have been in existence for many years, exhibiting, management believes, an ability to adapt to meet the clients' and market's new demands.

Y&R, a full-service multinational advertising agency network headquartered in New York, was formed in 1923 and is now part of a collaborative, multidisciplinary model under *Young & Rubicam Brands*. *Y&R's* clients also benefit from *Y&R's* continued investment in its proprietary brand management tool, *BrandAsset[®] Valuator*.

Grey commenced operations in 1917 and was incorporated in 1925 as *Grey Advertising Inc*. *Grey* has offices in approximately 96 countries.

United Network. In 2005, *WPP's* Red Cell network was split in two parts, with several of the former Red Cell offices forming the *United Network*. *United Network* now includes *Senora Rushmore United*, Madrid; *Berlin Cameron United*, New York; *Cole & Weber United*, Seattle; *1861 United*, Milan; *LDV United*, Antwerp; *BTS United*, Oslo; and *Les Ouvriers du Paradis United*, Paris.

Bates 141 is an Asia-dedicated advertising and brand activation network.

Media Investment Management

GroupM is WPP's global media investment management operation, serving as the parent company to agencies including MediaCom, MEC, Mindshare and Maxus. With its agencies, GroupM has capabilities in business science, consumer insight, communications and media planning implementation, interactions, content development, and sports and entertainment marketing. The primary purpose of GroupM is to maximise the performance of WPP's media agencies, operating not only as a parent company but as a collaborator on performance-enhancing activities, such as trading, content creation, sports, digital, finance, tool development and other business-critical capabilities, in order to leverage the combination of GroupM's core and talent resources.

MediaCom became part of GroupM following the Grey acquisition in March 2005 and, as part of WPP, is able to work together with sister media agencies, developing synergies in a number of relevant professional areas.

MEC was formed following the Group's acquisition of Tempus in 2001 with the merger of its core brand CIA with The MediaEdge. In addition to its media planning and implementation capability, MEC has established and is growing its operations in interaction (digital, direct & search), entertainment marketing, sports, sponsorship and event marketing, cause-related marketing, content development, return on investment (ROI) and consumer insights, and is now developing a retail marketing practice.

Mindshare was originally formed from the merger of the media departments of JWT and Ogilvy & Mather. Mindshare has made significant investments in developing strategic resources, especially in the areas of communications planning, content, insights, digital and ROI, with its ambition moving from being marketing partners for their clients to being their business partners.

Maxus is a global communications consultancy, spanning across 60 offices in 50 countries, which helps marketers build interactive relationships between consumers and their brands.

tenthavenue, launched in March 2011, integrates some of the Group's key specialist media offerings in online, mobile, experiential and out of home (OOH) communications in a single company. tenthavenue's focus is on delivering tailored audiences and outcomes across multi-channels and devices, reaching specific audiences as they go about their daily lives. It incorporates lifestyle and environments agency Kinetic Worldwide; custom communication and in-flight publisher Spafax; performance marketing specialist Quisma; and mobile marketing agency Joule.

Consumer Insight

To help optimise its worldwide research offering to clients, the Company's separate global research and strategic marketing consultancy businesses, which are described below, are managed on a centralised basis under the umbrella of the Kantar Group. In 2009 the Kantar Group announced a major re-organisation to strengthen its position as the world's leading consumer insight business and streamline its offer for clients. The re-organisation simplified the Group's overall offering through a series of structural changes, building on the acquisition of TNS in October 2008. The principal interests comprising the Kantar Group are:

The TNS Custom business and Research International were merged in 2009. The new global company is known as TNS. This custom research company specialises in a wide range of business sectors and areas of marketplace information including strategic market studies, brand positioning and equity research, customer satisfaction surveys, product development, international research and advanced modeling.

In addition, following the acquisition of TNS four dedicated vertical sector operating units were established using the Kantar name:

- *Kantar Media* through the coming together of Kantar Media Intelligence, Kantar Audience Measurement, TGI Global and Kantar Media US;
- *Kantar Health* through the coming together of TNS Healthcare, Ziment Group and Mattson Jack Group;
- *Kantar Retail* through the coming together of Glendinning, Cannondale Associates, Management Ventures, Retail Forward and Red Dot Square; and
- *Kantar Worldpanel* a grouping of former TNS Worldpanel companies which will include links with IMRB International, a leading market research business in India and Lightspeed Research which provides online consumer panel access for tracking and ad hoc studies.

Millward Brown (MB) is one of the world's leading companies in advertising research, including pre-testing, tracking and sales modeling, and offers a full range of services to help clients market their brands more effectively.

The Futures Company is a global trends and futures research and consultancy business.

Public Relations & Public Affairs

Public Relations & Public Affairs companies advise clients who are seeking to communicate with consumers, governments and/or the business and financial communities. Public Relations & Public Affairs activities include national and international corporate, financial and marketing communications, crisis management, reputation management, public affairs and government lobbying. The Company's global networks in this area included Burson-Marsteller, Hill & Knowlton, Ogilvy Public Relations Worldwide and Cohn & Wolfe.

Burson-Marsteller (B-M), founded in 1953 and now part of Young & Rubicam Brands, specialises in corporate and marketing communications, business-to-business services, crisis management, employee relations and government relations. The B-M network includes the businesses of Marsteller, a full service multimedia agency, and public affairs companies, Quinn Gillespie, Dewey Square Group and Penn, Schoen & Berland.

Hill & Knowlton (H&K), founded in 1927, is a worldwide public relations and public affairs firm headquartered in New York. H&K provides national and multinational clients with a wide range of communications services including corporate and financial public relations, marketing communications, internal communication, change management, crisis communications and public affairs counseling. The Hill & Knowlton network also includes the businesses of Blanc & Otus, H&K's stand-alone technology company, and Wexler & Walker Public Policy Associates. In 2011, H&K merged with another of WPP's public affairs companies, Public Strategies Inc. The combined entity trades under the H&K name.

Ogilvy Public Relations Worldwide is part of the Ogilvy & Mather worldwide network. OPR is a leading public relations and public affairs firm based in New York with practice areas in marketing, health and medical, corporate public affairs and technology and social marketing. The firm has offices in key financial, governmental and media centres as well as relationships with affiliates worldwide.

Cohn & Wolfe (C&W), a Young & Rubicam Brands company, is an international public relations agency established in 1970. It offers marketing-related public relations for its clients and provides its clients with business results and marketing communications solutions. In 2008 C&W merged with Grey Group's public relations network, GCI.

Branding & Identity, Healthcare and Specialist Communications

The Company's activities in this business area include branding and identity; healthcare communications; direct, digital, promotion & relationship marketing; and specialist communications including custom media, demographic and sector marketing, sports marketing, and media and film production services.

Branding & Identity

B to D Group. This branding and design entity, formed in 2005, consists of Landor Associates (a Young & Rubicam Brands company), The Brand Union, VBAT, Addison Corporate Marketing, Lambie-Nairn, The Partners, FITCH and PeclersParis. The mission of the B to D Group is to maximise and leverage the strengths of each individual company in order to offer clients and prospects the most complete and compelling branding and design solutions. As part of the Group, the companies have access to new clients and untapped markets, as well as resources such as advanced knowledge sharing systems and financial tools. Employee exchange further enables the companies to share top-level strategic thinking, creativity and cultural knowledge.

BDGMcCull. BDGMcCull, Edinburgh-based architects and interior designers, specialise in the design of commercial buildings and interiors.

BDGworkfutures. BDGworkfutures is an international design consultancy focusing on strategy and design for working environments, working with corporate clients and within the Government sector.

Healthcare Communications

The Company has extensive expertise in healthcare communications, including the global networks of GCI Health, Sudler & Hennessey (a Young & Rubicam Brands company), Ogilvy CommonHealth Worldwide (part of the Ogilvy & Mather network) and ghg (part of Grey Group).

Direct, Digital, Promotion & Relationship Marketing

The Company has a number of operating businesses in this category, including:

- *EWA*, which specialises in data and relationship management services;
- *G2*, part of Grey Group, which unifies all of the specialised marketing communications services into a global network providing services in branding and design, data consulting, direct communications, interactive marketing, and promotion, trade and shopper marketing;
- *Headcount Worldwide Field Marketing*, which offers field marketing and brand development services, supported by strong customer relationship skills;
- *KBM Group*, a Young & Rubicam Brands company, which provides information-based marketing solutions to businesses in targeted high-growth industries. KBM's capabilities include data warehousing, data mining, information services and data analysis;
- *Mando Brand Assurance*, which is a UK-based global promotional risk management company, underwriting marketing activity for major international brands;
- *OgilvyOne Worldwide*, part of the Ogilvy & Mather Worldwide network, which is a direct marketing group, offering online marketing consulting and also traditional direct marketing communications such as direct response advertising techniques;
- *VML*, headquartered in Kansas City and part of Young & Rubicam Brands, which specialises in digital and interactive services;

- *Wunderman*, part of Young & Rubicam Brands, which is an integrated marketing solutions company that delivers customer relationship management services to its clients. Since 2005, Wunderman has acquired several digital companies, including Aqua Online, AGENDA, Blast Radius, ZAAZ, Actis Systems, Kassius and Designkitchen, to enhance its offer to clients; and
- *OgilvyAction*, part of the Ogilvy & Mather Worldwide network, which is a global marketing services network whose offers include shopper & trade marketing, experiential marketing, digital, retail design and sports & entertainment sponsorship.

Specialist Communications

Custom media

- *Forward* is a full service custom media specialist, whose services include magazines, catalogues, magalogues, mini-zines, e-zines, web content and direct mail.

Demographic marketing

- *The Bravo Group*, *MosaicaMD*, *Kang & Lee* and *WING* create multicultural marketing and communications programmes targeted to the fast-growing US Hispanic, African-American and Asian communities. Their multidisciplinary services include advertising, promotion and event marketing, public relations, research and direct marketing. The Bravo Group, MosaicaMD and Kang & Lee are part of Young & Rubicam Brands. WING is part of Grey Group.

Event/face-to-face marketing

- *MJM* is a full-service communications company for live events, meetings, exhibits, trade shows, brand theatre and training, serving clients around the world.

Foodservice marketing

- *The Food Group* specialises in targeted food advertising, marketing, and culinary and technology solutions.

Youth marketing

- *The Geppetto Group* assists clients in communicating their products and services to the youth market (children and teenagers) and implementing creative branding solutions.

Real estate marketing

- *Pace* is one of the largest specialists in the real estate communications market in the US, offering comprehensive services in the marketing of both commercial and residential property to developers, builders and real estate agents.

Sports marketing

- *OgilvyAction Sports & Entertainment Marketing* is an international sports and entertainment marketing agency specialising in the marketing of exclusive and worldwide broadcasting and marketing rights to European football matches and the sponsorship consultancy of blue-chip clients across various sports.
- *PRISM Group* is an international sports marketing network, working with blue-chip clients in sponsorship consultancy, sponsorship marketing, content PR and brand experiences.

Media & production services

- *Metro* provides a diverse range of technical and creative services, including multimedia, film, video and asset archiving, equipment sales and post-production systems to clients in the UK.
- *The Farm Group*, headquartered in the UK, is a film and video production services company.
- WPP has a minority stake in *MRC*, a leading independent studio in television, film and digital.

WPP Digital

WPP Digital provides access for WPP companies and their clients to a portfolio of digital talent and expertise, platforms and partnerships. WPP Digital comprises full-service interactive agencies, including Possible Worldwide (through the merger of Schematic, BLUE, Bridge Worldwide and Quasar in February 2011), Blue State Digital, production services company Deliver; and technology-led digital marketing company 24/7 Real Media Inc. In addition, WPP Digital holds minority investments in businesses providing creative services, analytics, mobile marketing, in-game advertising, video and social networking services.

Manufacturing

The original business of the Group remains as the manufacturing division, which operates through subsidiaries of Wire and Plastic Products Limited. The division produces a wide range of products for commercial, industrial and retail applications.

WPP Head Office

WPP and its offices in Dublin, London, New York, Tokyo, Hong Kong, Shanghai and Sao Paulo develop the professional and financial strategy of the Group, promote operating efficiencies, coordinate cross referrals of clients among the Group companies and monitor the financial performance of its operating companies. The principal activity of the Group continues to be the provision of communications and marketing services worldwide. WPP acts only as the parent company and does not trade. The parent company complements the operating companies in three distinct ways.

- First, the parent company relieves them of much administrative work. Financial matters (such as planning, budgeting, reporting, control, treasury, tax, mergers, acquisitions, investor relations, legal affairs and internal audit) are co-ordinated centrally. For the operating companies, every administrative hour saved is an extra hour to be devoted to the pursuit of professional excellence.
- Second, the parent company encourages and enables operating companies of different disciplines to work together for the benefit of clients. Such collaborations have the additional benefit of enhancing the job satisfaction of the Company's people. The parent company also plays an across-the-Group role in the following functions: the management of talent, including recruitment and training; in property management; in procurement and information technology; in knowledge sharing and practice development.
- And, finally, WPP itself can function as the 21st century equivalent of the full-service agency. For some clients, predominantly those with a vast geographical spread and a need for marketing services ranging from advertising through design and website construction to research and internal communications, WPP can act as a portal to provide a single point of contact and accountability.

The parent company operates with a limited group of approximately 350 people.

WPP Strategy

Our reason for being, the justification for WPP's existence, continues to be to add value to our clients' businesses and our people's careers. Our goal remains to be the world's most successful provider of communications services to multinational and local companies, not just the largest.

The Group has three strategic priorities.

- First, our immediate priority is to continue to emerge from the financial crisis of 2008 a stronger company. Our 2010 results are an encouraging sign that we will or even have. Compared with the last downturn, our people are stronger: they are better resourced, motivated and incentivised than when we exited the last recessions in the early 1990s and 2000s. The Company is also more profitable, more liquid and better structured.
- Second, in the medium term, to build upon the successful base we have established whilst integrating our most recent acquisitions effectively. At TNS the integration has gone well and the focus has to now be on revenue growth, capturing greater market share.
- Our third priority, in the long-term or over the next five to 10 years, is to: increase the combined geographic share of revenues from the faster-growing markets of Asia Pacific, Latin America, Africa and the Middle East, and Central and Eastern Europe, from around 27% to 35-40%; increase the share of revenues of new media from 29% to 35-40%; and maintain the share of more measurable marketing services—such as Consumer Insight and direct, digital and interactive—at 50% of revenues.

Corporate Responsibility

We focus our efforts on the issues we have identified as being most material (relevant and significant) to WPP. We consider five corporate responsibility issues to be of significance to WPP.

- The social and environmental impact of our work for clients.
- The impact of our work, including marketing ethics, compliance with marketing standards, protection of personal, consumer and corporate data and increasing transparency about our marketing practices.
- Employment, including diversity and equal opportunities, business ethics, employee development, remuneration, communication and health and safety. In 2010, WPP invested £48.9 million (2009: £39.9 million) in training and wellbeing across the Group.
- Social investment, including pro bono work, donations to charity and employee volunteering. In 2010, our total social investment was worth £14.3 million (2009: £14.9 million), equivalent to 1.7% of reported profit before tax. This includes £9.3 million in pro bono work (based on the fees the benefiting organisations would have paid for our work) and an estimated £5 million in donations. In addition, WPP media agencies negotiated free media space worth £20.2 million on behalf of pro bono clients.
- Climate change, including the emissions from energy used in our offices and during business travel.

Clients

The Group services 336 of the Fortune Global 500, 29 of the Dow Jones 30, 61 of the NASDAQ 100, 35 of the Fortune e-50 and 708 national or multinational clients are served in three or more disciplines. More than 460 clients are served in four disciplines and these clients account for over 57% of Group revenues. The Group also works with over 340 clients across six or more countries. The Company's 10 largest clients in 2010, measured by revenues, were, British American Tobacco p.l.c., Dell Inc., Ford Motor Company, GlaxoSmithkline plc, Johnson & Johnson, Kraft Foods, Inc., Microsoft

Corporation, Nestlé S.A., The Procter & Gamble Company and Unilever PLC. Together, these clients accounted for approximately 18% of the Company's revenues in 2010. No client of the Company represented more than 5% of the Company's aggregate revenues in 2010. The Group's companies have maintained long-standing relationships with many of its clients, with an average length of relationship for the top 10 clients of approximately 50 years.

Acquisitions & Investments

During 2010, acquisitions and increased equity stakes were focused on Advertising and Media Investment Management in Canada, the UK, France, Germany, Poland, Israel, Brazil, Colombia, Hong Kong, India and South Korea; on Consumer Insight in Poland, Hungary, Cyprus, Chile and Guatemala; on Public Relations & Public Affairs in the UK, Germany, Poland and Turkey; on direct, digital and interactive in the US, the UK, Germany, Brazil, China and Singapore; and on Healthcare Communications in the US, the UK and the Czech Republic. Total initial cash consideration spent on these acquisitions and investments, less cash and cash equivalents acquired, was £120.5 million in 2010.

Government Regulation

From time to time, governments, government agencies and industry self-regulatory bodies in the United States, European Union and other countries in which the Company operates have adopted statutes, regulations, and rulings which directly or indirectly affect the form, content, and scheduling of advertising, public relations and public affairs, and market research, or otherwise limit the scope of the activities of the Company and its clients. Some of the foregoing relate to privacy and data protection and general considerations such as truthfulness, substantiation and interpretation of claims made, comparative advertising, relative responsibilities of clients and advertising, public relations and public affairs firms, and registration of public relations and public affairs firms' representation of foreign governments.

In addition, there is an increasing trend towards expansion of specific rules, prohibitions, media restrictions, labeling disclosures and warning requirements with respect to advertising for certain products, such as over-the-counter drugs and pharmaceuticals, cigarettes, food and certain alcoholic beverages, and to certain groups, such as children. Proposals have been made for the adoption of additional laws and regulations that could further restrict the activities of advertising, public relations and public affairs, and market research firms and their clients. Though the Company does not expect any existing or proposed regulations to materially adversely impact the Company's business, the Company is unable to estimate the effect on its future operations of the application of existing statutes or regulations or the extent or nature of future regulatory action.

C. Organizational Structure

The Company's business comprises the provision of communications services on a national, multinational and global basis. It operates out of almost 2,400 offices in 107 countries including associates. For a list of the Company's principal subsidiary undertakings and their jurisdictions of incorporation see note 29 to the Consolidated Financial Statements.

The Company organises its businesses in the following areas: Advertising and Media Investment Management; Consumer Insight; Public Relations & Public Affairs; and Branding & Identity, Healthcare & Specialist Communications (including direct, digital, promotion and relationship marketing). A listing of the Group brands operating within these business segments as at April 2011 is set forth below.

Advertising

ADK¹
Bates 141
BrandBuzz⁴
CHI & Partners¹
Dentsu Y&R^{1, 2, 4}
Grey
HS Ad¹
JWT
Ogilvy & Mather
Santo
Scangroup¹
Soho Square
Tapsa
TAXI
Team Detroit
The Jupiter Drawing Room & Partners¹
United Network
Y&R⁴

Media Investment Management

GroupM:
Maxus
MediaCom
MEC
Mindshare
Outrider
Catalyst
Other media agencies:
KR Media¹
tenthavenue:
Kinetic Worldwide
Quisma
Spafax

Consumer Insight

Kantar:
Added Value
Center Partners
IMRB International
Kantar Health
Kantar Japan
Kantar Media
Kantar Operations
Kantar Retail
Kantar Worldpanel
Lightspeed Research
Millward Brown

Consumer Insight (continued)

The Futures Company
TNS
Other marketing consultancies:
Everstone⁷
ohal

Public Relations & Public Affairs

Blanc & Otus⁵
Buchanan Communications
Burston-Marsteller⁴
Chime Communications PLC¹
Clarion Communications
Cohn & Wolfe⁴
Dewey Square Group
Finsbury
Hill & Knowlton
Ogilvy Government Relations
Ogilvy Public Relations Worldwide
The PBN Company¹
Penn Schoen Berland⁴
Prime Policy Group
Public Strategies⁵
Quinn Gillespie
Robinson Lerer & Montgomery⁴
Wexler & Walker Public Policy Associates⁸

Branding & Identity

Addison Corporate Marketing⁶
BDGMcCull
BDGworkfutures
Coley Porter Bell
Dovetail
FITCH⁶
Lambie-Nairn⁶
Landor Associates^{4, 6}
PeclersParis⁶
The Brand Union⁶
The Partners⁶
VBAT⁶

Healthcare Communications

Feinstein Kean Healthcare⁹
GCI Health
ghg
Ogilvy CommonHealth Worldwide
Sudler & Hennessey⁴

Direct, Digital, Promotion & Relationship Marketing

A. Eicoff & Co
Actis Systems⁵
AGENDA⁵
Aqua Online⁵
Blast Radius⁵
Brierley & Partners¹
Designkitchen⁵
Dialogue 141
Digit
EWA
FullSIX³
Grass Roots¹
G2
-G2 Branding & Design
-G2 Interactive
-G2 Direct & Digital
-G2 Promotional Marketing
Headcount Worldwide Field Marketing
High Co¹
Kassius⁵
KBM Group⁵
Mando Brand Assurance
Maxx Marketing
OgilvyAction
OgilvyOne Worldwide
OgilvyAction Sports & Entertainment Marketing
OOT²
RTCM⁴
Smollan Group¹
Studiocom⁴
These Days⁵
Vice Media³
VML⁴
Wunderman⁴
ZAAZ⁵

Specialist Communications

Corporate/B2B
Ogilvy Primary Contact
Custom media
Forward
Demographic marketing
The Bravo Group⁴
Kang & Lee⁴
MosaicaMD
UniWorld¹
WING⁴
Employer branding/recruitment
JWT Inside
Event/face-to-face marketing
MJM
Metro
Foodservice marketing
The Food Group

Specialist Communications (continued)

Sports marketing
PRISM Group
Entertainment marketing
Alliance
Youth marketing
The Geppetto Group
Real estate marketing
Pace
Technology marketing
Banner Corporation⁴
Media & production services
The Farm Group
Hogarth Worldwide²
Imagina³
MRC³
The Weinstein Company³

WPP Digital

24/7 Real Media
Blue State Digital
Deliver
Fabric Worldwide³
iconmobile¹
Johannes Leonardo³
Possible Worldwide
Syzygy¹
The Media Innovation Group
True Worldwide³

WPP Digital Partner Companies

Ace Metrix³
Buddy Media³
eCommera³
HDT Holdings Technology³
In Game Ad Interactive³
Invidi³
Jumtpap³
LiveWorld³
Moment Systems³
Proclivity Systems³
Say Media³
Visible Technologies¹
Visible World³
WildTangent³
Yield Software³

WPP Knowledge Communities

The Store

Notes

- 1 Associate
- 2 Joint venture
- 3 Investment
- 4 A Young & Rubicam Brands company
- 5 Part of the Wunderman network
- 6 A member of B to D Group
- 7 A Brand Union company
- 8 A Hill & Knowlton company
- 9 An Ogilvy company

D. Property, Plant and Equipment

The majority of the Company's properties are leased, although certain properties which are used mainly for office space are owned. In the United States owned properties include the 370,000 net square foot Young & Rubicam headquarters office building located at 285 Madison Avenue in New York, New York and the 152,000 square foot TNS property located near Toledo, Ohio. Other owned properties are in Latin America (principally in Argentina, Brazil, Chile, Mexico, Peru and Puerto Rico), Asia (India and China) and in Europe (Spain, France, UK and Italy). In Europe owned properties include the 135,626 square foot TNS office located at 2 Rue Francis Pedron, Chambourcy, Paris, France and the 101,592 square foot TNS House at Westgate, Hangar Lane, London. Manufacturing facilities are owned in the United Kingdom. Principal leased properties, which are accounted for as operating leases, include office space at the following locations:

Location	Use	Approximate square footage
636 Eleventh Avenue, New York, NY	Ogilvy & Mather	554,800
498 Seventh Avenue, New York, NY	GroupM, Mindshare, Maxus, Mediacom	358,000
200 Fifth Avenue, New York, NY	Grey Global Group, Cohn & Wolfe	343,000
500/550 Town Center Drive, Dearborn, MI	Team Detroit, JWT, Ogilvy & Mather, Y&R Advertising, PRISM, Burrows, ZAAZ	282,900
466 Lexington Avenue, New York, NY	JWT	270,300
230 Park Ave South, New York, NY	Burson-Marsteller, Landor, Sudler & Hennessey	265,800

The Company considers its properties, owned or leased, to be in good condition and generally suitable and adequate for the purposes for which they are used. As of 31 December 2010, the fixed asset value (cost less depreciation) representing land, freehold buildings and lease-hold buildings as reflected in the Company's consolidated financial statements was approximately £418.8 million.

In 2010 we were able to reduce our property portfolio by almost 4% to 22.8 million sq ft as a result of shedding excess space created by the integration of the custom business of TNS with Research International and, sadly, as a result of the severance program that saw our staff numbers decline by over 12% in 2009.

The combination of revenue growth and reduction in portfolio enabled us to reduce the establishment cost-to-revenue ratio from 8.0% in 2009 to 7.0% in 2010, equal to our medium term goal. Average square foot per head fell slightly to 229 sq ft from 230 sq ft in 2009, although our target is to achieve 220 sq ft in 2011.

Our key property task is to maintain the 7% establishment cost-to-revenue ratio as we continue to grow the business, by focusing on the key metrics of space per head and cost per square foot on all our lease renewals.

See note 3 to the Consolidated Financial Statements for a schedule by years of future minimum rental payments to be made and future sublease rental payments to be received, as of 31 December 2010, under non-cancelable operating leases of the Company.

ITEM 4A. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Introduction

The Company's reporting currency is the UK pound sterling. However, the Company's significant international operations give rise to fluctuations in foreign exchange rates. To neutralise foreign exchange impact and to better illustrate the underlying change in revenue and profit from one year to the next, the Company has adopted the practice of discussing results in both reportable currency (local currency results translated into pounds sterling at the prevailing foreign exchange rate) and constant currency (current and prior year local currency results translated into US dollars at a budget, or "constant", foreign exchange rate).

Certain Non GAAP measures included in this operating and financial review and prospects have been derived from amounts calculated in accordance with IFRS but are not themselves IFRS measures. They should not be viewed in isolation as alternatives to the equivalent IFRS measure, rather they should be read in conjunction with the equivalent IFRS measure. These include headline profit before interest and taxation (PBIT), headline PBIT margin (headline PBIT as a percent of revenues), constant currency, billings, free cash flow, and net and average net debt, which we define, explain the use of and reconcile to the nearest IFRS measure in the operating results overview below and on pages 21 and 28 to 30. In reviewing year on year revenue growth management also uses the measure of like-for-like revenue as discussed on page 21.

See Item 11 of this report for Quantitative and Qualitative Disclosures about Market Risk.

A. Operating Results

Overview

The Company is one of the world's most comprehensive marketing communications groups. It operates through a large number of established national, multinational and global advertising and marketing services companies. The Company offers services in four reporting segments:

- Advertising and Media Investment Management;
- Consumer Insight;
- Public Relations & Public Affairs; and
- Branding & Identity, Healthcare and Specialist Communications.

In 2010, 40% of the Company's consolidated revenues were derived from Advertising and Media Investment Management, with the remaining 60% of its revenues being derived from the remaining three segments.

The following objectives represent the Group's key performance indicators.

1. First, to continue to raise operating margins to the levels of the best-performing competition. We achieved headline PBIT margin of 15% for two consecutive years, in 2007 and 2008. We continue to believe a headline PBIT margin of 18.3% is a tough, but realistic objective. BBDO, Dentsu and McCann have achieved this in the past, although the pressure became too great in some instances. Reported PBIT margin in 2010, 2008 and 2007 was 11.0%, 12.3% and 13.7%, respectively.

Management uses headline PBIT to assess the performance of the business. Management believes that it is both useful and necessary to report headline PBIT because this measure is used by management for internal performance analysis; the presentation of this measure facilitates comparability with other companies who may use similar titled measures, although management's measure may not be calculated in the same way as similarly titled profit measures reported by

other companies, and it is useful in connection with discussion with the investment community. A reconciliation of this measure to profit before interest and taxation is provided in note 31 of the Consolidated Financial Statements of the Company, which appear elsewhere in this Form 20-F.

2. Second, to continue to increase flexibility in the cost structure. Great strides have been made in recent years. In 2010, variable staff costs made up 7.8% of revenues, the highest ratio for 10 years. This compares with 6.6% in 2008 and 5.7% in 2009, and illustrates the value of this flexibility in protecting margins in the event of an economic downturn.
3. Third, to improve total share owner return by maximising the return on investment on the Company's substantial free cash flow across the alternative uses of funds: capital expenditure; mergers and acquisitions; and dividends or share buy-backs.
4. Fourth, we will continue to enhance the value added by the parent company and build unique integrated marketing approaches for clients. WPP is not just a holding company focused on planning, budgeting, reporting and financial issues, but a parent company that can add value to our clients and our people in the areas of human resources, property, procurement, information technology and practice development.
5. Fifth, to continue to place greater emphasis on revenue growth through our practice development activities, aimed at helping us position our portfolio in the faster-growing functional and geographic areas.
6. Sixth, to improve still further the quality of our creative output by stepping up our training and development programs, by recruiting the finest external talent, by celebrating and rewarding outstanding creative success both tangibly and intangibly, by acquiring strong creative companies, and by encouraging, monitoring and promoting our companies' achievements in winning creative awards.

The following discussion is based on the Company's audited Consolidated Financial Statements beginning on page F-1 of this report. The Group's consolidated financial statements have been prepared in accordance with IFRS as issued by the IASB.

Management reviews the Group's businesses in constant currency to better illustrate the underlying trends from one year to the next and also on a like-for-like basis, in which current year actual results on a constant currency basis (which include acquisitions from the relevant date of completion) are compared with prior year, constant currency actual results adjusted to include the results of acquisitions for the commensurate period in the prior year. Management believes that discussing like-for-like revenues provides a better understanding of the Company's revenue performance and trends because it allows for more meaningful comparisons of current period revenue to that of prior periods. The following table reconciles revenue growth for 2010 and 2009 to like-for-like revenue growth for the same periods.

	£m	
2008 Revenue	7,477	
Impact of exchange rate changes	837	11.2%
Changes in scope of consolidation	976	13.0%
Like-for-like decline	(606)	(8.1%)
2009 Revenue	8,684	16.1%
Impact of exchange rate changes	159	1.8%
Changes in scope of consolidation	26	0.3%
Like-for-like growth	462	5.3%
2010 Revenue	9,331	7.4%

Our reported revenue growth for the year of 7.4% reflected the comparative weakness of sterling against most currencies, other than the euro. On a constant currency basis, which excludes the impact of currency movements, revenues were up 5.6%.

On a like-for-like basis, excluding the impact of acquisitions and currency, revenues were up 5.3%, reflecting sequential quarterly improvement throughout the year. Revenue grew by 8.5% in the final quarter, the fastest rate of like-for-like quarterly growth since the fourth quarter of 2000. The month of December saw the first monthly double-digit growth rate since January 2001.

Throughout 2010 we have seen continued sequential improvement in our like-for-like quarterly revenue growth, with the final two quarters of the year at 7.5% and 8.5% respectively. This followed zero like-for-like growth in the first quarter and 4.7% in quarter two. This significant turnaround was directionally in line with our earlier forecasts (we anticipated like-for-like growth in the second quarter of 2010 as early as the third quarter trading update of 2009), but was considerably more violent than anticipated. In 2009, our budgets were optimistic anticipating like-for-like growth of -2%. In fact we came in at -8%. In 2010, on the other hand, we proved too pessimistic, budgeting like-for-like growth of zero and coming in at over 5%.

Segment performance

Performance of the Group's businesses is reviewed by management based on headline PBIT. A table showing these amounts by segment and geographical area for each of the three years ended 31 December 2010 is presented in note 2 to the Consolidated Financial Statements. To supplement the reportable currency segment information presented in note 2 to the Consolidated Financial Statements, the tables below gives details of revenue growth by region and business segment on a reported, constant currency, and like-for-like basis.

	Reported Revenue		Constant Currency Revenue		Like-for-Like Revenue	
	growth %+/-)	growth %+/-)	growth %+/-)	growth %+/-)	Growth %+/-)	Growth %+/-)
	2010	2009	2010	2009	2010	2009
North America	9.6	15.6	7.7	(0.7)	7.6	(8.1)
United Kingdom	5.7	7.8	5.7	7.8	5.9	(6.0)
Western Continental Europe ¹	(0.1)	23.9	2.7	12.8	1.9	(10.2)
Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe	13.0	13.6	5.6	4.3	5.6	(6.8)
Total Group	7.4	16.1	5.6	4.9	5.3	(8.1)

¹ Western Continental Europe Includes Ireland.

Geographically, revenue growth continued to strengthen in the final quarter, particularly in the UK, Central and Eastern Europe, the Middle East, Latin America, Africa and Australia, with the US and Asia (excluding Australia and New Zealand) maintaining the strong growth seen in the third quarter. Western Continental Europe remained difficult, with growth in the final quarter of just over 3%, with France, Spain, Greece, Ireland and Belgium still under pressure. The US continued the strong growth seen in the third quarter, up 9.8%. The UK showed its strongest growth of the year at 9.7%. Latin America was up 6.5% in the fourth quarter in constant currency, but on a like-for-like basis was up almost 15%, reflecting the disposal of a call centre business in Argentina in September. Asia, excluding Australia and New Zealand, grew at 13.6%, which was the same as the third quarter. Mainland China and India continued their strong growth with revenue up over 18% and almost 15% respectively in the final quarter. Other major markets in Asia also showed strong growth, including South Korea, Singapore, Indonesia and more surprisingly Japan, driven by Ogilvy, GroupM and Kantar. Markets

outside North America now account for 65% of our revenues, up from 61% five years ago. The influence of the faster-growing markets outside North America is increasing rapidly.

	Reported Revenue growth %+/-		Constant Currency Revenue growth %+/-		Like-for-Like Revenue Growth %+/-	
	2010	2009	2010	2009	2010	2009
Advertising and Media Investment Management	9.1	0.9	7.0	(8.6)	7.1	(8.5)
Consumer Insight	5.8	76.5	4.4	62.9	3.9	(9.5)
Public Relations & Public Affairs	6.1	5.8	4.3	(6.5)	3.7	(7.4)
Branding & Identity, Healthcare and Specialist Communications	7.0	6.7	5.0	(4.5)	4.5	(6.2)
Total Group	7.4	16.1	5.6	4.9	5.3	(8.1)

The Group's Advertising and Media Investment Management businesses continued their strong growth, with constant currency revenues up 11.6% in the fourth quarter, the strongest quarterly growth in the year, with Media Investment Management up over 17% and Advertising up well over 7%.

The Group's Public Relations & Public Affairs businesses also had their strongest quarter, with revenues up 5.6%, compared with 5.1% in the third quarter and 3.2% in the first half. Consumer Insight also had a good quarter, with revenues up 5.3%, compared with 6.9% in the third quarter and 2.7% in the first half. The Group's Branding & Identity, Healthcare and Specialist Communications businesses (including direct, digital and interactive) grew by 7.3% on a constant currency basis, down slightly on the strong growth of 8.1% in the third quarter, but well ahead of the first half growth of 2.1%. However, on a like-for-like basis, revenues were up 7.2% in the fourth quarter compared with 7.1% in the third quarter, adjusting for the disposal of the call centre business mentioned earlier.

This continuing improvement was driven largely by our uniquely global direct, digital and interactive businesses, amongst others comprising OgilvyOne, with global revenues of over \$800 million, VML, with revenues over \$100 million and Wunderman, with global revenues over \$900 million. OgilvyInteractive, VML and Wunderman are three of the seven worldwide 'digital leaders', according to the leading independent digital research firm, Forrester Research. No other competitive group has more than one digital leader.

The Group has also recently announced the launch of Possible Worldwide, a global interactive marketing agency, formed through the combination of award-winning WPP digital agencies Schematic, Bridge Worldwide, BLUE and Quasar, with revenue of over \$100 million, with 18 offices and 1,000 staff worldwide, and with operations in the US, Europe, Asia, the Middle East and Africa.

In constant currencies, Advertising and Media Investment Management revenues grew by 7.0%, with like-for-like revenues up similarly at 7.1%. All of the Group's four largest advertising networks finished the year strongly, with growth in our Media Investment Management business over 13% in the year. Advertising showed sequential quarterly like-for-like growth in the last three quarters of 2010, following six quarters of decline. This strong revenue growth in 2010, together with the cost actions taken in 2009, resulted in the combined headline PBIT margin of this sector improving by approximately 1.5 margin points to 15.3%.

Consumer Insight revenues grew by 4.4% in constant currencies, with like-for-like revenues up similarly at 3.9%. Headline PBIT margins improved by 1.1 margin points to 9.7% as benefits resulting from the integration of TNS custom research and Research International and the other operations of both TNS and Kantar, in media, healthcare, retail and their related panel activities, were realised. Headline PBIT gross margins (headline PBIT as a proportion of gross profit rather than revenue) improved 1.5 margin points to 13.2%.

The Group's Public Relations & Public Affairs businesses had a strong end to the year, with constant currency revenue growth of 5.6% in quarter four, the highest quarter of the year. Headline PBIT margins rose by 0.5 margin points to 15.8%. Particularly strong performances were recorded by Burson-Marsteller and the Group's specialist public relations businesses.

The Group's Branding & Identity, Healthcare and Specialist Communications (including direct, digital and interactive) constant currency revenues grew by 5.0% in the year and 7.3% in the final quarter. The Group's global direct, digital and interactive agencies grew strongly, as did Branding & Identity with revenue up almost 11% in the final quarter. This service sector showed a strong recovery in headline PBIT margins, up 2.0 margin points to 12.4%.

Marketing services comprised 60% of our revenues in 2010, a similar proportion to 2009. It is no longer accurate to call us an advertising agency, we are really a communications services company.

2010 compared with 2009

Revenues

Reported revenues were up 7.4% in 2010 to £9,331.0 million from £8,684.3 million in 2009. On a constant currency basis revenues were up 5.6% and on a like-for-like basis revenues were up 5.3%, see discussion on pages 22 to 24. In 2010 and 2009, acquisitions completed during the year had an immaterial impact on revenue.

Operating costs

Reported operating costs increased by 5.1%. Reported staff costs, excluding incentives, were up 3.2%. Incentive payments (including the cost of share-based compensation) increased 92.1% to £342 million from £178 million. On a reported basis, despite the almost doubling of incentive payments, the Group's staff cost-to-revenue ratio fell to 58.3% compared with 58.9% in 2009.

Together with the improved top-line growth, the Group has benefited from the cost actions taken, particularly towards the end of 2009, to adjust headcount and staff costs. On a like-for-like basis, average headcount has fallen by over 4%, compared with 2009, although given the substantial increase in like-for-like revenues of 8.0% in the second half of the year, our operating companies have begun to invest in more talent.

Revenue conversion post-incentives, that is incremental profit as a proportion of incremental revenue, was very strong at 33%, as our operating companies benefited from the actions to reduce both staff costs and other operating costs in 2009 and during 2010.

Part of the Group's strategy is to continue to ensure that variable staff costs (incentives, freelance and consultants costs) are a significant proportion of total staff costs and revenue, as this provides flexibility to deal with volatility in revenues and recessions or slow-downs. In 2010, the ratio of variable staff costs to total staff costs increased significantly to 13.4%, compared with 9.7% in 2009. As a proportion of revenue, variable staff costs were 7.8% in 2010 compared with 5.7% in 2009. These represent the highest ratios in the last 10 years. The business is, therefore, even better protected against economic downturns.

Operating profit

Reported PBIT rose over 25% to £1.028 billion in 2010 from £819 million in 2009 as a result of the above and reflecting a lower charge for goodwill impairment and amortisation of intangibles, partly offset by higher investment write-downs.

Finance income, finance costs and revaluation of financial instruments

Finance income decreased to £81.7 million in 2010 from £150.4 million in 2009. Finance costs decreased to £276.8 million in 2010 from £355.4 million in 2009. Therefore, net finance costs were £195.1 million, down from £205.0 million last year, reflecting lower debt, partly offset by higher funding costs. Revaluation of financial instruments resulted in £18.2 million of income in 2010 and £48.9 million in 2009. The 2010 income is attributable to gains from movements in the fair value of treasury instruments.

Taxes

The Company's effective tax rate on reported profit before tax in 2010 was 22.4%, a reduction of 1.1 percentage points from 2009, as a result of utilisation and recognition of losses and other temporary differences not previously recognised.

Profit for the year

Profit for the year increased by 30.4% to £661.0 million in 2010 from £506.9 million in 2009 on a reported basis and increased by 23.7% in constant currency, reflecting higher profit margins and lower effective tax rate. In 2010, £586.0 million of profit for the year was attributable to equity holders of the parent and £75.0 million attributable to non-controlling interests.

2009 compared with 2008

Revenues

Reported revenues were up 16.1% in 2009 to £8,684.3 million from £7,476.9 million in 2008 reflecting the strength of the euro and US dollar against sterling, as well as the impact of the first full-year inclusion of TNS in our results. On a constant currency basis revenues were up 4.9% and on a like-for-like basis revenues were down 8.1%, as detailed in the table on page 21. In 2009, acquisitions completed during the year had an immaterial impact on revenue. In 2008, acquisitions completed during the year contributed £376.3 million to revenue (£269.6 million was related to TNS).

Operating costs

Reported operating costs increased by 17.7%. Reported staff costs, excluding incentives, were up 19.4%. Incentive payments (including the cost of share-based compensation) fell by almost 17% to £177.8 million from £213.7 million. The Group's staff cost to revenue ratio increased to 58.9% compared with 58.2% in 2008. Part of the Group's strategy is to continue to ensure that variable staff costs (freelancers, consultants and incentive payments) are a significant proportion of total staff costs, as this provides flexibility to deal with volatility in revenues and recessions or slow-downs. In 2009, the ratio of variable staff costs to total staff costs fell to 9.7% compared with 11.4% in 2008. As a proportion of revenue, variable staff costs were 5.7% in 2009 compared with 6.6% in 2008.

Establishment costs as a proportion of revenues were 8.0% in 2009 compared to 7.0% in 2008. 2009 was a difficult year with our property portfolio. We were able to reduce it by 4% to 23.7 million sq. feet however it was not possible to adjust the property portfolio in line with the recession.

Goodwill impairment charges of £44.3 million and £84.1 million were recorded in the years ended 31 December 2009 and 2008, respectively. The impairment charges relate to certain under performing businesses in the Group. In certain markets, the impact of current local economic conditions and trading circumstances on these businesses was sufficiently severe to indicate impairment to the carrying value of goodwill. There were no impairment charges on acquired intangible assets in 2009. In 2008, an impairment charge was recorded for £1.5 million. Investment write-downs of £11.1 million and

£30.5 million were taken in the years ended 31 December 2009 and 2008, respectively. Intangible amortisation in 2009 increased by £94.2 million compared to 2008 due to a full year of amortisation related to intangibles established in connection with the acquisition of TNS.

The Group released £19.4 million in 2009 to operating profit relating to excess provisions and other balances established in respect of acquisitions completed prior to 2008 and £23.7 million in 2008 related to acquisitions completed prior to 2007.

Operating profit

Reported operating profit was down 13.0% to £761.7 million in 2009 from £876.0 million in 2008. Reported operating margins decreased to 8.8% from 11.7%. Reported profit before interest and taxation ("PBIT") was £818.7 million in 2009, down 11.2% from £922.0 million in 2008. Reported PBIT margins were 9.4% and 12.3% in 2009 and 2008, respectively. PBIT margins were negatively impacted by 2.6% in both years due to goodwill impairment, other goodwill and investment write-downs, and amortisation and impairment of acquired intangibles in each year. While the goodwill impairment charge in 2009 was lower by £39.8 million compared with 2008 and investment write-downs were lower by £19.4 million compared with 2008, intangibles amortisation in 2009 was higher by £94.2 million due to a full year of amortisation related to intangibles established in connection with the TNS acquisition. The impact of profits on disposal of investments was £31.1 million in 2009 and £3.4 million in 2008. Headline PBIT margin was 11.7% in 2009 against 15.0% last year. For 2009, the post-acquisition contribution of all acquisitions to the Group's operating profit was immaterial. For 2008 it was £30.3 million.

Finance income, finance costs and revaluation of financial instruments

Finance income decreased to £150.4 million in 2009 from £169.6 million in 2008. Finance costs increased to £355.4 million in 2009 from £319.4 million in 2008. Therefore, net finance costs increased by £55.2 million, reflecting lower interest rates and higher average net debt as a result of the full year impact of the acquisition of TNS. Revaluation of financial instruments resulted in £48.9 million of income in 2009 and a charge of £25.4 million in 2008. The 2009 income is predominantly attributable to gains on termination of hedge accounting on repayment of TNS debt.

Taxes

The Company's effective tax rate on reported profit before tax in 2009 was 23.5% compared to 31.2% in 2008. In 2008 there were significant expenses that were not deductible for tax purposes. In 2009 these expenses, such as goodwill impairment, were lower and were offset by other income that was not taxable such as the gain on disposal of investment and income attributable to the revaluation of financial instruments.

Profit for the year

Profit for the year decreased by 1.3% to £506.9 million in 2009 from £513.9 million in 2008 on a reported basis and decreased by 14.2% in constant currency, reflecting lower profit margins partially offset by lower tax expense. In 2009, £437.7 million of profit for the year was attributable to equity holders of the parent and £69.2 million attributable to non-controlling interests.

Inflation

As in 2009, in management's opinion inflation did not have a material impact on the Company's results for the year or financial position at 31 December 2010.

Foreign currency fluctuations

See Item 11 for a discussion of the impact of currency exchange rate fluctuations on the Group's consolidated results.

B. Liquidity and Capital Resources

General—The primary sources of funds for the Group are cash generated from operations and funds available under its credit facilities. The primary uses of cash funds in recent years have been for debt service and repayment, capital expenditures, acquisitions, share repurchases and cancellations and dividends. For a breakdown of the Company's sources and uses of cash see the "Consolidated Cash Flow Statement" included as part of the Company's Consolidated Financial Statements in Item 18 of this Report.

The Company spent £295.9 million (excluding cash and cash equivalents acquired) and £196.6 million for acquisitions and investments in 2010 and 2009, respectively, including payments on loan note redemptions and earnout consideration resulting from acquisitions in prior years. For the same periods, cash spent on purchases of property, plant and equipment and other intangible assets was £217.5 million and £253.3 million, respectively, cash spent on share repurchases and buy-backs was £46.4 million and £9.5 million, respectively, and dividends paid were £200.4 million and £189.8 million, respectively.

There are broadly three alternative uses of funds.

Capital expenditure, which usually approximates the depreciation cost. Pressure here has eased as technology pricing has fallen, although we are increasing investment in our digital and technology-based service offering, in line with our strategic goals. In 2009, we also invested significantly more in real estate following lease renewals, particularly in New York, to secure greater efficiencies.

Mergers and acquisitions, which have historically taken the lion's share of free cash flow. Here we have raised the hurdle rate on capital employed so that our return on capital may be increased. Valuations remain reasonable, particularly outside the US, although some speculative froth does seem to have developed, especially in digital and interactive in the US and in some faster-growing markets, like Brazil. Our acquisition focus in 2010 was again on the triplet opportunities of faster-growing geographic markets, new technologies and consumer insights, totally consistent with our strategic priorities in the areas of geography, new communication services and measurability. The cost of the acquisition of TNS in 2008 was funded principally by debt. At the time of the transaction, we announced that, for the following two years, acquisitions would be limited to no more than £100 million per annum, the Group's share buy-back program would be targeted up to 1% per annum and dividend growth at up to 15% per annum, with the objective of using surplus cash generated to reduce debt. In 2010, the Group spent £97 million on initial acquisition payments, net of cash acquired and disposal proceeds, so within the target set. It is likely we will continue to focus on small and medium-sized acquisitions in 2011.

Dividends or share buy-backs. We continue to focus on examining the relative merits of dividends and share buy-backs. Following the strong first half results in 2010, we re-instituted an increase in dividend with a 15% increase in the first interim dividend, the upper limit committed to at the time of the TNS acquisition. Following the continued improvement in profitability during the second half of 2010, the Board has also recommended an increase in the second interim dividend of 15%. This makes a total for the year of 17.79p per share, an all-time high for your Company. Dividends paid in 2010 were more than 3 times covered by profit for the year. The Board has also undertaken a review of its dividend pay-out policy and consulted institutional share owners and analysts. It seems clear from this analysis that in current stock market conditions, many share owners favour consistent dividend growth

and better dividend yields over share re-purchases. Given these views, the Board plans to increase the dividend payout ratio as a proportion of post-tax profits from the current level of approximately 30% to approximately 40% over the medium term. Share buy-backs in 2010 cost £46 million, representing 0.5% of share capital, again well within the target set at the time of the TNS acquisition. It is likely that we will continue to ensure that share buy-backs at least equal the dilutive effect of option and restricted stock issuance.

The Group's liquidity is affected primarily by the working capital flows associated with its media buying activities on behalf of clients. The working capital movements relate primarily to the Group's billings. Billings comprise the gross amounts billed to clients in respect of commission-based/fee-based income together with the total of other fees earned. In 2010, billings were £42.7 billion, or 4.6 times the revenue of the Group. The inflows and outflows associated with media buying activity therefore represent significant cash flow within each month of the year and are forecast and re-forecast on a regular basis throughout the year by the Group's treasury staff so as to ensure that there is continuing coverage of peak requirements through committed borrowing facilities from the Group's bankers and other sources.

Liquidity risk management—The Group manages liquidity risk by ensuring continuity and flexibility of funding even in difficult market conditions. Undrawn committed borrowing facilities are maintained in excess of peak net borrowing levels and debt maturities are closely monitored. Targets for debt and cash position are set on an annual basis and, to assist in meeting this, working capital targets are set for all the Group's major operations. See the discussions on pages 29 and 30 for the Group's view on the use of net debt and average net debt to measure debt levels.

Debt

US\$ bonds—The Group has in issue \$600 million of 8% bonds due September 2014 and \$650 million of 5.875% bonds due June 2014.

Eurobonds—The Group has in issue €600 million of 4.375% bonds due December 2013, €500 million of 5.25% bonds due January 2015 and €750 million of 6.625% bonds due May 2016.

Sterling bonds—The Group has in issue £400 million of 6% bonds due April 2017 and £200 million of 6.375% bonds due November 2020.

Revolving Credit Facilities—The Group has a \$1.6 billion seven-year Revolving Credit Facility due August 2012 and a £200 million amortising Revolving Credit Facility maturing in July 2011. The Group's borrowing under these facilities, which are drawn down predominantly in US dollars, euros, Canadian dollars and pounds sterling, averaged the equivalent of \$818 million in 2010. The Group had available undrawn committed credit facilities of £1,145 million at 31 December 2010 (2009: £1,335 million).

Borrowings under the Revolving Credit Facilities are governed by certain financial covenants based on the results and financial position of the Group, including requirements that (i) the interest coverage ratio for each financial period equal or exceed 5.0 to 1 and (ii) the ratio of borrowed funds to earnings before interest, taxes, depreciation and amortisation at 30 June and 31 December in each year shall not exceed 3.5 to 1, both covenants as defined in the relevant agreement. The Group is in compliance with both covenants.

US Commercial Paper Program—The Group has a \$1.4 billion US Commercial Paper Program using the \$1.6 billion Revolving Credit Facility as a backstop. There was no US Commercial Paper outstanding at 31 December 2010.

Convertible bonds—The Group has in issue £450 million of 5.75% convertible bonds due May 2014. At the option of the holder, the bonds are convertible into 76,530,612 WPP ordinary shares at an initial share price of £5.88 per share.

Hedging of financial instruments—The Group's policy on interest rate and foreign exchange rate management sets out the instruments and methods available to hedge interest and currency risk exposures and the control procedures in place to ensure effectiveness. The Group uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The Group does not hold or issue derivative financial instruments for speculative purposes.

The Group bases its internal cash flow objectives on free cash flow. Management believes free cash flow is meaningful to investors because it is the measure of our funds available for acquisition-related payments, dividends to shareowners, share repurchases and debt repayment. The purpose of presenting free cash flow is to indicate the ongoing cash generation within the control of the Group after taking account of the necessary cash expenditures of maintaining the capital and operating structure of the Group (in the form of payments of interest, corporate taxation and capital expenditure). Net working capital movements are excluded from this measure since these are principally associated with our media buying activities on behalf of clients and are not necessarily within the control of the Group. This computation may not be comparable to that of similarly titled measures presented by other companies.

A tabular reconciliation of free cash flow is shown below.

	Year Ended 31 December		
	2010 £m	2009 £m	2008 £m
Net cash inflow from operating activities	1,361.2	818.8	922.7
Issue of shares	42.7	4.1	10.6
Proceeds on disposal of treasury shares	—	—	6.9
Proceeds on disposal of property, plant and equipment	7.6	9.2	11.5
Movements in working capital and provisions	(225.5)	102.1	109.3
Purchases of property, plant and equipment	(190.5)	(222.9)	(196.8)
Purchase of other intangible assets (including capitalised computer software)	(27.0)	(30.4)	(23.8)
Dividends paid to non-controlling shareholders in subsidiary undertakings	(66.7)	(63.0)	(63.5)
Free cash flow	901.8	617.9	776.9

In 2010, net cash inflow from operating activities was £1,361.2 million. Free cash flow available for debt repayment, acquisitions, share buy-backs and dividends was £901.8 million. This free cash flow was partially absorbed by £215.2 million in net acquisitions and disposals, by £46.4 million in share repurchases and buy-backs and of £200.4 million in dividends, leaving £439.8 million, of free cash flow.

Management believes that net debt and average net debt is an appropriate and meaningful measure of the debt levels within the Group. This is because of the seasonal swings in our working capital generally, and those resulting from our media buying activities on behalf of our clients in particular, together with the fact that we choose for commercial reasons to locate the debt of the Group in particular countries and leave cash resources in others—though our cash resources could be used to repay the debt concerned. Average net debt is calculated as the average daily net borrowings of the

Group and is a more accurate reflection of the amount of debt the Group has supporting its activities through the year. Net debt at a period end is calculated as the sum of the net borrowings of the Group, derived from the cash ledgers and accounts in the balance sheet.

The following table is an analysis of net debt.

	At 31 December		
	2010 £m	2009 £m	2008 £m
Debt financing	(3,853.6)	(4,307.1)	(5,640.1)
Cash and short-term deposits	1,965.2	1,666.7	2,572.5
Net debt	(1,888.4)	(2,640.4)	(3,067.6)

At 31 December 2010, the Group's net debt was £1,888 million, down £752 million from £2,640 million in 2009. Net debt averaged £3,056 million in 2010, against £3,448 million in 2009, down £0.4 billion at 2010 exchange rates, reflecting significant improvement in profitability and improved cash flows, despite a continued client emphasis on improved liquidity, as well as effectiveness and efficiency.

The Company's borrowings are evenly distributed between fixed and floating rate debt. Given the strong cash generation of the business, its debt maturity profile and available facilities, the directors believe the Company has sufficient liquidity to match its requirements for the foreseeable future.

Refer to Item 5F for details on the Company's material commitments for capital expenditures at 31 December 2010.

C. Research and Development, Patents and Licenses

Not applicable.

D. Trend Information

The discussion below and in the rest of this Item 5 includes forward-looking statements regarding plans, objectives, projections and anticipated future performance based on assumptions that are subject to risks and uncertainties. As such, actual results or outcomes may differ materially from those discussed in the forward-looking statements. See "Forward-Looking Statements" preceding Item 1 in this annual report.

In the first quarter of 2011, reported revenues were up 7.0% at £2.223 billion. Revenues in constant currency were up 8.4%, reflecting the strength of the pound sterling against the US dollar and Euro. On a like-for-like basis, excluding the impact of acquisitions and currency fluctuations, revenues were up 6.7% and gross profit 7.4% compared with the same period last year. Revenues have continued to recover following the stabilisation in quarter one of last year and the sequential improvement in like-for-like growth in quarters two, three and four of 2010.

The pattern of revenue growth in 2011 has started similarly to the second half of 2010, with improvements across all sectors and geographies. Our budgets for 2011 indicated like-for-like growth of 5% over last year and for the first three months we were in line with those projections. A first look at our flash quarter one revised forecasts, indicates further improvement for the year to over 6%, with a more balanced pattern over the two halves, despite tougher comparatives in the second half. In 2010 we were surprised at the speed of the recovery in the more mature markets of the United States and

Germany and more traditional media, like free-to-air television. This pattern has continued into the first

quarter of 2011, although as indicated in the budgets for this year, the faster growing markets of Asia Pacific, Latin America, Africa and the Middle East and Central and Eastern Europe are growing even faster. They were last into the recession and last out.

On a constant currency basis, the Group's revenue grew by 8.4%, in line with the Group's budget, but with gross profit, probably a better indicator of top-line growth and cost comparator, growing faster at 9.1%. In 2010, the United States behaved more like a faster growing market, with constant currency growth of 8.0%. In the first quarter of 2011 this has continued, with revenue on the same basis up 9.1% and only slightly below the third quarter of 2010, which saw the highest quarterly growth since the second quarter of 2007, at 9.9%. However, the world continues to move at very different speeds, with the BRICs (Brazil, Russia, India and China), Next 11 (Bangladesh, Egypt, Indonesia, Iran (?), Mexico, Nigeria, Pakistan, the Philippines, South Korea, Turkey, Vietnam) or CIVETS (Columbia, Indonesia, Vietnam, Egypt (still included), Turkey, South Africa) generally growing strongest, followed by the United States and Germany, then the United Kingdom, France, Italy and Spain with Japan, weakest, suffering from years of stagnation and now triple hit by the dreadful earthquake, tsunami and nuclear disasters. In the first quarter, revenue growth in the United Kingdom, on a constant currency basis, was up 7.7% with Western Continental Europe up 2.2% and Asia Pacific, Latin America, Africa and the Middle East and Central and Eastern Europe growing strongly at 12.6%. Western Continental Europe remains the most challenging, with revenues in France and Spain the most affected, when compared with the same period last year. The Middle East has been affected by the current political turmoil in the first quarter, growing only 1.5%. Central and Eastern Europe grew at 9.1%, driven primarily by Russia and Poland, with the combined revenues in these two markets up over 13%. Latin America grew 10.4% on a constant currency basis, but 16.7%, like-for-like, following the disposal of a call centre business in Argentina in September 2010. Asia Pacific was up 12.5% on a constant currency basis and excluding Japan (which was flat) was up 13.8%, with all the Group's major markets, except Malaysia, showing strong growth. Two of the Group's biggest markets in Asia, Mainland China and India showed combined growth of 18.4%, versus 12.5% in 2010.

By communications services sector, Advertising and Media Investment Management continued to "bite-back" with revenues on a constant currency basis up 12.9%, followed by Branding & Identity, Healthcare and Specialist Communications (including direct, digital and interactive) up 7.9%. The Group's direct and interactive networks of Wunderman and OgilvyOne, together with specialist digital agencies VML and JWT Inside showed strong growth. Public Relations & Public affairs continued the solid performance in 2010, with growth of 5.6%, which was slightly ahead of quarter four in 2010, the highest quarterly growth in 2010. Consumer Insight revenues were up 3.4% with gross profit up more at 3.6% (3.8% like-for-like), and with North America, the United Kingdom and Western Continental Europe weaker, but stronger growth in Asia Pacific, Latin America, Africa and the Middle East, despite the current political and human challenges in North Africa, the Middle East and Japan.

The Company is in the process of reviewing its quarter one revised forecasts, but early indications are that revenues in the balance of the year will grow faster than budgeted, with full year like-for-like revenue growth of over 6%. The higher levels of incentive compensation paid out this year has focused attention on variable, rather than fixed, compensation and has helped to ease, to some extent, potential pressure on salaries. As our operating companies continue to be more positive about 2011, the increase in selective hiring and talent investment, particularly in the faster growing markets, originally seen in the second half of 2010, has continued into 2011.

During 2009 the Group took action to bring into balance the fall in revenues with staff costs, with a significant reduction in the number of people employed in the Group. As revenues stabilised towards the end of 2009 and growth returned in 2010, our operating companies began hiring again, although as mentioned above, mainly in the faster growing markets. Although hiring has begun again, the discipline of balancing revenues with headcount has continued. The number of people in the Group, on a like-for-

like basis excluding associates, was up 4.2% or 4,350 at 31 March 2011 to 106,825, as compared to 31 March 2010, against an increase in revenues on the same basis of 6.7%. The average number of people in the Group in the first quarter of this year was up similarly by 4.2% to 106,076 compared to 101,763 for the same period last year. In 2009, the point-to-point headcount fell by 12%, in 2010 it rose 4.5% and in 2011, by 31 March, it had risen another 1%. Overall, therefore, the number of people in the business has fallen by over 6%, whilst revenues are now back to pre-Lehman levels on a like-for-like basis, a significant increase in productivity.

For the rest of 2011, the focus will continue to be on ensuring that our operating companies balance revenue and headcount growth, while at the same time capitalising on the various client and market opportunities that continue to arise and continuing to invest in both existing and new talent, where necessary.

Despite the recent developments and effect of the difficult political and human situations in the Middle East, North Africa and Japan (as a point of reference, the Middle East accounts for about 1.7% or \$300 million of our approximately \$16 billion of revenues forecast by analysts and Japan about 1.5% or \$200 million), the continued doubts about sovereign debt in some Western European economies and the growing concerns in the United States about the failure to reduce the fiscal deficit, where the recent US Treasury purchase strike by PIMCO and US debt change in outlook by S&P have not helped, we are cautiously optimistic about the prospects for 2011 and, indeed for 2012.

The second quarter, according to our budgets and quarter one revised forecasts, shows stronger growth in Asia Pacific and Latin America, counter-balanced by lower growth in the United States, with these trends, as anticipated earlier this year, continuing into the final two quarters of 2011. 2012 will see the maxi-quadrennial impacts of the London 2012 Olympic and Paralympic Games, the Eastern European-based UEFA EURO 2012 Football Championships and United States Presidential elections (where media spending may reach \$4 billion), all of which may add 1-2% to worldwide levels of advertising and marketing spending, whatever they are. It may be that to some extent we benefit from uncertainty, particularly in the mature economies, where risk averse managements prefer to invest in brand equity, rather than expand capacity. In addition, there are some indications that FMCG clients, lacking pricing power and facing commodity price increases, are decreasing promotional price discounts and increasing investment in advertising. The difficult year may well be 2013, when newly elected or re-elected governments have to wrestle with the impact of fiscal and monetary stimuli and the failure to deal quickly enough with fiscal deficits.

E. Off-Balance Sheet Arrangements

None.

F. Tabular Disclosure of Contractual Obligations

The following summarises the Company's estimated contractual obligations at 31 December 2010, and the effect such obligations are expected to have on its liquidity and cash flows in the future periods. Certain obligations presented below held by one subsidiary of the Company may be guaranteed by another subsidiary in the ordinary course of business.

(£m)	Payments due in						
	Total	2011	2012	2013	2014	2015	Beyond 2015
Debt financing under the Revolving Credit Facility and in relation to unsecured loan notes¹							
Eurobonds	1,585.9	—	—	514.4	—	428.6	642.9
Sterling and convertible bonds	1,050.0	—	—	—	450.0	—	600.0
US\$ bonds	801.7	—	—	—	801.7	—	—
Other	116.4	—	100.3	—	16.1	—	—
Subtotal	3,554.0	—	100.3	514.4	1,267.8	428.6	1,242.9
Interest payable	966.7	209.4	208.4	206.7	148.5	81.2	112.5
Total	4,520.7	209.4	308.7	721.1	1,416.3	509.8	1,355.4
Operating leases ²	2,272.6	354.6	293.5	268.1	219.8	202.6	934.0
Capital commitments ³	40.7	32.6	8.1	—	—	—	—
Investment commitments ³	24.9	23.1	1.8	—	—	—	—
Estimated obligations under acquisition							
earnouts and put option agreements	446.3	344.3	46.6	16.8	8.6	4.1	25.9
Total contractual obligations	7,305.2	964.0	658.7	1,006.0	1,644.7	716.5	2,315.3

¹ In addition to debt financing under the Revolving Credit Facility and in relation to unsecured loan notes, the Company had short-term overdrafts at 31 December 2010 of £255.4 million. The Group's net debt at 31 December 2010 was £1,888.4 million and is analysed in Item 5B.

² Operating leases are net of sub-let rentals.

³ Capital and investment commitments include commitments contracted, but not provided for in respect of property, plant and equipment and in respect of interests in associates and other investments, respectively.

The Company expects to make annual contributions to its funded defined benefit plans, as determined in line with local conditions and practices. Contributions in respect of unfunded plans are paid as they fall due. The total contributions (for funded plans) and benefit payments (for unfunded plans) paid for 2010 amounted to £53.3 million (2009: £47.7 million, 2008: £44.2 million). Employer contributions and benefit payments in 2011 are expected to be in the range of £40 million to £60 million depending on the performance of the assets. Projections for years after 2011 are subject to a number of factors, including future asset performance and changes in assumptions which mean the Company is unable to make sufficiently reliable estimations of future contributions.

Use of Estimates

The preparation of financial statements requires management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ materially from those estimates.

Critical Accounting Policies

The Company's financial statements have been prepared in accordance with IFRS. A summary of the Group's principal accounting policies are described in the Accounting Policies section of the Financial Statements. The Company believes certain of these accounting policies are particularly critical to understanding the more significant judgements and estimates used in the preparation of its

consolidated financial statements. Therefore, we have prepared the following supplemental discussion of critical accounting policies, which should be read together with our financial statements and notes thereto.

Goodwill and other intangibles

The Company has a significant amount of goodwill and other intangible assets. The Company initially tests the carrying value of goodwill and other indefinite lived intangible assets for impairment annually at 30 June of each year, and then updates the review at 31 December or whenever there is an indication of impairment.

Under IFRS, an impairment charge is required for both goodwill and other indefinite lived assets when the carrying amount exceeds the 'recoverable amount', defined as the higher of fair value less costs to sell and value in use. Our approach in determining the recoverable amount utilises a discounted cash flow methodology, which necessarily involves making numerous estimates and assumptions regarding revenue growth, operating margins, appropriate discount rates and working capital requirements. These estimates will likely differ from future actual results of operations and cash flows, and it is possible that these differences could be material. In addition, judgements are applied in determining the level of cash-generating unit we identify for impairment testing and the criteria we use to determine which assets should be aggregated. A difference in testing levels could affect whether an impairment is recorded and the extent of an impairment loss. Changes in our business activities or structure may also result in changes to the level of testing in future periods. Further, future events could cause the Company to conclude that impairment indicators exist and that the asset values associated with a given operation have become impaired. Any resulting impairment loss could have a material impact on the Company's financial condition and results of operations.

Historically our impairment losses have resulted from a specific event, condition or circumstance in one of our companies, such as the loss of a significant client. As a result, changes in the assumptions used in our impairment model have not had a significant effect on the impairment charges recognised. The carrying value of goodwill and other intangible assets will continue to be reviewed at least annually for impairment and adjusted to the recoverable amount if required.

The most significant assumptions employed by the Company in determining recoverable amounts are as follows:

- Future cashflows derived from each cash-generating unit are based on a projection period of up to five years. These projections utilise the latest budget information available for each cash-generating unit covering one or more twelve month periods from the balance sheet date. These budgets have been prepared by management;
- After the projection period, an assumed annual long-term growth rate of 3%, with no improvements in operating margins. Management have made the judgement that this long-term growth rate does not exceed the long-term growth rate for the industry; and
- The net present value of the future cash flows was discounted by using a pre-tax discount rate of 9.58%.

Acquisition accounting

The Group accounts for acquisitions in accordance with IFRS 3 (revised) 'Business Combinations'. IFRS 3 (revised) requires the acquiree's identifiable assets, liabilities and contingent liabilities (other than non-current assets or disposal groups held for sale) to be recognised at fair value at acquisition date. In assessing fair value at acquisition date, management make their best estimate of the likely

outcome where the fair value of an asset or liability may be contingent on a future event. In certain instances, the underlying transaction giving rise to an estimate may not be resolved until some years after the acquisition date. IFRS 3 (revised) requires the release to profit of any acquisition reserves which subsequently become excess in the same way as any excess costs over those provided at acquisition date are charged to profit. At each period end management assess provisions and other balances established in respect of acquisitions for their continued probability of occurrence and amend the relevant value accordingly through the consolidated income statement or as an adjustment to goodwill as appropriate under IFRS 3 (revised). In 2010, operating profit includes credits totaling £16.5 million (2009: £19.4 million, 2008: £23.7 million) relating to the release of excess provisions and other balances established in respect of acquisitions completed prior to 2009.

Future anticipated payments to vendors in respect of contingent consideration (earnout agreements) are initially recorded at fair value which is the present value of the expected cash outflows of the obligations. The obligations are dependent on the future financial performance of the interests acquired (typically over a four to five year period following the year of acquisition) and assume the operating companies improve profits in line with directors' estimates. The directors derive their estimates from internal business plans together with financial due diligence performed in connection with the acquisition. Subsequent adjustments to the fair value are recorded in the consolidated income statement within revaluation of financial instruments. For acquisitions completed prior to 1 January 2010, such adjustments are recorded in the consolidated balance sheet within goodwill. A summary of earnout related obligations included in creditors is shown in note 19 to the Consolidated Financial Statements.

WPP has also entered into option agreements that allow the Group's equity partners to require the Group to purchase the non-controlling interest. These agreements are treated as derivatives over equity instruments and are recorded in the consolidated balance sheet at fair value and the valuation is remeasured at each period end. Fair value is based on the present value of expected cash outflows and the movement in the fair value is recognised as income or expense within revaluation of financial instruments in the consolidated income statement.

Actual performance may differ from the assumptions used resulting in amounts ultimately paid out with respect to these earnout and option agreements at more or less than the recorded liabilities.

Revenue recognition

Advertising and Media Investment Management revenue is typically derived from commissions on media placements and fees for advertising services. Revenue may consist of various arrangements involving commissions, fees, incentive-based revenue or a combination of the three, as agreed upon with each client.

Revenue is recognised when the service is performed, in accordance with the terms of the contractual arrangement. Incentive-based revenue typically comprises both quantitative and qualitative elements; on the element related to quantitative targets, revenue is recognised when the quantitative targets have been achieved; on the element related to qualitative targets, revenue is recognised when the incentive is received or receivable.

The Group receives volume rebates from certain suppliers for transactions entered into on behalf of clients that, based on the terms of the relevant contracts and local law, are either remitted to clients or retained by the Group. If amounts are passed on to clients they are recorded as liabilities until settled or, if retained by the Group, are recorded as revenue when earned.

In applying the proportional performance method of revenue recognition for both market research and other long-term contracts, management is required to make significant judgements, estimates and

assumptions. In assessing contract performance, both input and output criteria are reviewed. Costs incurred are used as an objective input measure of performance. The primary input of all work performed under these arrangements is labour. As a result of the relationship between labour and cost, there is normally a direct relationship between costs incurred and the proportion of the contract performed to date. Costs incurred as a proportion of expected total costs is used as an initial proportional performance measure. The indicative proportional performance measure is subsequently validated against other more subjective criteria (i.e. relevant output measures) such as the percentage of interviews completed, percentage of reports delivered to a client and the achievement of any project milestones stipulated in the contract. In the event of divergence between the objective and more subjective measures, the more subjective measures takes precedence since these are output measures.

Since project costs can vary from initial estimates, the reliance on total project cost estimate represents an uncertainty inherent in the revenue recognition process. Individual project budgets are reviewed regularly with project leaders to ensure that cost estimates are based upon up to date and as accurate information as possible, and take into account any relevant historic performance experience. Also, the majority of contracted services subject to proportional performance method revenue recognition are in relation to short term projects, averaging approximately 3 months. Due to this close and frequent monitoring of budgeted costs and the preponderance of short term projects, the impact of variances between actual and budgeted project costs has historically been minimal. The Company does not believe that the effect of these uncertainties, taken as a whole, will significantly impact their results of operations in the future.

Pension costs

Pension costs are assessed in accordance with the advice of local independent qualified actuaries. The latest full actuarial valuations for the various plans were carried out at various dates in the last three years. These valuations have generally been updated by the local independent qualified actuaries to 31 December 2010.

The Group has a policy of closing defined benefit plans to new members. This has been implemented across a significant number of pension plans. As a result, these plans generally have an ageing membership population. In accordance with IAS 19, the actuarial calculations have been carried out using the projected unit credit method. In these circumstances, use of this method implies that the contribution rate implicit in the current service cost will increase in future years.

The Group's pension deficit was £239.9 million at 31 December 2010, compared to £248.0 million at 31 December 2009. The decrease in the deficit relates to positive investment performance and actions taken by WPP to curtail and settle plans. These factors are partially offset by a drop in discount rates and by the weakening of the sterling.

There are a number of areas in the pension accounting that involve judgements made by management. These include establishing the long-term expected rates of investment return on pension assets, mortality assumptions, discount rates, inflation, rate of increase in pensions in payment and salary increases.

Most of the Group's pension plan assets are held by its plans in the UK and North America. In the UK, the forecasted weighted average return on assets decreased to 5.4% at 31 December 2010 from 5.6% at 31 December 2009, and in North America, the forecasted weighted average return decreased to 6.4% from 6.5%, broadly in line with the yields available in both markets. Management reviews the expected long-term rates of return on an annual basis and revises them as appropriate.

Also, management periodically commission detailed asset and liability studies performed by third-party professional investment advisors and actuaries, which generate probability-adjusted expected future returns on those assets. These studies also project the estimated future pension payments and evaluate the efficiency of the allocation of the pension plan assets into various investment categories.

At 31 December 2010, the life expectancies underlying the value of the accrued liabilities for the main defined benefit pension plans operated by the Group were as follows:

Years life expectancy after age 65	All Plans	North America	UK	Western Continental Europe	Asia Pacific ¹
Current pensioners – male	20.7	19.7	22.4	20.0	19.3
Current pensioners – female	22.7	21.6	23.8	23.3	24.7
Future pensioners (current age 45) – male	22.3	21.2	23.6	22.5	19.3
Future pensioners (current age 45) – female	23.9	22.5	25.0	25.2	24.9

¹ Includes Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe.

In the determination of mortality assumptions, management use the most up-to-date mortality tables available in each country.

For a 0.25% increase or decrease in the discount rate at 31 December 2010, the effect on the year-end 2010 pension deficit would be a decrease or increase, respectively, of approximately £26 million.

Deferred taxes

We record deferred tax assets and liabilities using tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on enacted, or substantively enacted legislation, for the effect of temporary differences between book and tax bases of assets and liabilities. Currently we have deferred tax assets resulting from operating loss carryforwards and deductible temporary differences, all of which could reduce taxable income in the future. Based on available evidence, both positive and negative, we determine whether it is probable that all or a portion of the deferred tax assets will be realised. The main factors that we consider include:

- future earnings potential determined through the use of internal forecasts;
- cumulative losses in recent years;
- the various jurisdictions in which the potential deferred tax assets arise;
- history of loss carryforwards and other tax assets expiring;
- the timing of future reversal of taxable temporary differences;
- the expiry period associated with the deferred tax assets; and
- the nature of the income that can be used to realise the deferred tax asset.

If it is our belief that it is probable that some portion of these assets will not be realised, then no asset is recognised in relation to the portion not considered to be realisable. At 31 December 2010 no deferred tax asset has been recognised in respect of gross tax losses and other temporary differences of £4,834.9 million.

If market conditions improve and future results of operations exceed our current expectations, our existing recognised deferred tax assets may be adjusted, resulting in future tax benefits. Alternatively, if market conditions deteriorate further or future results of operations are less than expected, future assessments may result in a determination that some or all of the deferred tax assets are not realisable. As a result, we may need to reverse all or a portion of the deferred tax assets, which may have a significant effect on our results of operations and financial condition.

New IFRS Accounting Pronouncements

See pages F-7 and F-8 to the Consolidated Financial Statements for a description of new IFRS accounting pronouncements.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

The directors and executive officers of the Company are as follows:

Philip Lader, age 65: Non-executive chairman. Philip Lader was appointed chairman in 2001. The US Ambassador to the Court of St James's from 1997 to 2001, he previously served in several senior executive roles in the US Government, including as a Member of the President's Cabinet and as White House Deputy Chief of Staff. Before entering government service, he was executive vice president of the company managing the late Sir James Goldsmith's US holdings and president of both a prominent American real estate company and universities in the US and Australia. A lawyer, he is also a Senior Advisor to Morgan Stanley, a director of Marathon Oil, AES and Rusal Corporations, a trustee of the Smithsonian Museum of American History and the Atlantic Council and a member of the Council on Foreign Relations.

Sir Martin Sorrell, age 66: Chief executive. Sir Martin Sorrell joined WPP in 1986 as a director, becoming Group chief executive in the same year. He is a non-executive director of Formula One.

Paul Richardson, age 53: Finance director. Paul Richardson became Group finance director of WPP in 1996 after four years with the Company as director of treasury. He is responsible for the Group's worldwide functions in finance, information technology, procurement, property, treasury, taxation, internal audit and corporate responsibility. He is a chartered accountant and fellow of the Association of Corporate Treasurers. He is a non-executive director of CEVA Group plc, Chime Communications PLC and STW Communications Group Limited in Australia, the last two being companies associated with the Group.

Mark Read, age 44: Strategy director and CEO, WPP Digital. Mark Read was appointed a director in March 2005. He has been WPP's director of strategy since 2002 and is also chief executive of WPP Digital. He is a member of the Supervisory Board of HighCo and a director of CHI & Partners. He worked at WPP between 1989 and 1995 in both parent company and operating company roles. Prior to rejoining WPP in 2002, he was a principal at the consultancy firm of Booz-Allen & Hamilton and founded and developed the company WebRewards in the UK.

Colin Day, age 56: Non-executive director. Colin Day was appointed a director in July 2005. He is the chief executive of Filtrona plc and a non-executive director of Amec. He was the group finance director of Reckitt Benckiser plc, until April 2011, having been appointed to its board in September 2000. Prior to joining Reckitt Benckiser he was group finance director of Aegis Group plc and previously held a number of senior finance positions with ABB Group plc and De La Rue Group plc. He was a non-executive director of Vero Group plc until 1998, Bell Group plc until 2004, Imperial Tobacco plc until February 2007, easyJet plc until 30 September 2005 and Cadbury plc until 2010.

Esther Dyson, age 59: Non-executive director. Esther Dyson was appointed a director in 1999. In 2004 she sold her company, EDventure Holdings, to CNET Networks, the US-based interactive media company now owned by CBS. She left CNET at the end of 2006 and now operates as an independent investor and writer, again under the name of EDventure. She has been highly influential for the past 20 years on the basis of her insights into online/information technology markets and their social impact worldwide, including the emerging markets of Central and Eastern Europe and Asia. An active investor as well as an analyst/observer, she participated in the sale of Flickr to Yahoo! and of Medstory and Powerset to Microsoft. She sits on the boards of non-listed start-ups including Evernote (US), 23andMe (US), Airship Ventures (US), Eventful.com (US), Meetup Inc. (US), NewspaperDirect (Canada), Voxiva (US) and Yandex (Russia). She is also active in public affairs and was founding chairman of ICANN, the domain name policy agency, from 1998 to 2000. She currently sits on the board of the Sunlight Foundation, which advocates transparency in government.

Orit Gadiesh, age 60: Non-executive director. Orit Gadiesh was appointed a director in April 2004. She is chairman of Bain & Company, Inc. and a world-renowned expert on management and corporate strategy. She holds an MBA from Harvard Business School and was a Baker Scholar. She is a member of the International Advisory Board at Haute Ecole Commerciale in France, as well as a member of the Foundation Board for the World Economic Forum and the Board of Directors of The Peres Institute for Peace. She is a member of the Council on Foreign Relations, and a trustee for Eisenhower Fellowships.

Ruigang Li, age 41: Non-executive director. Ruigang Li was appointed a director in October 2010. He is President of Shanghai Media Group (SMG) a multimedia conglomerate based in Shanghai. Since 2002, under Ruigang's leadership, SMG has maintained the most complete portfolio of media and related businesses, including television, radio, print media, digital media, home shopping, content distribution, performing arts, training, and has become the largest content and service provider and distributor of Chinese language programs in the Chinese Mainland. Ruigang is also the Chairman of China Media Capital (CMC), China's first and only sovereign private equity fund dedicated to the media sector both within China and abroad. CMC recently announced a partnership with News Corporation's Star China to develop their joint interests in developing growth opportunities in the operational and investment platforms in China and overseas markets. Prior to his current role, Ruigang was a visiting scholar at Columbia University in New York.

Stanley (Bud) Morten, age 67: Non-executive director. Bud Morten was appointed a director in 1991. He is a consultant, private investor and one of the five public members of the Investment Advisory Council of the State of Connecticut. From 2003 to 2009 he was the Independent Consultant to Citigroup/Smith Barney with responsibility for its independent research requirements. Previously he was the chief operating officer of Punk, Ziegel & Co, a New York investment banking firm with a focus on the healthcare and technology industries. Before that he was the managing director of the equity division of Wertheim Schroder & Co, Inc. in New York. He is a former non-executive director of Register.com, which was sold to a private equity firm in November 2005. He is also a non-executive director of The Motley Fool, Inc., and of Darien Rowayton Bank, both of which are private companies.

Koichiro Naganuma, age 66: Non-executive director. Koichiro Naganuma was appointed a director in February 2004. He is chairman of the Board of Asatsu-DK Inc., also known as ADK. He is also vice chairman of Japan Advertising Association. Joining the agency in 1981, he was president and Group CEO from 1991-2010. ADK is Japan's third largest advertising and communications company, and 10th largest in the world.

Lubna Olayan, age 55: Non-executive director. Lubna Olayan was appointed a director in March 2005. Ms Olayan is the deputy chairperson and chief executive officer of the Olayan Financing Company, a subsidiary and the holding entity for the Olayan Group's operations in the Kingdom of Saudi Arabia and the Middle East. Ms Olayan is a Board Member of two publicly listed companies, the Saudi Hollandi Bank and Schlumberger, and on the International Advisory Board of Akbank, Rolls-Royce and the National Bank of Kuwait. She is on the Board of Trustees of Cornell University, INSEAD and KAUST (King Abdullah University of Science and Technology) and on the Board of DSCA (Down Syndrome Charitable Association) and Al Fanar, the first Arab venture philanthropy organisation in the Arab region.

John Quelch, age 59: Non-executive director. John Quelch was appointed a director in 1988. He is the Dean, Vice President and Distinguished Professor of International Management at the China Europe International Business School. Between 2001 and 2011 he was the Lincoln Filene Professor of Business Administration and Senior Associate Dean at Harvard Business School. Between 1998 and 2001 he was Dean of the London Business School. Between 2002 and 2011 he served as chairman of

the Massachusetts Port Authority, honorary counsel general of the Kingdom of Morocco in New England and as honorary chairman of the British American Business Council of New England. Professor Quelch's writings focus on global business practice in emerging as well as developed markets, international marketing and the role of the multinational corporation and the nation state. He is a non-executive director of Alere, Inc and a member of the Council on Foreign Relations. He served previously on the boards of Blue Circle Industries plc, easyJet plc, Pentland Group plc, Pepsi Bottling Group and Reebok International Limited.

Jeffrey A. Rosen, age 63: Non-executive director. Jeffrey Rosen was appointed a director in December 2004. He is a deputy chairman and managing director of Lazard. He has over 30 years' experience in international investment banking and corporate finance. He is a member of the Council on Foreign Relations and is President of the Board of Trustees of the International Center of Photography in New York.

Timothy (Tim) Shriver, age 51: Non-executive director. Tim Shriver was appointed a director in August 2007. He is Chairman and CEO of Special Olympics, serving over three million Special Olympic athletes and their families in 180 countries. In recent years, he has produced films for Disney, Dream Works and Fox Searchlight and Hallmark Hall of Fame. He co-founded the Collaborative for Academic, Social and Emotional Learning (CASEL) and currently chairs the CASEL Board. He is a member of the Council on Foreign Relations and is also a non-executive director of the Malaria No More, Neogenix Oncology, and he is the founder and President of the Center for Interface Action on Global Poverty.

Paul Spencer, age 61: Non-executive director. Paul Spencer was appointed a director in April 2004. He is a financier with 20 years' experience in the financial management of a number of blue-chip companies, including British Leyland PLC, Rolls-Royce PLC, Hanson PLC and Royal & Sun Alliance PLC. He has held a number of non-executive directorships including until 2009 chairman of NS and I (National Savings). He is currently chairman of State Street Managed Pension Funds and Chairs audit at TR Property Investment Trust PLC. He is the independent Trustee of the BAT, BT, BA and Rolls-Royce Pension Funds. In the 2010 Honours he was awarded a CBE for services to the financial services industry. Paul is a governor of the charity Motability.

Sol Trujillo, age 59: Non-executive director. Sol Trujillo was appointed a director in October 2010. He is a highly experienced international business executive, who brings 30 years of international business experience to the Board, having served as CEO on three continents in media communications organisations; US West (now Qwest), Orange (now France Telecom) and Telstra, the Australian communications company. Recognised as a broadband and wireless pioneer, he has a reputation as an innovator in the digital space, described by President Reagan's science advisor as "the nation's first digital telecom CEO". He has managed operations and remains active in business affairs in both developed and fast-growing markets from China and South Asia to Europe, North America, Africa and the Middle East... more than 20 countries around the world. He is a member of corporate boards in the US, EU and China – including in the US, Target and Promerica Bank; in Europe, Weather Investments S.p.A in Italy; and in Asia, Silk Road Technologies in China, where he is board chairman. In the public sector, Mr Trujillo served as a trade policy advisor to the Clinton and Bush administrations and remains active on public policy issues related to immigration, trade, productivity and fiscal affairs.

The board of directors has determined that all of the non-executive directors are independent under NASDAQ Rule 5605(a)(2).

B. Compensation

Review of compensation

Following a very challenging 2009, the performance of the Group improved considerably in 2010. The design of compensation policy at WPP ensures that there is a clear and direct link between the performance of the Group and executive compensation throughout the Group. In 2010, the strong performance of the Group therefore resulted in both increased incentive levels for management and strong returns for share owners. The use of performance-driven compensation ensures the continued alignment of share owner and executive interests and is essential to enable the Company to attract, retain and motivate the most gifted talent in the industry.

The committee's work during 2010 included:

- a review of the total compensation packages of the executive directors relative to the marketplace to ensure competitiveness;
- the approval of all stock plan awards used to attract, retain, reward and motivate employees;
- a review of the fees of the chairman and the non-executive directors;
- the approval of all incentive payments, payable in cash or in shares, for senior executives throughout the Group and setting appropriate performance targets for the Group chief executive and the other executive directors;
- approving the deferral and further deferral of significant share incentive awards by the Group chief executive; and
- implementation of clawback provisions in the Company's senior management share incentive plans.

WPP competes on the basis of its intellectual capital. This intellectual capital is created entirely by its people, and the committee endeavours to strike the right balance of fairness between employees and share owners. For this reason, the design of all executive compensation at WPP is governed by three guiding principles: competitiveness, performance-driven reward and alignment with share owner interests.

These three principles are themselves derived from both our mission statement: *to develop and manage talent; to apply that talent, throughout the world, for the benefit of clients; to do so in partnership; to do so with profit* and our six business objectives (see pages 20 to 21).

The Compensation Committee regularly reviews fixed and variable compensation against appropriate benchmarks both internal and external. When making decisions on executive compensation, the committee is briefed on the remuneration levels within the Group. This includes, for example, the consideration of actual and budgeted salary increases across the organisation when determining executive salary increases. In addition, the committee approves the design of incentive plans and reviews all the awards made under those incentive plans. In 2010 the proportion of total compensation that was variable (due to linkage to performance) for Sir Martin Sorrell, Paul Richardson and Mark Read was 87.4%, 80.1% and 75.2%, respectively.

WPP is committed to aligning executive performance and reward with share owner interests. From a compensation perspective, this is encouraged in a number of ways:

- Total Shareholder Return (TSR) has been chosen as the performance measure for the Leadership Equity Acquisition Plan (LEAP) plans as it represents the best objective measure of the success of the Company as far as share owners are concerned;
- share ownership is encouraged for the WPP Leaders (approximately the top 200 executives), all of whom have stretching ownership goals;

- all eligible employees are given a share ownership opportunity through participation in the Worldwide Ownership Plan; and
- the majority of the compensation package of executive directors is paid in the form of shares comprised of deferred share bonus and long-term incentive awards under the LEAP plans.

The role of the Compensation Committee in improving risk management

The Compensation Committee is always sensitive to the requirement that the decisions that it makes and the compensation programs the Group has in place serve to improve the management of risk in the Group. In particular:

- the incentive plans take into account performance across a broad range of financial and non-financial measures;
- Compensation Committee meetings are generally held at the time of Board meetings, at which the committee members are usually given a comprehensive briefing on issues and risks facing each of the business units as well as the Group as a whole;
- one of the single biggest challenges for WPP is attracting and retaining key talent. Incentive plans are designed to be attractive in the marketplace and provide as much retention value as possible, such as the use of deferred share bonuses that normally vest after two years, and the use of restricted stock awards that vest after three years; and
- the clawback provisions that have been added into key share incentive plans (i.e. those other than the all-employee plans) give the Compensation Committee the right to cancel or reduce unvested share awards should this be justified by a participant's acts or omissions.

Key elements of short- and long-term remuneration

The principal elements of WPP executive remuneration currently comprise the following:

- base salaries and fees (fixed);
- short-term incentives paid both in cash (payable immediately) and shares which vest in the medium-term, usually after two years (variable); and
- long-term incentives paid in shares (variable, subject to performance conditions, and in the case of LEAP, co-investment conditions).

Pension contributions, life assurance, healthcare and other benefits are also provided.

Compensation packages for the most senior people at WPP are normally reviewed every 24 months. These reviews are undertaken within the context of:

- the mix of fixed and variable compensation;
- the performance of the relevant business unit;
- pay and employment conditions elsewhere in the Group; and
- general market conditions.

In determining suitable benchmarks, the Compensation Committee looks at the compensation of executives holding similar roles in competitor organisations and, if appropriate, general industry data for organisations of comparable size and complexity.

Base salary and fees

	Current salary and fees	Effective date
Sir Martin Sorrell	£1,000,000	1 Jan 2007
Paul Richardson	\$925,000 and £100,000	1 Jan 2011
Mark Read	£425,000	1 Jan 2011

As reported in previous years, fees of £100,000 are paid to each of the executive directors in respect of their directorships of WPP plc and are included in the numbers above.

Sir Martin Sorrell's base salary was last increased on 1 January 2007. It was due to be reviewed in November 2008 with any change to be implemented from January 2009; however, Sir Martin informed the Compensation Committee that an increase would not be appropriate in light of business conditions. His salary and directors' fees therefore remained unchanged throughout 2008, 2009 and 2010. As part of the extensive review of the executive directors' compensation at the end of 2010, the committee considers that an increase in base salary and adjustments to incentive opportunities are appropriate. Consideration of these issues has continued during 2011 and the committee intends to consult share owners before the proposals are finalised. The final changes agreed will be disclosed in the 2011 Compensation Committee report.

As a result of the review, and being mindful of the time that has elapsed since the last salary increases, the committee decided to increase the base salary of the other two executive directors. Paul Richardson's base salary was increased from \$830,000 plus £100,000 fees to \$925,000 plus £100,000 fees. The committee believed that Mark Read's package of base salary and fees at £325,000 was uncompetitive and, given the increased importance of digital strategy to the Group and Mr Read's continuing personal development, an increase to his remuneration was in order. As a result, Mark Read's package of base salary and fees was increased to £425,000. These increases were the first increases since July 2008 and January 2009 respectively, and both increases were implemented with effect from 1 January 2011.

Retirement benefits

All pension benefits for the Company's executive directors are currently on a defined contribution basis. Only the aggregate of base salary and director fees is pensionable. Details of pension contributions for executive directors for the period under review are set on page 50.

Short-term incentives

Each year WPP sets stretching performance targets for each operating company. Performance against these targets determines the size, if any, of the incentive pool for that unit. In aggregate, incentive payments in 2010 were higher than in 2009 due to improved performance. This trend was also reflected in the bonuses paid to executive directors.

Individual targets (both financial and strategic) for the operating company CEOs are set by WPP and in turn, these CEOs set similar targets for employees who report directly to them. Payment is in the form of both cash bonuses and deferred shares, being Performance Share Awards (PSAs), which vest a further two years after grant. The grant of PSAs typically occurs three months after the end of the financial year.

In a similar way, the Compensation Committee sets objectives for Sir Martin Sorrell and the other executive directors. The extent to which these objectives are met will determine the size of both annual cash bonuses (under the Short Term Incentive Plan, or STIP) and Executive Share Awards (ESAs, the portion of the annual bonus paid in shares which normally vest a further two years after grant).

No changes were made in 2010 to the levels of short-term incentive payouts that would be payable for achieving either target or maximum performance. The target and maximum cash bonus and ESA awards for each of the three executive directors in 2010 were as follows (shown as a percentage of salary):

	Cash		ESA	
	Target %	Max %	Target %	Max %
Sir Martin Sorrell	100	200	67	100
Paul Richardson	80	120	100	133
Mark Read	50	75	67	100

Consistent with previous years, for 2010 the performance of each executive director was measured in the three areas shown below.

- Group financial objectives: Examples of measures include margin improvement and operating profit growth.
- Individual strategic objectives: Examples of measures include relative financial performance, advancing CSR strategy, improving back office synergies and integrating digital assets.
- Key business achievements: Examples of measures include improving creative reputation and developing digital strategy.

Each of these three elements is equally weighted for bonus purposes (i.e. one third of the bonus is payable for the achievement of each objective). Except for the Group financial objectives, the exact measures differ for each individual executive director.

After considering each of these areas and the respective measures for each executive director, the committee assessed the following levels of performance:

Cash	2010 achievement as % of target				2009	2008
	Financial	Strategic	Business	Total	Total % of target	Total % of target
Sir Martin Sorrell	200	170	200	190	41	125
Paul Richardson	150	105	150	135	58	100
Mark Read	150	105	150	135	72	125

ESA	2010 achievement as % of target				2009	2008
	Financial	Strategic	Business	Total	Total % of target	Total % of target
Sir Martin Sorrell	150	127	150	142	82	112
Paul Richardson	133	93	133	120	62	100
Mark Read	150	104	150	135	72	125

These achievement levels resulted in the following bonus payments:

	Cash bonus		ESA bonus	
	Actual % of target	Actual £000	Actual % of target	Actual £000
Sir Martin Sorrell	190	1,900	142	950
Paul Richardson	135	682	120	757
Mark Read	135	219	135	293

The executive directors are eligible, but decided not, to participate in a cash bonus deferral plan whereby they can defer receipt of part of their bonus for four years, and receive a 25% match in the form of WPP shares (subject to continuous employment).

In conjunction with the committee's review of total compensation for the executive directors, the committee decided to adjust the levels of short-term incentive awards available for executive directors. The target and maximum levels for both Paul Richardson and Mark Read have been adjusted for 2011 in order to better balance the cash and share incentive elements of their remuneration, and to reflect market practice, and are shown below (as a percentage of salary):

	Cash		ESA	
	Target %	Max %	Target %	Max %
Paul Richardson	100	150	100	150
Mark Read	67	100	67	100

As mentioned in the *Base salary and fees* section, a decision regarding adjustments to Sir Martin Sorrell's incentive opportunities is pending the outcome of share owner consultation.

Long-term incentives

During the latter part of 2010, the Compensation Committee reviewed the long-term incentive plans to assess whether they continued to meet the strategic objectives of the Company particularly given the increased competitive pressures that have been fuelled by the general economic recovery and competitors' behaviour. The committee reviewed grant levels, performance criteria and vesting schedules. The conclusion of the review was that the grant levels and vesting schedules remained appropriate and well suited to the nature of the business. While the committee believes that the relative TSR measure that has been used for a number of years continues to be the most appropriate performance measure, the committee periodically reviews whether the plans would be strengthened by the addition of one or two further non-market measures in order to balance TSR.

Other than stock options, all awards will be satisfied out of WPP shares held in treasury or one of the Company's employee share ownership plans (ESOPs). The proceeds from any of the cash or share-based equity plans are not pensionable.

Leadership Equity Acquisition Plan III

In 2010, awards under LEAP III were made to 18 of the Group's key executives. Details of the awards made to the executive directors can be found on page 52.

Participants have to commit and retain investments in WPP in order to receive awards under LEAP III. Such investments are in the form of WPP shares (investment shares) and, at the invitation of the Compensation Committee, also in the form of options over WPP shares purchased from an independent third party (investment options). LEAP III awards provide participants with the opportunity to earn additional WPP shares to match their investments (matching shares). The number of matching shares that a participant can receive at the end of the investment and performance period depends on the Company's TSR performance measured over five years and compared with a peer group weighted by market capitalisation.

Following the end of a performance period, the Compensation Committee is required to perform a 'fairness review' on the basis of which it may, in exceptional circumstances, decide to vary the number of matching shares that will vest. This is because relative TSR may not always reflect the true performance of the Company. Factors the committee considers in its fairness review of any award

include, amongst others, multiple measures of the Group's financial performance (such as growth in revenue and in earnings per share), and any evidence of distortions in the share price of either WPP or the peer group (such as bid price premiums).

Vesting of the 2005 and 2006 LEAP awards

As previously reported in the 2009 Compensation Committee report, the 2005 award vested in March 2010 with a match of 2.50.

As described above, the Compensation Committee is required to perform a 'fairness review' before any awards can vest. When performing this fairness review in the context of determining the level of vesting of the 2006 award, the committee reviewed a broad range of factors in its consideration of whether the relative TSR achievement was a fair reflection of the performance of the Group over the five-year performance period or whether there were factors that required the result to be adjusted. For the vesting of the 2006 award, the committee considered the following factors: the constituents of the peer group and whether there were any events that had an undue impact on their TSR performance in either a positive or negative way; the impact of changes in exchange rates on the TSR calculation; and the financial performance of the Company, relative to its peers, covering a wide range of measures including EPS, PBIT, margin, revenue and several other factors.

Following the fairness review, the committee concluded that the relative TSR result fairly reflected the performance of the Company over the five-year investment period, and that no adjustment was deemed necessary. The relative TSR performance of the Company resulted in a match of 4.14 for each investment share committed to the program despite the fact that on a local currency basis the match was 4.80.

Restricted Stock Plan

Other than to satisfy awards under the short-term incentive plans (ESAs and PSAs), the principal use of the Restricted Stock Plan is for awards under the WPP Leaders and Partners program. This program is used to reward, retain and align the interests of about 1,250 of our key executives with the interests of share owners.

In the program, awards are made to participants that vest three years after grant, provided the participant is still employed within the Group. Executive directors are ineligible to participate in this plan.

Executive Stock Option Plan

In order to attract or retain key talent it is sometimes necessary to make special grants of options. No awards were granted in 2010 to any employee or executive director (1 award was granted to an employee in 2009). However, the Compensation Committee is conscious that stock options remain a powerful motivator and, in certain circumstances, it might be necessary to make awards to a broader population under the Executive Stock Option Plan.

Worldwide Ownership Plan

The Worldwide Ownership Plan is an all-employee plan that makes annual grants of stock options to employees with two years of service who work in wholly owned subsidiaries. During 2010, awards were made to over 45,000 employees. By 31 December 2010, options under this plan had been granted to approximately 97,700 employees over 43.4 million shares since March 1997. Executives who participate in one of the other share plans described above are ineligible to participate in this plan.

Share incentive dilution for 2000 to 2010

The share incentive dilution level, measured on a 10-year rolling basis, has declined to 4.4% at 31 December 2010 (2009: 4.6%). It is intended that awards under all plans, with the exception of the Worldwide Ownership Plan, will all be satisfied with purchased shares held either in the ESOPs or in treasury.

Key elements of short- and long-term remuneration

	Objective	Participation	Performance period	Conditions	Change of control
Short-term					
Base salary	To maintain package competitiveness at all levels within the Group.	All employees.	n/a	Salary levels are determined by taking a number of relevant factors into account, including individual and business unit performance, level of experience, scope of responsibility and the competitiveness of total remuneration.	n/a
Cash bonus	To incentivise delivery of value at all levels within the Group.	Approximately 10% of employees are eligible to receive a performance bonus.	1 year	Achievement of challenging performance goals (financial and non- financial) at the individual and business unit level.	The cash bonuses of executive directors do not crystallise on a change of control.
Performance share awards	To incentivise delivery of value and to align with interests of share owners.	Key operating company executives.	1 year	Achievement of challenging performance goals (financial and non- financial) at operating company level. Further two-year retention period.	See note below for Restricted Stock Plan.
Executive share awards	To incentivise delivery of value and to align with interests of share owners.	Key head office executives and executive directors.	1 year	Achievement of challenging individual annual bonus objectives. Further two- or three-year retention period.	See note below for Restricted Stock Plan.
Long-term					
LEAP III and Renewed LEAP	To incentivise long-term performance by comparing WPP's TSR against the TSR of key comparators (which are weighted by market capitalisation in the case of LEAP III), and maximise alignment with share owner interests through a high level of personal financial commitment.	Participation offered only to those key executives (currently no more than 20 people) whose contributions transcend their day-to-day role, including executive directors.	5 years	Relative TSR performance against a group of key communication services comparator companies, (weighted by market capitalisation in the case of LEAP III), subject to a fairness review by the Compensation Committee.	On a change of control, the investment period for all outstanding awards ends, the number of vesting shares is determined at that date (pro-rated in the case of LEAP III) and any other rights cease. The number of shares that vest may be reduced to prevent adverse US tax provisions applying. The Compensation Committee may determine that outstanding awards are exchanged for equivalent awards.
Restricted Stock Plan	To encourage a share ownership culture and long-term retention as well as supporting recruitment.	Directors and senior executives of the operating companies and senior head office executives.	n/a	Typically three-year retention period.	The vesting period for all outstanding awards is deemed to end. The Compensation Committee may determine that outstanding awards are exchanged for equivalent awards or that outstanding awards are unaffected by the change of control.
Executive Stock Option Plan	To provide a tool to promote retention and recruitment.	Occasional use only to deal with special situations.	3 years	Conditions, if any, are determined at the time of grant of the award.	The number of shares or ADRs is pro-rated down in accordance with the change of control date. The Compensation Committee may determine that outstanding awards are unaffected by the change of control.
Worldwide Ownership Plan	To develop a stronger ownership culture.	Employees with at least two years' employment. Not offered to those participating in other share programs or to executive directors.	n/a	Three-year vesting period.	The number of shares or ADRs is pro-rated down in accordance with the change of control date. The Compensation Committee may determine that outstanding awards are unaffected by the change of control.

Directors' remuneration

For the fiscal year ended 31 December 2010 the aggregate compensation paid by WPP and its subsidiaries to all directors and officers of WPP as a group for services in all capacities was £9.9 million. Such compensation was paid by WPP and its subsidiaries primarily in the form of salaries, performance-related bonuses, other benefits and a deferred share award. The sum of £0.7 million was set aside and paid in the last fiscal year to provide pension benefits for directors and officers of WPP.

Executive directors' emoluments

The value of salary and fees, benefits, pension contributions and annual incentives paid both in cash (under the STIP) and shares (ESAs) for the year ending 31 December 2010 are set out in the table below. The table also shows comparative numbers for 2009. In the case of the STIP and ESAs, the figures shown are the value of the awards in respect of the year in question (although they were received in the following year). Benefits include such items as healthcare, life assurance, spouse travel and allowances for cars and housing. Both Sir Martin Sorrell and Paul Richardson currently receive part of their remuneration in pounds sterling and part in US dollars. Any US dollar amounts received in 2010 have been converted into sterling at an exchange rate of \$1.5461 to £1 (\$1.5667 for 2009).

	Salary and fees		Other benefits		Short-term incentive plans (annual bonus)		Value of ESAs		Total annual remuneration		Pension contributions	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Executive directors												
Sir Martin Sorrell ^{1, 2, 3}	1,009	1,007	374	345	1,900	406	950	546	4,233	2,304	400	401
Paul Richardson	637	630	106	101	682	290	757	389	2,182	1,410	191	189
Mark Read	325	325	2	1	219	117	293	157	839	600	33	33
Total remuneration	1,971	1,962	482	447	2,801	813	2,000	1,092	7,254	4,314	624	623

¹ During 2010 an amount of £6,813 was paid to Sir Martin Sorrell in respect of tax liabilities incurred by him on expenditure on various items considered by the UK Tax authorities as benefits in kind but which the committee consider to be essential to his ability to deliver his services successfully to the Group (£8,323 in 2009).

² Payments made in accordance with the approval granted by share owners of amounts equal to the dividends that would be payable (totalling £1,081,172) were made to Sir Martin Sorrell during 2010 (£856,687 during 2009) in respect of the shares reflected in the UK and US Deferred Stock Units Awards Agreements (which are the agreements that now comprise the awards granted under the Capital Investment Plan in 1995).

³ Benefits include other items such as healthcare, life assurance, spouse travel, allowance for cars and housing.

ESAs and Restricted Stock Awards held by executive directors

All awards made under the Restricted Stock Plan are made on the basis of satisfaction of previous performance conditions and are subject to continuous employment until the vest date. The table includes awards that vested during 2010, awards that remained outstanding during 2010 and, by way of additional information, awards that have been granted since 31 December 2010.

Name	Award date	Share plan	Share/ADR price on grant date	No. of shares/ADRs originally awarded	Value on grant day 000	Additional shares granted in lieu of dividends	Total shares vesting	Vesting date	Share price on vesting	Value on vesting £000	
Sir Martin Sorrell	2007 ESA Award	03.03.08	ESA	£5.9025	149,851	£885	10,582	160,433	06.03.10	£6.455	1,036
	2008 ESA Award	09.03.09	ESA	£3.83625	196,285	£753	—	—	06.03.11	—	—
	2009 ESA Award	04.05.10	ESA	£6.7775	80,560	£546	—	—	06.03.13	—	—
	2010 ESA Award	31.03.11	ESA	£7.6825	123,657	£950	—	—	06.03.13	—	—
Paul Richardson	2007 ESA Award	03.03.08	ESA	£5.9025	96,094	£567	6,785	102,879	06.03.10	£6.455	664
	2008 ESA Award	09.03.09	ESA	£3.83625	143,369	£550	—	—	06.03.11	—	—
	2009 ESA Award ¹	04.05.10	ESA	\$51.59	11,813	\$609	—	—	06.03.13	—	—
	2010 ESA Award ¹	31.03.11	ESA	£61.76	19,121	\$1,181	—	—	06.03.13	—	—
Mark Read	Def Bonus 2005	16.03.06	Deferred bonus	£6.7950	3,601	£24	1,280 ²	4,881	16.03.10	£ 6.5452	32
	Def Bonus 2006	27.04.07	Deferred bonus	£7.4775	9,526	£71	—	—	16.03.11	—	—
	2007 ESA Award	03.03.08	ESA	£5.9025	43,202	£255	3,050	46,252	06.03.10	£6.455	299
	2008 ESA Award	09.03.09	ESA	£3.83625	59,954	£230	—	—	06.03.11	—	—
	2009 ESA Award	04.05.10	ESA	£6.7775	23,164	£157	—	—	06.03.13	—	—
	2010 ESA Award	31.03.11	ESA	£7.6825	38,138	£293	—	—	06.03.13	—	—

¹ Paul Richardson's 2009 and 2010 ESA Awards were granted in respect of ADRs.

² Represents the combined total of matching shares and shares granted in lieu of dividends.

Other Long-Term Incentive Plan Awards

Renewed Leadership Equity Acquisition Plan

Name	Grant / award date	Investment and performance period	Number of investment shares	Share price on grant date	Maximum number of matching units at 1 Jan 2010	During 2010			Maximum number of matching units at 31 Dec 2010	Share price on vest/ deferral date	Value on vest/ deferral date £000
						Granted/ (lapsed) units	Additional dividend shares	Vested or deferred shares			
Sir Martin Sorrell	15.12.05	01.01.05 – 31.12.09	203,394	£6.175	1,016,970	(508,485)	53,760	562,245	—	£ 6.455	3,629
	15.11.06	01.01.06 – 31.12.10	156,536	£6.84	782,680	—	—	—	782,680	—	—
	11.12.07	01.01.07 – 31.12.11	148,742	£6.23	743,710	—	—	—	743,710	—	—
	31.10.08	01.01.08 – 31.12.12	218,596	£3.749	1,092,980	—	—	—	1,092,980	—	—
Paul Richardson	15.12.05	01.01.05 – 31.12.09	81,358	£6.175	406,790	(203,395)	21,504	224,899	—	£ 6.455	1,452
	15.11.06	01.01.06 – 31.12.10	66,102	£6.84	330,510	—	—	—	330,510	—	—
	11.12.07	01.01.07 – 31.12.11	59,497	£6.23	297,485	—	—	—	297,485	—	—
	31.10.08	01.01.08 – 31.12.12	109,298	£3.749	546,490	—	—	—	546,490	—	—
Mark Read	15.12.05	01.01.05 – 31.12.09	10,170	£6.175	50,850	(25,425)	—	25,425	—	£ 6.455	164
	15.11.06	01.01.06 – 31.12.10	16,525	£6.84	82,625	—	—	—	82,625	—	—
	11.12.07	01.01.07 – 31.12.11	14,874	£6.23	74,370	—	—	—	74,370	—	—
	31.10.08	01.01.08 – 31.12.12	21,859	£3.749	109,295	—	—	—	109,295	—	—

The vesting schedules used for the various awards under Renewed LEAP are shown in the following tables. When actual performance falls between these positions, the match is calculated on a proportionate basis.

Awards granted in 2006 and 2007

Rank compared to peer group	Number of matching shares
1	5
2	5
3	4.5
4	3.5
5	2.5
Median	1.5
Below median	0

Awards granted in 2008

Rank compared to peer group	Number of matching shares
1	5
2	5
3	4
4	3
Median	1.5
Below median	0

Leadership Equity Acquisition Plan III

Name	Grant / award date	Investment and performance period	Number of investment shares	Number of investment options	Share price on grant date	Maximum number of matching units at 1 Jan 2010	During 2010			Maximum number of matching units at 31 Dec 2010	Share price on vest/ deferral date	Value on vest/ deferral date
							Granted/ (lapsed) units	Additional dividend shares	Vested or deferred shares			
Sir Martin Sorrell	15.12.09	01.01.09 – 31.12.13	365,878	—	£ 6.1025	1,829,390	—	—	—	1,829,390	—	—
	24.11.10	01.01.10 – 31.12.14	416,666	—	£ 7.2475	—	2,083,330	—	—	2,083,330	—	—
Paul Richardson	15.12.09	01.01.09 – 31.12.13	103,423	—	£ 6.1025	517,115	—	—	—	517,115	—	—
	24.11.10	01.01.10 – 31.12.14	100,968	—	£ 7.2475	—	504,840	—	—	504,840	—	—
Mark Read	15.12.09	01.01.09 – 31.12.13	27,406	—	£ 6.1025	137,030	—	—	—	137,030	—	—
	24.11.10	01.01.10 – 31.12.14	25,281	—	£ 7.2475	—	126,405	—	—	126,405	—	—

The vesting schedule used for the awards under LEAP III is shown in the following table. When actual performance is not exactly equal to a percentile in the table below, but is more than 50% and less than 90%, the percentage of Matching Shares will be determined on a straight-line basis between the relevant figures.

Awards granted in 2009 and 2010

Aggregate market Capitalisation percentile	Number of matching shares
90th percentile	500%
80th percentile	420%
70th percentile	330%
60th percentile	240%
50th percentile	150%
40th percentile	0%
30th percentile	0%
20th percentile	0%
10th percentile	0%
Bottom	0%

The comparator groups used for the awards under Renewed LEAP (2006, 2007, 2008) and LEAP III (2009, 2010) are shown in the following table. Where a company that delists during a performance period has an undisturbed share price for less than 40% of that performance period, the Compensation Committee would usually exclude that company from the comparator group for the award in question. Otherwise, the company would usually be deemed to be disposed of and the proceeds reinvested, in respect of LEAP III, in a market capitalisation weighted index, and in respect of Renewed LEAP in a non-market capitalisation weighted index, both of which track the TSR of the remaining comparator companies.

Grant year	Comparator group
2006	Aegis, Arbitron, Dentsu, Gfk, Havas Advertising, Interpublic, Ipsos, Omnicom Group, Publicis and Taylor Nelson Sofres
2007	Aegis, Arbitron, Dentsu, Gfk, Havas Advertising, Interpublic, Ipsos, Omnicom Group, Publicis and Taylor Nelson Sofres
2008	Aegis, Arbitron, Dentsu, Gfk, Havas Advertising, Interpublic, Ipsos, Omnicom Group and Publicis
2009	Aegis, Arbitron, Dentsu, Gfk, Havas, Interpublic, Ipsos, Omnicom Group and Publicis
2010	Aegis, Arbitron, Dentsu, Gfk, Havas, Interpublic, Ipsos, Omnicom Group and Publicis

Non-executive directors' remuneration

The fees paid to non-executive directors (NEDs) are normally reviewed every two years and any changes are approved by the Board. Other than the Audit Committee chairman, the fee levels shown below have been effective since 1 January 2007. Accordingly, the Compensation Committee recommended, and the Board determined, that the existing structure should be adjusted as follows:

Position/role	From 1 January 2011	2010 fees (effective from 1 January 2007)
Chairman	£425,000	£300,000
Senior independent director	£ 20,000	£ 10,000
Non-executive director	£ 65,000	£ 60,000
Chairmanship of Audit and Compensation Committee	£ 40,000	£ 20,000 ¹
Chairmanship of Nomination Committee	£ 15,000	£ 10,000
Member of Audit and Compensation Committee	£ 20,000	£ 5,000
Member of Nomination Committee	£ 5,000	£ 5,000

¹ Fee for chairmanship of Audit Committee effective from 1 January 2009.

From 1 January 2011, the chairman is not entitled to any further fees or salary for either chairmanship or membership of any of the Company's committees. UK-based NEDs who are required to travel outside the UK to consider Company-related matters at meetings called at short notice will be paid £1,000 for attendance at each of those meetings. The fees detailed above are the only payments receivable by NEDs. Mr Morten will also be paid a fee of £20,000 for additional services that he provides to the Board.

The table below shows actual fees paid for the year 2010. The notice period for all NEDs is two months.

Director	Date of original contract	Expiry of current contract	Committee membership	Fee for 2010 £000	Fee for 2009 £000
P Lader	26.02.01	05.10.11	Chairman of the Company, chairman of Nomination Committee and member of Compensation Committee	315	315
C Day	25.07.05	05.10.11	Member of Audit Committee and member of Compensation Committee from 1 December 2010	65	65
E Dyson	29.06.99	05.10.11	Member of Compensation Committee and member of Nomination Committee	70	70
O Gadiesh	28.04.04	05.10.11	Member of Nomination Committee	65	65
R Li	11.10.10	11.10.13	Appointed to the Board in October 2010	14	n/a
S W Morten	02.12.91	05.10.11	Senior independent director until April 2010 and ex officio member of all committees	70 ¹	71
K Naganuma ²	23.01.04	05.10.11		—	—
L Olayan ³	18.03.05	05.10.11	Member of Nomination Committee	—	—
J A Quelch ⁴	10.07.91	05.10.11		94	85
J Rosen	20.12.04	05.10.11	Chairman of Compensation Committee, member of Audit Committee and Senior Independent Director since April 2010	82	75
T Shriver	06.08.07	05.10.11	Member of Audit Committee until 29 June 2010 and member of Compensation Committee from 29 June 2010	65	65
P Spencer	28.04.04	05.10.11	Chairman of Audit Committee	80	80
S Trujillo	12.10.10	12.10.13	Appointed to the Board in October 2010, member of the Audit Committee from 12 October 2010	15	n/a

¹ Fee includes ex officio payment of £6,000.

² Received no fees in 2009 and 2010.

³ Waived fees in 2009 and 2010.

⁴ Fee includes £34,038 (£24,515 in 2009) for consulting services.

C. Board Practices

In accordance with the UK Corporate Governance Code, all of the directors will submit themselves for annual re-election at each Annual General Meeting. Directors may be appointed by share owners by ordinary resolution or by the Board on the recommendation of the Nomination Committee and must then stand for re-election at the next Annual General Meeting where they may be re-elected by ordinary resolution of the share owners.

Information regarding the period during which each director has served is set forth in Item 6A.

Policy on directors' service contracts, notice periods, termination payments and external appointments

The Company's policy is that contracts should be on a rolling basis and will not include either a fixed term or liquidated damages provisions. Sir Martin Sorrell's service contract may be terminated by the Company or by Sir Martin without, in either case, notice needing to be given — a so called 'contract at will'. This means that the Company may terminate Sir Martin's service contract without the need to pay compensation for any notice period.

Executive director	Effective from	Notice period
Sir Martin Sorrell	19 Nov 2008	"At will"
Paul Richardson	19 Nov 2008	12 months
Mark Read	19 Nov 2008	6 months

Executive directors are permitted to serve as non-executives on the boards of other organisations. If the Company is a share owner in that organisation, non-executive fees for these roles are waived. However, if the Company is not a share owner in that organisation, any non-executive fees can be retained by the office holder.

Composition of the Compensation Committee

During 2010, the Compensation Committee comprised the following:

- Jeffrey Rosen (chairman of the committee);
- Esther Dyson;
- Philip Lader;
- Tim Shriver (from 29 June 2010); and
- Colin Day (from 1 December 2010).

No member of the committee has any personal financial interest (other than as a share owner as disclosed on page 59) in the matters to be decided by the committee, potential conflicts of interest arising from cross-directorships or day-to-day involvement in running the Group's businesses.

The terms of reference for the Compensation Committee are available on the Company's website at www.wpp.com and will be on display at the Annual General Meeting (AGM), as set out in the Notice of AGM.

The committee's principal responsibilities under its terms of reference include:

- reviewing and approving the Company's compensation strategy;
- determining appropriate remuneration for executive directors;
- approving the service agreements and severance arrangements for executive directors and other senior executives of the Company;
- maintaining appropriate procedures for evaluation of executive performance;
- overseeing succession planning and management development for senior executives in the group who are not members of the Board;
- reviewing, approving and administering the Company's executive long-term incentive plans, employee share schemes and other equity-related incentive plans;
- reviewing proposed special incentive awards to senior executives;
- monitoring prohibitions on personal loans to directors and officers;
- determining targets for performance-related pay schemes;
- advising on any major changes in employee benefit structures;
- overseeing the provisions for selecting, appointing and setting the terms of reference for any remuneration consultants to the Company;
- overseeing the preparation of and recommending to the board the approval of the annual report of the committee in compliance with the disclosure requirements of the Code of Best Practice and the Directors' Remuneration Report Regulations 2002;
- overseeing the adequacy of disclosures throughout the year regarding director compensation, stock transactions and benefits;

- approving the policy for authorising claims for expenses from directors and senior executives; and
- ensuring that procedures are in place concerning compliance with the employee welfare provisions of the Company's Code of Business Conduct and Ethics and the Company's Policy Manual.

Advisors to the Compensation Committee

The Compensation Committee regularly consults with Group executives, particularly the Group chief executive (who is not present when matters relating to his own compensation or contracts are discussed and decided), the chief talent officer and the worldwide director of compensation & benefits. The latter two individuals provide a perspective on information reviewed by the committee and are a conduit for requests for information and analysis from the Company's external advisors. Towers Watson, are the committee's appointed compensation advisors; they did not provide any other material services to the Group. Squire Sanders Hammonds advises the committee on legal and tax issues relating to compensation and benefits, and provides legal advice on a range of matters to the Group.

The Compensation Committee receives external advice on all matters pertaining to the determination of fair and appropriate compensation packages for the executive directors. This advice covers competitive practice in comparator companies, tax and regulatory changes and governance issues related to the role of the Compensation Committee.

Review of the Audit Committee

During 2010, the Audit Committee comprised Paul Spencer, Jeffrey Rosen, Colin Day, Sol Trujillo and Tim Shriver. Tim Shriver stepped down from the committee in July 2010 and Sol Trujillo was appointed to the committee in October 2010.

Meetings of the Audit Committee, of which there were nine during 2010, were also attended (by invitation for all or part of any meeting) by the external auditors, the Company's chairman, the Group finance director, Bud Morten, the director of internal audit, the Group chief counsel, deputy Group chief counsel and the Company Secretary. Preparatory meetings were also held with the internal and external auditors as well as members of the Company's senior management including the heads of the Tax, Treasury, Legal and Group Reporting teams. The committee received presentations from the heads of Tax, Transaction Services and Treasury. The committee also received reports from the Disclosure Committee in relation to the Disclosure Committee's review and work on financial reports. The Board received regular reports on all matters of particular significance arising at the committee meetings.

The committee's terms of reference, which are reviewed with the Board annually and most recently in April 2011, are available for inspection on the Company's website at www.wpp.com and are on display prior to and at all general meetings of the Company.

During the year, the committee and its members were formally assessed by the chairman of the Company for their technical suitability to be members of the committee and also for the committee's overall effectiveness. The Board has designated Paul Spencer as the committee's financial expert for Sarbanes-Oxley Act (SOX) purposes and as having recent and relevant financial experience for the purposes of the Combined Code and the UK Corporate Governance Code.

The committee has once again overseen the progress towards compliance with Section 404 of SOX for 2010, through regular status reports submitted by the internal and external auditors.

The committee received and reviewed regular reports on both the Company's Right to Speak helpline, which is made available to employees to enable them to communicate confidentially on matters of concern and the actions taken in response to those calls.

The committee has established a policy regarding non-audit services that may be provided by the external auditors, which prohibits certain categories of work in line with relevant guidance on independence, such as ethical standards issued by the Auditing Practices Board, standards of the Public Company Accounting Oversight Board (United States) and SOX. Other categories of work may be provided by the auditors if it is appropriate for them to do so. The provision of such services and associated fees are pre-approved by the committee, either as individual assignments or as aggregate amounts for specified categories of services. All fees are summarised periodically for the committee to assess the aggregate value of non-audit fees against audit fees. The level of fees for 2010 is shown in note 3 to the financial statements and in Item 16C.

In line with the committee's responsibility to review and appoint the external auditors and approve their remuneration and terms of engagement, in 2010 the committee monitored Deloitte's independence, objectivity and performance with reference to frequent reports from Deloitte during the year covering the overall audit strategy and the progress and results of the audit. The committee recommends the reappointment of Deloitte.

Other work carried out by the committee in 2010 included:

- monitoring the integrity of the Company's financial statements and reviewing significant financial reporting judgements;
- reviewing internal financial control and internal audit activities;
- assisting the Board in meeting its responsibilities in respect of reviewing and reporting on the systems and key elements of risk management as they affect the Group;
- reviewing the Group Treasury policy with particular focus on debtors, funding and the continued ability of the Group to adopt the going concern basis in preparing financial statements;
- reviewing reports on any material litigation or regulatory reviews involving Group companies;
- reviewing the Group's mergers and acquisitions strategy, any significant acquisitions, due diligence procedures and integration processes and the debt financing by the Group;
- reviewing new business models proposed by Group companies;
- reviewing the Group's Code of Business Conduct and supporting training programs;
- reviewing the Group's tax strategy;
- monitoring the accounting and legal reporting requirements, including all relevant regulations of the UK Listing Authority, the SEC and NASDAQ and the Jersey Financial Services Commission with which the Company must comply; and
- reviewing the procedures and supporting training programs being implemented by the Group in response to the UK Bribery Act and US Foreign Corrupt Practices Act and increased regulatory focus.

D. Employees

The assets of communications services businesses are primarily their employees, and the Company is highly dependent on the talent, creative abilities and technical skills of its personnel and the relationships its personnel have with clients. The Company believes that its operating companies

have established reputations in the industry that attract talented personnel. However, the Company, like all communications services businesses, is vulnerable to adverse consequences from the loss of key employees due to the competition among these businesses for talented personnel. On 31 December 2010, the Group, including all employees of associated undertakings, had approximately 146,000 employees located in approximately 2,400 offices in 107 countries compared with 138,000 and 135,000 as of 31 December 2009 and 2008, respectively. Excluding all employees of associated undertakings, this figure is 104,052 (2009: 98,759, 2008: 112,262). The average number of employees in 2010 was 101,387 compared to 105,318 and 97,438 in 2009 and 2008, respectively, including acquisitions. Their geographical distribution was as follows:

	2010	2009	2008
North America	25,546	25,004	24,493
United Kingdom	9,620	9,704	8,971
Western Continental Europe	21,154	22,230	19,448
Asia Pacific, Latin America, Africa and Middle East and Central & Eastern Europe	45,067	48,380	44,526
	101,387	105,318	97,438

Their operating sector distribution was as follows:

	2010	2009	2008
Advertising and Media Investment Management	42,424	42,906	45,754
Consumer Insight	28,167	28,325	14,934
Public Relations & Public Affairs	7,364	7,325	7,682
Branding & Identity, Healthcare and Specialist Communications	23,432	26,762	29,068
	101,387	105,318	97,438

E. Share Ownership

Directors' Interests

Directors' interests in the Company's ordinary share capital, all of which were beneficial (unless otherwise stated), are shown in the following table. Save as disclosed in this table and in the rest of Item 6, no director had any interest in any contract of significance with the Group during the year. Each executive director has a technical interest as an employee and potential beneficiary in shares in the Company held under the ESOPs. As at 31 December 2010, the Company's ESOPs (which are entirely independent of the Company and have waived their rights to receive dividends) held in total 22,083,378 shares in the Company (24,941,529 in 2009). Further details of the long-term incentive plans are given in Item 6B.

	At 1 Jan 2010 or appointment date	Shares acquired through long-term incentive plan awards in 2010		Movement during 2010 inc. shares purchased in 2010	At 31 Dec 2010 or earlier retirement or resignation	Shares acquired through long-term incentive plan awards in 2011		Other movements since 31 Dec 2010	At 18 Apr 2011	Shares contributed to charity 2007-2011 (and no longer beneficially owned)
		Vested	(sold)			Vested	(sold)			
C Day	5,240	—	—	10,000	15,240	—	—	—	15,240	—
E Dyson	35,000	—	—	—	35,000	—	—	—	35,000	—
O Gadiesh	—	—	—	—	—	—	—	—	—	—
P Lader	11,950	—	—	—	11,950	—	—	—	11,950	—
R Li	—	—	—	—	—	—	—	—	—	—
S W Morten	20,000	—	—	—	20,000	—	—	—	20,000	—
K Naganuma ¹	—	—	—	—	—	—	—	—	—	—
L Olayan	—	—	—	—	—	—	—	—	—	—
J A Quelch	12,000	—	—	—	12,000	—	—	—	12,000	—
M Read ²	79,272	71,677	(56,698)	2,875	97,126	139,782	(139,782)	6,355	103,481	—
P W G Richardson ^{2,3}	330,907	327,778	(164,219)	324	494,790	456,926	(415,926)	—	535,790	—
J Rosen	12,000	—	—	—	12,000	—	—	—	12,000	—
T Shriver	5,000	—	—	5,000	10,000	—	—	—	10,000	—
P Spencer	10,000	—	—	—	10,000	—	—	—	10,000	—
S Trujillo	—	—	—	10,000	10,000	—	—	—	10,000	—
Sir Martin Sorrell ^{2,4,5,6,7}	16,405,342	722,678	(122,536)	(147,883)	16,857,601	930,262	—	(264,000)	17,523,863	805,936 ⁸

¹ K Naganuma is a director of Asatsu-DK, which at 18 April 2011 had interests in 31,295,646 shares representing 2.47% of the issued share capital of the Company.

² Interests include investment shares committed to the 2007, 2008, 2009 and 2010 awards under the LEAP plans but do not include matching shares from these plans, if any.

³ In September 2010, AIB Group (UK) plc released from its charge to Paul Richardson 256,319 shares in the Company. These shares and 203,471 WPP ordinary shares also owned by Paul Richardson were converted into 91,958 WPP American Depositary Receipts. In September 2010, Paul Richardson agreed to charge 91,958 ADRs to Bank of America, N.A. as security for bank facilities being made available to him.

⁴ Includes 3,790,489 shares pursuant to the vesting of the 2004 and 2005 awards and part of the 2006 award granted under LEAP. The receipt of these awards has been deferred until November 2017.

⁵ Includes 3,636,950 shares which originally formed part of the Capital Investment Plan (an award in respect of 4,691,392 shares in total, some of which have been received by Sir Martin Sorrell) and comprised the UK and US Deferred Stock Units Awards Agreements.

⁶ In September 2010, Sir Martin Sorrell and the trustees of two family life interest trusts of Sir Martin Sorrell charged to HSBC Private Bank Limited 984,770 and 3,863,147 ordinary shares in the Company respectively as security for facilities. These shares were previously charged to AIB Group (UK) plc as security for facilities, but were released in September 2010. In September 2010, JMS Financial Services Limited Retirement Benefit Scheme transferred 3,001,073 ordinary shares in the Company to Sir Martin Sorrell. Sir Martin Sorrell charged these shares to HSBC as further security of the facilities made available to him. These shares were previously charged to AIB Group (UK) plc as security for facilities, but were released from the charge in September 2010.

⁷ In March 2011, Sir Martin Sorrell gifted 264,000 ordinary shares to the JMMRJ Sorrell Charitable Foundation.

⁸ The JMMRJ Sorrell Charitable Foundation, of which Sir Martin Sorrell is a joint trustee, is interested in 805,936 WPP plc shares. Sir Martin has no beneficial interest in these shares.

Options held by executive directors

The options held by Mark Read at 31 December 2010 were granted prior to him becoming a director of the Company.

	Grant/ award date	End of exercise period	Exercise price	At 1 Jan 2010 (no. of shares)	Granted/ (lapsed) 2010 (no. of shares)	Exercised 2010 (no. of shares)	Share price on exercise	Value on exercise	At 31 Dec 2010 (no. of shares)	Share price 31 Dec 2010 [†]
Mark Read	17.11.2003	17.11.2013	£5.595	10,615	—	—	—	—	10,615	£ 7.895
	29.10.2004	29.10.2014	£5.535	9,879	—	—	—	—	9,879	£ 7.895

[†] Share price 12-month high/low: £7.95/£5.725.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

As of the dates shown below, the Company is aware of the following interests of 3% or more in the issued ordinary share capital of the Company:

		18 April 2011		16 April 2010		30 April 2009
Legal & General	3.78%	47,884,647	3.99%	50,154,226	4.39%	55,109,569
BlackRock Inc.	*	*	5.10%	64,106,906	*	*
AXA S.A.	*	*	4.95%	62,221,408	*	*
Massachusetts Financial Services Company	*	*	4.84%	60,838,710	4.84%	60,758,614
Invesco plc	*	*	*	*	4.60%	57,745,790

* No interests in the issued ordinary share capital of the Company in excess of 3.0% have been notified to the Company.

The disclosed interests refer to the respective combined holdings of those entities and to interests associated with them. The Company has not been notified of any other holdings of ordinary share capital of 3% or more. None of these shareholders has voting rights that are different from those of the holders of the Company's ordinary shares generally. As far as WPP is aware, it is neither directly nor indirectly owned or controlled by one or more corporations or by any government, or by any other natural or legal persons severally or jointly.

The number of outstanding ordinary shares at 31 December 2010 was 1,264,391,221 which includes the underlying ordinary shares represented by 10,766,211 ADSs. 223 share owners of record of WPP ordinary shares were US residents at 31 December 2010.

The geographic distribution of our share ownership as of 31 December 2010 is presented below:

United Kingdom	38%
United States	34%
Asia Pacific, Latin America, Africa & Middle East, Canada and Continental Europe	28%
Total	100%

B. Related Party Transactions

From time to time the Group enters into transactions with its associated undertakings. These transactions were not material for any of the years presented.

C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

See Item 18.

Outstanding legal proceedings

The Company has claims against others and there are claims against the Company in a variety of matters arising from the conduct of its business. In the opinion of the management of the Company, the ultimate liability, if any, that is likely to result from these matters would not have a material adverse effect on the Company's financial position, or on the results of its operations.

Dividend distribution policy

The profit before tax for the year was £851.3 million (2009: £662.6 million, 2008: £746.8 million). The directors declared a second interim dividend of 11.82p (2009: 10.28p, 2008: 10.28p) per share to be paid on 4 July 2011 to share owners on the register at 3 June 2011 which, together with the first interim ordinary dividend of 5.97p (2009: 5.19p, 2008: 5.19p) per share paid on 8 November 2010, makes a total of 17.79p for the year (2009: 15.47p, 2008: 15.47p).

ADS holders are eligible for all stock dividends or other entitlements accruing on the underlying WPP plc shares and receive all cash dividends in US dollars. These are normally paid twice a year. Dividend cheques are mailed directly to the ADS holder on the payment date if ADSs are registered with WPP's US Depositary, Citibank N.A. Dividends on ADSs that are registered with brokers are sent to the brokers, who forward them to ADS holders.

Dividend Access Trust

Following the scheme of arrangement on 19 November 2008, WPP put in place a dividend access plan (the "Dividend Access Plan") under which share owners may elect to be paid dividends from WPP DAS Limited (a subsidiary of WPP formed in 2008 and resident for tax purposes in the UK) rather than from WPP (a company resident for tax purposes in Ireland). The Dividend Access Plan is primarily designed to ensure that share owners may continue to receive UK dividends, meaning in particular that under the Dividend Access Plan, no Irish tax is required to be withheld from the payment of dividends to share owners. The tax consequences of receiving dividends under the Dividend Access Plan or directly from WPP are described in Item 10E.

Share owners who hold more than 100,000 ordinary shares and who wish to receive their dividend from a United Kingdom source must make an election and should contact Computershare Investor Services for the relevant forms. Share owners who held 100,000 or fewer WPP ordinary shares on the date of admission of the Company's shares to the London Stock Exchange, or (if later) on the first dividend record date after they became share owners in the Company, will be automatically deemed to have elected to receive a United Kingdom-sourced dividend. All elections remain in force indefinitely unless revoked. Unless share owners have made, or are deemed to have made, an election under the Dividend Access Plan, their dividends will be paid from an Irish source and be taxed accordingly.

In 2009 WPP DAS Limited issued one dividend access share to Computershare, which acts as trustee pursuant to a dividend access trust that has been constituted pursuant to a trust deed. The trust deed provides that:

- (a) the dividend access trust will hold any dividends paid (not just declared) on the dividend access share in trust for share owners who have elected (or are deemed to have elected) to receive dividends pursuant to this arrangement; and

- (b) each registered share owner on a dividend record date who has made a valid election (or is deemed to have made a valid election) under the Dividend Access Plan will, assuming WPP DAS Limited has sufficient distributable reserves as at the time of the distribution to the trustee, be entitled to receive from the trustee an amount equal to the dividend it would have received from WPP, to the extent that the trustee has actually received an amount by way of dividend from WPP DAS Limited.

To ensure compliance with UK trust law rules, the period during which the dividend access trust may continue is restricted. However, the dividend access trust under current law is able to continue for 80 years.

Share owners will not have any interest in the dividend access share and will not have any rights against WPP DAS Limited as the issuer of the dividend access share. The only assets held in trust for the benefit of share owners will be dividends paid to the trustee in respect of the dividend access share.

Shortfall in dividend payment

To the extent that dividends paid to the dividend access trust are insufficient to fund an amount equal to the dividend paid on the relevant ordinary shares, any dividend on the dividend access share received by the dividend access trust will be allocated pro rata to the relevant share owners and WPP will pay the balance of the dividend due to those share owners by way of a dividend on the ordinary shares. Any such dividend paid on ordinary shares will have an Irish source and will generally be subject to Irish dividend withholding tax at such rate as may be applicable under Irish law or the exemptions from Irish dividend withholding tax contained in Irish law or any applicable double tax treaty. In such circumstances, there will be no grossing up by WPP nor will WPP DAS Limited or WPP compensate share owners for any adverse consequences including any Irish dividend withholding tax.

Termination

WPP and WPP DAS Limited reserve the right to suspend or terminate the Dividend Access Plan arrangements at any time, in which case, any dividends will be paid directly to all share owners (including share owners who have made or are deemed to have made) an election to participate in the Dividend Access Plan.

ADSs

In accordance with the provisions of the Deposit Agreement by and among WPP, Citibank, N.A., as Depositary, and the holders and beneficial owners of WPP's ADSs, the Depositary has made an election on behalf of all holders of ADSs to receive dividends from WPP DAS Limited under the Dividend Access Plan. If a holder of ADSs does not wish to receive dividends from WPP DAS Limited under the Dividend Access Plan, the holder must withdraw his or her ordinary shares from the ADS program prior to the dividend record date set by the Depositary and request delivery of the ordinary shares. This will enable the holder to receive dividends from WPP (if necessary, by making an election to that effect).

WPP DAS Limited 2010 financial statements are presented on page F-49.

B. Significant changes

None.

ITEM 9. THE OFFER AND LISTING

A. Offer and Listing Details

Share price history

The Company's ordinary shares have been traded on The London Stock Exchange since 1971.

The following table sets forth, for the periods indicated, the reported high and low middle-market quotations for the Company's ordinary shares on The London Stock Exchange, based on its Daily Official List.

	£ per Ordinary Share	
	High	Low
2006	7.07	6.09
2007	7.88	5.77
2008	6.48	3.10
2009		
First Quarter	4.40	3.53
Second Quarter	4.93	3.98
Third Quarter	5.51	3.85
Fourth Quarter	6.15	5.26
2010		
First Quarter	6.83	5.73
Second Quarter	7.40	6.08
Third Quarter	7.30	6.15
October	7.44	6.97
November	7.55	7.12
December	7.95	7.29
Fourth Quarter	7.95	6.97
2011		
January	8.02	7.73
February	8.47	7.78
March	8.37	7.38
First Quarter	8.47	7.38

The ordinary shares have traded in the United States since 29 December 1987 in the form of ADSs, which are evidenced by ADRs or held in book entry form. The Depositary for the ADSs is Citibank, N.A. in New York. The following table sets forth, for the periods indicated, the reported high and low sales prices of the ADSs as reported by NASDAQ.

	US dollars per ADS	
	High	Low
2006	67.90	53.72
2007	77.93	59.47
2008	63.19	23.28
2009		
First Quarter	31.26	24.54
Second Quarter	39.22	29.47
Third Quarter	44.96	31.03
Fourth Quarter	49.99	41.76
2010		
First Quarter	51.55	44.30
Second Quarter	57.03	44.48
Third Quarter	57.07	46.97
October	58.51	55.23
November	61.33	55.56
December	61.97	57.02
Fourth Quarter	61.97	55.23
2011		
January	63.91	60.65
February	68.78	62.84
March	68.17	58.74
First Quarter	68.78	58.74

The Depositary held 53,831,058 ordinary shares as at 31 December 2010, approximately 4.26% of the outstanding ordinary shares, represented by 10,766,211 outstanding ADSs.

B. Plan of Distribution

Not applicable.

C. Markets

See the discussion under “*Share price history*” in Item 9A.

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

WPP is a public limited company incorporated under the name "WPP plc" in Jersey with registered number 101749.

The following summarizes certain provisions of our memorandum and articles of association and applicable Jersey law. This summary is qualified in its entirety by reference to the Jersey Companies Law and our memorandum and articles of association. A copy of our memorandum and articles of association in the form adopted on 30 September 2008 is filed as an exhibit to a Form 6-K that we filed with the SEC on 9 December 2008.

Objects and Purposes

Under the Jersey Companies Law, the capacity of a Jersey company is not limited by anything contained in its memorandum or articles of association. Accordingly, the memorandum of association of a Jersey company does not contain an objects clause.

Rights attaching to WPP ordinary shares

Voting rights of share owners – subject to disenfranchisement in the event of: (A) non-payment of any call or other sum due and payable in respect of any ordinary share; or (B) any non-compliance with any statutory notice requiring disclosure of the beneficial ownership of any ordinary shares and subject to any special rights or restrictions as to voting for the time being attached to any ordinary shares (as to which there are none at present), on a show of hands every qualifying person (i.e. share owner, proxy or authorised corporate representative) present has one vote and on a poll every share owner present in person or by proxy has one vote for every ordinary share of which he or she is a holder, except that any proxy who has been appointed by the Depositary shall have such number of votes as equals the number of ordinary shares in relation to which such proxy has been appointed. In the case of joint holders, the vote of the person whose name stands first in the register of members and who tenders a vote is accepted to the exclusion of any votes tendered by any other joint holders.

Return of capital – the liquidator may, with the sanction of a special resolution of WPP and any other sanction required by the Statutes: (A) divide among the WPP share owners in specie the whole or any part of the assets of WPP; or (B) vest the whole or any part of the assets in trustees on such trusts for the benefit of share owners as the liquidator shall think fit, but no share owner shall be compelled to accept any assets upon which there is any liability. The "Statutes" means the Jersey Companies Law and every other statute, statutory instrument, regulation or order, for the time being in force, concerning companies registered under the Jersey Companies Law, including the Electronic Communication (Jersey) Law 2000 and the Companies (Uncertificated Securities) (Jersey) Order 1999.

Capitalisation of reserves

The board of directors may, with the authority of an ordinary resolution of WPP: (A) resolve to capitalise any sum standing to the credit of any reserve account of WPP (including share premium account and capital redemption reserve) or any sum standing to the credit of profit and loss account

not required for the payment of any preferential dividend (whether or not it is available for distribution); and (B) appropriate that sum as capital to the share owners in proportion to the nominal amount of the ordinary shares held by them respectively and apply that sum on their behalf in paying up in full any unissued ordinary shares or debentures of WPP of a nominal amount equal to that sum and allot the ordinary shares or debentures credited as fully paid to those share owners, or as they may direct, in those proportions or in paying up the whole or part of any amounts that are unpaid in respect of any issued ordinary shares held by them respectively, or otherwise deal with such sum as directed by the resolution, provided that the share premium account and the capital redemption reserve and any sum not available for distribution in accordance with the Statutes may only be applied in paying up unissued ordinary shares to be allotted credited as fully paid up.

Transfer of ordinary shares

Subject to any restrictions in the articles of association, a share owner may transfer all or any of his ordinary shares in any manner that is permitted by the Statutes and is from time to time approved by the board of directors. WPP shall register the transfer of any ordinary shares held in uncertificated form by means of a relevant system in accordance with the Statutes. The board of directors may, in its absolute discretion, refuse to register any transfer of an uncertificated share where permitted by articles of association and the Statutes.

A share owner may transfer all or any of his certificated ordinary shares by an instrument of transfer in any usual form, or in such other form as the board of directors may approve. The instrument of transfer shall be signed by or on behalf of the transferor and, except in the case of a fully paid share, by or on behalf of the transferee. The board of directors may, in its absolute discretion, refuse to register any transfer of any certificated ordinary share that is not fully paid up (but not so as to prevent dealings in ordinary shares admitted to official listing by the United Kingdom Listing Authority (UKLA) from taking place on an open and proper basis) or on which WPP has a lien. The board of directors may also refuse to register any instrument of transfer of a certificated ordinary share unless it is lodged at the registered office, or such other place as the board of directors may decide, for registration, accompanied by the share certificate for the ordinary shares to be transferred and such other evidence as the board of directors may reasonably require to prove title of the intending transferor or his right to transfer the ordinary shares and it is in respect of only one class of WPP shares. If the board of directors refuses to register a transfer of a certificated ordinary share it shall, as soon as practicable and in any event within two months after the date on which the instrument of transfer was lodged or the operator-instruction was received, give to the transferee notice of the refusal. The board of directors must provide the transferee with such further information about the reasons for the refusal as the transferee may reasonably request. Unless otherwise agreed by the board of directors in any particular case, the maximum number of persons who may be entered on the register as joint holders of an ordinary share is four.

Changes in capital

Subject to the provisions of the Jersey Companies Law, WPP may by special resolution:

- increase its share capital;
- consolidate and divide all or any of its share capital into ordinary shares of a larger amount;
- sub-divide all or part of its share capital into ordinary shares of a smaller amount;
- cancel any ordinary shares that have not, at the date of the special resolution, been taken or agreed to be taken by any person and diminish the amount of its authorised share capital by the amount of the ordinary shares so cancelled; or
- alter its share capital in any other manner permitted by the Jersey Companies Law.

Subject to the provisions of the Jersey Companies Law, WPP may by special resolution:

- purchase ordinary shares, including any redeemable ordinary shares; and
- reduce its share capital and any capital redemption reserve or share premium account.

Authority to allot securities and disapplication of pre-emption rights

WPP may from time to time pass an ordinary resolution authorizing the board of directors to exercise all the powers of WPP to allot relevant securities up to the nominal amount specified in the resolution. The authority shall expire on the day specified in the resolution, not being more than five years after the date on which the resolution is passed.

On the passing of a special resolution, the board of directors shall have power to allot equity securities for cash but that power shall be limited: (A) to the allotment of equity securities in connection with a rights issue; and (B) to the allotment (other than in connection with a rights issue) of equity securities having a nominal amount not exceeding in aggregate the sum specified in the special resolution (i.e. the articles of association do not contain any pre-emption rights).

Variation of rights

Whenever the share capital of WPP is divided into different classes of ordinary shares (which it is not as at the date of this document), all or any of the rights for the time being attached to any class of ordinary shares in issue may, subject to the Statutes, be varied, either in such manner as those rights may provide or with the consent in writing of the holders of two-thirds in nominal value of the issued ordinary shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of those ordinary shares. At any separate general meeting, the necessary quorum is two persons holding or representing by proxy at least one-third in nominal amount of the issued ordinary shares of the class in question (but at any adjourned meeting, one person holding ordinary shares of the class or his proxy is a quorum).

Disclosure of interests in ordinary shares

WPP may give a disclosure notice to any person whom it believes is either:

- interested in the ordinary shares; or
- has been so interested at any time during the three years on which the disclosure notice is issued.

The disclosure notice may require the person:

- to confirm that fact or (as the case may be) to state whether or not it is the case; and
- if he holds, or has during that time held, any such interest, to give such further information as may be required.

The notice may require the person to whom it is addressed, where either:

- his interest is a present interest and another interest in the ordinary shares subsists; or
- another interest in the ordinary shares subsisted during that three year period at a time when his interest subsisted, to give, so far as lies within his knowledge, such particulars with respect to that other interest as may be required by the notice including:
- the identity of persons interested in the ordinary shares in question; and

- whether persons interested in the same ordinary shares are or were parties to either an agreement to acquire interests in a particular company, or an agreement or arrangement relating to the exercise of any rights conferred by the holding of the ordinary shares.

The notice may require the person to whom it is addressed, where his interest is a past interest, to give (so far as lies within his knowledge) particulars of the identity of the person who held that interest immediately upon his ceasing to hold it.

Failure to provide the information within 14 days after the notice has been given means that the holder of the relevant ordinary shares shall not be entitled to vote either personally or by proxy at a shareholders' meeting or to exercise any other right confirmed by membership in relation to shareholder meetings for so long as the default continues (and, if those ordinary shares represent at least 0.25 percent of the issued ordinary shares of the class, the holder shall not be entitled to receive any payment by way of dividend or to transfer any rights in the ordinary shares).

Register of members

The register of members of WPP must be kept and maintained in Jersey.

Uncertificated ordinary shares – general powers

Subject to the Jersey Companies Law and the Uncertificated Securities Order (as defined in the articles of association), the board of directors may permit any class of ordinary shares to be held in uncertificated form and to be transferred by means of a relevant system and may revoke such permission. In relation to any uncertificated ordinary share, WPP may utilise the relevant system in which it is held to the fullest extent available from time to time in the exercise of any of its powers or functions under the Statutes or the articles of association or otherwise in effecting any actions. Any provision in the articles of association in relation to uncertificated ordinary shares that is inconsistent with any applicable statutory provision shall not apply. WPP may, by notice to the holder of an uncertificated share, require the holder to change the form of that ordinary share to certificated form within such period as may be specified in the notice. For the purpose of effecting any action by WPP, the board of directors may determine that holdings of the same share owner in uncertificated form and in certificated form shall be treated as separate holdings but ordinary shares of a class held by a person in uncertificated form shall not be treated as a separate class from ordinary shares of that class held by that person in certificated form.

Directors

The WPP directors (other than alternate directors) shall not, unless otherwise determined by an ordinary resolution of WPP, be fewer than six in number.

A director need not be a share owner.

There is no age limit for directors.

At each Annual General Meeting any director then in office who has been appointed by the board of directors since the previous Annual General Meeting or for whom it is the third Annual General Meeting following the Annual General Meeting at which he was elected or re-elected shall retire from office but shall be eligible for re-election.

The directors shall be paid fees not exceeding in aggregate £1,500,000 per annum (or such larger sum as WPP may, by ordinary resolution, determine) as the board of directors may decide to be

divided among them. Such fee shall be divided among them in such proportion and manner as they may agree or, failing agreement, equally.

The board of directors may grant special remuneration to any director who performs any special or extra services to, or at the request of, WPP. Special remuneration may be payable to a director in addition to his ordinary remuneration (if any) as a director.

The directors shall also be paid out of the funds of WPP all expenses properly incurred by them in and about the discharge of their duties, including their expenses of travelling to and from the meetings of the board of directors, committee meetings and general meetings.

The board of directors may exercise all the powers of WPP to pay, provide or procure the grant of pensions or other retirement or superannuation benefits and death, disability or other benefits, allowances or gratuities to any person who is or has been at any time a director or in the employment or service of WPP or of any company that is or was a subsidiary of or associated with WPP or of the predecessors in business of WPP or any subsidiary or associated company or the relatives or dependants of any such person. For that purpose, the board of directors may procure the establishment and maintenance of, or participate in, or contribute to any non-contributory or contributory pension or superannuation fund, scheme or arrangement or pay any insurance premiums.

Subject to any applicable statutory provisions and to declaring his interests in accordance with the articles of association, a director may enter into or be interested in any transaction or arrangement with WPP, either with regard to his tenure of any office or position in the management, administration or conduct of the business of WPP, or as vendor, purchaser or otherwise. A director may hold and be remunerated in respect of any other office or place of profit with WPP (other than the office of auditor of WPP) in conjunction with his office as a director and he (or his firm) may also act in a professional capacity for WPP (except as auditor) and may be remunerated for it.

A director who, to his knowledge, is in any way, whether directly or indirectly, interested in a transaction or arrangement or a proposed transaction or arrangement with WPP or any of its subsidiaries, or if any situation exists in which a director has or can have a direct or indirect interest that conflicts with or may conflict with the interests of WPP, shall disclose to WPP the nature and extent of the interest or situation in accordance with the articles of association.

Board meetings and committee meetings shall not take place in the United Kingdom and no director may participate in any meeting if he is physically present in the United Kingdom at any time during the meeting. Any decision reached or resolution passed by the directors at any meeting that is held in the United Kingdom or any meeting in respect of which any director participating in the meeting is physically present in the United Kingdom during the meeting shall be invalid and of no effect. The place of the board meeting shall be deemed to be at the place at which the chairman of the meeting is physically present.

A director shall not vote or be counted in the quorum at a meeting in respect of any resolution concerning his own appointment (including fixing and varying its terms), or the termination of his own appointment, as the holder of any office or place of profit with WPP or any other company in which WPP is interested but, where proposals are under consideration concerning the appointment (including fixing or varying its terms), or the termination of the appointment, of two or more directors to offices or places of profit with WPP or any company in which WPP is interested, those proposals may be divided and considered in relation to each director separately, and in such case each of the directors concerned (if not otherwise debarred from voting under the articles of association) shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment or the termination of his own appointment.

A director shall not vote (or be counted in the quorum at a meeting) in respect of any transaction or arrangement or other proposal in which he has an interest that (together with any interest of a connected person) is to his knowledge a direct or indirect interest and as may reasonably be required as likely to give rise to a conflict. Notwithstanding the above, a director shall be entitled to vote (and be counted in the quorum) on: (A) any transaction or arrangement in which he is interested by virtue of an interest in ordinary shares, debentures or other securities of WPP or otherwise in or through WPP; (B) the giving of any guarantee, security or indemnity in respect of money lent or obligations incurred by him or by any other person at the request of, or for the benefit of, WPP or any of its subsidiaries; or a debt or obligation of WPP or any of its subsidiaries for which he himself has assumed responsibility under a guarantee or indemnity or by the giving of security; (C) (subject to the Statutes) indemnification (including loans made in connection with it) by WPP in relation to the performance of his duties on behalf of WPP or any of its subsidiaries; (D) any issue or offer of ordinary shares, debentures or other securities of WPP or any of its subsidiaries in respect of which he is or may be entitled to participate in his capacity as holder of any such securities or as an underwriter or sub-underwriter; (E) any transaction or arrangement concerning another company in which he and any connected person do not to his knowledge hold, directly or indirectly as shareholders, or through their direct or indirect holdings of financial instruments (within the meaning of Chapter 5 of the Disclosure and Transparency Rules) voting rights representing one percent or more of any class of ordinary shares in the capital of such company; (F) any arrangement for the benefit of employees of WPP or any of its subsidiaries that does not accord to him any privilege or benefit not generally accorded to the employees to whom the arrangement relates; and (G) the purchase or maintenance of insurance for the benefit of the directors or for the benefit of persons including the directors. "Disclosure and Transparency Rules" means the rules and regulations made by the Financial Services Authority in its capacity as the UK Listing Authority under Part VI of the UK Financial Services and Markets Act of 2000, as amended, and contained in the UK Listing Authority's publication of the same name.

WPP shall not make a payment for loss of office to a director unless the payment has been approved by an ordinary resolution of WPP.

General meetings

The board of directors shall convene, and WPP shall hold, an Annual General Meeting in accordance with the Statutes. Other general meetings shall be held whenever the board of directors thinks fit or on the requisition of WPP share owners in accordance with the Statutes or the articles of association.

An Annual General Meeting shall be called by not less than 21 days' written notice and any other general meeting shall be called by not less than 14 clear days' written notice.

The requisite quorum for general meetings of WPP shall be two qualifying persons, entitled to vote on the business to be transacted at the meeting.

Borrowing powers

The board of directors may exercise all the powers of WPP to borrow money and to mortgage or charge all or any part of its undertaking, property and assets (both present and future) and uncalled capital and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligations of WPP or of any third party. The board of directors shall restrict the borrowings of WPP and exercise all voting and other rights or powers of control exercisable by WPP in relation to its subsidiaries (if any) so as to secure (as regards subsidiaries only so far as by such

exercise it can secure) that the aggregate principal amount outstanding at any time in respect of all borrowings by the WPP Group (exclusive of any borrowings that are owed by one WPP Group company to another WPP Group company) after deducting the amount of cash deposited will not, without the previous sanction of WPP in general meeting, exceed an amount equal to 2.5 times the adjusted capital and reserves (as defined in the articles of association) or any higher limit fixed by ordinary resolution of WPP that is applicable at the relevant time. "WPP Group" means WPP and its subsidiaries, subsidiary undertakings and associated undertakings.

To date, no resolution of the type referred to in this paragraph has been passed.

Dividends

Declaration of dividends – subject to the provisions of the Jersey Companies Law, WPP may, by ordinary resolution, declare a dividend to be paid to the share owners, according to their respective rights and interests in the profits, and may fix the time for payment of such dividend, but no dividend shall exceed the amount recommended by the board of directors.

Fixed and interim dividends – subject to the provisions of the Jersey Companies Law, the board of directors may pay such interim dividends as appear to the board of directors to be justified by the financial position of WPP and may also pay any dividend payable at a fixed rate at intervals settled by the board of directors whenever the financial position of WPP, in the opinion of the board of directors, justifies its payment. If the board of directors acts in good faith, none of the directors shall incur any liability to the share owners conferring preferred rights for any loss such share owners may suffer in consequence of the lawful payment of an interim dividend on any ordinary shares having non-preferred or deferred rights.

Calculation and currency of dividends – except insofar as the rights attaching to, or the terms of issue of, any shares otherwise provide: (A) all dividends shall be declared and paid according to the amounts paid up on the ordinary shares in respect of which the dividend is paid, but no amount paid up on an ordinary share in advance of calls shall be treated as paid up on the ordinary share; (B) all dividends shall be apportioned and paid pro rata according to the amounts paid up on the ordinary shares during any portion or portions of the period in respect of which the dividend is paid; (C) any amount paid by WPP by way of dividend will be deemed to include any amount that WPP may be compelled by law to withhold or deduct; and (D) dividends may be declared or paid in any currency. The board of directors may agree with any share owner that dividends that may at any time or from time to time be declared or become due on his ordinary shares in one currency shall be paid or satisfied in another, and may agree the basis of conversion to be applied and how and when the amount to be paid in the other currency shall be calculated and paid and for WPP or any other person to bear any costs involved.

Dividends not to bear interest – no dividend or other moneys payable by WPP on or in respect of any ordinary share shall bear interest as against WPP unless otherwise provided by the rights attached to the ordinary share.

Calls or debts or amounts required by law may be deducted from dividends – the board of directors may deduct from any dividend or other moneys payable to any person (either alone or jointly with another) on or in respect of an ordinary share all such sums as may be due from him (either alone or jointly with another) to WPP on account of calls or otherwise in relation to ordinary shares.

Dividends in specie – with the authority of an ordinary resolution of WPP and on the recommendation of the board of directors, payment of any dividend may be satisfied wholly or in part by the distribution of specific assets and in particular of paid up ordinary shares or debentures of any other company.

Scrip dividends – the board of directors may, with the authority of an ordinary resolution of WPP, offer any share owners the right to elect to receive further ordinary shares (whether or not of that class) credited as fully paid, by way of scrip dividend instead of cash in respect of all (or some part) of any dividend specified by the ordinary resolution.

Subject to share owner approval at the Company's Annual General Meeting, the Board also proposes to put in place a scrip dividend scheme which will enable share owners to elect to receive new fully paid ordinary shares in the Company instead of cash dividends, commencing with the second interim dividend for 2010. Details of the scrip dividend scheme, including the taxation of the scrip dividend and details of the election date for the proposed scrip dividend alternative in respect of the second interim dividend for 2010, will be sent to share owners together with the notice of the Company's Annual General Meeting.

Unclaimed dividends – any dividend unclaimed for a period of 12 years after having become due for payment shall be forfeited and cease to remain owing by WPP.

Forfeiture of ordinary shares

If the whole or any part of any call or installment remains unpaid on any ordinary share after the due date for payment, the board of directors may serve a written notice on the share owner requiring him to pay so much of the call or installment as remains unpaid, together with any accrued interest.

The written notice shall state a further day, being not less than 14 clear days from the date of the notice, on or before which, and the place where, payment is to be made and shall state that, in the event of non-payment on or before the day and at the place appointed, the ordinary share in respect of which the call was made or installment is payable will be liable to be forfeited.

If the requirements of a notice are not complied with, any ordinary share in respect of which it was given may (before the payment required by the notice is made) be forfeited by a resolution of the board of directors. The forfeiture shall include all dividends declared and other moneys payable in respect of the forfeited ordinary share and not actually paid before the forfeiture.

Every ordinary share that is forfeited or surrendered shall become the property of WPP and (subject to the Statutes) may be sold, re-allotted or otherwise disposed of, upon such terms and in such manner as the board of directors shall decide either to the person who was before the forfeiture the share owner or to any other person and whether with or without all or any part of the amount previously paid up on the ordinary share being credited as so paid up.

Website communication with share owners

The articles of association enable WPP to use its website as a means of sending or supplying documents or information to share owners. Before communicating with a share owner by means of its website, WPP must have asked the share owner, individually, to agree (generally or specifically) that WPP may send or supply documents or information to him by means of a website. A member shall be deemed to have agreed that WPP may send or supply a document or information by means of a website if no response to the request is received within 28 days. When communicating with share owners by means of website communications, WPP will notify the share owners (by post or other permitted means) of the presence of a document or information on the website.

Directors' indemnity, insurance and defence

As far as the legislation allows, WPP may:

- (i) indemnify any director (or of an associated body corporate) against any liability;

(ii) indemnify a director of a company that is a trustee of an occupational pension scheme for employees (or former employees) of WPP (or of an associated body corporate) against liability incurred in connection with WPP's activities as trustee of the scheme;

(iii) purchase and maintain insurance against any liability for any director referred to in paragraph (i) or (ii) above; and

(iv) provide any director referred to in paragraph (i) or (ii) above with funds (whether by loan or otherwise) to meet expenditure incurred or to be incurred by him in defending any criminal, regulatory or civil proceedings or in connection with an application for relief (or to enable any such director to avoid incurring such expenditure).

C. Material Contracts

The following is a summary of each contract (not being a contract entered into in the ordinary course of business) that has been entered into by any member of the WPP Group: (a) within the two years immediately preceding the date of this Form 20-F which are, or may be, material to the WPP Group; or (b) at any time which contain obligations or entitlements which are, or may be, material to the WPP Group as at the date of this Form 20-F:

(i) on 3 August 1998, WPP 2005 Limited entered into an agreement with Asatsu pursuant to which WPP 2005 Limited subscribed for approximately 23% (at that time) of the share capital of Asatsu for approximately £139 million and Asatsu subscribed for 31,295,646 ordinary shares in WPP 2005 Limited representing approximately 4% (at that time) of the issued share capital of WPP 2005 Limited. Each party agreed not to transfer any shares held by them in the other for a period of five years and thereafter only to transfer such shares following a procedure set out in the agreement. Each party is further entitled to nominate a non-executive director to the board of the other subject to retaining its shareholding in the other. Due to the disparity of the percentage shareholdings of WPP 2005 Limited in Asatsu and of Asatsu in WPP 2005 Limited, an agreement was also entered into on 3 August 1998 imposing, *inter alia*, limitations, in certain circumstances, on the voting rights in respect of the shares held by WPP 2005 Limited in Asatsu;

(ii) on 23 June 2004, WPP Finance (UK) issued US\$650,000,000 of 5.875% Notes due 2014 pursuant to the Indenture and the First Supplemental Indenture both dated as of 23 June 2004 among WPP Finance (UK), as Issuer, WPP 2005 Limited, as guarantor and Citibank N.A., as Trustee, as supplemented by the First Supplemental Indenture dated as of 23 June 2004 among WPP Finance (UK), as Issuer, WPP 2005 Limited, as Guarantor and Citibank N.A., as Trustee. The Notes were fully and unconditionally guaranteed by WPP 2008 Limited pursuant to the Second Supplemental Indenture dated 27 June 2006 and by WPP Young & Rubicam US Holdings (a subsidiary of WPP) pursuant to the Third Supplemental Indenture dated 19 December 2006. The Notes were fully and unconditionally guaranteed by WPP and WPP Air 1 Limited (a subsidiary of WPP) pursuant to the Fourth Supplemental Indenture dated 7 October 2008 and the Fifth Supplemental Indenture dated 30 April 2009. The Indenture contains events of default provisions (including a cross-default provision). It also contains a restriction on the Issuer or any of the guarantors referred to above consolidating or merging with any other person and conveying, transferring or leasing all or substantially all of their properties and assets to any person except where the entity resulting from such consolidation or merger or to whom such properties and assets are transferred becomes a primary obligor of the Notes and gives certain certificates and indemnities. The covenants of the Indenture also contain a negative pledge and a limitation on the sale and leaseback of any assets by the guarantors referred to above and their principal subsidiaries. The Indenture allows for defeasance of these covenants subject to certain conditions. The Indenture also contains a joint and several indemnity from the Issuer and the guarantors referred to above in favour of the Trustee;

(iii) on 23 August 2005, WPP 2005 Limited, WPP Finance Co. Limited and WPP Group U.S. Finance Corp. (as borrowers), guaranteed by WPP 2005 Limited, entered into an agreement for a seven-year multi-currency revolving credit facility (with a US Dollar swingline option) of US\$1,600,000,000 with a syndicate of banks and Citibank International plc as facility agent. The facility is available for drawing by way of multi-currency cash advances on a revolving basis, with an option to draw US Dollar swingline advances up to a sub-limit of US\$1,400,000,000. The rate of margin for the facility is 0.25% per annum (increasing to 0.275% per annum following the fifth anniversary of the date of the facility) above LIBOR. The commitment fee payable on undrawn commitments is equal to 30% of the then applicable margin. The interest rate for swingline advances is the higher of the US prime commercial lending rate and 0.25% per annum above the federal funds rate. WPP acceded to the facility as a borrower and a guarantor and each of WPP Air 1 Limited and WPP Air 3 Limited acceded to the facility as guarantors, in each case pursuant to an amendment and restatement agreement dated 17 November;

(iv) on 5 December 2006, WPP 2008 Limited issued EUR 600,000,000 4.375% guaranteed bonds due 2013. The bonds are guaranteed by WPP 2005 Limited and were constituted by a Trust Deed dated 5 December 2006 between Citicorp Trustee Company Limited, the guarantor and WPP 2008 Limited. The administration of payments to bondholders is provided for in a Paying Agency Agreement dated 5 December 2006 between WPP 2008 Limited, Citibank, N.A., London Branch and others. The bonds are listed on the London Stock Exchange and the terms and conditions contain a redemption provision at the option of the bondholders on a Change of Control, a negative pledge provision and the events of default provisions in the terms and conditions contain a cross-default provision. The Trust Deed also contains an indemnity by WPP 2008 Limited in favour of Citicorp Trustee Company Limited. Pursuant to a supplemental trust deed dated 14 November 2008, WPP, WPP Air 1 Limited and WPP Air 3 Limited acceded as additional guarantors to the bonds;

(v) on 4 April 2007, WPP 2008 Limited issued £400,000,000 6.0% guaranteed bonds due 2017. The bonds are guaranteed by WPP 2005 Limited and were constituted by a Trust Deed dated 4 April 2007 between Citicorp Trustee Company Limited, the guarantor and WPP 2008 Limited. The bonds are listed on the London Stock Exchange and the terms and conditions contain a redemption provision at the option of the bondholders on a Change of Control, a negative pledge provision and events of default provisions (including a cross-default provision). The Trust Deed also contains an indemnity by WPP 2008 Limited in favour of Citicorp Trustee Company Limited. Pursuant to a supplemental trust deed dated 14 November 2008, WPP, WPP Air 1 Limited and WPP Air 3 Limited acceded as additional guarantors to the bonds;

(vi) on 6 November 2007, WPP Finance S.A. issued EUR 500,000,000 5.25% guaranteed bonds due 2015 and £200,000,000 6.375% guaranteed bonds due 2020. Both tranches of bonds are guaranteed by WPP 2005 Limited and WPP 2008 Limited and were constituted respectively by two Trust Deeds dated 6 November 2007 between Citicorp Trustee Company Limited, the guarantors and WPP Finance S.A. The bonds are listed on the London Stock Exchange and the terms and conditions contain a redemption provision at the option of the bondholders on a Change of Control, a negative pledge provision and events of default provisions (including a cross-default provision). The Trust Deeds also contain indemnities by WPP Finance S.A. in favour of Citicorp Trustee Company Limited. Pursuant to a supplemental trust deed dated 14 November 2008, WPP, WPP Air 1 Limited and WPP Air 3 Limited acceded as additional guarantors to the bonds;

(vii) on 12 May 2008, WPP 2008 Limited issued EUR 750,000,000 6.625% guaranteed bonds due 2016. The bonds are guaranteed by WPP 2005 Limited and were constituted by a Trust Deed dated 12 May 2008 between Citicorp Trustee Company Limited, the guarantor and

WPP 2008 Limited. The bonds are listed on the London Stock Exchange and the terms and conditions contain a redemption provision at the option of the bondholders on a Change of Control, a negative pledge provision and events of default provisions (including a cross-default provision). The Trust Deed also contains an indemnity by WPP 2008 Limited in favour of Citicorp Trustee Company Limited. Pursuant to a supplemental trust deed dated 14 November 2008, WPP, WPP Air 1 Limited and WPP Air 3 Limited acceded as additional guarantors to the bonds;

(viii) on 9 July 2008, WPP 2008 Limited and WPP Finance Co. Limited (as borrowers) and WPP and WPP 2005 Limited (as guarantors) entered into an agreement for a three-year revolving credit facility arranged by Banc of America Securities Limited, Banco Santander S.A., Barclays Capital, BNP Paribas, Citigroup Global Markets Limited, HSBC Bank plc and The Royal Bank of Scotland plc as arrangers with Banco Santander S.A., London Branch, Barclays Bank PLC, BNP Paribas, BoA Netherlands Coöperatieve U.A., Citibank, N.A., HSBC Bank plc and The Royal Bank of Scotland plc as original lenders and Citibank International plc as facility agent. The amount of the facility is £600,000,000. The facility is available for drawing by way of multi-currency cash advances on a revolving basis. Pursuant to a side letter dated 12 November 2008, and in accordance with the terms of a syndication side letter between WPP and the original lenders dated 9 July 2008, the original lenders agreed to invoke their rights to market flex in order to enhance the prospects of successfully syndicating the facility. As a result the rate of margin for the facility is, if the long-term senior unsecured debt rating of WPP published by Moody's or Standard & Poor's (the "Credit Rating") is A-/A3 or higher, 1.125% per annum. If the Credit Rating is BBB+ or Baa1, the rate of margin for the facility shall be 1.25% per annum. If the Credit Rating is BBB- or Baa2, the rate of margin for the facility is 1.75% per annum. If the Credit Rating is BBB- or Baa3 or lower, the rate of margin for the facility is 2.00% per annum. If Moody's and Standard & Poor's assign different Credit Ratings, the margin shall be the average of the margins determined by each Credit Rating. The commitment fee payable on undrawn commitments is equal to 40% of the then applicable margin. The facility agreement contains customary representations, covenants and events of default. The facility agreement also requires the prepayment of proceeds received from certain disposals. WPP acceded to the facility as a borrower and a guarantor and each of WPP Air 1 Limited and WPP Air 3 Limited acceded to the facility as guarantors, in each case pursuant to an amendment and restatement agreement dated 17 November 2008.

(ix) effective 19 November 2008, WPP entered into a deposit agreement with Citibank, N.A., as Depositary, and the holders and beneficial owners of ADSs that sets out the terms on which the Depositary has agreed to act as depositary with respect to the WPP ADSs issued in exchange for WPP 2008 Limited ADSs following effectiveness of the Scheme. The deposit agreement contains, amongst other things, customary provisions pertaining to the form of ADR certificates, the deposit and withdrawal of ordinary shares, distributions to holders of ADSs, voting of ordinary shares underlying ADSs, obligations of the Depositary and WPP, charges of the Depositary, and compliance with applicable law.

(x) On May 19, 2009, WPP plc issued £450,000,000 of 5.75% guaranteed convertible bonds due 2014. The bonds are guaranteed by WPP 2008 Limited, WPP 2005 Limited, WPP Air 1 Limited and WPP Air 3 Limited and were constituted by a trust deed dated May 19, 2009. The bonds are listed on the London Stock Exchange and the terms and conditions contain a conversion provision allowing bondholders to convert their bonds into ordinary shares of WPP plc within a specified period. The bonds contain a conversion option upon a change of control, a negative pledge and events of default provisions (including a cross default provision). The trust deed contains an indemnity in favour of Citicorp Trustee Company Limited.

(xi) On 10 June 2009, WPP Finance (UK) issued US\$600,000,000 of 8% guaranteed senior notes due 2014 pursuant to the Indenture and the First Supplemental Indenture both dated as

of 10 June 2009 among WPP Finance (UK), as Issuer, WPP plc, WPP Air 1 Limited, WPP 2008 Limited and WPP 2005 Limited as Guarantors, and Wilmington Trust Company, as Trustee. The Indenture contains events of default provisions (including a cross-default provision). It also contains a restriction on the Issuer or any of the Guarantors referred to above consolidating or merging with any other person and conveying, transferring or leasing all or substantially all of their properties and assets to any person except where the entity resulting from such consolidation or merger or to whom such properties and assets are transferred becomes a primary obligor of the notes and gives certain certificates and indemnities. The covenants of the Indenture also contain a negative pledge and a limitation on the sale and leaseback of any assets by the Guarantors referred to above and their principal subsidiaries. The Indenture allows for defeasance of these covenants subject to certain conditions. The holders of the notes have the right to require the Issuer to repurchase the notes at a price equal to 101% of the principal amount of the notes in the event that there is a change of control of WPP plc and the notes lose their investment grade rating. The Indenture also contains a joint and several indemnity from the Issuer and the Guarantors referred to above in favour of the Trustee.

D. Exchange Controls

There are currently no Jersey foreign exchange control restrictions on remittances of dividends on the ordinary shares or on the conduct of the Registrant's operations.

E. Taxation

The taxation discussion set forth below is intended only as a descriptive summary and does not purport to be a complete technical analysis or listing of all potential tax effects relevant to a decision to purchase, hold or in any way transfer ordinary shares or ADSs. Each investor should seek advice based on their individual particular circumstances from an independent tax adviser.

The following summary of the Republic of Ireland, Jersey (UK in relation to dividend distributions) and the United States tax consequences is not exhaustive of all possible tax considerations and should not be considered legal or tax advice. In addition, this summary does not represent a detailed description of the tax consequences applicable to persons subject to special treatment under the Republic of Ireland, Jersey and the United States tax laws. Prospective purchasers of ADSs are advised to satisfy themselves as to the overall tax consequences of their ownership of ADSs and the ordinary shares represented thereby by consulting their own tax advisors. In addition, this summary only addresses holders that hold ordinary shares or ADSs as capital assets, and it does not address the taxation of a United States shareholder (either corporate or individual) where that shareholder controls, or is deemed to control, 10% or more of the voting stock of the Company.

Republic of Ireland taxation

General

The paragraphs set out below summarise the Irish tax treatment for share owners (or holders of ADSs) of holding or disposing of ordinary shares (or ADSs). They are based on current Irish legislation and an understanding of current Republic of Ireland Revenue Commissioners' practice as at the date of this document.

Tax on chargeable gains

Liability for Irish tax on chargeable (taxable) gains will depend on the individual circumstances of share owners.

(a) *Disposal of ordinary shares by non-Irish-resident share owners*

Share owners who are not resident or, in the case of individuals, ordinarily resident for tax purposes in the Republic of Ireland will not be liable for Irish tax on chargeable gains realised on a subsequent disposal of their ordinary shares unless in the case of non-corporate shareholders such ordinary shares are used, held or acquired for the purposes of a trade, profession or vocation carried on in the Republic of Ireland through a branch or agency. Such share owners may be subject to foreign taxation on any gain under local law.

A WPP share owner who is an individual and who is temporarily a non-resident of the Republic of Ireland at the time of the disposal may, under anti-avoidance legislation, still be liable to Irish taxation on any chargeable gain realised (subject to the availability of exemptions or reliefs).

Dividend withholding tax

Dividends received from WPP plc

Unless a share owner makes, or is deemed to have made, an election to receive dividends from WPP DAS Limited, a company incorporated in the UK, via the Dividend Access Plan, any dividends received will be received from WPP.

Dividends paid by WPP will generally be subject to Irish dividend withholding tax (DWT) at the standard rate of income tax (currently 20%) unless the share owner is within one of the categories of exempt shareholders referred to below. Where DWT applies, WPP will be responsible for withholding DWT at source. For DWT purposes, a dividend includes any distribution made by WPP to share owners, including cash dividends, non-cash dividends and additional shares taken in lieu of a cash dividend.

DWT is not payable where an exemption applies provided that WPP has received all necessary documentation required by the relevant legislation from a WPP Share Owner prior to payment of the dividend.

Certain categories of Irish resident share owners are entitled to an exemption from DWT, including in general (but not limited to) Irish resident companies, qualifying employee share ownership trusts, charities and pension funds. Except in very limited circumstances, distributions by WPP to an Irish-resident share owner who is an individual are not exempt from DWT.

Certain non-Irish resident share owners (both individual and corporate) are also entitled to an exemption from DWT. In particular, a non-Irish resident share owner is not subject to DWT on dividends received from WPP if the WPP Share Owner is:

- an individual share owner who by virtue of the laws of the relevant country is resident for tax purposes in either a Member State of the European Union (apart from the Republic of Ireland) or in a country with which the Republic of Ireland has a double tax treaty (including the United States), and the individual is neither resident nor ordinarily resident in the Republic of Ireland; or
- a corporate share owner that is not resident for tax purposes in the Republic of Ireland and which is ultimately controlled, directly or indirectly, by persons who by virtue of the laws of the

relevant country are resident in either a member state of the European Union (apart from the Republic of Ireland) or in a country with which the Republic of Ireland has a double tax treaty (including the United States); or

- a corporate share owner that is not resident for tax purposes in the Republic of Ireland nor ultimately controlled by persons so resident and which is resident for tax purposes in either a member state of the European Union (apart from the Republic of Ireland) or a country with which the Republic of Ireland has a double tax treaty (including the United States); or
- a corporate share owner that is not resident for tax purposes in the Republic of Ireland and whose principal class of shares (or those of its 75% parent) is substantially and regularly traded on a recognised stock exchange in (i) the Republic of Ireland; (ii) a member state of the European Union (apart from the Republic of Ireland); (iii) a country with which the Republic of Ireland has a double tax treaty (including the United States); or (iv) an exchange approved by the Irish Minister for Finance; or
- a corporate share owner that is not resident for tax purposes in the Republic of Ireland and is wholly owned, directly or indirectly, by two or more companies the principal class of shares of each of which is substantially and regularly traded on a recognised stock exchange in (i) the Republic of Ireland; (ii) a member state of the European Union (apart from the Republic of Ireland); (iii) a country with which the Republic of Ireland has a double tax treaty (including the United States); or (iv) an exchange approved by the Irish Minister for Finance, and provided that, in all cases noted above, the share owner has made the appropriate declaration to WPP prior to payment of the dividend.

Taxation of dividends

Non-Irish resident share owners are, unless entitled to exemption from DWT, liable to Irish income tax on dividends received from WPP. However, the DWT deducted by WPP discharges such liability to Irish income tax. Where a non-resident share owner is entitled to exemption from DWT, then no Irish income tax arises and, where DWT has been deducted by WPP, a claim may be made for a refund of the DWT.

(b) Stamp duty

No Irish stamp duty or capital duty will arise on the issue or transfer for cash of ordinary shares provided such transactions do not relate to Irish stocks or securities of an Irish registered company.

United Kingdom taxation

Dividends received under the Dividend Access Plan

If a share owner makes, or is deemed to have made, an election to receive dividends via the Dividend Access Plan, such share owner will receive dividends directly from WPP DAS Limited (unless there is a shortfall in the Dividend Access Trust, in which case some or all of the dividend will be received from WPP). WPP DAS Limited is not required to withhold at source any amount in respect of UK tax from dividend payments it makes under the Dividend Access Plan regardless of who the recipient of the payment is. The Dividend Access Plan is described further in Item 8.

Jersey taxation

General

The following summary of the anticipated tax treatment in Jersey of WPP and share owners and holders of ADSs (other than residents of Jersey) is based on Jersey taxation law as it is understood to

apply at the date of this document. It does not constitute legal or tax advice. Share owners or holders of ADSs should consult their professional advisers on the implications of acquiring, buying, holding, selling or otherwise disposing of ordinary shares or ADSs under the laws of the jurisdictions in which they may be liable to taxation. Share owners or holders of ADSs should be aware that tax rules and practice and their interpretation may change.

Income Tax

(a) Holders of ordinary shares

WPP will be entitled to pay dividends to holders of ordinary shares without any withholding or deduction for or on account of Jersey tax. Holders of ordinary shares (other than residents of Jersey) will not be subject to any tax in Jersey in respect of the holding, sale or other disposition of such ordinary shares.

(b) Holders of ADSs

Under Jersey law and the WPP Articles, WPP is only permitted to pay a dividend to a person who is recorded in its register of members as the holder of an ordinary share. The US Depository will be recorded in WPP's register of members as the holder of each ordinary share represented by an ADS. Accordingly, WPP will pay all dividends in respect of each ordinary share represented by an ADS to the US Depository (as the registered holder of each such ordinary share) rather than to the holder of the ADS.

The US Depository will not be subject to any tax in Jersey in respect of the holding, sale or other disposition of the ordinary shares held by it. In addition, holders of the ADSs (other than residents of Jersey) should not be subject to any tax in Jersey in respect of the holding, sale or other disposition of such ADSs.

Stamp duty

No stamp duty is payable in Jersey on the issue or *inter vivos* transfer of ordinary shares or ADSs.

Upon the death of a share owner, a grant of probate or letters of administration will be required to transfer the ordinary shares of the deceased person, except that where the deceased person was domiciled outside of Jersey at the time of death, WPP may (at its discretion) dispense with this requirement where the value of the deceased's movable estate in Jersey does not exceed £10,000.

Upon the death of a share owner, Jersey stamp duty will be payable on the registration in Jersey of a grant of probate or letters of administration, which will be required in order to transfer or otherwise deal with:

- (a) (where the deceased person was domiciled in Jersey at the time of death) the deceased person's personal estate wherever situated (including any ordinary shares) if the net value of such personal estate exceeds £10,000; or
- (b) (where the deceased person was domiciled outside of Jersey at the time of death) the deceased person's personal estate situated in Jersey (including any ordinary shares) if the net value of such personal estate exceeds £10,000.

The rate of stamp duty payable is:

- (i) (where the net value of the deceased person's relevant personal estate does not exceed £100,000) 0.50 per cent. of the net value of the deceased person's relevant personal estate; or

(ii) (where the net value of the deceased person's relevant personal estate exceeds £100,000) £500 for the first £100,000 plus 0.75 per cent. of the net value of the deceased person's relevant personal estate which exceeds £100,000.

In addition, application and other fees may be payable.

US federal income taxation

Introduction

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, HOLDERS OF WPP SHARES OR WPP ADSs ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF US FEDERAL TAX ISSUES IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY HOLDERS OF ORDINARY SHARES OR ADSs FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON HOLDERS OF ORDINARY SHARES OR ADSs UNDER THE INTERNAL REVENUE CODE OF 1986; AND (B) HOLDERS OF ORDINARY SHARES OR ADSs SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

The following is a summary of certain material US federal income tax consequences of the acquisition, ownership and disposition of ordinary shares or ADSs by a US Holder (as defined below). The discussion does not cover all aspects of US federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of ordinary shares or ADSs by particular investors and does not address state, local, foreign or other tax laws. In particular, this summary does not address all of the tax considerations that may be relevant to investors subject to special treatment under the US federal income tax laws (such as financial institutions, insurance companies, investors liable for the alternative minimum tax, investors that own (directly or indirectly) 10% or more of the voting stock of WPP, investors that hold ordinary shares or ADSs through a permanent establishment, individual retirement accounts and other tax-deferred accounts, tax-exempt organisations, dealers in securities or currencies, traders that elect to mark to market, investors that will hold the ordinary shares or ADSs as part of straddles, hedging transactions or conversion transactions for US federal income tax purposes or investors whose functional currency is not the US dollar).

This summary deals only with US Holders (as defined below) who elect or are deemed to elect (because they have not withdrawn their ordinary shares from the ADS programme prior to the dividend record date set by the US Depository) to participate in the Dividend Access Plan.

As used herein, the term "US Holder" means a beneficial owner of ordinary shares or ADSs that is, for US federal income tax purposes: (i) a citizen or individual resident of the United States; (ii) a corporation, or other entity treated as a corporation for US federal tax purposes, created or organised in or under the laws of the United States or any State thereof; (iii) an estate the income of which is subject to US federal income tax without regard to its source; or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more US persons have the authority to control all substantial decisions of the trust, or the trust has elected to be treated as a domestic trust for US federal income tax purposes.

This discussion does not address any tax consequences applicable to holders of equity interests in a holder of ordinary shares or ADSs. The US federal income tax treatment of a partner in a partnership that holds ordinary shares or ADSs will depend on the status of the partner and the activities of the partnership. Holders of ordinary shares or ADSs that are partnerships should consult their tax advisers concerning the US federal income tax consequences to their partners of the acquisition, ownership and disposition of ordinary shares or ADSs.

WPP believes that it is not currently, and it does not expect to become, a passive foreign investment company (a “PFIC”) for US federal income tax purposes and this summary assumes the correctness of this position. WPP’s possible status as a PFIC must be determined annually and therefore may be subject to change. If WPP were to be a PFIC in any year, materially adverse consequences could result for US Holders.

The summary is based on the US federal income tax laws, including the US Internal Revenue Code of 1986, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as currently in effect, and all of which are subject to change, perhaps with retroactive effect.

The summary of US federal income tax consequences set out below is for general information only. US Holders are urged to consult their own tax advisers as to the particular tax consequences to them of owning the ordinary shares or ADSs, including the applicability and effect of state, local, foreign and other tax laws and possible changes in tax law.

Classification of the ADSs

US Holders of ADSs should be treated for US federal income tax purposes as owners of the ordinary shares represented by the ADSs. Accordingly, the US federal income tax consequences discussed below apply equally to US Holders of ADSs.

Tax on Dividends

Distributions paid by WPP or WPP DAS Limited out of current or accumulated earnings and profits (as determined for US federal income tax purposes) will generally be taxable to a US Holder as foreign source dividend income, and will not be eligible for the dividends received deduction generally allowed to US corporations.

A US Holder of ADSs generally will include dividends in gross income in the taxable year in which such holder actually receives the dividend. US Holders that surrender their ADSs in exchange for the underlying ordinary shares should consult their tax advisers regarding the proper timing for including dividends in gross income.

Distributions in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the US Holder’s basis in the ordinary shares or ADSs and thereafter as capital gains. However, WPP does not maintain calculations of its earnings and profits in accordance with US federal income tax accounting principles. US Holders should, therefore, assume that any distribution with respect to the ordinary shares or ADSs will constitute ordinary dividend income. US Holders should consult their tax advisers with respect to the appropriate US federal income tax treatment of any distribution received from WPP or WPP DAS Limited.

For taxable years that begin before 2013, dividends paid by WPP or WPP DAS Limited will be taxable to a non-corporate US Holder as “qualified dividend income” at the special reduced rate normally applicable to capital gains, provided WPP qualifies for the benefits of the income tax treaty between the United States and the Republic of Ireland (the “Treaty”), which WPP believes to be the case. However, there can be no assurance that WPP will qualify for the benefits of the Treaty going forward. A US Holder will be eligible for this reduced rate only if it has held the ordinary shares or ADSs for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date.

Dividends paid in pounds sterling will be included in income in a US dollar amount calculated by reference to the exchange rate in effect on the day the dividends are received by the US Holder in the

case of ordinary shares or the US Depositary (in case of ADSs), regardless of whether the pounds sterling are converted into US dollars at that time. If dividends received in pounds sterling are converted into US dollars on the day they are received, the US Holder generally will not be required to recognise a foreign currency gain or loss in respect of the dividend income. Generally, a gain or loss realised on a subsequent conversion of pounds sterling to US dollars or other disposition will be treated as US source ordinary income or loss.

Sale or other disposition

Upon a sale or other disposition of ordinary shares or ADSs (other than an exchange of ADSs for ordinary shares), a US Holder generally will recognise a capital gain or loss equal to the difference, if any, between the amount realised on the sale or other disposition and the US Holder's adjusted tax basis in the ordinary shares or ADSs. This capital gain or loss will generally be US source and will be a long-term capital gain or loss if the US Holder's holding period in the ordinary shares or ADSs exceeds one year. However, regardless of a US Holder's actual holding period, any loss may be a long-term capital loss to the extent the US Holder receives a dividend that qualifies for the reduced rate described above under the section entitled "Tax on Dividends", above, and exceeds 10% of the US Holder's tax basis in its ordinary shares or ADSs. Deductibility of capital losses is subject to limitations.

A US Holder's tax basis in an ordinary share or an ADS will generally be its US dollar cost. The US dollar cost of an ordinary share or an ADS purchased with foreign currency will generally be the US dollar value of the purchase price on the date of purchase or, in the case of ordinary shares or ADSs traded on an established securities market, as defined in the applicable Treasury Regulations, that are purchased by a cash basis US Holder (or an accrual basis US Holder that so elects), on the settlement date for the purchase. Such an election by an accrual basis US Holder must be applied consistently from year to year and cannot be revoked without the consent of the Internal Revenue Service (the "IRS").

The surrender of ADSs in exchange for ordinary shares (or vice versa) should not be a taxable event for US federal income tax purposes and US Holders should not recognise any gain or loss upon such a surrender. A US Holder's tax basis in the withdrawn ordinary shares will be the same as the US Holder's tax basis in the ADSs surrendered, and the holding period of the ordinary shares will include the holding period of the ADSs.

The amount realised on a sale or other disposition of ordinary shares or ADSs for an amount in foreign currency will be the US dollar value of this amount on the date of sale or disposition. On the settlement date, the US Holder will recognise US source foreign currency gain or loss (taxable as ordinary income or loss) equal to the difference (if any) between the US dollar value of the amount received based on the exchange rates in effect on the date of sale or other disposition and the settlement date. However, in the case of ordinary shares or ADSs traded on an established securities market that are sold by a cash basis US Holder (or an accrual basis US Holder that so elects), the amount realised will be determined using the exchange rate in effect on the settlement date for the sale, and no exchange gain or loss will be recognised at that time.

Foreign currency received on the sale or other disposition of an ordinary share or an ADS will have a tax basis equal to its US dollar value on the settlement date. Any gain or loss recognised on a sale or other disposition of a foreign currency (including upon exchange for US dollars) will be US source ordinary income or loss.

Backup withholding and information reporting

Payments of dividends and other proceeds with respect to ordinary shares or ADSs by a US paying agent or other US intermediary will be reported to the IRS and to the US Holder unless the

holder is a corporation or otherwise establishes a basis for exemption. Backup withholding may apply to reportable payments if the US Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to report all interest and dividends required to be shown on its US federal income tax returns. Any backup withholding tax will be refunded or allowed as a credit against the US Holder's US federal income tax liability if the US Holder timely gives the appropriate information to the IRS. US Holders should consult their tax advisers as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

F. Dividends and Paying Agents

Not applicable.

G. Statements by Experts

Not applicable.

H. Documents on Display

The Company is subject to the informational requirements of the Exchange Act. In accordance with these requirements, the Company files reports and other information with the United States Securities and Exchange Commission. You may read and copy any materials filed with the SEC at the Public Reference Room at 100 F Street N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains a web site at <http://www.sec.gov> that contains reports, proxy statements and other information regarding registrants that file electronically with the SEC.

I. Subsidiary Information

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company's principal market risks are changes in interest rates and currency exchange rates. Following evaluation of these positions, the Company selectively enters into derivative financial instruments to manage its risk exposure. The fair value of derivatives held by the Company at 31 December 2010 is estimated to be a net asset of £66.1 million (£129.0 million net asset with respect to interest rate swaps and £62.9 million net liability for currency derivatives). These amounts are based on market values of equivalent instruments at the balance sheet date.

Interest rate risk

The Group is exposed to interest rate risk on both interest-bearing assets and interest-bearing liabilities. The Group has a policy of actively managing its interest rate risk exposure while recognising that fixing rates on all its debt eliminates the possibility of benefiting from rate reductions and similarly, having all its debt at floating rates unduly exposes the Group to increases in rates.

The Group's principal borrowing currencies are US dollars, pounds sterling and euros. Borrowings in these currencies represented 96.0% of the Group's gross indebtedness at 31 December 2010 (at \$1,640 million, £1,350 million and €1,274 million) and 96.8% of the Group's average gross debt during the course of 2010 (at \$2,003 million, £1,653 million and €1,274 million). Including the effect of interest rate and cross-currency swaps, 82.5% of the year-end US dollar net debt is at fixed rates averaging 6.54% for an average period of 44 months; 73.3% of the sterling net debt is at a fixed rate of 6.07% for an average period of 83 months; and 66.7% of the euro net debt is at fixed rates averaging 6.50% for an average period of 63 months.

Other than fixed rate debt, the Group's other fixed rates are achieved principally through interest rate swaps with the Group's bankers. The Group also uses forward rate agreements and interest rate caps to manage exposure to interest rate changes. At 31 December 2010 no forward rate agreements or interest rate caps were in place. These interest rate derivatives are used only to hedge exposures to interest rate movements arising from the Group's borrowings and surplus cash balances arising from its commercial activities and are not traded independently. Payments made under these instruments are accounted for on an accruals basis.

The following tables set forth the Company's fixed and floating rate debt by currency, including the effect of interest rate and cross-currency swaps, as of 31 December 2010:

Currency	£m	Fixed rate ¹	Floating basis	Period (months) ₁
\$ -fixed	1,338.0	6.54%	n/a	44
-floating	283.0	n/a	LIBOR	n/a
£ -fixed	550.0	6.07%	n/a	83
-floating	200.0	n/a	LIBOR	n/a
€ -fixed	728.7	6.50%	n/a	63
-floating	363.1	n/a	EURIBOR	n/a
¥ -fixed	71.1	2.07%	n/a	36
\$C ² -floating	81.1	n/a	LIBOR	n/a
Other	(16.8)	n/a	n/a	n/a
	3,598.2			

¹ Weighted average. These rates do not include the effect of gains on interest rate swap terminations that are written to income over the life of the original instrument. At 31 December 2010 the amount still to be written to income was £1.7 million (2009: £2.2 million) in respect of US dollar swap terminations, to be written to income evenly until June 2014.

² Represents Canadian dollars.

The significant terms of the interest rate swap agreements in place as of 31 December 2010:

	€	\$	£	€	\$
Notional principal amount	€1,100m	\$300m	£200m	€100m	\$45m
Average rate payable	6m Euribor + 0.6641%	Fixed 2.5801%	6m Libor + 0.6425%	Fixed 5.5625%	3m Libor +0.5947%
Average rate receivable	Fixed 4.7727%	3m Libor +0.2890%	Fixed 6.00%	3m Euribor + 0.955%	Fixed 6.29%
Average term	50 months	120 months	76 months	42 months	43 months
Latest maturity date	Jan-15	Oct - 20	Apr-17	Jun-14	Jul-14

Foreign currency

The Group's results in pounds sterling are subject to fluctuation as a result of exchange rate movements. The Group does not hedge this translation exposure to its earnings but does hedge the currency element of its net assets using foreign currency borrowings, cross-currency swaps and forward foreign exchange contracts.

The Group effects these currency net asset hedges by borrowing in the same currencies as the operating (or "functional") currencies of its main operating units. The majority of the Group's debt is therefore denominated in US dollars, pounds sterling and euros.

The Group utilises currency derivatives to hedge significant future transactions and cash flows and the exchange risk arising on translation of the Group's investments in foreign operations. The Group is a party to a variety of foreign currency derivatives in the management of its exchange rate exposures. The instruments purchased are primarily denominated in the currencies of the Group's principal markets.

Significant forward foreign exchange contracts held by the Group at 31 December 2010 are contracts of €88.1 million, R176.0 million and NZ\$27.2 million. The forward exchange rates to sterling that the Group is fixed into are €1.1799, R11.088 and NZ\$2.0762. The contracts all mature in 2011.

These arrangements are designed to address significant exchange exposures and are renewed on a revolving basis as required.

The following table sets forth details on the cross currency swaps as of 31 December 2010 by currency:

	€/£	¥/€	\$/€	\$/€	\$/€	\$/€	\$/€	\$/€	\$/€	\$/£	\$/£	\$/£
Currency Payable	€228.0m	¥9,000m	\$115.0m	\$110.0m	\$110.0m	\$180.4m	\$180.3m	\$180.3m	\$180.8m	\$110.8m	\$110.8m	\$111.0m
Currency Receivable	\$278.3m	€56.6m	€85.6m	€81.9m	€81.9m	€124.5m	€124.5m	€124.5m	€124.8m	€75.0m	€75.0m	€75.0m
Currency Rate Payable	3m Euribor +0.955%	Fixed 2.0675%	6m Libor + 0.559%	3m Libor + 0.549%	3m Libor + 0.562%	Fixed 5.615%	Fixed 5.60%	3m Libor +0.8575%	6m Libor +0.845%	Fixed 5.92%	Fixed 5.92%	Fixed 5.825%
Currency Rate Receivable	6m Fixed 5.8750%	6m Euribor + 0.555%	6m Euribor + 0.555%	6m Euribor + 0.555%	6m Euribor + 0.555%	6m Euribor +0.795%	6m Euribor +0.795%	6m Euribor +0.795%	6m Euribor +0.795%	6m Fixed 5.75%	6m Fixed 5.75%	6m Fixed 5.75%

Credit risk

The Group's principal financial assets are cash and short-term deposits, trade and other receivables and investments, the carrying value of which represents the Group's maximum exposure to credit risk in relation to financial assets.

The Group's credit risk is primarily attributable to its trade receivables. The majority of the Group's trade receivables are due from large national or multinational companies where the risk of default is considered low. The amounts presented in the consolidated balance sheet are net of allowances for doubtful receivables, estimated by the Group's management based on prior experience and their assessment of the current economic environment. A relatively small number of clients make up a significant percentage of the Group's debtors, but no single client represents more than 5% of total trade receivables as at 31 December 2010.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies or banks that have been financed by their government.

A relatively small number of clients contribute a significant percentage of the Group's consolidated revenues. The Group's clients generally are able to reduce advertising and marketing spending or cancel projects at any time for any reason. There can be no assurance that any of the Group's clients will continue to utilise the Group's services to the same extent, or at all, in the future. A significant reduction in advertising and marketing spending by, or the loss of one or more of, the Group's largest clients, if not replaced by new client accounts or an increase in business from existing clients, would adversely affect the Group's prospects, business, financial condition and results of operations.

Non-derivative financial instruments

The fair value of our \$1,250 million bonds, €1,850 million Eurobonds, £1,050 million bonds at 31 December 2010 was £4,034.1 million. The Group considers that the carrying amount of bank loans approximates the fair value. The fair value is calculated by reference to market prices at 31 December 2010. Considerable judgement is required in interpreting market data to develop the estimates of fair value, and, accordingly, the estimates are not necessarily indicative of the amounts that could be realised in a current market exchange. For additional information in respect of these instruments see Item 5B and note 10 to the consolidated financial statements.

Cash, accounts receivable, accounts payable, overdrafts and short-term borrowings (including those drawn under the Revolving Credit Facilities) are considered to approximate fair value because of the short maturity of such instruments.

Additional Information on the Company's risk management policies and financial instruments is disclosed in notes 24 and 25 to the Consolidated Financial Statements.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

A. Debt Securities.

Not applicable.

B. Warrants and Rights.

Not applicable.

C. Other Securities.

Not applicable.

D. American Depositary Shares

Fees and Charges

Holders of ADSs and persons depositing ordinary shares or surrendering ADSs for cancellation are currently required to pay the following service fees to the Depositary:

<u>Service</u>	<u>Rate</u>	<u>By Whom Paid</u>
(1) Issuance of ADSs upon deposit of ordinary shares (excluding issuances as a result of distributions described in paragraph (4) below).	Up to U.S.\$5.00 per 100 ADSs (or fraction thereof) issued.	Person depositing ordinary shares or person receiving ADSs.
(2) Delivery of deposited securities against surrender of ADSs.	Up to U.S.\$5.00 per 100 ADSs (or fraction thereof) surrendered.	Person surrendering ADSs for purpose of withdrawal of deposited securities or person to whom deposited securities are delivered.
(3) Distribution of cash dividends or other cash distributions (<i>i.e.</i> , sale of rights and other entitlements).	Up to U.S.\$2.00 per 100 ADSs (or fraction thereof) held, unless prohibited by the exchange upon which the ADSs are listed.	Person to whom distribution is made.
(4) Distribution of ADSs pursuant to (i) stock dividends or other free stock distributions, or (ii) exercise of rights to purchase additional ADSs.	Up to U.S.\$5.00 per 100 ADSs (or fraction thereof) issued, unless prohibited by the exchange upon which the ADSs are listed.	Person to whom distribution is made.
(5) Distribution of securities other than ADSs or rights to purchase additional ADSs (<i>i.e.</i> , spin-off shares).	Up to U.S.\$5.00 per unit of 100 securities (or fraction thereof) distributed.	Person to whom distribution is made.
(6) Depositary Services.	Up to U.S.\$2.00 per 100 ADSs (or fraction thereof) held as of the last day of each calendar year, except to the extent of any cash dividend fee(s) charged under paragraph (3) above during the applicable calendar year.	Person of record on last day of any calendar year.
(7) Transfer of ADRs.	U.S.\$1.50 per certificate presented for transfer.	Person presenting certificate for transfer.

Holders of ADSs and persons depositing ordinary shares or surrendering ADSs for cancellation and for the purpose of withdrawing deposited securities are also responsible for the payment of certain fees and expenses incurred by the Depositary, and certain taxes and governmental charges, such as:

- (i) Taxes (including applicable interest and penalties) and other governmental charges;
- (ii) Such registration fees as may from time to time be in effect for the registration of ordinary shares on the share register and applicable to transfers of ordinary shares or other securities on deposit to or from the name of the Custodian, the Depositary or any nominees upon the making of deposits and withdrawals, respectively;
- (iii) Such cable, telex and facsimile transmission and delivery expenses as are expressly provided in the deposit agreement to be at the expense of the person depositing or withdrawing ordinary shares or holders of ADSs;
- (iv) The expenses and charges incurred by the Depositary in the conversion of foreign currency;
- (v) Such fees and expenses as are incurred by the Depositary in connection with compliance with exchange control regulations and other regulatory requirements applicable to ordinary shares, ordinary shares on deposit, ADSs and ADRs; and
- (vi) The fees and expenses incurred by the Depositary, the Custodian or any nominee in connection with the servicing or delivery of ordinary shares on deposit.

WPP has agreed to pay various other charges and expenses of the Depositary. Please note that the fees and charges that holders of ADSs may be required to pay may vary over time and may be changed by WPP and by the Depositary. Holders of ADSs will receive prior notice of such changes.

Depositary Payments—Fiscal Year 2010

WPP did not receive any payments from Citibank, N.A., the Depositary for its American Depositary Receipt program, in 2010.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

None.

ITEM 15. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

We performed an evaluation under the supervision and with the participation of our management, including our Group Chief Executive and our Group Finance Director, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of 31 December 2010. Notwithstanding the foregoing, a control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that it will detect or uncover failures within the Company to disclose material information otherwise required to be set forth in the Company's periodic reports. Following the evaluation described above, our management, including the Group Chief Executive and Group Finance Director, concluded that our disclosure controls and procedures were effective at that time.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act). Our management, with the participation of our Group Chief Executive and our Group Finance Director, carried out an assessment of the effectiveness of our internal control over financial reporting (including those applicable to WPP DAS Ltd) at 31 December 2010. The assessment was performed using the criteria for effective internal control reflected in the Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Based on our assessment of the system of internal control, management believes that as of 31 December 2010 our internal control over financial reporting (including those applicable to WPP DAS Ltd) was effective.

The Company's internal control over financial reporting, (including those applicable to WPP DAS Ltd) at 31 December 2010, has been audited by Deloitte LLP, an independent registered public accounting firm, who also audited the Company's consolidated financial statements. Their audit report on the effectiveness of internal control over financial reporting is presented on page 91.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of WPP plc

We have audited the internal control over financial reporting of WPP plc and subsidiaries (the “Company”) as at 31 December 2010, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting, including those controls applicable to the WPP DAS Ltd. (“the Trust”) based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company’s internal control over financial reporting is a process designed by, or under the supervision of, the company’s principal executive and principal financial officers, or persons performing similar functions, and effected by the company’s board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting, including those applicable to the Trust, as at 31 December 2010, based on the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as at and for the year ended 31 December 2010 of the Company and financial statements as at and for the year ended 31 December 2010 of the Trust and our reports dated 29 April 2011 expressed an unqualified opinion on those financial statements.

/s/ Deloitte LLP

Deloitte LLP
London, United Kingdom
29 April 2011

Changes in Internal Control Over Financial Reporting

There has been no change in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during 2010, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

The audit committee consisted of Paul Spencer, Jeffrey Rosen, Colin Day and Sol Trujillo at 31 December 2010. The board of directors has determined that all members of the audit committee are "independent" as that term is defined in the applicable NASDAQ listing standards and rules of the Securities and Exchange Commission.

WPP does have an audit committee financial expert, Paul Spencer, serving as Chairman of its audit committee. See the biography of Paul Spencer in Item 6A.

ITEM 16B. CODE OF ETHICS

WPP has in place a Code of Business Conduct that constitutes a "code of ethics" as defined in applicable regulations of the Securities and Exchange Commission. The Code of Business Conduct (which is regularly reviewed by the Audit Committee and the Board) and was updated in 2010, sets out the principal obligations of all employees. Directors and senior executives throughout the Group are required each year to sign this Code. A copy of the WPP Code of Business Conduct may be obtained free of charge by contacting the Company's investor relations department in London or New York at the following addresses or telephone numbers:

London:

Deputy Group finance director
WPP
27 Farm Street
London W1J 5RL England
Tel: +44 (0)20 7408 2204
Fax: +44 (0)20 7493 6819

New York:

Investor Relations
WPP
100 Park Avenue
New York, New York 10017-5516
Tel: (212) 632-2200
Fax: (212) 632-2222

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

	2010	2009
	£m	£m
Audit fees	19.0	19.4
Audit-related fees ¹	0.3	0.3
Tax fees ²	3.9	4.1
All other fees ³	5.3	5.0
	28.5	28.8

¹ Audit related fees include review of the interim financial statements and Form 20-F.

² Tax fees comprise tax advisory, planning and compliance services.

³ Other fees comprise assurance services, including fees for due diligence, transition support fees and review of earn-out payment calculations.

Audit Committee Pre-Approval Policies and Procedures

The Audit Committee has adopted a pre-approval policy for the engagement of the external auditors in relation to the supply of permissible non-audit services (including taxation), taking into account relevant ethical and regulatory requirements. WPP's policy regarding non-audit services that may be provided by the Group's auditors, Deloitte LLP, prohibits certain categories of work in line with relevant guidance on independence, such as ethical standards issued by the Auditing Practices Board and independence rules of the SEC. Other categories of work may be undertaken by Deloitte LLP subject to an approvals process that is designed appropriately for different categories and values of proposed work.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES.

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS.

At the Annual General Meeting of WPP plc on 2 June 2009 a special resolution was passed authorising WPP plc to make market purchases of its own shares up to a maximum number of 125,294,634 ordinary shares. This authority expired at the Annual General Meeting of WPP plc on 29 June 2010 and was replaced by a new authority to purchase up to a maximum number of 125,496,212 ordinary shares until the earlier of the conclusion of the Annual General Meeting of WPP plc in 2011 and 1 September 2011.

	Total number of shares purchased	Average price	Total number of shares purchased as part of publicly announced plan	Maximum number of shares that may yet be purchased under plan
January				125,294,634
February				125,294,634
March	4,460,915	£ 6.42	4,460,915	120,833,719
April				120,833,719
May				120,833,719
June				125,496,212
July				125,496,212
August				125,496,212
September				125,496,212
October	2,297,811	£ 7.31	2,297,811	123,198,401
November	14,067	£ 7.35	14,067	123,184,334
December	122,897	£ 7.11	122,897	123,061,437
Total	6,895,690	£ 6.73	6,895,690	

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not applicable.

ITEM 16G. CORPORATE GOVERNANCE

The Company's ADSs are listed on the NASDAQ Global Select Market. In general, under NASDAQ's Rule 5615, foreign private issuers such as WPP listed on NASDAQ are permitted to follow home country corporate governance practices instead of certain provisions of NASDAQ's Rule 5600 Series, which pertain to corporate governance by listed issuers. A foreign private issuer that elects to follow a home country practice instead of any such provisions of the Rule 5600 Series must submit in advance to NASDAQ a written statement from an independent counsel in such issuer's home country certifying that the issuer's practices are not prohibited by the home country's laws. The Company's independent Jersey counsel has certified to NASDAQ that the Company's corporate governance practices are not prohibited by the laws of Jersey.

The requirements of the Rule 5600 Series and the corporate governance practices that the Company follows in lieu thereof are described below:

- Rule 5620(c) requires that the quorum for any meeting of stockholders must not be less than 33 1/3% of the outstanding shares of a company's common voting stock. The Company's Articles of Association provide that the necessary quorum for a general share owner meeting is a minimum of two persons entitled to vote on the business to be transacted, each being a share owner or a proxy for a share owner or a duly authorised representative of a corporate share owner.
- Rule 5635(c) requires that issuers obtain stockholder approval before a stock option or purchase plan is established or materially amended or other equity compensation arrangement is made or materially amended pursuant to which stock may be acquired by officers, directors, employees or consultants of the issuer, subject to certain exceptions. The Company seeks share owner approval for the adoption or amendment of stock plans or stock purchase plans only as required by the Articles of Association of the Company, the Listing Rules of the UK Listing Authority (the Listing Rules) and the laws of Jersey. Subject to the exceptions permitted in the Listing Rules, this involves seeking share owner approval to any such plan that falls into either of the following categories (as defined in the Listing Rules):
 - (a) an employees' share scheme if the scheme involves or may involve the issue of new shares or the transfer of treasury shares; and
 - (b) a long-term incentive scheme in which one or more directors of the Company is eligible to participate and to material amendments of that scheme to the extent required by the scheme's rules. In this context, it should be noted that the provisions of the rules relating to whether amendments to the scheme rules must be approved by share owners must themselves be drafted to ensure compliance with the Listing Rules.

PART III

ITEM 17. FINANCIAL STATEMENTS

Not applicable.

ITEM 18. FINANCIAL STATEMENTS

The Consolidated Financial Statements of WPP plc at 31 December 2010, 2009 and 2008 are included in this report beginning on page F-1.

ITEM 19. EXHIBITS

<u>Exhibit No.</u>	<u>Exhibit Title</u>
1.1	Memorandum and Articles of Association of WPP plc (incorporated herein by reference to Exhibit 1 of the Registrant's Report on Form 6-K filed on 9 December 2008).
2.1	Deposit Agreement dated as of 19 November 2008 among WPP plc, Citibank, N.A. as Depositary, and all holders and beneficial owners from time to time of American Depositary Receipts issued thereunder (incorporated herein by reference to Exhibit 99(A) to the Registrant's Registration Statement on Form F-6EF filed on 18 November 2008).
2.2	Indenture, dated as of 23 June 2004, among WPP Finance (UK), as Issuer, WPP Group plc, as Guarantor, and Citibank, N.A., as Trustee (incorporated herein by reference to Exhibit 4.14 to the Registration Statement on Form F-4 filed by the Registrant on 21 September 2004 (File No. 333-119163)).
2.3	First Supplemental Indenture, dated as of 23 June 2004, among WPP Finance (UK), as Issuer, WPP Group plc, as Guarantor, and Citibank, N.A., as Trustee, pertaining to the issuance of U.S. \$650,000,000 5.875% Notes due 2014 (incorporated herein by reference to Exhibit 4.15 to the Registration Statement on Form F-4 filed by the Registrant on 21 September 2004 (File No. 333-119163)).
2.4	Second Supplemental Indenture, dated as of 27 June 2006, among WPP Finance (UK), as Issuer, WPP 2005 Limited and WPP Group plc, as Guarantors, and Citibank, N.A., as Trustee, pertaining to the issuance of U.S. \$650,000,000 5.875% Notes due 2014 (incorporated herein by reference to Exhibit 2.11 to the Registrant's Annual Report on Form 20-F for the year ended 31 December 2005).
2.5	Form of 5.875% Notes Due 2014 (included as part of Exhibit 2.2).
2.6	Form of Guarantee of 5.875% Notes due 2014 (included as part of Exhibit 2.2).
2.7	Third Supplemental Indenture, dated as of 19 December 2006, among WPP Finance (UK), as Issuer, WPP 2005 Limited, WPP Group plc and WPP Spangle, as Guarantors, and Wilmington Trust Company, as Trustee, pertaining to the issuance of U.S. \$650,000,000 5.875% Notes due 2014 (incorporated herein by reference to Exhibit 4.4 to the Registrant's Registration Statement on Form F-3 filed by the Registrant on 27 March 2009 (File No. 333-158262)).
2.8	Fourth Supplemental Indenture, dated as of 7 October 2008, among WPP Finance (UK), as Issuer, WPP Air 1 Limited and WPP Air 3 Limited, in their capacities as partners of WPP Air UK, Young & Rubicam Brands US Holdings (formerly known as WPP Spangle), WPP 2005 Limited and WPP Group plc, as Guarantors, and Wilmington Trust Company, as Trustee, pertaining to the issuance of U.S. \$650,000,000 5.875% Notes due 2014 (incorporated herein by reference to Exhibit 4.5 to the Registrant's Registration Statement on Form F-3 filed by the Registrant on 27 March 2009 (File No. 333-158262)).

<u>Exhibit No.</u>	<u>Exhibit Title</u>
2.9	Fifth Supplemental Indenture, dated as of 30 April 2009, among WPP Finance (UK), as Issuer, WPP Air 1 Limited and WPP Air 3 Limited, in their capacities as partners of WPP Air UK, Young & Rubicam Brands US Holdings, WPP 2005 Limited, WPP 2008 Limited (formerly known as WPP Group plc) and WPP plc, as Guarantors, and Wilmington Trust Company, as Trustee, pertaining to the issuance of U.S. \$650,000,000 5.875% Notes due 2014 (incorporated herein by reference to Exhibit 2.9 to the Registrant's Annual Report on Form 20-F for the year ended 31 December 2008).
2.10	Agreement of Registrant to file, if requested by the Securities and Exchange Commission, instruments relating to €600 million of 4.375% Bonds due 5 December 2013 (incorporated herein by reference to Exhibit 2.19 of the Registrant's Annual Report on Form 20-F filed for the year ended 31 December 2006).
2.11	Agreement of Registrant to file, if requested by the Securities and Exchange Commission, indenture instruments relating to £400 million of 6% Bonds due 4 April 2017 (incorporated herein by reference to Exhibit 2.20 of the Registrant's Annual Report on Form 20-F filed for the year ended 31 December 2006).
2.12	Agreement of Registrant to file, if requested by the Securities and Exchange Commission, instruments relating to €500 million of 5.25% bonds due 2015 (incorporated herein by reference to Exhibit 2.21 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2007).
2.13	Agreement of Registrant to file, if requested by the Securities and Exchange Commission, instruments relating to £200 million of 6.375% bonds due 2020 (incorporated herein by reference to Exhibit 2.22 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2007).
2.14	Agreement of Registrant to file, if requested by the Securities and Exchange Commission, instruments relating to €750 million of 6.25% Guaranteed Bonds due 2016 (incorporated herein by reference to Exhibit 2.23 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2007).
2.15	Agreement of Registrant to file, if requested by the Securities and Exchange Commission, instruments relating to a U.S. \$1,600,000,000 Revolving Credit Facility Agreement dated 23 August 2005 and Amended and Restated on 17 November 2008 (incorporated herein by reference to Exhibit 2.15 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2008).
2.16	Agreement of Registrant to file, if requested by the Securities and Exchange Commission, instruments relating to a £600,000,000 Revolving Credit Facility Agreement dated 9 July 2008 and Amended and Restated on 17 November 2008 (incorporated herein by reference to Exhibit 2.16 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2008).
2.17	Agreement of Registrant to file, if requested by the Securities and Exchange Commission, instruments relating to a £650,000,000 Term Facility Agreement dated 9 July 2008 and Amended and Restated on 17 November 2008 (incorporated herein by reference to Exhibit 2.17 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2008).
2.18	Fifth Supplemental Indenture, dated as of 7 October 2008, among WPP plc, WPP Air 1 Limited and WPP Air 3 Limited, in their capacities as partners of WPP Air UK, WPP Group plc, WPP 2005 Limited, Grey Global Group Inc. and American Stock Transfer & Trust Company, LLC, as Trustee, pertaining to Grey's 5% Contingent Convertible Subordinated Debentures due 2033 (incorporated herein by reference to Exhibit 2.18 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2008).

<u>Exhibit No.</u>	<u>Exhibit Title</u>
2.19	Agreement of Registrant to file, if requested by the Securities and Exchange Commission, instruments relating to \$600,000,000 of 8% Senior Notes due 2014 (incorporated herein by reference to Exhibit 2.19 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2009).
2.20	Agreement of Registrant to file, if requested by the Securities and Exchange Commission, instruments relating to £450,000,000 of 5.75% Guaranteed Bonds due 2014 (incorporated herein by reference to Exhibit 2.20 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2009).
2.21	Agreement of Registrant to file, if requested by the Securities and Exchange Commission, instruments relating to \$30 million of 6.22% promissory notes due July 10, 2012, and \$25 million of 6.34% promissory notes due July 10, 2014 (incorporated herein by reference to Exhibit 2.21 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2009).
4.1	J. Walter Thompson Company, Inc. Retained Benefit Supplemental Employee Retirement Plan (incorporated herein by reference to Exhibit 4.9 to the Registrant's Annual Report on Form 20-F for the year ended 31 December 2000).
4.2	Young & Rubicam Inc. Deferred Compensation Plan (incorporated herein by reference to Exhibit 10.26 to Young & Rubicam's Registration Statement on Form S-1 (File No. 333-46929)).
4.3	Amendment No. 2 to Young & Rubicam Inc. Deferred Compensation Plan effective as of 1 January 1999 (incorporated herein by reference to Exhibit 10.27 to Young & Rubicam's Annual Report on Form 10-K for the year ended 31 December 1998).
4.4	Young & Rubicam Inc. 1997 Incentive Compensation Plan (incorporated herein by reference to Exhibit 10.6 to Young & Rubicam's Registration Statement on Form S-1 (File No. 333-46929)).
4.5	Amendment to Young & Rubicam Inc. 1997 Incentive Compensation Plan (incorporated herein by reference to Exhibit 10.28 to Young & Rubicam's Registration Statement on Form S-1 (File No. 333-46929)).
4.6	Amendment No. 2 to Young & Rubicam Inc. 1997 Incentive Compensation Plan (incorporated herein by reference to Exhibit 10.23 to Young & Rubicam's Annual Report on Form 10-K for the year ended 31 December 1999).
4.7	Young & Rubicam Inc. Director Stock Option Plan (incorporated herein by reference to Exhibit 10.25 to Young & Rubicam's Annual Report on Form 10-K for the year ended 31 December 1999).
4.8	Young & Rubicam Inc. Executive Income Deferral Program (incorporated herein by reference to Exhibit 4.19 to the Registrant's Annual Report on Form 20-F for the year ended 31 December 2000).
4.9	Ogilvy & Mather ERISA Excess Plan Summary Plan Description (incorporated herein by reference to Exhibit 4.12 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2008).
4.10	Ogilvy & Mather Executive Savings Plan Summary Plan Description, in connection with a 25% matching contribution (incorporated herein by reference to Exhibit 4.13 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2008).
4.11	Ogilvy & Mather Executive Savings Plan Summary Plan Description, in connection with a 50% matching contribution (incorporated herein by reference to Exhibit 4.14 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2008).

<u>Exhibit No.</u>	<u>Exhibit Title</u>
4.12	Ogilvy & Mather Deferred Compensation Plan Summary Plan Description (incorporated herein by reference to Exhibit 4.15 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2008).
4.13	Grey Advertising Inc. amended and restated 1994 Stock Incentive Plan (incorporated herein by reference to Exhibit 10.02 to Grey Global Group Inc. Quarterly Report on Form 10-Q for the quarter ended 30 September 1996 (File No. 000-07898)).
4.14	WPP Executive Stock Option Plan (incorporated herein by reference to Exhibit 4.18 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2008).
4.15	WPP plc Performance Share Plan (incorporated herein by reference to Exhibit 4.19 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2008).
4.16	WPP plc Restricted Stock Plan (incorporated herein by reference to Exhibit 4.20 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2008).
4.17	WPP 2005 Executive Stock Option Plan (incorporated herein by reference to Exhibit 4.21 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2008).
4.18	WPP Annual Bonus Deferral Programme (incorporated herein by reference to Exhibit 4.22 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2008).
4.19	2004-2006 Long Term Incentive Plan Participant Guide (incorporated herein by reference to Exhibit 4.41 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2005).
4.20	GroupM Executive Savings Plan Summary Plan Description (incorporated herein by reference to Exhibit 4.24 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2008).
4.21	WPP 2008 Executive Stock Option Plan (incorporated herein by reference to Exhibit 4.27 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2008).
4.22	UK Service Agreement, effective from 19 November 2008, between WPP 2005 Limited, Sir Martin Sorrell and WPP plc (incorporated herein by reference to Exhibit 4.28 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2008).
4.23	Service Agreement in the USA, effective 26 November 2010, between WPP Group USA, Inc. and Sir Martin Sorrell.*
4.24	Service Agreement in the USA, dated 30 April 2009, between WPP Group USA, Inc. and Paul W.G. Richardson (incorporated herein by reference to Exhibit 4.30 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2008).
4.25	Director's appointment agreement, dated 21 November 2008, between WPP plc and Paul Richardson (incorporated herein by reference to Exhibit 4.31 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2008).
4.26	Service Agreement, dated 12 February 2009, between WPP 2005 Limited and Mark Read (incorporated herein by reference to Exhibit 4.32 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2008).
4.27	Director's appointment agreement, dated 21 November 2008, between WPP plc and Mark Read (incorporated herein by reference to Exhibit 4.33 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2008).
4.28	Supplemental Retirement Agreement, dated as of 1 July 2008, by and between WPP Group USA, Inc. and Paul Richardson (incorporated herein by reference to Exhibit 4.34 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2008).

<u>Exhibit No.</u>	<u>Exhibit Title</u>
4.29	Amendment dated 19 November 2008 to Supplemental Retirement Agreement, dated as of 1 July 2008, by and between WPP Group USA, Inc. and Paul Richardson (incorporated herein by reference to Exhibit 4.35 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2008).
4.30	Stock Purchase Agreement, dated 3 August 1998, among Asatsu Inc., WPP International Holding B.V. and WPP Group plc (incorporated herein by reference to Exhibit 4.36 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2008).
4.31	24/7 Media, Inc. 1998 Stock Incentive Plan (incorporated herein by reference to Exhibit 10.1 to the Registration Statement on Form S-1 of 24/7 Media, Inc. filed on June 4, 2009, File No. 333-56085).
4.32	24/7 Real Media, Inc. 2002 Stock Incentive Plan (incorporated herein by reference to a proxy statement filed by 24/7 Real Media, Inc. on August 9, 2002, File No. 000-29768).
4.33	Amendment No. 2 to the Grey Global Group Inc. 2003 Senior Management Incentive Plan, effective as of January 1, 2009 (incorporated herein by reference to Exhibit 4.39 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2008)
4.34	Grey Advertising Inc. Senior Executive Officer Post-Employment Compensation Plan (incorporated herein by reference to Exhibit 4.40 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2008).
4.35	Amendment No. 1 to the Grey Advertising Inc. Senior Executive Officer Post-Employment Compensation Plan, effective as of January 1, 2009 (incorporated herein by reference to Exhibit 4.41 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2008).
4.36	Amendment No. 1 to the J. Walter Thompson Retained Benefit Supplemental Employee Retirement Plan, effective as of January 1, 2009 (incorporated herein by reference to Exhibit 4.42 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2008).
4.37	Taylor Nelson Sofres 2001 Equity Participation Plan (incorporated herein by reference to Exhibit 4.43 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2008).
4.38	Taylor Nelson Sofres plc 2005 Long Term Incentive Plan (incorporated herein by reference to Exhibit 4.44 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2008).
4.39	Taylor Nelson Sofres New Share Plan (incorporated herein by reference to Exhibit 4.45 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2008).
4.40	Leadership Equity Acquisition Plan III (incorporated herein by reference to Exhibit 4.42 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2009).
8.1	List of subsidiaries.*
12.1	Certification of Group Chief Executive.*
12.2	Certification of Group Finance Director.*
13.1	Certification of Group Chief Executive under 18 U.S.C. Section 1350.*
13.2	Certification of Group Finance Director under 18 U.S.C. Section 1350.*
14.1	Consent of Independent Registered Public Accounting Firm.*

* Filed herewith.

Signatures

The Registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

WPP plc

By: /s/ PAUL W G RICHARDSON
Paul W G Richardson
Group Finance Director

29 April 2011

Item 18

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of WPP plc

We have audited the accompanying consolidated balance sheets of WPP plc and subsidiaries (the “Company”) at 31 December 2010 and 2009, and the related consolidated income statements, consolidated statements of comprehensive income, consolidated cash flow statements, and consolidated statement of changes in equity for each of the three years in the period ended 31 December 2010. These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2010 and 2009, and the results of its operations and cash flows for each of the three years in the period ended 31 December 2010, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company’s internal control over financial reporting as at 31 December 2010, based on the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated 29 April 2011 expressed an unqualified opinion on the Company’s internal control over financial reporting.

/s/ Deloitte LLP
Deloitte LLP
London, United Kingdom
29 April 2011

Our 2010 financial statements

Accounting policies

The consolidated financial statements of WPP plc and its subsidiaries (the Group) for the year ended 31 December 2010 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board as they apply to the financial statements of the Group for the year ended 31 December 2010.

Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention, except for the revaluation of certain financial instruments. The principal accounting policies are set out below.

The financial statements were approved by the Board of Directors and authorised for issue on 29 April 2011.

Basis of consolidation

The consolidated financial statements include the results of the Company and all its subsidiary undertakings made up to the same accounting date. All intra-Group balances, transactions, income and expenses are eliminated in full on consolidation. The results of subsidiary undertakings acquired or disposed of during the period are included or excluded from the consolidated income statement from the effective date of acquisition or disposal.

Goodwill and other intangible assets

Intangible assets comprise goodwill, certain acquired separable corporate brand names, acquired customer relationships, acquired proprietary tools and capitalised computer software not integral to a related item of hardware.

Goodwill represents the excess of fair value attributed to investments in businesses or subsidiary undertakings over the fair value of the underlying net assets, including intangible assets, at the date of their acquisition.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the net present value of future cash flows derived from the underlying assets using a projection period of up to five years for each cash-generating unit. After the projection period a steady growth rate representing an appropriate long-term growth rate for the industry is applied. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Corporate brand names, customer relationships and proprietary tools acquired as part of acquisitions of businesses are capitalised separately from goodwill as intangible assets if their value can be measured reliably on initial recognition and it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group.

Certain corporate brands of the Group are considered to have an indefinite economic life because of the institutional nature of the corporate brand names, their proven ability to maintain market leadership and profitable operations over long periods of time and the Group's commitment to develop and enhance their value. The carrying value of these intangible assets is reviewed at least annually for impairment and adjusted to the recoverable amount if required.

Amortisation is provided at rates calculated to write off the cost less estimated residual value of each asset on a straight-line basis over its estimated useful life as follows:

Acquired intangibles

- Brand names (with finite lives) – 10-20 years.
- Customer related intangibles – 3-10 years.
- Other proprietary tools – 3-10 years.
- Other (including capitalised computer software) – 3-5 years.

Contingent consideration

Contingent consideration is accounted for in accordance with IFRS 3 (revised) Business Combinations.

Future anticipated payments to vendors in respect of contingent consideration (earnout agreements) are initially recorded at fair value which is the present value of the expected cash outflows of the obligations. The obligations are dependent on the future financial performance of the interests acquired (typically over a four to five year period following the year of acquisition) and assume the operating companies improve profits in line with directors' estimates. The directors derive their estimates from internal business plans together with financial due diligence performed in connection with the acquisition.

Accounting policies (continued)

Subsequent adjustments to the fair value are recorded in the consolidated income statement within revaluation of financial instruments. For acquisitions completed prior to 1 January 2010, such adjustments are recorded in the consolidated balance sheet within goodwill.

Property, plant and equipment

Property, plant and equipment are shown at cost less accumulated depreciation and any provision for impairment with the exception of freehold land which is not depreciated. The Group assesses the carrying value of its property, plant and equipment to determine if any impairment has occurred. Where this indicates that an asset may be impaired, the Group applies the requirements of IAS 36 Impairment of Assets in assessing the carrying amount of the asset. This process includes comparing its recoverable amount with its carrying value. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset on a straight-line basis over its estimated useful life, as follows:

- Freehold buildings – 50 years.
- Leasehold land and buildings – over the term of the lease or life of the asset, if shorter.
- Fixtures, fittings and equipment – 3-10 years.
- Computer equipment – 3-5 years.

Interests in associates and joint ventures

The Group's share of the profits less losses of associate undertakings net of tax, interest and non-controlling interests is included in the consolidated income statement and the Group's share of net assets is shown within interests in associates in the consolidated balance sheet. The Group's share of the profits less losses and net assets is based on current information produced by the undertakings, adjusted to conform with the accounting policies of the Group.

The Group assesses the carrying value of its associate undertakings to determine if any impairment has occurred. Where this indicates that an investment may be impaired, the Group applies the requirements of IAS 36 in assessing the carrying amount of the investment. This process includes comparing its recoverable amount with its carrying value.

The Group accounts for joint venture investments under the equity method which is consistent with the Group's treatment of associates.

Other investments

Other investments are designated as 'available for sale' and are shown at fair value with any movements in fair value taken to equity.

On disposal the cumulative gain or loss previously recognised in equity is included in the profit or loss for the year. Impairment losses recognised in profit or loss for equity investments classified as 'available for sale' are not subsequently reversed through profit or loss.

Inventory and work in progress

Work in progress is valued at cost, which includes outlays incurred on behalf of clients and an appropriate proportion of directly attributable costs and overheads on incomplete assignments. Provision is made for irrecoverable costs where appropriate. Inventory is stated at the lower of cost and net realisable value.

Trade receivables

Trade receivables are stated net of provisions for bad and doubtful debts.

Foreign currency and interest rate hedging

The Group's policy on interest rate and foreign exchange rate management sets out the instruments and methods available to hedge interest and currency risk exposures and the control procedures in place to ensure effectiveness.

The Group uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The Group does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

At the inception of the hedge relationship the entity documents the relationship between the hedging instrument and hedged item, along with its

Accounting policies (continued)

risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Note 25 contains details of the fair values of the derivative instruments used for hedging purposes.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss immediately, together with any changes in the fair value of the hedged item that is attributable to the hedged risk.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow or net investment hedges is deferred in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts deferred in equity are recycled in profit or loss in the periods when the hedged item is recognised in profit or loss. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the period.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts and the host contracts are not carried at fair value with unrealised gains or losses reported in the consolidated income statement.

Liabilities in respect of option agreements

Option agreements that allow the Group's equity partners to require the Group to purchase a non-controlling interest are treated as derivatives over equity instruments and are recorded in the consolidated balance sheet at fair value and the valuation is remeasured at each period end. Fair value is based on the present value of expected cash outflows and the movement in the fair value is recognised as income or expense within revaluation of financial instruments in the consolidated income statement.

Derecognition of financial liabilities

In accordance with IAS 39 Financial Instruments: Recognition and Measurement, a financial liability of the Group is only released to the consolidated income statement when the underlying legal obligation is extinguished.

Convertible debt

Convertible debt is assessed according to the substance of the contractual arrangements and is classified into liability and equity elements on the basis of the initial fair value of the liability element. The difference between this figure and the cash received is classified as equity.

The consolidated income statement charge for the finance cost is spread evenly over the term of the convertible debt so that at redemption the liability equals the redemption value.

Bank borrowings

Other interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs.

Borrowing costs

Finance costs of borrowing are recognised in the consolidated income statement over the term of those borrowings.

Revenue recognition

Revenue comprises commission and fees earned in respect of amounts billed. Direct costs include fees paid to external suppliers where they are retained to perform part or all of a specific project for a client and the resulting expenditure is directly attributable to the revenue earned. Revenue is stated exclusive of VAT, sales taxes and trade discounts.

Advertising and Media Investment Management

Revenue is typically derived from commissions on media placements and fees for advertising services.

Accounting policies (continued)

Revenue may consist of various arrangements involving commissions, fees, incentive-based revenue or a combination of the three, as agreed upon with each client.

Revenue is recognised when the service is performed, in accordance with the terms of the contractual arrangement. The amount of revenue recognised depends on whether we act as an agent or as a principal in an arrangement with a client. Where we act as an agent, the revenue recorded is the net amount retained when the fee or commission is earned. Although the Group may bear credit risk in respect of these activities, the arrangements with our clients are such that we consider that we are acting as an agent on their behalf. In such cases, costs incurred with external suppliers (such as media suppliers) are excluded from our revenue. Where the Group acts as a principal and contracts directly with suppliers for media payments and production costs, the revenue recorded is the gross amount billed.

Incentive-based revenue typically comprises both quantitative and qualitative elements; on the element related to quantitative targets, revenue is recognised when the quantitative targets have been achieved; on the element related to qualitative targets, revenue is recognised when the incentive is received or receivable.

The Group receives volume rebates from certain suppliers for transactions entered into on behalf of clients that, based on the terms of the relevant contracts and local law, are either remitted to clients or retained by the Group. If amounts are passed on to clients they are recorded as liabilities until settled or, if retained by the Group, are recorded as revenue when earned.

Consumer Insight

Revenue recognised in proportion to the level of service performed for market research contracts is based on proportional performance. In assessing contract performance, both input and output criteria are reviewed. Costs incurred are used as an objective input measure of performance. The primary input of all work performed under these arrangements is labour. As a result of the relationship between labour and cost, there is normally a direct relationship between costs incurred and the proportion of the contract performed to date. Costs incurred as a proportion of expected total costs is used as an initial proportional performance measure. This indicative proportional performance measure is subsequently validated against other more subjective criteria (i.e. relevant output measures) such as the percentage of interviews completed, percentage of reports delivered to a client and the achievement of any project milestones stipulated in the contract. In the event of divergence between the objective and more subjective measures, the more subjective measures take precedence since these are output measures.

While most of the studies provided in connection with the Group's market research contracts are undertaken in response to an individual client's or group of clients' specifications, in certain instances a study may be developed as an off-the-shelf product offering sold to a broad client base. For these transactions, revenue is recognised when the product is delivered. Where the terms of transaction provide for licensing the product on a subscription basis, revenue is recognised over the subscription period on a straight-line basis or, if applicable, based on usage.

Substantially all services are provided on a fixed price basis. Pricing may also include a provision for a surcharge where the actual labour hours incurred in completing a project are significantly above the labour hours quoted in the project proposal. In instances where this occurs, the surcharge will be included in the total revenue base on which to measure proportional performance when the actual threshold is reached provided that collectability is reasonably assured.

Public Relations & Public Affairs and Branding & Identity, Healthcare and Specialist Communications

Revenue is typically derived from retainer fees and services to be performed subject to specific agreement. Revenue is recognised when the service is performed, in accordance with the terms of the contractual arrangement. Revenue is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the consolidated income statement revenue and related costs as contract activity progresses.

Taxation

Corporate taxes are payable on taxable profits at current rates. The tax expense represents the sum of the tax currently payable and deferred tax.

Accounting policies (continued)

The Group is subject to corporate taxes in a number of different jurisdictions and judgement is required in determining the appropriate provision for transactions where the ultimate tax determination is uncertain. In such circumstances the Group recognises liabilities for anticipated taxes based on the best information available and where the anticipated liability is both probable and estimable. Where the final outcome of such matters differs from the amount recorded, any differences may impact the income tax and deferred tax provisions in the period in which the final determination is made.

The tax laws that apply to the Group's subsidiaries may be amended by the relevant tax authorities. Such potential amendments are regularly monitored and adjustments are made to the Group's tax liabilities and deferred tax assets and liabilities where necessary.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences unless specifically excepted by IAS 12 Income Taxes. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or other assets and liabilities (other than in a business combination) in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on enacted or substantively enacted legislation. Deferred tax is charged or credited in the consolidated income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Retirement benefit costs

For defined contribution plans, contributions are charged to the consolidated income statement as payable in respect of the accounting period.

For defined benefit plans the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the consolidated income statement if the benefits have vested. If the benefits have not vested, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown within finance costs and finance income respectively. Actuarial gains and losses are recognised immediately in the statement of comprehensive income.

Where defined benefit plans are funded, the assets of the plan are held separately from those of the Group, in separate trustee-administered funds. Pension plan assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the plan liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

Accounting policies (continued)

Recognition of a surplus in a defined benefit plan is limited based on the economic gain the company is expected to benefit from in the future by means of a refund or reduction in future contributions to the plan, in accordance with IAS 19 Employee Benefits.

Finance leases

Assets held under finance leases are recognised as assets of the Group at the inception of the lease at the lower of their fair value and the present value of the minimum lease payments. Depreciation on leased assets is charged to the consolidated income statement on the same basis as owned assets. Leasing payments are treated as consisting of capital and interest elements and the interest is charged to the consolidated income statement as it is incurred.

Operating leases

Operating lease rentals are charged to the consolidated income statement on a straight-line basis over the lease term. Any premium or discount on the acquisition of a lease is spread over the life of the lease on a straight-line basis.

Translation of foreign currencies

Foreign currency transactions arising from normal trading activities are recorded at the rates in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are translated at the year-end exchange rate. Foreign currency gains and losses are credited or charged to the consolidated income statement as they arise.

The income statements of overseas subsidiary undertakings are translated into pounds sterling at average exchange rates and the year-end net assets of these companies are translated at year-end exchange rates.

Exchange differences arising from retranslation of the opening net assets and on foreign currency borrowings (to the extent that they hedge the Group's investment in such operations) are reported in the consolidated statement of comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Share-based payments

The Group issues equity-settled share-based payments (including share options) to certain employees and accounts for these awards in accordance with IFRS 2 (Share-Based Payment). Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. Details regarding the fair value of equity settled share-based transactions are set out in notes 22 and 26.

The fair value determined at the grant date is recognised in the consolidated income statement as an expense on a straight-line basis over the relevant vesting period, based on the Group's estimate of the number of shares that will ultimately vest and adjusted for the effect of non-market-based vesting conditions.

New IFRS accounting pronouncements

At the date of authorisation of these financial statements, the following Standards and Interpretations, which have not been applied in these financial statements, were in issue but not yet effective:

- IFRIC 14 (amended)/IAS 19 (amended): The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction;
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments;
- IFRS 7 (amended): Financial Instruments: Disclosure;
- IFRS 9 Financial Instruments;
- IAS 1 (amended): Presentation of Financial Statements;
- IAS 12 (amended): Income Taxes;
- IAS 24 (revised): Related Party Transactions;
- IAS 32 (amended): Classification of Rights Issues.

The Group does not consider that these Standards and Interpretations will have a significant impact on the financial statements of the Group except for additional disclosures when the relevant standards come into effect for periods commencing on or after 1 January 2011.

In the current year IFRS 2 (amended) Share-Based Payment became effective. The adoption of this Standard has not led to any changes in the Group's accounting policies.

Accounting policies (continued)

The Group adopted IFRS 3 (revised) Business Combinations and IAS 27 (revised) Consolidated and Separate Financial Statements during the year. The revisions to these standards applied to business combinations completed after 1 January 2010. The main impact of these revised standards was as follows:

- In the year to 31 December 2010, all acquisition-related costs have been recognised as an operating cost in the consolidated income statement whereas previously they were capitalised. Prior periods have not been restated as this change in accounting is required to be applied prospectively from 1 January 2010;
- The term 'minority interest' has been changed to 'non-controlling interest';
- Contingent consideration payable is to be measured at fair value at the acquisition date. Any subsequent movements in the fair value of such consideration as a result of post-acquisition events must be recognised as a gain or loss in the consolidated income statement;
- Equity interests held prior to control being obtained are re-measured to fair value at the acquisition date, with any resulting gain or loss recognised in the consolidated income statement. The Group excludes such gains or losses from headline PBIT (as defined in note 31);
- Changes in ownership interest in a subsidiary that does not result in a change of control are treated as transactions among equity holders and are reported within equity shareowners' funds. No gain or loss is recognised on such transactions and goodwill is not re-measured; and
- Cash consideration for non-controlling interests is classified as a financing activity rather than an investing activity in the consolidated cash flow statement. Prior periods have been restated accordingly as this change in disclosure is required to be applied retrospectively.

Critical judgements in applying accounting policies

Management is required to make key decisions and judgements in the process of applying the Group's accounting policies. The most significant areas where such judgements have been necessary are revenue recognition, goodwill and other intangibles, acquisition reserves, taxation and accounting for pension liabilities. Where judgement has been applied, the key factors taken into consideration are disclosed in the accounting policies and the appropriate note in these financial statements.

Consolidated income statement

For the years ended 31 December 2010, 2009, 2008

	Notes	2010 £m	2009 £m	2008 £m
Revenue	2	9,331.0	8,684.3	7,476.9
Direct costs		(770.5)	(703.6)	(467.5)
Gross profit		8,560.5	7,980.7	7,009.4
Operating costs	3	(7,587.5)	(7,219.0)	(6,133.4)
Operating profit		973.0	761.7	876.0
Share of results of associates	4	55.2	57.0	46.0
Profit before interest and taxation		1,028.2	818.7	922.0
Finance income	6	81.7	150.4	169.6
Finance costs	6	(276.8)	(355.4)	(319.4)
Revaluation of financial instruments	6	18.2	48.9	(25.4)
Profit before taxation		851.3	662.6	746.8
Taxation	7	(190.3)	(155.7)	(232.9)
Profit for the year		661.0	506.9	513.9
Attributable to:				
Equity holders of the parent		586.0	437.7	439.1
Non-controlling interests		75.0	69.2	74.8
		661.0	506.9	513.9
Earnings per share¹				
Basic earnings per ordinary share	9	47.5p	35.9p	38.4p
Diluted earnings per ordinary share	9	45.9p	35.3p	37.6p

Notes

The accounting policies on pages F-2 to F-8 and the accompanying notes on pages F-15 to F-47 form an integral part of this consolidated income statement.

¹ The calculations of the Group's earnings per share are set out in note 9.

Consolidated statement of comprehensive income

For the years ended 31 December 2010, 2009, 2008

	2010 £m	2009 £m	2008 £m
Profit for the year	661.0	506.9	513.9
Exchange adjustments on foreign currency net investments	156.3	(155.6)	1,418.6
Loss on revaluation of available for sale investments	(59.8)	(13.5)	(51.3)
Actuarial loss on defined benefit pension plans	(0.4)	(7.2)	(82.2)
Deferred tax credit/(charge) on defined benefit pension plans	0.2	(4.4)	0.7
Other comprehensive income/(loss) relating to the year	96.3	(180.7)	1,285.8
Total comprehensive income relating to the year	757.3	326.2	1,799.7
Attributable to:			
Equity holders of the parent	672.6	270.4	1,685.5
Non-controlling interests	84.7	55.8	114.2
	757.3	326.2	1,799.7

Note

The accounting policies on pages F-2 to F-8 and the accompanying notes on pages F-15 to F-47 form an integral part of this consolidated statement of comprehensive income.

Consolidated cash flow statement

For the years ended 31 December 2010, 2009, 2008

	Notes	2010 £m	2009 £m	2008 £m
Net cash inflow from operating activities	11	1,361.2	818.8	922.7
Investing activities				
Acquisitions and disposals	11	(200.1)	(118.4)	(1,029.4)
Purchases of property, plant and equipment		(190.5)	(222.9)	(196.8)
Purchases of other intangible assets (including capitalised computer software)		(27.0)	(30.4)	(23.8)
Proceeds on disposal of property, plant and equipment		7.6	9.2	11.5
Net cash outflow from investing activities		(410.0)	(362.5)	(1,238.5)
Financing activities				
Share option proceeds		42.7	4.1	10.6
Cash consideration for non-controlling interests	11	(15.1)	(26.4)	(19.7)
Share repurchases and buy-backs	11	(46.4)	(9.5)	(105.3)
Net increase/(decrease) in borrowings	11	19.8	(426.3)	810.4
Financing and share issue costs		(3.5)	(18.8)	(19.4)
Equity dividends paid	8	(200.4)	(189.8)	(161.8)
Dividends paid to non-controlling interests in subsidiary undertakings		(66.7)	(63.0)	(63.5)
Net cash outflow from financing activities		(269.6)	(729.7)	451.3
Net increase/(decrease) in cash and cash equivalents		681.6	(273.4)	135.5
Translation differences		82.2	(98.7)	120.3
Cash and cash equivalents at beginning of year		946.0	1,318.1	1,062.3
Cash and cash equivalents at end of year	11	1,709.8	946.0	1,318.1

Note

The accounting policies on pages F-2 to F-8 and the accompanying notes on pages F-15 to F-47 form an integral part of this consolidated cash flow statement.

Consolidated balance sheet

At 31 December 2010, 2009

	Notes	2010 £m	2009 £m
Non-current assets			
Intangible assets:			
Goodwill	12	9,106.3	8,697.5
Other	12	1,904.5	2,000.7
Property, plant and equipment	13	708.4	680.5
Interests in associates	14	792.1	729.3
Other investments	14	173.7	294.6
Deferred tax assets	15	79.1	67.5
Trade and other receivables	17	323.5	286.1
		13,087.6	12,756.2
Current assets			
Inventory and work in progress	16	366.0	306.7
Corporate income tax recoverable		82.9	73.0
Trade and other receivables	17	8,843.4	7,548.9
Cash and short-term deposits		1,965.2	1,666.7
		11,257.5	9,595.3
Current liabilities			
Trade and other payables	18	(11,703.6)	(9,774.0)
Corporate income tax payable		(115.8)	(71.6)
Bank overdrafts and loans	20	(255.4)	(720.7)
		(12,074.8)	(10,566.3)
Net current liabilities		(817.3)	(971.0)
Total assets less current liabilities		12,270.3	11,785.2
Non-current liabilities			
Bonds and bank loans	20	(3,598.2)	(3,586.4)
Trade and other payables	19	(388.6)	(423.3)
Corporate income tax liability		(481.8)	(485.5)
Deferred tax liabilities	15	(750.7)	(809.6)
Provision for post-employment benefits	23	(241.5)	(251.8)
Provisions for liabilities and charges	21	(161.6)	(152.9)
		(5,622.4)	(5,709.5)
Net assets		6,647.9	6,075.7
Equity			
Called-up share capital	26	126.4	125.6
Share premium account		54.5	12.6
Shares to be issued		3.1	5.5
Merger reserve		(5,136.8)	(5,138.0)
Other reserves	27	1,182.8	1,093.1
Own shares		(144.8)	(154.0)
Retained earnings		10,361.4	9,949.2
Equity share owners' funds		6,446.6	5,894.0
Non-controlling interests		201.3	181.7
Total equity		6,647.9	6,075.7

Note

The accounting policies on pages F-2 to F-8 and the accompanying notes on pages F-15 to F-47 form an integral part of this consolidated balance sheet.

Consolidated statement of changes in equity

For the years ended 31 December 2010, 2009, 2008

	Called-up share capital £m	Share premium account £m	Shares to be issued £m	Merger reserve £m	Other reserves ¹ £m	Own Shares £m	Retained earnings £m	Total equity share owners' funds £m	Non- controlling interests £m
Balance at 1 January 2008	119.2	103.9	5.3	(1,365.9)	(114.9)	(255.3)	5,482.1	3,974.4	120.4
Reclassification due to Group reconstruction	-	3,780.6	-	(3,769.2)	(11.4)	-	-	-	-
Transfer of share premium to retained earnings as part of the scheme of arrangement	-	(4,143.1)	-	-	-	-	4,143.1	-	-
Ordinary shares issued in respect of acquisitions	8.0	259.7	2.8	-	-	-	-	270.5	-
Other ordinary shares issued	0.2	8.3	(2.8)	1.1	-	-	1.1	7.9	-
Share issue/cancellation costs	-	(0.8)	-	(4.8)	-	-	-	(5.6)	-
Share cancellations	(1.9)	-	-	-	1.9	-	(112.2)	(112.2)	-
Exchange adjustments on foreign currency net investments	-	-	-	-	1,379.2	-	-	1,379.2	39.4
Net profit for the year	-	-	-	-	-	-	439.1	439.1	74.8
Dividends paid	-	-	-	-	-	-	(161.8)	(161.8)	(63.5)
Transfer to goodwill	-	-	3.4	-	-	-	-	3.4	-
Non-cash share-based incentive plans (including stock options)	-	-	-	-	-	-	62.3	62.3	-
Tax adjustment of share-based payments	-	-	-	-	-	-	(9.0)	(9.0)	-
Net movement in own shares held by ESOP Trusts	-	-	-	-	-	52.8	(56.4)	(3.6)	-
Treasury shares disposals	-	-	-	-	-	12.7	(5.8)	6.9	-
Actuarial loss on defined benefit plans	-	-	-	-	-	-	(82.2)	(82.2)	-
Deferred tax on defined benefit pension plans	-	-	-	-	-	-	0.7	0.7	-
Loss on revaluation of available for sale investments	-	-	-	-	(51.3)	-	-	(51.3)	-
Share purchases – close period commitments	-	-	-	-	64.8	-	(5.0)	59.8	-
Recognition/remeasurement of financial instruments	-	-	-	-	(17.8)	-	1.5	(16.3)	-
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	26.5
Balance at 31 December 2008	125.5	8.6	8.7	(5,138.8)	1,250.5	(189.8)	9,697.5	5,762.2	197.6
Ordinary shares issued	0.1	4.0	(1.7)	0.8	-	-	0.3	3.5	-
Exchange adjustments on foreign currency net investments	-	-	-	-	(142.2)	-	-	(142.2)	(13.4)
Net profit for the year	-	-	-	-	-	-	437.7	437.7	69.2
Dividends paid	-	-	-	-	-	-	(189.8)	(189.8)	(63.0)
Transfer from goodwill	-	-	(1.5)	-	-	-	-	(1.5)	-
Non-cash share-based incentive plans (including stock options)	-	-	-	-	-	-	54.9	54.9	-
Net movement in own shares held by ESOP Trusts	-	-	-	-	-	45.3	(45.3)	-	-
Treasury shares additions	-	-	-	-	-	(9.5)	-	(9.5)	-
Actuarial loss on defined benefit plans	-	-	-	-	-	-	(7.2)	(7.2)	-
Deferred tax on defined benefit plans	-	-	-	-	-	-	(4.4)	(4.4)	-
Loss on revaluation of available for sale investments	-	-	-	-	(13.5)	-	-	(13.5)	-
Equity component of convertible bonds (net of deferred tax)	-	-	-	-	34.7	-	-	34.7	-
Recognition/remeasurement of financial instruments	-	-	-	-	(36.4)	-	5.5	(30.9)	-
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	(8.7)
Balance at 31 December 2009	125.6	12.6	5.5	(5,138.0)	1,093.1	(154.0)	9,949.2	5,894.0	181.7

Consolidated statement of changes in equity (continued)

For the years ended 31 December 2010, 2009, 2008

	Called-up share capital £m	Share premium account £m	Shares to be issued £m	Merger reserve £m	Other reserves ¹ £m	Own Shares £m	Retained earnings £m	Total equity share owners' funds £m	Non- controlling interests £m
Balance at 31 December 2009	125.6	12.6	5.5	(5,138.0)	1,093.1	(154.0)	9,949.2	5,894.0	181.7
Ordinary shares issued	0.8	41.9	(2.4)	1.2	–	–	0.9	42.4	–
Exchange adjustments on foreign currency net investments	–	–	–	–	146.6	–	–	146.6	9.7
Net profit for the year	–	–	–	–	–	–	586.0	586.0	75.0
Dividends paid	–	–	–	–	–	–	(200.4)	(200.4)	(66.7)
Non-cash share-based incentive plans (including stock options)	–	–	–	–	–	–	70.4	70.4	–
Tax adjustment on share-based payments	–	–	–	–	–	–	21.1	21.1	–
Net movement in own shares held by ESOP Trusts	–	–	–	–	–	9.2	(55.6)	(46.4)	–
Actuarial loss on defined benefit plans	–	–	–	–	–	–	(0.4)	(0.4)	–
Deferred tax on defined benefit plans	–	–	–	–	–	–	0.2	0.2	–
Loss on revaluation of available for sale investments	–	–	–	–	(59.8)	–	–	(59.8)	–
Recognition/remeasurement of financial instruments	–	–	–	–	2.9	–	0.9	3.8	–
Acquisition of subsidiaries	–	–	–	–	–	–	(10.9)	(10.9)	1.6
Balance at 31 December 2010	126.4	54.5	3.1	(5,136.8)	1,182.8	(144.8)	10,361.4	6,446.6	201.3

Notes

The accounting policies on pages F-2 to F-8 and the accompanying notes on pages F-15 to F-47 form an integral part of this consolidated statement of changes in equity.

¹ Other reserves are analysed in note 27.

Total comprehensive income relating to the year ended 31 December 2010 was £757.3 million (2009: £326.2 million, 2008: £1,799.7 million)

Notes to the consolidated financial statements

1. General information

WPP plc is a company incorporated in Jersey. The address of the registered office is 22 Grenville Street, St Helier, Jersey, JE4 8PX and the address of the principal executive office is 6 Ely Place, Dublin 2, Ireland. The nature of the Group's operations and its principal activities are set out in note 2. These consolidated financial statements are presented in pounds sterling.

2. Segment information

The Group is a leading worldwide communications services organisation offering national and multinational clients a comprehensive range of communications services.

The Group is organised into four reportable segments – Advertising and Media Investment Management; Consumer Insight; Public Relations & Public Affairs; and Branding & Identity, Healthcare and Specialist Communications. This last reportable segment includes WPP Digital and direct, digital, promotional and relationship marketing.

IFRS 8 Operating Segments requires operating segments to be identified on the same basis as is used internally for the review of performance and allocation of resources by the Group chief executive. Provided certain quantitative and qualitative criteria are fulfilled, IFRS 8 permits the aggregation of these components into reportable segments for the purposes of disclosure in the Group's financial statements. In assessing the Group's reportable segments, the directors have had regard to the similar economic characteristics of certain operating segments, their shared client base, the similar nature of their products or services and their long-term margins, amongst other factors.

Operating sectors

Reported contributions were as follows:

	Revenue ¹	Headline PBIT ³	Headline PBIT margin	Revenue ^{1,2}	Headline PBIT ^{2,3}	Headline PBIT margin ²	Revenue ^{1,2}	Headline PBIT ^{2,3}	Headline PBIT margin ²
	2010	2010	2010	2009	2009	2009	2008	2008	2008
	£m	£m	%	£m	£m	%	£m	£m	%
Advertising and Media Investment Management	3,733.3	573.0	15.3	3,420.5	472.8	13.8	3,380.2	581.3	17.2
Consumer Insight	2,430.2	234.8	9.7	2,297.1	196.9	8.6	1,301.8	147.6	11.3
Public Relations & Public Affairs	844.5	133.1	15.8	795.7	122.1	15.3	752.3	124.9	16.6
Branding & Identity, Healthcare and Specialist Communications	2,323.0	287.8	12.4	2,171.0	225.4	10.4	2,042.6	264.4	12.9
	9,331.0	1,228.7	13.2	8,684.3	1,017.2	11.7	7,476.9	1,118.2	15.0

Notes

¹ Intersegment sales have not been separately disclosed as they are not material.

² 2009 and 2008 comparatives have been restated to reflect the transfer of certain revenues of RMG from Branding & Identity, Healthcare and Specialist Communications to Advertising and Media Investment Management. Headline PBIT comparatives have not been restated as the impact was insignificant.

³ A reconciliation from profit before interest and taxation (PBIT) to headline PBIT is provided in note 31. PBIT is reconciled to profit before taxation in the consolidated income statement.

Other information	Share-based payments	Capital additions ¹	Depreciation and amortisation ²	Goodwill impairment & write-downs	Share of results of associates	Interest in associates
	£m	£m	£m	£m	£m	£m
2010						
Advertising and Media Investment Management	36.8	95.6	94.2	0.3	26.2	487.3
Consumer Insight	13.7	58.9	49.8	–	15.1	122.6
Public Relations & Public Affairs	3.3	12.9	14.1	2.0	4.1	58.7
Branding & Identity, Healthcare and Specialist Communications	16.6	50.1	52.2	7.7	9.8	123.5
	70.4	217.5	210.3	10.0	55.2	792.1
2009						
Advertising and Media Investment Management	23.1	166.5	99.7	33.3	30.7	445.9
Consumer Insight	11.5	51.6	53.5	–	16.9	114.5
Public Relations & Public Affairs	4.4	19.2	15.2	–	2.7	60.3
Branding & Identity, Healthcare and Specialist Communications	15.9	43.8	57.4	11.0	6.7	108.6
	54.9	281.1	225.8	44.3	57.0	729.3
2008						
Advertising and Media Investment Management	33.3	93.3	86.2	9.1	32.7	474.9
Consumer Insight	7.5	50.9	23.0	3.0	5.4	96.7
Public Relations & Public Affairs	4.3	13.3	13.6	–	4.1	59.6
Branding & Identity, Healthcare and Specialist Communications	17.2	63.1	50.2	73.5	3.8	83.1
	62.3	220.6	173.0	85.6	46.0	714.3

Notes

¹ Capital additions include purchases of property, plant and equipment and other intangible assets (including capitalised computer software).

² Depreciation of property, plant and equipment and amortisation of other intangible assets.

Notes to the consolidated financial statements (continued)

2. Segment information (continued)

Balance sheet	Assets			Liabilities		
	Segment assets	Unallocated corporate assets ¹	Consolidated total assets	Segment liabilities	Unallocated corporate liabilities ¹	Consolidated total liabilities
	£m	£m	£m	£m	£m	£m
2010						
Advertising and Media Investment Management	11,795.7			(9,553.6)		
Consumer Insight	3,691.2			(1,143.9)		
Public Relations & Public Affairs	1,699.6			(388.4)		
Branding & Identity, Healthcare and Specialist Communications	5,031.4			(1,409.4)		
	22,217.9	2,127.2	24,345.1	(12,495.3)	(5,201.9)	(17,697.2)
2009						
Advertising and Media Investment Management	10,539.1			(8,036.9)		
Consumer Insight	3,714.6			(1,002.4)		
Public Relations & Public Affairs	1,579.7			(324.9)		
Branding & Identity, Healthcare and Specialist Communications	4,710.9			(1,237.8)		
	20,544.3	1,807.2	22,351.5	(10,602.0)	(5,673.8)	(16,275.8)

Note

¹ Included in unallocated corporate assets and liabilities are corporate income tax, deferred tax and net interest-bearing debt.

Notes to the consolidated financial statements (continued)

2. Segment information (continued)

Contributions by geographical area were as follows:

	2010 £m		2009 £m		2008 £m
Revenue¹					
North America ⁵	3,299.8		3,010.0		2,603.2
UK	1,087.6		1,029.0		954.2
Western Continental Europe ⁴	2,325.3		2,327.8		1,879.1
Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe	2,618.3		2,317.5		2,040.4
	9,331.0		8,684.3		7,476.9
		Margin		Margin	
Headline PBIT²					
North America ⁵	14.7%	484.6	13.2%	397.9	16.8%
UK	13.6%	147.9	12.8%	131.5	13.0%
Western Continental Europe ⁴	9.5%	221.6	8.3%	193.4	13.1%
Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe	14.3%	374.6	12.7%	294.4	15.1%
	13.2%	1,228.7	11.7%	1,017.2	15.0%
Non-current assets³					
North America ⁵	4,742.7		4,420.1		
UK	1,693.3		1,688.3		
Western Continental Europe ⁴	3,728.6		4,012.6		
Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe	2,649.2		2,379.6		
	12,813.8		12,500.6		

Notes

¹ Intersegment sales have not been separately disclosed as they are not material.

² See note 31 for a reconciliation of headline PBIT to PBIT.

³ Non-current assets excluding financial instruments and deferred tax.

⁴ Western Continental Europe includes Ireland with revenue of £37.4 million (2009: £43.4 million, 2008: £41.3 million), headline PBIT of £2.0 million (2009: £3.9 million, 2008: £8.0 million) and non-current assets of £65.0 million (2009: £61.6 million).

⁵ North America includes the US with revenues of £3,097.9 million (2009: £2,835.8 million, 2008: £2,444.7 million), headline PBIT of £448.7 million (2009: £370.9 million, 2008: £411.0 million) and non-current assets of £4,209.7 million (2009: £4,010.9 million).

3. Operating costs

	2010 £m	2009 £m	2008 £m
Total staff costs (note 5)	5,438.7	5,117.0	4,351.8
Establishment costs	659.2	691.6	521.3
Other operating costs (net)	1,489.6	1,410.4	1,260.3
Total operating costs	7,587.5	7,219.0	6,133.4
Operating costs include:			
Goodwill impairment (note 12)	10.0	44.3	84.1
Goodwill write-down relating to utilisation of pre-acquisition tax losses	–	–	1.5
Investment write-downs	37.5	11.1	30.5
Cost of changes to corporate structure	–	–	4.6
Amortisation and impairment of acquired intangible assets (note 12)	170.5	172.6	78.4
Amortisation of other intangible assets (note 12)	25.4	30.5	23.4
Depreciation of property, plant and equipment	178.3	189.9	145.4
Losses on sale of property, plant and equipment	0.7	0.4	1.9
Gains on disposal of investments	(4.1)	(31.1)	(3.4)
Gains on re-measurement of equity interest on acquisition of controlling interest	(13.7)	–	–
Net foreign exchange losses/(gains)	8.0	6.4	(18.3)
Operating lease rentals:			
Land and buildings	449.9	461.5	350.0
Sublease income	(32.8)	(27.0)	(24.8)
	417.1	434.5	325.2
Plant and machinery	24.8	28.0	26.5
	441.9	462.5	351.7

In 2010, operating profit includes credits totalling £16.5 million (2009: £19.4 million, 2008: £23.7 million) relating to the release of excess provisions and other balances established in respect of acquisitions completed prior to 2009. Further details of the Group's approach to acquisition reserves, as required by IFRS 3 (revised) Business Combinations, are given in note 28.

Investment write-downs of £37.5 million (2009: £11.1 million) relate to certain non-core minority investments in the US and Continental Europe where forecast financial performance and/or liquidity issues indicate a permanent decline in the recoverability of the Group's investment.

All of the operating costs of the Group are related to administrative expenses.

Notes to the consolidated financial statements (continued)

3. Operating costs (continued)

Auditors' remuneration:

	2010 £m	2009 £m	2008 £m
Fees payable to the Company's auditors for the audit of the Company's annual accounts	1.4	1.5	1.7
The audit of the Company's subsidiaries pursuant to legislation	14.8	15.0	13.3
	16.2	16.5	15.0
Other services pursuant to legislation	3.1	3.2	3.8
Fees payable to the auditors pursuant to legislation	19.3	19.7	18.8
Tax advisory services	2.7	2.6	2.2
Tax compliance services	1.2	1.5	0.9
	3.9	4.1	3.1
Corporate finance services	0.2	0.2	1.5
Other services ¹	5.1	4.8	4.4
Total non-audit fees	9.2	9.1	9.0
Total fees	28.5	28.8	27.8

Note

¹ Other services include audits for earnout purposes and services for expatriate employees.

Minimum committed annual rentals

Amounts payable in 2011 under the foregoing leases will be as follows:

	Plant and machinery			Land and buildings		
	2011 £m	2010 £m	2009 £m	2011 £m	2010 £m	2009 £m
In respect of operating leases which expire:						
– within one year	4.8	4.1	6.6	32.7	43.1	63.4
– within two to five years	14.8	14.6	14.2	163.4	145.2	168.3
– after five years	0.2	1.1	0.3	159.7	143.7	107.5
	19.8	19.8	21.1	355.8	332.0	339.2

Future minimum annual amounts payable under all lease commitments in existence at 31 December 2010 are as follows:

Year ending 31 December	Minimum rental payments £m	Less sub-let rentals £m	Net payment £m
2011	375.6	(21.0)	354.6
2012	311.4	(17.9)	293.5
2013	278.1	(10.0)	268.1
2014	222.7	(2.9)	219.8
2015	204.9	(2.3)	202.6
Later years	936.0	(2.0)	934.0
	2,328.7	(56.1)	2,272.6

4. Share of results of associates

Share of results of associates include:

	2010 £m	2009 £m	2008 £m
Share of profit before interest and taxation	86.0	86.3	71.5
Share of exceptional losses	(0.3)	(1.6)	(0.5)
Share of interest and non-controlling interests	(2.7)	(0.7)	0.5
Share of taxation	(27.8)	(27.0)	(25.5)
	55.2	57.0	46.0

5. Our people

Our staff numbers averaged 101,387 against 105,318 in 2009 and 97,438 in 2008, including acquisitions. Their geographical distribution was as follows:

	2010	2009	2008
North America	25,546	25,004	24,493
UK	9,620	9,704	8,971
Western Continental Europe	21,154	22,230	19,448
Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe	45,067	48,380	44,526
	101,387	105,318	97,438

Their operating sector distribution was as follows:

	2010	2009	2008
Advertising and Media Investment Management	42,424	42,906	45,754
Consumer Insight	28,167	28,325	14,934
Public Relations & Public Affairs	7,364	7,325	7,682
Branding & Identity, Healthcare and Specialist Communications	23,432	26,762	29,068
	101,387	105,318	97,438

At the end of 2010 staff numbers were 104,052 (2009: 98,759, 2008: 112,262). Including all employees of associated undertakings, this figure was approximately 146,000 at 31 December 2010 (2009: 138,000, 2008: 135,000).

Total staff costs were made up as follows:

	2010 £m	2009 £m	2008 £m
Wages and salaries	3,696.8	3,614.1	3,044.6
Cash-based incentive plans	271.9	122.9	151.4
Share-based incentive plans (note 22)	70.4	54.9	62.3
Social security costs	450.1	442.5	346.4
Pension costs (note 23)	120.6	116.4	98.3
Other staff costs	828.9	766.2	648.8
	5,438.7	5,117.0	4,351.8
Staff cost to revenue ratio	58.3%	58.9%	58.2%

Included above are charges of £7.7 million (2009: £6.1 million, 2008: £5.1 million) for share-based incentive plans in respect of key management personnel (who comprise the directors of the Group). Compensation for key management personnel also included £4.1 million (2009: £3.8 million, 2008: £3.6 million) of short-term benefits and £0.7 million (2009: £0.7 million, 2008: £0.6 million) of post-employment benefits.

6. Finance income, finance costs and revaluation of financial instruments

Finance income includes:

	2010 £m	2009 £m	2008 £m
Expected return on pension plan assets (note 23)	30.6	28.7	31.3
Income from available for sale investments	9.3	10.2	9.7
Interest income	41.8	111.5	128.6
	81.7	150.4	169.6

Finance costs include:

	2010 £m	2009 £m	2008 £m
Interest on pension plan liabilities (note 23)	45.9	46.1	38.9
Interest on other long-term employee benefits	1.9	1.3	1.6
Interest payable and similar charges ¹	229.0	308.0	278.9
	276.8	355.4	319.4

Notes to the consolidated financial statements (continued)

6. Finance income, finance costs and revaluation of financial instruments (continued)

Revaluation of financial instruments² include:

	2010 £m	2009 £m	2008 £m
Movements in fair value of treasury instruments	21.8	8.4	(13.9)
Revaluation of put options over non-controlling interests	(3.6)	15.3	(11.5)
Gains on termination of hedge accounting on repayment of TNS debt	–	25.2	–
	18.2	48.9	(25.4)

Notes

¹ Interest payable and similar charges are payable on bank overdrafts, bonds and bank loans held at amortised cost.

² Financial instruments are held at fair value through profit and loss.

The majority of the Group's long-term debt is represented by \$1,250 million of US dollar bonds at an average interest rate of 6.9% (prior to any interest rate swaps or cross-currency swaps), €1,850 million of Eurobonds at an average interest rate of 5.52% (prior to any interest rate or currency swaps) and £1,050 million of sterling bonds including convertible bonds at an average interest rate of 5.96%.

Average borrowings under the Revolving Credit Facilities (note 10) amounted to the equivalent of \$818 million at an average interest rate of 0.85% inclusive of margin.

7. Taxation

The tax charge is based on the profit for the year and comprises:

	2010 £m	2009 £m	2008 £m
Corporation tax			
Current year	276.2	209.8	217.7
Prior years	(1.0)	(1.7)	7.0
	275.2	208.1	224.7
Deferred tax			
Current year	(21.4)	(16.1)	(8.4)
Net credit in relation to the amortisation of acquired intangible assets and other goodwill items	(37.5)	(37.3)	(12.4)
	(58.9)	(53.4)	(20.8)
Prior years	(26.0)	1.0	29.0
	(84.9)	(52.4)	8.2
Tax charge	190.3	155.7	232.9

The tax charge for the year can be reconciled to profit before taxation in the consolidated income statement as follows:

	2010 £m	2009 £m	2008 £m
Profit before taxation	851.3	662.6	746.8
Tax at the corporation tax rate of 25% ¹ (2009: 25% ¹ , 2008: UK 28.5%)	212.8	165.7	212.8
Tax effect of share of results of associates	(13.8)	(14.3)	(13.4)
Tax effect of items that are not taxable	(7.8)	(63.7)	(11.7)
Tax effect of utilisation or recognition of tax losses not previously recognised	(47.5)	(10.1)	(6.5)
Effect of different tax rates of subsidiaries operating in other jurisdictions	15.4	23.7	3.5
Losses carried forward and temporary differences not recognised	58.2	55.1	12.2
Prior period adjustments	(27.0)	(0.7)	36.0
Tax charge	190.3	155.7	232.9
Effective tax rate on profit before tax	22.4%	23.5%	31.2%

7. Taxation (continued)

Note

¹ In November 2008, WPP introduced a new holding company that is tax resident in the Republic of Ireland. As a result, the tax reconciliation for the years ended 31 December 2010 and 31 December 2009 have been prepared using the Irish non-trading corporation tax rate of 25%, which is the rate applicable to WPP plc. In 2008 the reconciliation was prepared using the prevailing UK corporation tax rate of 28.5%.

8. Ordinary dividends

Amounts recognised as distributions to equity holders in the year:

	2010	2009	2008	2010	2009	2008
Per share	Pence per share			£m	£m	£m
2009 Second interim dividend paid	10.28p	10.28p	9.13p	126.6	126.1	103.1
2010 First interim dividend paid	5.97p	5.19p	5.19p	73.8	63.7	58.7
	16.25p	15.47p	14.32p	200.4	189.8	161.8

Second interim dividend for the year ended 31 December 2010:

	2010	2009	2008
Per share	Pence per share		

The payment of dividends will not have any tax consequences for the Group.

9. Earnings per share

Basic EPS

The calculation of basic EPS is as follows:

	2010	2009	2008
Earnings ¹ (£m)	586.0	437.7	439.1
Average shares used in Basic EPS calculation (m)	1,233.1	1,218.7	1,143.4
EPS	47.5p	35.9p	38.4p

Note

¹ Earnings is equivalent to profit for the year attributable to equity holders of the parent.

Diluted EPS

The calculation of diluted EPS is set out below:

	2010	2009	2008
Diluted earnings (£m)	614.3	437.7	439.9
Average shares used in diluted EPS calculation (m)	1,339.0	1,238.2	1,169.6
Diluted EPS	45.9p	35.3p	37.6p

Diluted EPS has been calculated based on the diluted earnings amount above. On 19 May 2009 the Group issued £450 million 5.75% convertible bonds due May 2014. For the year ended 31 December 2010 these convertible bonds were dilutive and earnings were consequently increased by £28.3 million for the purpose of the calculation of diluted earnings. For the year ended 31 December 2009 these convertible bonds were accretive to earnings and therefore excluded from this calculation. For the year ended 31 December 2008 the \$150 million 5% Grey convertible bonds were dilutive and earnings were consequently increased by £0.8 million for the purpose of this calculation; these bonds were redeemed on 28 October 2008. In addition, at 31 December 2010, options to purchase 11.6 million ordinary shares (2009: 33.2 million, 2008: 28.0 million) were outstanding, but were excluded from the computation of diluted earnings per share because the exercise prices of these options were greater than the average market price of the Group's shares and, therefore, their inclusion would have been accretive.

Notes to the consolidated financial statements (continued)

9. Earnings per share (continued)

A reconciliation between the shares used in calculating basic and diluted EPS is as follows:

	2010 m	2009 m	2008 m
Average shares used in basic EPS calculation	1,233.1	1,218.7	1,143.4
Dilutive share options outstanding	6.7	2.1	2.9
Other potentially issuable shares	22.7	17.4	16.0
£450 million 5.75% convertible bonds	76.5	–	–
\$150 million Grey convertible bonds	–	–	7.3
Shares used in diluted EPS calculation	1,339.0	1,238.2	1,169.6

At 31 December 2010 there were 1,264,391,221 ordinary shares in issue.

10. Sources of finance

The following table summarises the equity and debt financing of the Group, and changes during the year:

	Shares		Debt	
	2010 £m	2009 £m	2010 £m	2009 £m
Analysis of changes in financing				
Beginning of year	138.2	134.1	3,586.4	4,385.7
Other ordinary shares issued	42.7	4.1	–	–
Net increase/(decrease) in drawings on bank loans, corporate bonds and convertible bonds	–	–	19.8	(426.3)
Net amortisation of financing costs included in debt	–	–	13.6	(32.8)
Other movements	–	–	0.5	(21.1)
Exchange adjustments	–	–	(22.1)	(319.1)
End of year	180.9	138.2	3,598.2	3,586.4

Note

The above table excludes bank overdrafts which fall within cash and cash equivalents for the purposes of the consolidated cash flow statement.

Shares

At 31 December 2010, the Company's share base was entirely composed of ordinary equity share capital and share premium of £180.9 million (2009: £138.2 million), further details of which are disclosed in note 26.

Debt

US\$ bonds The Group has in issue \$600 million of 8% bonds due September 2014 and \$650 million of 5.875% bonds due June 2014.

Eurobonds The Group has in issue €600 million of 4.375% bonds due December 2013, €500 million of 5.25% bonds due January 2015 and €750 million of 6.625% bonds due May 2016.

Sterling bonds The Group has in issue £400 million of 6% bonds due April 2017 and £200 million of 6.375% bonds due November 2020.

10. Sources of finance (continued)

Revolving Credit Facilities The Group has a \$1.6 billion seven-year Revolving Credit Facility due August 2012 and a £200 million amortising Revolving Credit Facility maturing in July 2011. The Group's borrowing under these facilities, which are drawn down predominantly in US dollars, euros, Canadian dollars and pounds sterling, averaged the equivalent of \$818 million in 2010. The Group had available undrawn committed credit facilities of £1,145 million at December 2010 (2009: £1,335 million).

Borrowings under the Revolving Credit Facilities are governed by certain financial covenants based on the results and financial position of the Group.

US Commercial Paper Program

The Group has a \$1.4 billion US Commercial Paper Program using the \$1.6 billion Revolving Credit Facility as a backstop. There was no US Commercial Paper outstanding at 31 December 2010.

Convertible bonds

The Group has in issue £450 million of 5.75% convertible bonds due May 2014. At the option of the holder, the bonds are convertible into 76,530,612 WPP ordinary shares at an initial share price of £5.88 per share.

The convertible bonds have a nominal value of £450 million at 31 December 2010. In accordance with IAS 39, these bonds have been split between a liability component and an equity component by initially valuing the liability component at fair value based on the present value of future cash flows and then holding it at amortised cost. This fair value has been calculated assuming redemption in May 2014 and using a discount rate of 8.25%, based on the estimated rate of interest that would have applied to a comparable bond issued at that time without the convertible option. The equity component represents the fair value, on initial recognition, of the embedded option to convert the liability into equity of the Group.

The liability element is £413.2 million and the equity component is £44.5 million as at 31 December 2010.

The Group estimates that the fair value of the liability component of the convertible bonds at 31 December 2010 to be approximately £433.2 million. This fair value has been calculated by discounting the future cash flows at the market rate.

The following table is an analysis of future anticipated cash flows in relation to the Group's debt, on an undiscounted basis which, therefore, differs from the fair value and carrying value:

	2010 £m	2009 £m
Within one year	(209.4)	(210.0)
Between one and two years	(308.7)	(210.0)

Between two and three years	(721.1)	(228.1)
Between three and four years	(1,416.3)	(797.7)
Between four and five years	(509.8)	(1,396.6)
Over five years	(1,355.4)	(1,928.4)
Debt financing under the Revolving Credit Facility and in relation to unsecured loan notes	(4,520.7)	(4,770.8)
Short-term overdrafts – within one year	(255.4)	(720.7)
Future anticipated cash flows	(4,776.1)	(5,491.5)
Effect of discounting/financing rates	922.5	1,184.4
Debt financing	(3,853.6)	(4,307.1)

Notes to the consolidated financial statements (continued)

10. Sources of finance (continued)

Analysis of fixed and floating rate debt by currency including the effect of interest rate and cross-currency swaps:

2010		£m	Fixed rate ¹	Floating basis	Period (months) ¹
Currency					
\$	– fixed	1,338.0	6.54%	n/a	44
	– floating	283.0	n/a	LIBOR	n/a
£	– fixed	550.0	6.07%	n/a	83
	– floating	200.0	n/a	LIBOR	n/a
€	– fixed	728.7	6.50%	n/a	63
	– floating	363.1	n/a	EURIBOR	n/a
¥	– fixed	71.1	2.07%	n/a	36
\$C ²	– floating	81.1	n/a	LIBOR	n/a
Other		(16.8)	n/a	n/a	n/a
		3,598.2			

2009		£m	Fixed rate ¹	Floating basis	Period (months) ¹
Currency					
\$	– fixed	1,106.1	6.54%	n/a	56
	– floating	459.0	n/a	LIBOR	n/a
£	– fixed	550.0	6.07%	n/a	95
	– floating	200.0	n/a	LIBOR	n/a
€	– fixed	754.3	6.50%	n/a	75
	– floating	375.9	n/a	EURIBOR	n/a
¥	– fixed	59.8	2.07%	n/a	48
\$C ²	– floating	56.2	n/a	LIBOR	n/a
Other		25.1	n/a	LIBOR	n/a
		3,586.4			

Notes

¹ Weighted average. These rates do not include the effect of gains on interest rate swap terminations that are written to income over the life of the original instrument. At 31 December 2010 the amount still to be written to income was £1.7 million (2009:£2.2 million) in respect of US dollar swap terminations, to be written to income evenly until June 2014.

² Represents Canadian dollars.

The following table is an analysis of future anticipated cash flows in relation to the Group's financial derivatives, which include interest rate swaps, cash flow hedges and other foreign exchange swaps:

2010	Financial liabilities		Financial assets	
	Payable	Receivable	Payable	Receivable
	£m	£m	£m	£m
Within one year	74.1	46.3	160.0	205.4
Between one and two years	36.6	29.2	85.7	123.5
Between two and three years	335.2	241.1	758.8	847.0
Between three and four years	368.7	291.0	804.8	877.8
Between four and five years	480.6	355.8	556.5	656.4
Over five years	27.1	27.1	457.3	488.4
	1,322.3	990.5	2,823.1	3,198.5

2009	Financial liabilities		Financial assets	
	Payable	Receivable	Payable	Receivable
	£m	£m	£m	£m
Within one year	284.5	272.8	170.5	218.7
Between one and two years	38.1	31.8	78.4	111.7
Between two and three years	45.4	39.0	107.5	128.9
Between three and four years	325.9	249.7	796.3	881.8
Between four and five years	336.7	242.4	841.0	909.3
Over five years	489.3	384.4	803.8	925.5
	1,519.9	1,220.1	2,797.5	3,175.9

Included in these amounts are anticipated cash flows in relation to cash flow hedges.

11. Analysis of cash flows

The following tables analyse the items included within the main cash flow headings on page F-11.

Net cash from operating activities:

	2010	2009	2008
	£m	£m	£m
Profit for the year	661.0	506.9	513.9
Taxation	190.3	155.7	232.9
Revaluation of financial instruments	(18.2)	(48.9)	25.4
Finance costs	276.8	355.4	319.4
Finance income	(81.7)	(150.4)	(169.6)

Share of results of associates	(55.2)	(57.0)	(46.0)
Adjustments for:			
Non-cash share-based incentive plans (including share options)	70.4	54.9	62.3
Depreciation of property, plant and equipment	184.9	195.3	149.6
Impairment of goodwill	10.0	44.3	84.1
Goodwill write-down relating to utilisation of pre-acquisition tax losses	–	–	1.5
Amortisation and impairment of acquired intangible assets	170.5	172.6	78.4
Amortisation of other intangible assets	25.4	30.5	23.4
Investment write-downs	37.5	11.1	30.5
Gains on disposal of investments	(4.1)	(31.1)	(3.4)
Gains on re-measurement of equity interest on acquisition of controlling interest	(13.7)	–	–
Losses on sale of property, plant and equipment	0.7	0.4	1.9
(Increase)/decrease in inventories and work in progress	(46.3)	12.4	65.6
(Increase)/decrease in receivables	(850.8)	(90.0)	492.6
Increase/(decrease) in payables – short term	1,135.7	(51.3)	(628.9)
Increase/(decrease) in payables – long term	10.3	25.5	(23.1)
(Decrease)/increase in provisions	(23.4)	1.3	(15.5)
Corporation and overseas tax paid	(207.4)	(216.6)	(182.5)
Interest and similar charges paid	(219.7)	(248.7)	(269.2)
Interest received	50.7	99.6	133.0
Investment income	4.2	1.4	1.8
Dividends from associates	53.3	45.5	44.6
Net cash inflow from operating activities	1,361.2	818.8	922.7

Notes to the consolidated financial statements (continued)

11. Analysis of cash flows (continued)

Acquisitions and disposals:

	2010 £m	2009 £m	2008 £m
Initial cash consideration	(138.6)	(35.4)	(872.2)
Cash and cash equivalents acquired (net)	57.0	1.3	(6.1)
Earnout payments	(113.3)	(81.5)	(67.8)
Loan note redemptions	(5.1)	–	(2.6)
Purchase of other investments (including associates)	(23.8)	(53.3)	(91.7)
Proceeds on disposal of investments	23.7	50.5	11.0
Acquisitions and disposals	(200.1)	(118.4)	(1,029.4)
Cash consideration for non-controlling interests	(15.1)	(26.4)	(19.7)
Net cash outflow	(215.2)	(144.8)	(1,049.1)

Share repurchases and buy-backs:

	2010 £m	2009 £m	2008 £m
Purchase of own shares by ESOP Trust	(46.4)	–	–
Share cancellations (excluding brokerage fees)	–	–	(112.2)
Shares purchased into treasury	–	(9.5)	–
Proceeds on disposal of treasury shares	–	–	6.9
Net cash outflow	(46.4)	(9.5)	(105.3)

Net increase/(decrease) in borrowings:

	2010 £m	2009 £m	2008 £m
Increase/(decrease) in drawings on bank loans	19.8	(1,068.0)	1,273.3
Proceeds from issue of £450 million convertible bonds	–	450.0	–
Proceeds from issue of \$600 million bonds	–	367.4	–
Repayment of TNS debt	–	(175.7)	(395.7)
Repayment of €650 million bonds	–	–	(515.1)
Repayment of \$100 million bonds	–	–	(50.5)
Repayment of \$150 million convertible debt	–	–	(96.2)
Proceeds from issue of €750 million bonds	–	–	594.6
Net cash inflow/(outflow)	19.8	(426.3)	810.4

Cash and cash equivalents:

	2010 £m	2009 £m	2008 £m
Cash at bank and in hand	1,877.1	1,570.5	2,485.9
Short-term bank deposits	88.1	96.2	86.6
Overdrafts ¹	(255.4)	(720.7)	(1,254.4)
Cash and cash equivalents at end of year	1,709.8	946.0	1,318.1

Note
¹ Bank overdrafts are included in cash and cash equivalents because they form an integral part of the Group's cash management.

The Group considers that the carrying amount of cash and cash equivalents approximates their fair value.

12. Intangible assets

Goodwill

The movements in 2010 and 2009 were as follows:

	£m
Cost:	
1 January 2009	9,640.6
Additions ¹	21.1
Exchange differences	(414.9)
31 December 2009	9,246.8
Additions ¹	246.3
Exchange differences	185.7
31 December 2010	9,678.8
Accumulated impairment losses and write-downs:	
1 January 2009	547.4
Impairment losses for the year	21.6
Exchange differences	(19.7)
31 December 2009	549.3
Impairment losses for the year	8.3
Exchange differences	14.9
31 December 2010	572.5

Net book value:	
31 December 2010	9,106.3
31 December 2009	8,697.5
1 January 2009	9,093.2

Note

¹ Additions represent goodwill arising on the acquisition of subsidiary undertakings including the effect of any revisions to fair value adjustments that had been determined provisionally at the immediately preceding balance sheet date, as permitted by IFRS 3 (revised) Business Combinations. The effect of such revisions was not material in either year presented. Goodwill arising on the acquisition of associate undertakings is shown within interests in associates and joint ventures in note 14.

Cash-generating units with significant goodwill as at 31 December 2010 and 2009 are:

	2010 £m	2009 £m
GroupM	2,105.0	2,044.3
Kantar	1,740.0	1,738.6
Y&R Advertising	1,092.7	1,019.2
Wunderman	1,143.8	958.7
Burson-Marsteller	545.9	516.1
Other	2,478.9	2,420.6
Total goodwill	9,106.3	8,697.5

Other goodwill represents goodwill on a large number of cash-generating units, none of which is individually significant in comparison to the total carrying value of goodwill.

Notes to the consolidated financial statements (continued)

12. Intangible assets (continued)

Other intangible assets

The movements in 2010 and 2009 were as follows:

	Brands with an indefinite useful life £m	Acquired intangibles £m	Other £m	Total £m
Cost:				
1 January 2009	1,073.2	1,377.6	203.6	2,654.4
Additions	–	–	33.5	33.5
Disposals	–	–	(8.1)	(8.1)
New acquisitions	–	6.6	–	6.6
Other movements	–	1.2	4.5	5.7
Exchange differences	(60.0)	(88.4)	(21.7)	(170.1)
31 December 2009	1,013.2	1,297.0	211.8	2,522.0
Additions	–	–	27.0	27.0
Disposals	–	–	(14.2)	(14.2)
New acquisitions	–	25.5	0.7	26.2
Other movements	–	1.1	4.0	5.1
Exchange differences	40.5	8.9	0.6	50.0
31 December 2010	1,053.7	1,332.5	229.9	2,616.1
Amortisation and impairment:				
1 January 2009	–	221.7	136.9	358.6
Charge for the year	–	172.6	30.5	203.1
Disposals	–	–	(8.1)	(8.1)
Other movements	–	(2.0)	(3.1)	(5.1)
Exchange differences	–	(14.8)	(12.4)	(27.2)
31 December 2009	–	377.5	143.8	521.3
Charge for the year	–	170.5	25.4	195.9
Disposals	–	–	(14.0)	(14.0)
Other movements	–	(2.4)	2.3	(0.1)
Exchange differences	–	5.2	3.3	8.5
31 December 2010	–	550.8	160.8	711.6
Net book value:				
31 December 2010	1,053.7	781.7	69.1	1,904.5
31 December 2009	1,013.2	919.5	68.0	2,000.7
1 January 2009	1,073.2	1,155.9	66.7	2,295.8

Brands with an indefinite life are carried at historical cost in accordance with the Group's accounting policy for intangible assets. The carrying values of the separately identifiable brands are not individually significant in comparison with the total carrying value of brands with an indefinite useful life.

12. Intangible assets (continued)

Acquired intangible assets at net book value at 31 December 2010 include brand names of £357.4 million (2009: £377.5 million), customer-related intangibles of £327.3 million (2009: £403.5 million), and other assets (including proprietary tools) of £97.0 million (2009: £138.5 million).

In accordance with the Group's accounting policy, the carrying values of goodwill and intangible assets with indefinite useful lives are reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the asset might be impaired.

The carrying values of brands with an indefinite useful life are assessed for impairment purposes by using the royalty and loyalty methods of valuation, both of which utilise the net present value of future cash flows associated with the brands.

The 2010 goodwill impairment review was initially undertaken as at 30 June 2010 and then updated as at 31 December 2010. The review assessed whether the carrying value of goodwill was supported by the net present value of future cash flows, using a pre-tax discount rate of 9.58% (2009: 10.27%) and management forecasts for a projection period of up to five years, followed by an assumed annual long-term growth rate of 3.0% (2009: 3.0%) and no assumed improvement in operating margin. Management have made the judgement that this long-term growth rate does not exceed the long-term average growth rate for the industry.

Goodwill impairment charges of £10.0 million and £44.3 million were recorded in the years ended 31 December 2010 and 2009, respectively. The impairment charges relate to certain under-performing businesses in the Group. In certain markets, the impact of current local economic conditions and trading circumstances on these businesses was sufficiently severe to indicate impairment to the carrying value of goodwill.

Under IFRS, an impairment charge is required for both goodwill and other indefinite-lived assets when the carrying amount exceeds the 'recoverable amount', defined as the higher of fair value less costs to sell and value in use. Our approach in determining the recoverable amount utilises a discounted cash flow methodology, which necessarily involves making numerous estimates and assumptions regarding revenue growth, operating margins, appropriate discount rates and working capital requirements. These estimates will likely differ from future actual results of operations and cash flows, and it is possible that these differences could be material. In addition, judgements are applied in determining the level of cash-generating unit we identify for impairment testing and the criteria we use to determine which assets should be aggregated. A difference in testing levels could affect whether an impairment is recorded and the extent of impairment loss. Changes in our business activities or structure may also result in changes to the level of testing in future periods. Further, future events could cause the Group to conclude that impairment indicators exist and that the asset values associated with a given operation have become impaired. Any resulting impairment loss could have a material impact on the Group's financial condition and results of operations.

Historically our impairment losses have resulted from a specific event, condition or circumstance in one of our companies, such as the loss of a significant client. As a result, changes in the assumptions used in our impairment model have not had a significant effect on the impairment charges recognised and a reasonably possible change in assumptions would not lead to an impairment. The carrying value of goodwill and other intangible assets will continue to be reviewed at least annually for impairment and adjusted to the recoverable amount if required.

Notes to the consolidated financial statements (continued)

13. Property, plant and equipment

The movements in 2010 and 2009 were as follows:

	Land £m	Freehold buildings £m	Lease- hold buildings £m	Fixtures, fittings and equip- ment £m	Com- puter equip- ment £m	Total £m
Cost:						
1 January 2009	12.4	83.1	556.3	385.1	579.1	1,616.0
Additions	–	1.3	151.5	38.3	56.5	247.6
New acquisitions	–	–	0.3	0.8	1.5	2.6
Disposals	–	(0.9)	(28.1)	(31.2)	(63.2)	(123.4)
Exchange adjustments	–	(10.3)	(60.9)	(30.4)	(38.5)	(140.1)
31 December 2009	12.4	73.2	619.1	362.6	535.4	1,602.7
Additions	–	0.7	71.5	35.6	82.7	190.5
New acquisitions	–	–	2.1	2.6	4.4	9.1
Disposals	–	(0.5)	(43.0)	(37.0)	(60.7)	(141.2)
Exchange adjustments	–	–	23.0	12.2	19.3	54.5
31 December 2010	12.4	73.4	672.7	376.0	581.1	1,715.6
Depreciation:						
1 January 2009	–	27.3	265.8	218.8	413.4	925.3
Charge for the year	–	2.4	60.1	46.0	86.8	195.3
Disposals	–	(0.3)	(26.6)	(28.8)	(58.8)	(114.5)
Exchange adjustments	–	(3.6)	(21.3)	(21.7)	(37.3)	(83.9)
31 December 2009	–	25.8	278.0	214.3	404.1	922.2
Charge for the year	–	2.7	58.2	42.9	81.1	184.9
Disposals	–	(0.5)	(37.6)	(35.9)	(58.7)	(132.7)
Exchange adjustments	–	–	13.1	7.0	12.7	32.8
31 December 2010	–	28.0	311.7	228.3	439.2	1,007.2
Net book value:						
31 December 2010	12.4	45.4	361.0	147.7	141.9	708.4
31 December 2009	12.4	47.4	341.1	148.3	131.3	680.5
1 January 2009	12.4	55.8	290.5	166.3	165.7	690.7

At the end of the year, capital commitments contracted, but not provided for in respect of property, plant and equipment were £40.7 million (2009: £17.8 million).

14. Interests in associates, joint ventures and other investments

The movements in 2010 and 2009 were as follows:

	Net assets of associates and joint ventures £m	Goodwill and other intangibles of associates and joint ventures £m	Total associates and joint ventures £m	Other invest- ments £m
1 January 2009	340.4	373.9	714.3	310.9
Additions	17.9	–	17.9	52.4
Goodwill arising on acquisition of new associates	–	26.5	26.5	–
Share of results of associate undertakings (note 4)	57.0	–	57.0	–
Dividends and other movements	(56.1)	29.8	(26.3)	1.0
Exchange adjustments	(19.8)	(9.2)	(29.0)	(27.2)
Disposals	(0.7)	(0.2)	(0.9)	(17.9)
Reclassification to subsidiaries	(1.6)	(3.9)	(5.5)	–
Revaluation of other investments	–	–	–	(13.5)
Goodwill impairment	–	(22.7)	(22.7)	–
Amortisation of other intangible assets	–	(2.0)	(2.0)	–
Write-downs	–	–	–	(11.1)
31 December 2009	337.1	392.2	729.3	294.6
Additions	8.0	–	8.0	20.2
Goodwill arising on acquisition of new associates	–	5.6	5.6	–
Share of results of associate undertakings (note 4)	55.2	–	55.2	–
Dividends and other movements	(52.7)	(0.9)	(53.6)	–
Exchange adjustments	35.9	36.9	72.8	(24.0)
Disposals	–	–	–	(22.0)

Reclassification to subsidiaries	(8.5)	(10.4)	(18.9)	–
Revaluation of other investments	–	–	–	(59.8)
Goodwill impairment	–	(1.7)	(1.7)	–
Amortisation of other intangible assets	–	(2.4)	(2.4)	–
Write-downs	(2.2)	–	(2.2)	(35.3)
31 December 2010	372.8	419.3	792.1	173.7

The investments included above as 'other investments' represent investments in equity securities that present the Group with opportunity for return through dividend income and trading gains. They have no fixed maturity or coupon rate. The fair values of the listed securities are based on quoted market prices. For unlisted securities, where market value is not available, the Group has estimated relevant fair values on the basis of publicly available information from outside sources or on the basis of discounted cash flow models where appropriate.

Notes to the consolidated financial statements (continued)

14. Interests in associates, joint ventures and other investments (continued)

The carrying values of the Group's associates and joint ventures are reviewed for impairment in accordance with the Group's accounting policies.

The Group's principal associates and joint ventures at 31 December 2010 included:

	%	Country of
	owned	incorporation
Asatsu-DK	24.3	Japan
CHI & Partners Limited	49.9	UK
Chime Communications PLC	15.0	UK
Dentsu, Young & Rubicam Inc.	49.0	Japan
GIIR, Inc	22.7	Korea
High Co S.A.	34.1	France
Ibope Latinoamericana SA	44.2	Brazil
Ooh! Media Group Limited	27.2	Australia
Scangroup Limited	27.5	Kenya
Singleton, Ogilvy & Mather (Holdings) Pty Limited	33.3	Australia
STW Communications Group Limited	20.6	Australia
The Grass Roots Group PLC	44.8	UK
The Jupiter Drawing Room Pty Limited	49.0	South Africa

The market value of the Group's shares in its principal listed associate undertakings at 31 December 2010 was as follows: Asatsu-DK: £180.9 million, Chime Communications PLC: £22.6 million, High Co S.A.: £30.0 million, GIIR, Inc: £22.4 million, Scangroup Limited: £30.0 million, STW Communications Group Limited: £52.2 million and Ooh! Media Group Limited: £22.3 million (2009: Asatsu-DK: £125.6 million, Chime Communications PLC: £24.3 million, High Co S.A.: £23.8 million, GIIR, Inc.: £21.2 million, Scangroup Limited: £12.6 million, STW Communications Group Limited: £31.3 million and Ooh! Media Group Limited: £6.6 million).

The carrying value (including goodwill and other intangibles) of these equity interests in the Group's consolidated balance sheet at 31 December 2010 was as follows: Asatsu-DK: £220.7 million, Chime Communications PLC: £23.0 million, High Co S.A.: £30.9 million, GIIR, Inc: £18.7 million, Scangroup Limited: £17.1 million, STW Communications Group Limited: £69.4 million and Ooh! Media Group Limited: £17.9 million (2009: Asatsu-DK: £189.9 million, Chime Communications PLC: £22.0 million, High Co S.A.: £29.9 million, GIIR, Inc: £14.3 million, Scangroup Limited: £12.8 million, STW Communications Group Limited: £57.6 million and Ooh! Media Group Limited: £14.4 million).

Where the market value of the Group's listed associates is less than the carrying value, an impairment review is performed utilising the discounted cash flow methodology discussed in note 12.

The Group's investments in its principal associate undertakings are represented by ordinary shares.

Summarised financial information

The following tables present a summary of the aggregate financial performance and net asset position of the Group's associate undertakings and joint ventures. These have been estimated and converted, where appropriate, to an IFRS presentation based on information provided by the relevant companies at 31 December 2010.

	2010	2009	2008
	£m	£m	£m
Income statement			
Revenue	2,142.3	1,968.9	1,588.3
Operating profit	229.9	219.2	221.3
Profit before taxation	245.1	237.0	221.3
Profit for the year	179.1	166.0	147.6
		2010	2009
		£m	£m
Balance sheet			
Assets		4,355.7	3,929.4
Liabilities		(2,394.1)	(2,236.3)
Net assets		1,961.6	1,693.1

14. Interests in associates, joint ventures and other investments (continued)

The application of equity accounting is ordinarily discontinued when the investment is reduced to zero and additional losses are not provided for unless the investor has guaranteed obligations of the investee or is otherwise committed to provide further financial support for the investee.

At the end of the year, capital commitments contracted, but not provided for in respect of interests in associates and other investments were £24.9 million (2009: £22.3 million).

15. Deferred tax

The Group's deferred tax assets and liabilities are measured at the end of each period in accordance with IAS 12. The recognition of deferred tax assets is determined by reference to the Group's estimate of recoverability, using models where appropriate to forecast future taxable profits.

Deferred tax assets are recognised in relation to an element of the Group's defined benefit pension provisions and share based payment schemes. Assets have only been recognised for territories where the Group considers that it is probable there would be sufficient taxable profits for the future deductions to be utilised.

Based on available evidence, both positive and negative, we determine whether it is probable that all or a portion of the deferred tax assets will be realised. The main factors that we consider include:

- the future earnings potential determined through the use of internal forecasts;

- the cumulative losses in recent years;
- the various jurisdictions in which the potential deferred tax assets arise;
- the history of losses carried forward and other tax assets expiring;
- the timing of future reversal of taxable temporary differences;
- the expiry period associated with the deferred tax assets; and
- the nature of the income that can be used to realise the deferred tax asset.

If it is probable that some portion of these assets will not be realised, then no asset is recognised in relation to that portion.

If market conditions improve and future results of operations exceed our current expectations, our existing recognised deferred tax assets may be adjusted, resulting in future tax benefits. Alternatively, if market conditions deteriorate further or future results of operations are less than expected, future assessments may result in a determination that some or all of the deferred tax assets are not realisable. As a result, all or a portion of the deferred tax assets may need to be reversed.

Certain deferred tax assets and liabilities have been offset as they relate to the same tax group. The following is the analysis of the deferred tax balances for financial reporting purposes:

	Gross £m	Offset £m	As reported £m
2010			
Deferred tax assets	137.6	(58.5)	79.1
Deferred tax liabilities	(809.2)	58.5	(750.7)
	(671.6)	–	(671.6)
2009			
Deferred tax assets	75.6	(8.1)	67.5
Deferred tax liabilities	(817.7)	8.1	(809.6)
	(742.1)	–	(742.1)

Notes to the consolidated financial statements (continued)

15. Deferred tax (continued)

The following are the major gross deferred tax assets recognised by the Group and movements thereon in 2010 and 2009:

	Tax losses £m	Retirement benefit obligations £m	Deferred compensation £m	US stock plans £m	Other short-term temporary differences £m	Total £m
1 January 2009	9.1	16.0	12.2	–	31.4	68.7
(Charge)/credit to income	(1.3)	–	(5.3)	–	17.9	11.3
Charge to equity	–	(4.4)	–	–	–	(4.4)
Exchange adjustments	0.4	0.8	0.4	–	(1.6)	–
31 December 2009	8.2	12.4	7.3	–	47.7	75.6
(Charge)/credit to income	(1.9)	0.5	(1.8)	30.6	18.0	45.4
Credit to equity	–	0.2	–	19.0	0.2	19.4
Exchange adjustments	–	–	–	–	3.3	3.3
Transfer to current tax	–	–	–	–	(6.1)	(6.1)
31 December 2010	6.3	13.1	5.5	49.6	63.1	137.6

Other short-term temporary differences comprise a number of items, none of which is individually significant to the Group's consolidated balance sheet. At 31 December 2010 the balance related to temporary differences in relation to accounting provisions, tax credits, fixed assets, and tax deductible goodwill.

The Group incurred losses in certain jurisdictions in the current year. Deferred tax assets of £10.5 million have been recognised in these jurisdictions.

In addition the Group has recognised the following gross deferred tax liabilities and movements thereon in 2010 and 2009:

	Brands and other intangibles £m	Associate earnings £m	Goodwill £m	Other short-term temporary differences £m	Total £m
1 January 2009	811.2	21.1	81.9	6.0	920.2
New acquisitions	2.8	–	–	–	2.8
Prior year acquisitions ¹	1.6	–	(20.7)	(1.4)	(20.5)
(Credit)/charge to income	(55.9)	0.1	18.6	(3.9)	(41.1)
Charge to equity	–	–	–	9.8	9.8
Exchange adjustments	(47.8)	(1.0)	(5.0)	0.3	(53.5)
31 December 2009	711.9	20.2	74.8	10.8	817.7
New acquisitions	9.4	–	–	–	9.4
(Credit)/charge to income	(52.5)	0.3	14.9	(2.2)	(39.5)
Exchange adjustments	19.3	0.7	2.7	–	22.7
Transfer to current tax	–	–	–	(1.1)	(1.1)
31 December 2010	688.1	21.2	92.4	7.5	809.2

Note

¹ Adjustments made in the year ended 31 December 2009 in relation to deferred tax liabilities that had been provisionally estimated in the year ended 31 December 2008 for acquisitions completed in that year.

At the balance sheet date, the Group has gross tax losses and other temporary differences of £5,212.9 million (2009: £4,888.3 million) available for offset against future profits. Deferred tax assets have been recognised in respect of the tax benefit of £377.9 million (2009: £220.2 million) of such tax losses and other temporary differences. No deferred tax asset has been recognised in respect of the remaining £4,834.9 million (2009: £4,668.1 million) of losses and other temporary differences as the Group considers that there will not be enough taxable profits in the entities concerned such that any additional asset could be considered recoverable. Included in the total unrecognised temporary differences are losses of £30.9 million that will expire by 2019, £98.8 million that will expire by 2021, £235.6 million that will expire by 2023 and an additional £78.5 million that will expire by 2029. £3,118.7 million of losses may be carried forward indefinitely.

15. Deferred tax (continued)

At the balance sheet date, the aggregate amount of the temporary differences in relation to the investment in subsidiaries for which deferred tax liabilities have not been recognised was £11,462.1 million (2009: £13,940.2 million). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and the Group considers that it is probable that such differences will not reverse in the foreseeable future.

16. Inventory and work in progress

The following are included in the net book value of inventory and work in progress:

	2010 £m	2009 £m
Work in progress	362.6	304.1
Inventory	3.4	2.6
	366.0	306.7

17. Trade and other receivables

The following are included in trade and other receivables:

Amounts falling due within one year:

	2010 £m	2009 £m
Trade receivables	6,280.6	5,301.1
VAT and sales taxes recoverable	72.1	81.6
Prepayments and accrued income	1,620.5	1,427.7
Other debtors	870.2	738.5
	8,843.4	7,548.9

The ageing of our trade receivables and other financial assets is as follows:

2010	Carrying amount at 31 December 2010 £m	Neither past due nor impaired £m	Past due but not impaired				
			0-30 days £m	31-90 days £m	91-180 days £m	181 days- 1 year £m	Greater than 1 year £m
Trade receivables	6,280.6	3,502.2	1,926.4	695.3	131.7	12.0	13.0
Other financial assets	932.0	673.0	125.4	66.9	14.5	8.3	43.9
	7,212.6	4,175.2	2,051.8	762.2	146.2	20.3	56.9
2009	Carrying amount at 31 December 2009 £m	Neither past due nor impaired £m	Past due but not impaired				
			0-30 days £m	31-90 days £m	91-180 days £m	181 days- 1 year £m	Greater than 1 year £m
Trade receivables	5,301.1	3,279.1	1,475.5	413.8	114.1	8.4	10.2
Other financial assets	781.8	529.7	133.1	26.8	25.4	21.9	44.9
	6,082.9	3,808.8	1,608.6	440.6	139.5	30.3	55.1

Notes to the consolidated financial statements (continued)

17. Trade and other receivables (continued)

Other financial assets are included in other debtors.

Past due amounts are not impaired where collection is considered likely.

Amounts falling due after more than one year:

	2010 £m	2009 £m
Prepayments and accrued income	5.6	5.8
Other debtors	123.2	92.2
Fair value of derivatives	194.7	188.1
	323.5	286.1

Movements on bad debt provisions were as follows:

	2010 £m	2009 £m	2008 £m
Balance at beginning of year	109.9	124.4	69.9
New acquisitions	2.0	0.7	19.7
Charged to operating costs	27.8	31.7	30.8
Exchange adjustments	2.2	(8.5)	21.3
Utilisations and other movements	(27.3)	(38.4)	(17.3)
Balance at end of year	114.6	109.9	124.4

The allowance for bad and doubtful debts is equivalent to 1.8% (2009: 2.0%; 2008: 2.1%) of gross trade accounts receivable.

The Group considers that the carrying amount of trade and other receivables approximates their fair value.

18. Trade and other payables: amounts falling due within one year

The following are included in trade and other payables falling due within one year:

	2010 £m	2009 £m
Trade payables	7,701.1	6,432.7
Other taxation and social security	385.4	377.3
Payments due to vendors (earnout agreements)	207.4	121.6
Liabilities in respect of put option agreements with vendors	136.9	108.3
Other creditors and accruals	2,196.9	1,823.2
Deferred income	1,075.9	910.9
	11,703.6	9,774.0

The Group considers that the carrying amount of trade and other payables approximates their fair value.

19. Trade and other payables: amounts falling due after more than one year

The following are included in trade and other payables falling due after more than one year:

	2010 £m	2009 £m
Payments due to vendors (earnout agreements)	67.9	140.6
Liabilities in respect of put option agreements with vendors	34.1	59.9
Fair value of derivatives	129.4	83.6
Other creditors and accruals	157.2	139.2
	388.6	423.3

The Group considers that the carrying amount of trade and other payables approximates their fair value.

19. Trade and other payables: amounts falling due after more than one year (continued)

The following tables set out payments due to vendors, comprising deferred consideration and the directors' best estimates of future earnout-related obligations:

	2010 £m	2009 £m
Within one year	207.4	121.6
Between one and two years	39.6	93.6
Between two and three years	12.1	39.5
Between three and four years	4.3	5.1
Between four and five years	4.1	2.4
Over five years	7.8	–

	275.3	262.2
		2010
		£m
1 January 2010		262.2
Earnouts paid		(113.3)
Revised estimates ¹		82.0
New acquisitions (note 28)		32.8
Exchange adjustments		11.6
31 December 2010		275.3

Note

¹ Revised estimates relate to acquisitions that were completed prior to 1 January 2010 and were recorded in the consolidated balance sheet within goodwill.

The potential undiscounted amount of all future payments that could be required under the earnout agreements for acquisitions completed in 2010 and for all earnout agreements at 31 December 2010 ranges from £nil million to £110.9 million and £nil million to £916.2 million, respectively.

20. Bank overdrafts, bonds and bank loans

Amounts falling due within one year:

	2010	2009
	£m	£m
Bank overdrafts	255.4	720.7

The Group considers that the carrying amount of overdrafts and short-term borrowings approximates their fair value.

Amounts falling due after more than 1 year:

	2010	2009
	£m	£m
Corporate bonds and bank loans	3,598.2	3,586.4

The Group estimates that the fair value of convertible and corporate bonds is £4,034.1 million at 31 December 2010 (2009: £3,676.4 million). The Group considers that the carrying amount of bank loans approximates their fair value.

The corporate bonds, convertible bonds, bank loans and overdrafts included within liabilities fall due for repayment as follows:

	2010	2009
	£m	£m
Within one year	255.4	720.7
Between one and two years	94.2	–
Between two and three years	539.4	75.7
Between three and four years	1,249.1	554.5
Between four and five years	448.2	1,219.3
Over five years	1,267.3	1,736.9
	3,853.6	4,307.1

Notes to the consolidated financial statements (continued)

21. Provisions for liabilities and charges

The movements in 2010 and 2009 were as follows:

	Property £m	Other £m	Total £m
1 January 2009	66.6	69.3	135.9
Charged to the income statement	11.2	8.5	19.7
New acquisitions	0.1	–	0.1
Prior year acquisitions ¹	–	10.5	10.5
Utilised	(5.6)	(15.3)	(20.9)
Released to the income statement	(1.6)	(1.6)	(3.2)
Transfers	(1.9)	21.4	19.5
Exchange adjustments	(3.1)	(5.6)	(8.7)
31 December 2009	65.7	87.2	152.9
Charged to the income statement	9.1	16.5	25.6
New acquisitions	–	1.2	1.2
Utilised	(7.0)	(10.9)	(17.9)
Released to the income statement	(6.6)	(3.4)	(10.0)
Transfers	(3.7)	10.2	6.5
Exchange adjustments	0.9	2.4	3.3
31 December 2010	58.4	103.2	161.6

Note

¹ Adjustments made in the year ended 31 December 2009 in relation to provisions for liabilities and charges that had been provisionally estimated in the year ended 31 December 2008 for acquisitions completed in that year.

Provisions comprise liabilities where there is uncertainty about the timing of settlement, but where a reliable estimate can be made of the amount. These include provisions for vacant space, sub-let losses and other property-related liabilities. Also included are other provisions, such as certain long-term employee benefits and legal claims, where the likelihood of settlement is considered probable.

The Company and various of its subsidiaries are, from time to time, parties to legal proceedings and claims which arise in the ordinary course of business. The directors do not anticipate that the outcome of these proceedings and claims will have a material adverse effect on the Group's financial position or on the results of its operations.

22. Share-based payments

Charges for share-based incentive plans were as follows:

	2010 £m	2009 £m	2008 £m
Share-based payments	70.4	54.9	62.3

Share-based payments comprise charges for stock options and restricted stock awards to employees of the Group.

As of 31 December 2010, there was £108.7 million (2009: £79.3 million) of total unrecognised compensation cost related to the Group's restricted stock plans. That cost is expected to be recognised over a period of one to two years.

Further information on stock options is provided in note 26.

Restricted stock plans

The Group operates a number of equity-settled share incentive schemes, in most cases satisfied by the delivery of stock from one of the Group's ESOP Trusts. The most significant current schemes are as follows:

Renewed Leadership Equity Acquisition Plan (Renewed LEAP) and Leadership Equity Acquisition Plan III (LEAP III)

Under Renewed LEAP and LEAP III, the most senior executives of the Group, including certain executive directors, commit WPP shares ('investment shares') in order to have the opportunity to earn additional WPP shares ('matching shares'). The number of matching shares which a participant can receive at the end of the fixed performance period of five years is dependent on the performance (based on the Total Share Owner Return (TSR)) of the Company over that period against a comparator group of other listed communications services companies. The maximum possible number of matching shares for each of the 2010, 2009, 2008, 2007 and 2006 grants is five shares for each investment share. The 2006 Renewed LEAP plan vested in March 2011 at a match of 4.14 shares for each investment share.

22. Share-based payments (continued)

Performance Share Awards (PSA)

Grants of stock under PSA are dependent upon annual performance targets, typically based on one or more of: operating profit, profit before taxation and operating margin. Grants are made in the year following the year of performance measurement, and vest two years after grant date provided the individual concerned is continually employed by the Group throughout this time.

Leaders, Partners and High Potential Group

Stock option grants under the executive stock option plan were not significant in 2010, 2009 or 2008 as the Group made grants of restricted stock (to be satisfied by stock from one of the Group's ESOP Trusts) to participants instead. Performance conditions include continued employment over the three-year vesting period.

Valuation methodology

For all of these schemes, the valuation methodology is based upon fair value on grant date, which is determined by the market price on that date or the application of a Black-Scholes model, depending upon the characteristics of the scheme concerned. The assumptions underlying the Black-Scholes model are detailed in note 26, including details of assumed dividend yields. Market price on any given day is obtained from external, publicly available sources.

Market/Non-market conditions

Most share-based plans are subject to non-market performance conditions, such as margin or growth targets, as well as continued employment. The Renewed LEAP and LEAP III schemes are subject to a number of performance conditions, including TSR, a market-based condition.

For schemes without market-based performance conditions, the valuation methodology above is applied and, at each year end, the relevant accrual for each grant is revised, if appropriate, to take account of any changes in estimate of the likely number of shares expected to vest.

For schemes with market-based performance conditions, the probability of satisfying these conditions is assessed at grant date through a statistical model (such as the Monte Carlo Model) and applied to the fair value. This initial valuation remains fixed throughout the life of the relevant plan, irrespective of the actual outcome in terms of performance. Where a lapse occurs due to cessation of employment, the cumulative charge taken to date is reversed.

Movement on ordinary shares granted for significant restricted stock plans

	Non-vested 1 January 2010 number m	Granted number m	Lapsed number m	Vested number m	Non-vested 31 December 2010 number m
Renewed LEAP/LEAP III ¹	3.6	2.0	–	(1.7)	3.9
Performance Share Awards (PSA)	8.4	0.9	(0.5)	(3.7)	5.1
Leaders, Partners and High Potential Group	12.6	3.8	(1.1)	(2.5)	12.8
Weighted average fair value (pence per share):					
Renewed LEAP/LEAP III ¹	563p	668p	540p	618p	593p
Performance Share Awards (PSA)	486p	566p	451p	559p	451p
Leaders, Partners and High Potential Group	501p	702p	487p	619p	538p

Note

¹ The number of shares granted represents the 'investment shares' committed by participants at grant date for the 2010 LEAP III plan in addition to the matched shares awarded on vest date for the 2005 Renewed LEAP plan which vested in March 2010. The actual number of shares that vest for each Renewed LEAP/LEAP III plan is dependent on the extent to which the relevant performance criteria are satisfied.

The total fair value of shares vested for all the Group's restricted stock plans during the year ended 31 December 2010 was £61.8 million (2009: £55.0 million, 2008: £58.6 million).

Notes to the consolidated financial statements (continued)

23. Provision for post-employment benefits

Companies within the Group operate a large number of pension plans, the forms and benefits of which vary with conditions and practices in the countries concerned. The Group's pension costs are analysed as follows:

	2010 £m	2009 £m	2008 £m
Defined contribution plans	101.5	95.5	79.7
Defined benefit plans charge to operating profit	19.1	20.9	18.6
Pension costs (note 5)	120.6	116.4	98.3
Expected return on pension plan assets (note 6)	(30.6)	(28.7)	(31.3)
Interest on pension plan liabilities (note 6)	45.9	46.1	38.9
	135.9	133.8	105.9

Defined benefit plans

The pension costs are assessed in accordance with the advice of local independent qualified actuaries. The latest full actuarial valuations for the various pension plans were carried out at various dates in the last three years. These valuations have generally been updated by the local independent qualified actuaries to 31 December 2010.

The Group has a policy of closing defined benefit plans to new members. This has been implemented across a significant number of the pension plans.

Contributions to funded plans are determined in line with local conditions and practices. Contributions in respect of unfunded plans are paid as they fall due. The total contributions (for funded plans) and benefit payments (for unfunded plans) paid for 2010 amounted to £53.3 million (2009: £47.7 million, 2008: £44.2 million). Employer contributions and benefit payments in 2011 are expected to be in the range of £40 million to £60 million depending on the performance of the assets.

(a) Assumptions

The main weighted average assumptions used for the actuarial valuations at 31 December are shown in the following table:

	2010 % pa	2009 % pa	2008 % pa	2007 % pa
UK				
Discount rate	5.4	5.7	6.0	5.8
Rate of increase in salaries	3.4	3.5	3.0	4.8
Rate of increase in pensions in payment	4.0	4.2	3.9	4.1
Inflation	3.2	3.5	2.8	3.3
Expected rate of return on equities	7.5	7.5	7.3	7.3
Expected rate of return on bonds ¹	4.5	4.8	4.9	5.3
Expected rate of return on insured annuities	5.4	5.7	6.0	5.8
Expected rate of return on property	6.9	6.9	6.9	5.0
Expected rate of return on cash and other	4.0	4.4	4.9	4.8
Weighted average return on assets	5.4	5.6	5.7	5.8
North America				
Discount rate	5.1	5.7	6.3	6.1
Rate of increase in salaries	3.0	3.0	3.0	4.6
Inflation	2.5	2.5	2.5	2.5
Expected rate of return on equities	7.9	7.9	7.9	7.9
Expected rate of return on bonds ¹	4.3	4.7	5.1	5.1
Expected rate of return on cash and other	6.4	6.6	3.4	3.0
Weighted average return on assets	6.4	6.5	6.6	6.7
Western Continental Europe				
Discount rate	5.3	5.5	5.7	5.5
Rate of increase in salaries	2.7	2.7	2.8	2.9
Rate of increase in pensions in payment	2.0	2.0	2.1	2.1
Inflation	2.0	2.1	2.1	2.2
Expected rate of return on equities	7.1	7.8	7.2	7.2
Expected rate of return on bonds ¹	4.4	4.1	4.5	4.5
Expected rate of return on property	6.1	6.5	6.0	5.5
Expected rate of return on cash and other	4.6	4.6	5.3	4.3
Weighted average return on assets	5.0	5.1	5.3	5.3
Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe				
Discount rate	4.0	4.2	3.4	3.9
Rate of increase in salaries	4.4	4.2	3.9	4.0
Inflation	5.1	4.9	4.5	4.6
Expected rate of return on equities	10.0	10.1	10.0	10.0
Expected rate of return on bonds ¹	8.0	8.2	5.3	6.2
Expected rate of return on cash and other	1.0	1.1	2.1	1.6
Weighted average return on assets	3.4	3.6	3.1	3.7

Note

¹ Expected rate of return on bonds assumptions reflect the yield expected on actual bonds held, whereas the discount rate assumptions are based on high-quality corporate bond yields.

There are a number of areas in pension accounting that involve judgments made by management. These include establishing the long-term expected rates of investment return on pension assets, mortality assumptions, discount rates, inflation, rate of increase in pensions in payment and salary increases.

For the Group's pension plans, the plans' assets are invested with the objective of being able to meet current and future benefit payment needs, while controlling balance sheet volatility and future contributions. Pension plan assets are invested with a number of investment managers, and assets are diversified among equities, bonds, insured annuities, property and cash or other liquid investments. The primary use of bonds as an investment class is to match the anticipated cash flows from the plans to pay pensions. Various insurance policies have also been bought historically to provide a more exact match for the cash flows, including a match for the actual mortality of specific plan members. These insurance policies effectively provide protection against both investment fluctuations and longevity risks. The strategic target allocation varies among the individual plans.

Management considers the types of investment classes in which the pension plan assets are invested and the expected compound return that can reasonably be expected for the portfolio to earn over time, which reflects forward-looking economic assumptions. Management reviews the expected long-term rates of return on an annual basis and revises them as appropriate.

Also, management periodically commission detailed asset and liability studies performed by third-party professional investment advisors and actuaries, which generate probability-adjusted expected future returns on those assets. These studies also project the estimated future pension payments and evaluate the efficiency of the allocation of the pension plan assets into various investment categories. The studies performed at the time these assumptions were set support the reasonableness of the return assumptions based on the target allocation of investment classes and the then current market conditions.

At 31 December 2010, the life expectancies underlying the value of the accrued liabilities for the main defined benefit pension plans operated by the Group were as follows:

	All plans	North America	UK	Western Continental Europe	Asia Pacific ¹
Years life expectancy after age 65					
– current pensioners – male	20.7	19.7	22.4	20.0	19.3
– current pensioners – female	22.7	21.6	23.8	23.3	24.7
– future pensioners (current age 45) – male	22.3	21.2	23.6	22.5	19.3
– future pensioners (current age 45) – female	23.9	22.5	25.0	25.2	24.9

Note

¹ Includes Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe.

Notes to the consolidated financial statements (continued)

23. Provision for post-employment benefits (continued)

The life expectancies after age 65 at 31 December 2009 were 20.5 years and 22.5 years for male and female current pensioners respectively, and 21.9 years and 23.7 years for male and female future pensioners (current age 45), respectively.

In the determination of mortality assumptions, management uses the most up-to-date mortality tables available in each country.

For a 0.25% increase or decrease in the discount rate at 31 December 2010, the effect on the year-end 2010 pension deficit would be a decrease or increase, respectively, of approximately £26 million.

(b) Assets and liabilities

At 31 December, the fair value of the assets in the pension plans, and the assessed present value of the liabilities in the pension plans are shown in the following table:

	2010		2009		2008	
	£m	%	£m	%	£m	%
Equities	188.2	29.8	168.5	28.6	162.6	29.6
Bonds	245.7	38.9	256.8	43.7	245.1	44.5
Insured annuities	66.3	10.5	68.7	11.7	64.9	11.8
Property	9.6	1.5	9.8	1.7	12.6	2.3
Cash and other	121.5	19.3	84.3	14.3	65.2	11.8
Total fair value of assets	631.3	100.0	588.1	100.0	550.4	100.0
Present value of liabilities	(871.2)		(836.1)		(819.1)	
Deficit in the plans	(239.9)		(248.0)		(268.7)	
Irrecoverable surplus	(0.9)		(3.1)		(2.4)	
Unrecognised past service cost	(0.7)		(0.7)		(0.9)	
Net liability ¹	(241.5)		(251.8)		(272.0)	
Plans in surplus	2.8		0.7		0.4	
Plans in deficit	(244.3)		(252.5)		(272.4)	

Note

¹ The related deferred tax asset is discussed in note 15.

The total fair value of assets, present value of pension plan liabilities and deficit in the plans were £504.0 million, £637.6 million and £133.6 million in 2007 and £470.4 million, £657.0 million and £186.6 million in 2006, respectively.

	2010 £m	2009 £m	2008 £m
Deficit in plans by region			
UK	(3.5)	(22.0)	(24.8)
North America	(144.4)	(140.9)	(153.4)
Western Continental Europe	(75.9)	(73.9)	(80.0)
Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe	(16.1)	(11.2)	(10.5)
Deficit in the plans	(239.9)	(248.0)	(268.7)

23. Provision for post-employment benefits (continued)

Some of the Group's defined benefit plans are unfunded (or largely unfunded) by common custom and practice in certain jurisdictions. In the case of these unfunded plans, the benefit payments are made as and when they fall due. Pre-funding of these plans would not be typical business practice.

The following table shows the split of the deficit at 31 December 2010, 2009 and 2008 between funded and unfunded pension plans.

	2010 Deficit £m	2010 Present value of liabilities £m	2009 Deficit £m	2009 Present value of liabilities £m	2008 Deficit £m	2008 Present value of liabilities £m
Funded plans by region						
UK	(3.5)	(305.5)	(22.0)	(293.5)	(24.8)	(269.5)
North America	(66.8)	(306.5)	(65.2)	(274.5)	(71.0)	(266.8)
Western Continental Europe	(29.7)	(103.8)	(25.0)	(119.9)	(30.1)	(126.5)
Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe	(5.6)	(21.1)	(3.7)	(16.1)	(3.3)	(16.8)
Deficit/liabilities in the funded plans	(105.6)	(736.9)	(115.9)	(704.0)	(129.2)	(679.6)
Unfunded plans by region						
UK	-	-	-	-	-	-
North America	(77.6)	(77.6)	(75.7)	(75.7)	(82.4)	(82.4)
Western Continental Europe	(46.2)	(46.2)	(48.9)	(48.9)	(49.9)	(49.9)
Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe	(10.5)	(10.5)	(7.5)	(7.5)	(7.2)	(7.2)
Deficit/liabilities in the unfunded plans	(134.3)	(134.3)	(132.1)	(132.1)	(139.5)	(139.5)
Deficit/liabilities in the plans	(239.9)	(871.2)	(248.0)	(836.1)	(268.7)	(819.1)

In accordance with IAS 19, plans that are wholly or partially funded are considered funded plans.

Notes to the consolidated financial statements (continued)

23. Provision for post-employment benefits (continued)

(c) Pension expense

The following table shows the breakdown of the pension expense between amounts charged to operating profit, amounts charged to finance income and finance costs and amounts recognised in the statement of comprehensive income (OCI):

	2010 £m	2009 £m	2008 £m
Current service cost	23.3	22.0	16.7
Past service (income)/cost	(0.6)	–	2.5
Gain on settlements and curtailments	(3.6)	(1.1)	(0.6)
Charge to operating profit	19.1	20.9	18.6
Expected return on pension plan assets	(30.6)	(28.7)	(31.3)
Interest on pension plan liabilities	45.9	46.1	38.9
Charge to profit before taxation for defined benefit plans	34.4	38.3	26.2
Gain/(loss) on pension plan assets relative to expected return	31.9	44.0	(93.7)
Experience gain/(loss) arising on the plan liabilities	3.4	(7.6)	4.4
Changes in assumptions underlying the present value of the plan liabilities	(37.9)	(42.7)	8.0
Change in irrecoverable surplus	2.2	(0.9)	(0.9)
Actuarial loss recognised in OCI	(0.4)	(7.2)	(82.2)

As at 31 December 2010 the cumulative amount of net actuarial losses recognised in equity since 1 January 2001 was £180.7 million (31 December 2009: £180.3 million, 31 December 2008: £173.1 million). Of this amount, a net loss of £79.6 million was recognised since the 1 January 2004 adoption of IAS 19.

(d) Movement in plan liabilities

The following table shows an analysis of the movement in the pension plan liabilities for each accounting period:

	2010 £m	2009 £m	2008 £m
Plan liabilities at beginning of year	836.1	819.1	637.6
Service cost	23.3	22.0	16.7
Interest cost	45.9	46.1	38.9
Actuarial loss/(gain)	34.5	50.3	(12.4)
Benefits paid	(57.2)	(52.9)	(40.7)
Loss/(gain) due to exchange rate movements	9.7	(50.5)	133.8
Net (disposals)/acquisitions	–	(0.9)	44.3
Settlements and curtailments	(26.4)	(3.3)	(6.1)
Other ¹	5.3	6.2	7.0
Plan liabilities at end of year	871.2	836.1	819.1

Note

¹ Other includes plan participants' contributions, plan amendments and reclassifications. In the 2009 and 2008 financial statements these were presented as separate line items. The reclassifications represent certain of the Group's defined benefit plans which are included in this note for the first time in the periods presented.

(e) Movement in plan assets

The following table shows an analysis of the movement in the pension plan assets for each accounting period:

	2010 £m	2009 £m	2008 £m
Fair value of plan assets at beginning of year	588.1	550.4	504.0
Expected return on plan assets	30.6	28.7	31.3
Actuarial gain/(loss) on plan assets	31.9	44.0	(93.7)
Employer contributions	53.3	47.7	44.2
Benefits paid	(57.2)	(52.9)	(40.7)
Gain/(loss) due to exchange rate movements	5.9	(28.3)	79.0
Net (disposals)/acquisitions	–	(0.9)	29.4
Settlements	(22.8)	(2.2)	(5.5)
Other ¹	1.5	1.6	2.4
Fair value of plan assets at end of year	631.3	588.1	550.4
Actual return on plan assets	62.5	72.7	(62.4)

23. Provision for post-employment benefits (continued)

Note

¹ Other includes plan participants' contributions and reclassifications. In the 2009 and 2008 financial statements these were presented as separate line items.

(f) History of experience gains and losses

	2010 £m	2009 £m	2008 £m
Gain/(loss) on pension plan assets relative to expected return:			
Amount	31.9	44.0	(93.7)
Percentage of plan assets	5.1%	7.5%	(17.0%)
Experience gain/(loss) arising on the plan liabilities:			

Amount	3.4	(7.6)	4.4
Percentage of the present value of the plan liabilities	0.4%	(0.9%)	0.5%
Total loss recognised in OCI:			
Amount	(0.4)	(7.2)	(82.2)
Percentage of the present value of the plan liabilities	(0.0%)	(0.9%)	(10.0%)

The experience (loss)/gain on pension plan assets and plan liabilities were (£6.0) million and £0.1 million in 2007 and £9.3 million and £3.5 million in 2006, respectively.

24. Risk management policies

Foreign currency risk

The Group's results in pounds sterling are subject to fluctuation as a result of exchange rate movements. The Group does not hedge this translation exposure to its earnings but does hedge the currency element of its net assets using foreign currency borrowings, cross-currency swaps and forward foreign exchange contracts.

The Group effects these currency net asset hedges by borrowing in the same currencies as the operating (or 'functional') currencies of its main operating units. The majority of the Group's debt is therefore denominated in US dollars, pounds sterling and euros. Borrowings in these currencies represented 96.0% of the Group's gross indebtedness at 31 December 2010 (at \$1,640 million, £1,350 million and €1,274 million) and 96.8% of the Group's average gross debt during the course of 2010 (at \$2,003 million, £1,653 million and €1,274 million).

The Group's operations conduct the majority of their activities in their own local currency and consequently the Group has no significant transactional foreign exchange exposures. Any significant cross-border trading exposures are hedged by the use of forward foreign-exchange contracts. No speculative foreign exchange trading is undertaken.

Interest rate risk

The Group is exposed to interest rate risk on both interest-bearing assets and interest-bearing liabilities. The Group has a policy of actively managing its interest rate risk exposure while recognising that fixing rates on all its debt eliminates the possibility of benefiting from rate reductions and similarly, having all its debt at floating rates unduly exposes the Group to increases in rates.

Including the effect of interest rate and cross-currency swaps, 82.5% of the year-end US dollar debt is at fixed rates averaging 6.54% for an average period of 44 months; 73.3% of the sterling debt is at a fixed rate of 6.07% for an average period of 83 months; and 66.7% of the euro debt is at fixed rates averaging 6.50% for an average period of 63 months.

Other than fixed rate debt, the Group's other fixed rates are achieved principally through interest rate swaps with the Group's bankers. The Group also uses forward rate agreements and interest rate caps to manage exposure to interest rate changes. At 31 December 2010 no forward rate agreements or interest rate caps were in place. These interest rate derivatives are used only to hedge exposures to interest rate movements arising from the Group's borrowings and surplus cash balances arising from its commercial activities and are not traded independently. Payments made under these instruments are accounted for on an accruals basis.

Notes to the consolidated financial statements (continued)

24. Risk management policies (continued)

Going concern and liquidity risk

In considering going concern and liquidity risk, the directors have reviewed the Group's future cash requirements and earnings projections. The directors believe these forecasts have been prepared on a prudent basis and have also considered the impact of a range of potential changes to trading performance to factor in an uncertain economic environment. The directors have concluded that the Group should be able to operate within its current facilities and comply with its banking covenants for the foreseeable future and therefore believe it is appropriate to prepare the financial statements of the Group on a going concern basis.

At 31 December 2010, the Group has access to £4.7 billion of committed funding and bank facilities with maturity dates spread over the years 2011 to 2020 as illustrated below:

	£m	2011 £m	2012 £m	2013 £m	2014 £m	2015 £m	2016 £m	2017 £m	2018+ £m
£ bonds £200m (6.375% '20)	200.0								200.0
£ bonds £400m (6.0% '17)	400.0							400.0	
Eurobonds €750m (6.625% '16)	642.9						642.9		
Eurobonds €500m (5.25% '15)	428.6					428.6			
£450m convertible bonds (5.75% '14)	450.0				450.0				
US bonds \$650m (5.875% '14)	416.9				416.9				
US bonds \$600m (8.0% '14)	384.8				384.8				
Eurobonds €600m (4.375% '13)	514.4			514.4					
Bank revolver \$1,600m	1,026.2		1,026.2						
TNS acquisition revolver £200m	200.0	200.0							
TNS private placements \$55m	35.3		19.2		16.1				
Total committed facilities available	4,699.1	200.0	1,045.4	514.4	1,267.8	428.6	642.9	400.0	200.0
Drawn down facilities at 31 December 2010	3,554.0	–	100.3	514.4	1,267.8	428.6	642.9	400.0	200.0
Undrawn committed facilities	1,145.1								
Drawn down facilities at 31 December 2010	3,554.0								
Net cash at 31 December 2010	(1,709.8)								
Other adjustments	44.2								
Net debt at 31 December 2010	1,888.4								

The Group's borrowings are evenly distributed between fixed and floating rate debt. Given the strong cash generation of the business, its debt maturity profile and available facilities, the directors believe the Group has sufficient liquidity to match its requirements for the foreseeable future.

Treasury activities

Treasury activity is managed centrally from London, New York and Hong Kong, and is principally concerned with the monitoring of working capital, managing external and internal funding requirements and the monitoring and management of financial market risks, in particular interest rate and foreign exchange exposures.

24. Risk management policies (continued)

The treasury operation is not a profit centre and its activities are carried out in accordance with policies approved by the Board of Directors and subject to regular review and audit.

The Group manages liquidity risk by ensuring continuity and flexibility of funding even in difficult market conditions. Undrawn committed borrowing facilities are maintained in excess of peak net-borrowing levels and debt maturities are closely monitored. Targets for debt and cash position are set on an annual basis and, to assist in meeting this, working capital targets are set for all the Group's major operations.

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 10, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in the consolidated statement of changes in equity and in notes 26 and 27.

Credit risk

The Group's principal financial assets are cash and short-term deposits, trade and other receivables and investments, the carrying values of which represent the Group's maximum exposure to credit risk in relation to financial assets, as shown in note 25.

The Group's credit risk is primarily attributable to its trade receivables. The majority of the Group's trade receivables are due from large national or multinational companies where the risk of default is considered low. The amounts presented in the consolidated balance sheet are net of allowances for doubtful receivables, estimated by the Group's management based on prior experience and their assessment of the current economic environment. A relatively small number of clients make up a significant percentage of the Group's debtors, but no single client represents more than 5% of total trade receivables as at 31 December 2010.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by

international credit-rating agencies or banks that have been financed by their government.

A relatively small number of clients contribute a significant percentage of the Group's consolidated revenues. The Group's clients generally are able to reduce advertising and marketing spending or cancel projects at any time for any reason. There can be no assurance that any of the Group's clients will continue to utilise the Group's services to the same extent, or at all, in the future. A significant reduction in advertising and marketing spending by, or the loss of one or more of, the Group's largest clients, if not replaced by new client accounts or an increase in business from existing clients, would adversely affect the Group's prospects, business, financial condition and results of operations.

Sensitivity analysis

The following sensitivity analysis addresses the effect of currency and interest rate risks on the Group's financial instruments. The analysis assumes that all hedges are highly effective.

Currency risk

A 10% weakening of sterling against the Group's major currencies would result in the following losses, which would be posted directly to equity. These losses would arise on the retranslation of foreign currency denominated borrowings and derivatives designated as effective net investment hedges of overseas net assets. These losses would be partially offset in equity by a corresponding gain arising on the retranslation of the related hedged foreign currency net assets. A 10% strengthening of sterling would have an equal and opposite effect. There are no other material foreign exchange exposures which would create gains or losses to the functional reporting currencies of individual entities in the Group.

	2010	2009
	£m	£m
US dollar	91.0	87.9
Euro	73.7	76.3

Interest rate risk

A one percentage point increase in market interest rates for all currencies in which the Group had cash and borrowings at 31 December 2010 would increase profit before tax by approximately £8.0 million (2009: decrease of £2.4 million). A one percentage decrease in market interest rates would have an equal and opposite effect. This has been calculated by applying the interest rate change to the Group's variable rate cash and borrowings.

Notes to the consolidated financial statements (continued)

25. Financial instruments

Currency derivatives

The Group utilises currency derivatives to hedge significant future transactions and cash flows and the exchange risk arising on translation of the Group's investments in foreign operations. The Group is a party to a variety of foreign currency derivatives in the management of its exchange rate exposures. The instruments purchased are primarily denominated in the currencies of the Group's principal markets.

At 31 December 2010, the fair value of the Group's currency derivatives is estimated to be a net liability of approximately £62.9 million (2009: £3.1 million). These amounts are based on market values of equivalent instruments at the balance sheet date, comprising £60.4 million (2009: £79.6 million) assets included in trade and other receivables and £123.3 million (2009: £82.7 million) liabilities included in trade and other payables. The amounts charged to and deferred in equity during the year for currency derivatives that are designated and effective hedges were £27.9 million (2009: £111.1 million) for net investment hedges and £34.8 million (2009: £60.5 million) for cash flow hedges.

Changes in the fair value relating to the ineffective portion of the currency derivatives amounted to a gain of £11.7 million (2009: £3.3 million, 2008: £2.7 million) which is included in the revaluation of financial instruments for the year. This gain resulted from a £59.3 million loss on hedging instruments and a £71.0 million gain on hedged items.

The Group currently designates its foreign currency-denominated debt and cross-currency swaps as hedging instruments against the currency risk associated with the translation of its foreign operations.

At the balance sheet date, the total nominal amount of outstanding forward foreign exchange contracts not designated as hedges was £130.1 million (2009: £309.4 million). The Group estimates the fair value of these contracts to be a net liability of £0.8 million (2009: asset of £4.6 million).

These arrangements are designed to address significant exchange exposure and are renewed on a revolving basis as required.

Interest rate swaps

The Group uses interest rate swaps as hedging instruments in fair value hedges to manage its exposure to interest rate movements on its borrowings. Contracts with nominal values of €600 million have fixed interest receipts at 4.38% up until December 2013 and have floating interest payments averaging EURIBOR plus 0.56%. Contracts with a nominal value of €500 million have fixed interest receipts of 5.25% up until January 2015 and have floating interest payments averaging EURIBOR plus 0.80%. Contracts with a nominal value of €100 million have fixed interest payments of 5.56% until June 2014 and have floating rate receipts averaging EURIBOR plus 0.96%.

Contracts with a nominal value of £200 million have fixed interest receipts of 6.00% up until April 2017 and have floating rate payments averaging LIBOR plus 0.64%.

A contract with a nominal value of \$45 million has fixed interest receipts averaging 6.29% until on average July 2013 and has floating rate payments averaging LIBOR plus 0.59%.

A contract with a nominal value of \$300 million has fixed rate payments averaging 2.58% until on average October 2020 and has floating rate receipts of LIBOR plus 0.29%.

The fair value of interest rate swaps entered into at 31 December 2010 is estimated to be a net asset of approximately £129.0 million (2009: £103.0 million). These amounts are based on market values of equivalent instruments at the balance sheet date, comprising £133.4 million (2009: £103.2 million) assets included in trade and other receivables and £4.4 million (2009: £0.2 million) liabilities included in trade and other payables. Included in these amounts are certain interest rate swaps that are not designated as hedges, comprising £26.1 million assets and £6.1 million liabilities.

Changes in the fair value relating to the ineffective portion of interest rate swaps amounted to a gain of £12.6 million (2009: gain of £11.7 million, 2008: charge of £13.0 million) which is included in the revaluation of financial instruments for the year. This gain resulted from a £14.4 million loss on hedging instruments and a £27.0 million gain on hedged items.

An analysis of the Group's financial assets and liabilities by accounting classification is set out below:

	Derivatives in designated hedge relationships	Held for trading	Loans & receivables	Available for sale	Amortised cost	Carrying value
	£m	£m	£m	£m	£m	£m
2010						
Other investments	–	–	–	173.7	–	173.7
Cash and short-term deposits	–	–	1,965.2	–	–	1,965.2
Bank overdrafts and loans	–	–	–	–	(255.4)	(255.4)
Bonds and bank loans	–	–	–	–	(3,598.2)	(3,598.2)
Trade and other receivables: amounts falling due within one year	–	–	7,135.3	–	–	7,135.3
Trade and other receivables: amounts falling due after more than one year	–	–	77.3	–	–	77.3
Trade and other payables: amounts falling due within one year	–	–	–	–	(7,769.9)	(7,769.9)
Trade and other payables: amounts falling due after more than one year	–	–	–	–	(11.4)	(11.4)
Derivative assets	168.6	26.1	–	–	–	194.7
Derivative liabilities	(123.3)	(6.1)	–	–	–	(129.4)
Liabilities in respect of put options	–	(171.0)	–	–	–	(171.0)
	45.3	(151.0)	9,177.8	173.7	(11,634.9)	(2,389.1)

Notes to the consolidated financial statements (continued)

25. Financial instruments (continued)

	Derivatives in designated hedge relationships	Held for trading	Loans & receivables	Available for sale	Amortised cost	Carrying value
	£m	£m	£m	£m	£m	£m
2009						
Other investments	–	–	–	294.6	–	294.6
Cash and short-term deposits	–	–	1,666.7	–	–	1,666.7
Bank overdrafts and loans	–	–	–	–	(720.7)	(720.7)
Bonds and bank loans	–	–	–	–	(3,586.4)	(3,586.4)
Trade and other receivables: amounts falling due within one year	–	–	6,011.3	–	–	6,011.3
Trade and other receivables: amounts falling due after more than one year	–	–	71.6	–	–	71.6
Trade and other payables: amounts falling due within one year	–	–	–	–	(6,482.6)	(6,482.6)
Trade and other payables: amounts falling due after more than one year	–	–	–	–	(29.2)	(29.2)
Derivative assets	182.8	5.3	–	–	–	188.1
Derivative liabilities	(82.9)	(0.7)	–	–	–	(83.6)
Liabilities in respect of put options	–	(168.2)	–	–	–	(168.2)
	99.9	(163.6)	7,749.6	294.6	(10,818.9)	(2,838.4)

25. Financial instruments (continued)

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 £m	Level 2 £m	Level 3 £m	Carrying value £m
2010				
Derivatives in designated hedge relationships				
Derivative assets	–	168.6	–	168.6
Derivative liabilities	–	(123.3)	–	(123.3)
Held for trading				
Derivative assets	–	26.1	–	26.1
Derivative liabilities	–	(6.1)	–	(6.1)
Liabilities in respect of put options	–	–	(171.0)	(171.0)
Available for sale				
Other investments	–	–	173.7	173.7
	–	65.3	2.7	68.0
	Level 1 £m	Level 2 £m	Level 3 £m	Carrying value £m
2009				
Derivatives in designated hedge relationships				
Derivative assets	–	182.8	–	182.8
Derivative liabilities	–	(82.9)	–	(82.9)
Held for trading				
Derivative assets	–	5.3	–	5.3
Derivative liabilities	–	(0.7)	–	(0.7)
Liabilities in respect of put options	–	–	(168.2)	(168.2)
Available for sale				
Other investments	18.4	–	276.2	294.6
	18.4	104.5	108.0	230.9

Notes to the consolidated financial statements (continued)

25. Financial instruments (continued)

Reconciliation of level 3 fair value measurements:

	Liabilities in respect of put options £m	Other investments £m	Carrying value £m
1 January 2009	(122.1)	292.8	170.7
Gains/(losses) recognised in the income statement	15.3	(11.1)	4.2
Losses recognised in other comprehensive income	–	(15.1)	(15.1)
Exchange differences	2.5	(26.0)	(23.5)
Additions	(78.3)	53.7	(24.6)
Disposals	–	(18.1)	(18.1)
Settlements	14.4	–	14.4
31 December 2009	(168.2)	276.2	108.0
Losses recognised in the income statement	(3.6)	(35.3)	(38.9)
Losses recognised in other comprehensive income	–	(61.3)	(61.3)
Exchange differences	(3.1)	(23.4)	(26.5)
Additions	(5.9)	20.2	14.3
Disposals	–	(2.7)	(2.7)
Settlements	9.8	–	9.8
31 December 2010	(171.0)	173.7	2.7

The fair value of financial assets and liabilities are based on quoted market prices where available. Where the market value is not available, the Group has estimated relevant fair values on the basis of publicly available information from outside sources or on the basis of discounted cash flow models where appropriate.

26. Authorised and issued share capital

	Equity ordinary shares	Nominal value £m
Authorised		
1 January 2009	1,750,000,000	175.0
31 December 2009	1,750,000,000	175.0
31 December 2010	1,750,000,000	175.0
Issued and fully paid		
1 January 2009	1,255,343,263	125.5
Exercise of share options	1,148,051	0.1
31 December 2009	1,256,491,314	125.6
Exercise of share options	7,899,907	0.8
31 December 2010	1,264,391,221	126.4

Company's own shares

The Company's holdings of own shares are stated at cost and represent shares held in treasury and purchases by the Employee Share Ownership Plan ('ESOP') trusts of shares in WPP plc for the purpose of funding certain of the Group's share-based incentive plans.

The trustees of the ESOP purchase the Company's ordinary shares in the open market using funds provided by the Company. The Company also has an obligation to make regular contributions to the ESOP to enable it to meet its administrative costs. The number and market value of the ordinary shares of the Company held by the ESOP at 31 December 2010 was 22,083,378 (2009: 24,941,529), and £174.3 million (2009: £152.0 million) respectively. The number and market value of ordinary shares held in treasury at 31 December 2010 was 2,172,126 (2009: 2,435,288) and £17.1 million (2009: £14.8 million) respectively.

26. Authorised and issued share capital (continued)

Share options

WPP Executive Stock Option Plan

As at 31 December 2010, unexercised options over ordinary shares of 6,206,412 and unexercised options over ADRs of 1,700,034 have been granted under the WPP Executive Stock Option Plan as follows:

	Number of ordinary shares under option	Exercise price per share (£)	Exercise dates
	12,195	3.414	2012 - 2018
	21,197	3.763	2006 - 2013
	42,154	4.210	2005 - 2012
	502,077	4.210	2005 - 2012
	22,994	4.210	2005 - 2013
	3,832	4.210	2005 - 2012
	19,161	4.210	2005 - 2012
	3,065	4.210	2005 - 2012
	3,832	4.210	2005 - 2012
	77,552	4.438	2005 - 2012
	6,759	4.438	2005 - 2012

51,247	4.615	2007 - 2013
22,533	4.865	2004 - 2011
345,570	4.865	2004 - 2011
2,000,000	5.490	2007 - 2014
27,288	5.520	2008 - 2014
94,777	5.535	2007 - 2014
578,542	5.535	2007 - 2014
447,676	5.535	2007 - 2014
6,124	5.535	2008 - 2014
6,124	5.535	2007 - 2015
24,390	5.535	2007 - 2014
2,469	5.535	2007 - 2014
167,935	5.535	2007 - 2014
143,400	5.595	2006 - 2013
725,343	5.595	2006 - 2013
17,194	5.595	2006 - 2014
7,853	5.595	2007 - 2013
2,680	5.595	2006 - 2013
13,572	5.595	2006 - 2013
224,473	5.595	2006 - 2013
2,902	5.725	2007 - 2014
2,419	5.725	2007 - 2014
11,423	5.775	2009 - 2015
14,826	5.818	2008 - 2015
2,964	5.818	2008 - 2015
6,705	5.895	2008 - 2015
4,470	5.895	2008 - 2015
2,235	5.895	2008 - 2015
9,834	5.895	2008 - 2015
4,268	5.903	2011 - 2018
6,402	5.903	2011 - 2018
4,268	5.903	2011 - 2018
5,959	6.105	2008 - 2015
4,914	6.105	2008 - 2015
7,876	6.228	2011 - 2017
2,140	6.718	2009 - 2016
6,420	6.718	2009 - 2016
3,913	6.718	2009 - 2016

Notes to the consolidated financial statements (continued)

26. Authorised and issued share capital (continued)

	Number of ordinary shares under option	Exercise price per share (£)	Exercise dates
	69,369	6.718	2009 - 2016
	45,153	7.180	2005 - 2012
	24,123	7.550	2005 - 2012
	20,196	7.550	2005 - 2012
	34,921	7.550	2005 - 2012
	201,805	7.550	2005 - 2012
	3,741	7.550	2006 - 2012
	11,109	7.723	2010 - 2017
	17,788	8.110	2004 - 2011
	30,886	8.110	2004 - 2011
	4,929	8.193	2004 - 2011
	14,446	8.193	2004 - 2011

	Number of ADRs under option	Exercise price per ADR (\$)	Exercise dates
	3,844	26.010	2012 - 2019
	1,662	30.080	2006 - 2013
	2,692	30.080	2006 - 2013
	1,644	30.410	2011 - 2018
	282,563	33.200	2005 - 2012
	3,764	33.200	2005 - 2012
	164,040	35.380	2004 - 2011
	454,270	47.410	2006 - 2013
	14,338	47.410	2006 - 2013
	21,610	47.410	2006 - 2013
	1,548	48.450	2007 - 2014
	10,061	50.670	2008 - 2015
	197	50.670	2008 - 2015
	487,784	50.800	2007 - 2014
	196	50.800	2007 - 2014
	9,938	50.800	2007 - 2014
	2,952	50.800	2007 - 2014
	25,486	50.800	2007 - 2014
	18,252	51.220	2007 - 2014
	8,624	53.030	2005 - 2012
	10,878	54.050	2005 - 2012
	99,855	54.050	2005 - 2012
	4,581	54.570	2008 - 2015
	4,486	55.740	2008 - 2015
	898	55.740	2008 - 2015
	898	55.740	2008 - 2015
	2,691	57.020	2008 - 2015
	14,925	57.020	2008 - 2015
	13,178	58.238	2004 - 2011
	856	58.460	2009 - 2016
	14,113	58.460	2009 - 2016
	856	58.460	2009 - 2016
	8,324	58.886	2004 - 2011
	844	59.170	2011 - 2018
	1,267	59.170	2011 - 2018
	1,641	63.900	2009 - 2020
	4,278	75.940	2010 - 2017

26. Authorised and issued share capital (continued)

WPP Worldwide Share Ownership Program

As at 31 December 2010, unexercised options over ordinary shares of 9,339,277 and unexercised options over ADRs of 1,334,208 have been granted under the WPP Worldwide Share Ownership Program as follows:

	Number of ordinary shares under option	Exercise price per share (£)	Exercise dates
	110,300	3.903	2006 - 2013
	1,000	3.903	2006 - 2013
	3,000	3.903	2007 - 2013
	4,625	4.210	2005 - 2012
	625	4.210	2005 - 2013
	35,340	4.819	2011 - 2018
	250	5.210	2004 - 2011

Notes to the consolidated financial statements (continued)

26. Authorised and issued share capital (continued)

Tempus Group plc 1998 Long Term Incentive Plan

As at 31 December 2010, unexercised options over ordinary shares of 24,306 have been granted under the Tempus Group plc 1998 Long Term Incentive Plan as follows:

	Number of ordinary shares under option	Exercise price per share (£)	Exercise dates
	24,306	4.920	2001 - 2011

The Grey Global Group, Inc 1994 Stock Incentive Plan

As at 31 December 2010, unexercised options over ordinary shares of 54,365 and unexercised options over ADRs of 27,639 have been granted under the Grey Global Group, Inc 1994 Stock Incentive Plan as follows:

	Number of ordinary shares under option	Exercise price per share (£)	Exercise dates
	54,365	3.499	2007 - 2011

	Number of ADRs under option	Exercise price per ADR (\$)	Exercise dates
	7,089	28.2100	2006 - 2013
	1,827	28.3000	2007 - 2012
	3,632	30.8300	2007 - 2012
	6,371	31.4200	2005 - 2012
	8,720	31.7500	2008 - 2011

24/7 Real Media, Inc 2002 Stock Incentive Plan

As at 31 December 2010, unexercised options over ADRs of 54,020 have been granted under the 24/7 Real Media, Inc 2002 Stock Incentive Plan as follows:

	Number of ADRs under option	Exercise price per ADR (\$)	Exercise dates
	8	1.3400	2007 - 2013
	552	15.8800	2007 - 2014
	427	17.1500	2007 - 2014
	69	20.0100	2007 - 2015
	187	20.0700	2007 - 2015
	69	20.3300	2007 - 2015
	12	20.8400	2007 - 2014
	66	22.4900	2007 - 2015
	79	23.1800	2007 - 2015
	78	23.4400	2007 - 2015
	19	23.8200	2007 - 2014
	263	24.2000	2007 - 2014
	50	25.1500	2007 - 2015
	315	25.9200	2007 - 2015
	79	26.1100	2007 - 2015
	787	27.1200	2007 - 2015
	14,852	27.5000	2007 - 2015
	148	28.7700	2007 - 2015
	170	34.6200	2007 - 2015
	82	35.0600	2007 - 2015
	89	38.8700	2007 - 2015
	26,410	40.6500	2007 - 2016
	110	41.4700	2007 - 2015
	110	45.2900	2007 - 2016
	118	46.0500	2007 - 2016
	69	46.6200	2007 - 2016
	345	48.3300	2007 - 2016
	157	49.5400	2007 - 2016
	115	49.6000	2007 - 2016
	314	49.6700	2007 - 2016
	89	50.4900	2007 - 2016

26. Authorised and issued share capital (continued)

	Number of ADRs under option	Exercise price per ADR (\$)	Exercise dates
	157	50.6800	2007 - 2016
	236	50.7500	2008 - 2017
	472	51.3800	2008 - 2017
	156	52.5900	2008 - 2017
	92	53.1000	2006 - 2017
	157	53.4800	2008 - 2017
	78	53.6700	2008 - 2017
	314	54.1100	2007 - 2016

944	54.2400	2007 - 2016
472	54.5600	2007 - 2016
314	55.2600	2007 - 2016
74	55.6400	2007 - 2016
59	55.7600	2007 - 2016
105	55.8900	2007 - 2016
157	56.2700	2007 - 2016
574	56.7200	2007 - 2016
78	57.4800	2008 - 2017
235	58.9400	2007 - 2017
393	60.0200	2007 - 2016
78	61.2300	2008 - 2017
108	61.9200	2007 - 2016
314	62.0500	2007 - 2016
759	62.9400	2008 - 2017
157	63.3200	2008 - 2017
708	63.8900	2008 - 2017
112	64.2700	2007 - 2016
54	64.6500	2007 - 2016
78	64.9700	2007 - 2016
78	65.5400	2007 - 2016
112	67.5800	2007 - 2016
157	70.5000	2008 - 2017

**Taylor Nelson Sofres plc
2005 Long Term Incentive Plan**

As at 31 December 2010, unexercised options over ordinary shares of 62,828 have been granted under the Taylor Nelson Sofres plc 2005 Long Term Incentive Plan as follows:

Number of ordinary shares under option	Exercise price per share (£)	Exercise dates
29,849	–	2012
32,979	–	2013

2008 New Share Plan

As at 31 December 2010, unexercised options over ordinary shares of 28,649 have been granted under the Taylor Nelson Sofres plc 2008 New Share Plan as follows:

Number of ordinary shares under option	Exercise price per share (£)	Exercise dates
28,649	–	2012

Notes to the consolidated financial statements (continued)

26. Authorised and issued share capital (continued)

2005 Key Employee Equity Plan

As at 31 December 2010, unexercised options over ordinary shares of 4,519 have been granted under the Taylor Nelson Sofres plc 2005 Key Employee Equity Plan as follows:

	Number of ordinary shares under option	Exercise price per share (£)	Exercise dates
	245	–	2011
	4,274	–	2012

1999 Worldwide Employee Sharesave Plan

As at 31 December 2010, unexercised options over ordinary shares of 1,315,225 have been granted under the Taylor Nelson Sofres plc 1999 Worldwide Employee Sharesave Plan as follows:

	Number of ordinary shares under option	Exercise price per share (£)	Exercise dates
	1,115	1.2700	2011
	797,386	1.7300	2013 - 2015
	258,353	1.9500	2011 - 2012
	22,940	2.2900	2009 - 2011
	5,226	2.5600	2009 - 2012
	142,653	2.6500	2012 - 2014
	2,236	2.9900	2010 - 2011
	85,316	3.0000	2011 - 2013

The aggregate status of the WPP Share Option Plans during 2010 was as follows:

Movements on options granted (represented in ordinary shares)

	1 January 2010 number	Granted number	Exercised number	Lapsed number	Outstanding 31 December 2010 number	Exercisable 31 December 2010 number
WPP	23,551,894	–	(6,133,058)	(2,712,254)	14,706,582	14,633,578
WWOP	13,593,366	5,022,250	(417,951)	(2,187,348)	16,010,317	5,442,153
Y&R	862,676	–	(668,610)	(194,066)	–	–
Tempus	56,468	–	(32,162)	–	24,306	24,306
Grey	392,950	–	(178,645)	(21,745)	192,560	192,560
24/7	616,205	–	(293,095)	(53,010)	270,100	222,220
TNS	1,657,024	–	(175,246)	(70,557)	1,411,221	31,517
	40,730,583	5,022,250	(7,898,767)	(5,238,980)	32,615,086	20,546,334

Weighted-average exercise price for options over:

	1 January 2010	Granted	Exercised	Lapsed	Outstanding 31 December 2010	Exercisable 31 December 2010
Ordinary shares (£)						
WPP	5.566	–	5.147	6.934	5.489	5.492
WWOP	6.306	7.113	5.700	5.512	6.218	6.954
Y&R	7.052	–	–	7.052	–	–
Tempus	5.445	–	–	–	4.920	4.920
Grey	3.499	–	–	–	3.499	3.499
TNS	1.870	–	2.046	2.116	1.836	2.348
ADRs (\$)						
WPP	46.939	–	37.307	54.148	45.814	45.857
WWOP	56.187	56.560	36.712	55.704	56.457	62.076
Y&R	52.298	–	–	57.376	–	–
Grey	30.949	–	30.733	36.110	30.417	30.417
24/7	38.578	–	37.920	42.054	38.610	38.121

26. Authorised and issued share capital (continued)

Options over ordinary shares

Outstanding

	Range of exercise prices £	Weighted average exercise price £	Weighted average contractual life Months
	nil – 8.193	5.763	69

Options over ADRs

Outstanding

Range of exercise prices \$	Weighted average exercise price \$	Weighted average contractual life Months
1.340 – 76.940	50.110	61

As at 31 December 2010 there was £6.8 million (2009: £5.8 million) of total unrecognised compensation cost related to share options. That cost is expected to be recognised over a weighted average period of 21 months (2009: 20 months).

Share options are satisfied out of newly issued shares.

The weighted average fair value of options granted in the year calculated using the Black-Scholes model, was as follows:

	2010	2009	2008
Fair value of UK options (shares)	144.5p	115.5p	129.5p
Fair value of US options (ADRs)	\$ 10.97	\$ 8.95	\$ 8.36
Weighted average assumptions:			
UK Risk-free interest rate	1.76%	2.27%	3.93%
US Risk-free interest rate	1.05%	1.85%	2.25%
Expected life (months)	48	48	48
Expected volatility	30%	30%	25%
Dividend yield	2.5%	2.5%	1.75%

Options are issued at an exercise price equal to market value on the date of grant.

The weighted average share price of the Group for the year ended 31 December 2010 was £6.78 (2009: £4.72, 2008: £5.12) and the weighted average ADR price for the same period was \$52.51 (2009: \$37.23, 2008: \$48.26).

Expected volatility is sourced from external market data and represents the historic volatility in the Group's share price over a period equivalent to the expected option life.

Expected life is based on a review of historic exercise behaviour in the context of the contractual terms of the options, as described in more detail below.

Terms of share option plans

The Worldwide Share Ownership Program is open for participation to employees with at least two years' employment in the Group. It is not available to those participating in other share-based incentive programs or to executive directors. The vesting period for each grant is three years and there are no performance conditions other than continued employment with the Group.

The Executive Stock Option Plan has historically been open for participation to WPP Group Leaders, Partners and High Potential Group. It is not currently offered to parent company executive directors. The vesting period is three years and performance conditions include achievement of various TSR (Total Share Owner Return) and EPS (Earnings per Share) objectives, as well as continued employment. In 2005, the Group moved away from the issuance of stock options for Leaders, Partners and High Potential Group and has since largely made grants of restricted stock instead (note 22).

The Group grants stock options with a life of ten years, including the vesting period. The terms of stock options with performance conditions are such that if, after nine years and eight months, the performance conditions have not been met, then the stock option will vest automatically.

Notes to the consolidated financial statements (continued)

27. Other reserves

Other reserves comprise the following:

	Equity reserve £m	Revaluation reserve £m	Translation reserve £m	Total other reserves £m
1 January 2009	(82.9)	87.3	1,246.1	1,250.5
Exchange adjustments on foreign currency net investments	–	–	(142.2)	(142.2)
Loss on revaluation of available for sale investments	–	(13.5)	–	(13.5)
Recognition and remeasurement of financial instruments	(36.4)	–	–	(36.4)
Equity component of convertible bonds (net of deferred tax)	34.7	–	–	34.7
31 December 2009	(84.6)	73.8	1,103.9	1,093.1
Exchange adjustments on foreign currency net investments	–	–	146.6	146.6
Loss on revaluation of available for sale investments	–	(59.8)	–	(59.8)
Recognition and remeasurement of financial instruments	2.9	–	–	2.9
31 December 2010	(81.7)	14.0	1,250.5	1,182.8

28. Acquisitions

The Group accounts for acquisitions in accordance with IFRS 3 (revised) Business Combinations. IFRS 3 (revised) requires the acquiree's identifiable assets, liabilities and contingent liabilities (other than non-current assets or disposal groups held for sale) to be recognised at fair value at acquisition date. In assessing fair value at acquisition date, management make their best estimate of the likely outcome where the fair value of an asset or liability may be contingent on a future event. In certain instances, the underlying transaction giving rise to an estimate may not be resolved until some years after the acquisition date. IFRS 3 (revised) requires the release to profit of any acquisition reserves which subsequently become excess in the same way as any excess costs over those provided at acquisition date are charged to profit. At each period end management assess provisions and other balances established in respect of acquisitions for their continued probability of occurrence and amend the relevant value accordingly through the consolidated income statement or as an adjustment to goodwill as appropriate under IFRS 3 (revised).

Acquisitions in 2010

The Group acquired a number of subsidiaries in the year. The following table sets out the book values of the identifiable assets and liabilities acquired and their fair value to the Group. The fair value adjustments for certain acquisitions have been determined provisionally at the balance sheet date.

	Book value at acquisition £m	Fair value adjustments £m	Fair value to Group £m
Intangible assets	0.7	25.5	26.2
Property, plant and equipment	9.1	–	9.1
Cash	57.0	–	57.0
Trade receivables due within one year	161.7	–	161.7
Other current assets	56.2	–	56.2
Total assets	284.7	25.5	310.2
Current liabilities	(259.1)	–	(259.1)
Trade and other payables due after one year	(1.1)	(3.4)	(4.5)
Deferred tax liabilities	(0.1)	(9.3)	(9.4)
Provisions	(0.5)	(0.7)	(1.2)
Total liabilities	(260.8)	(13.4)	(274.2)
Net assets	23.9	12.1	36.0
Non-controlling interests			(0.5)
Fair value of equity stake in associate undertakings before acquisition of controlling interest			(32.6)
Goodwill			161.1
Consideration			164.0
Consideration satisfied by:			
Cash			131.2
Payments due to vendors (note 19)			32.8

Goodwill arising from acquisitions represents the value of synergies with our existing portfolio of businesses and skilled staff to deliver services to our clients. Goodwill expected to be deductible for tax purposes is £14.3 million.

Non-controlling interests in acquired companies are measured at the non-controlling interest's proportionate share of the acquirees' identifiable net assets.

The contribution to revenue and operating profit of acquisitions completed in the year was not material. There were no material acquisitions completed between 31 December 2010 and the date the financial statements have been authorised for issue.

Notes to the consolidated financial statements (continued)

28. Acquisitions (continued)

Acquisitions in 2009

The Group acquired a number of subsidiaries in the year. The following table sets out the book values of the identifiable assets and liabilities acquired and their fair value to the Group. The fair value adjustments for certain acquisitions have been determined provisionally at the balance sheet date.

	Book value at acquisition £m	Fair value adjustments £m	Fair value to Group £m
Intangible assets	–	6.6	6.6
Property, plant and equipment	2.6	–	2.6
Current assets	17.0	–	17.0
Total assets	19.6	6.6	26.2
Current liabilities	(11.8)	(0.1)	(11.9)
Trade and other payables due after one year	(1.2)	–	(1.2)
Deferred tax liabilities	–	(2.8)	(2.8)
Provisions	(0.1)	–	(0.1)
Total liabilities	(13.1)	(2.9)	(16.0)
Net assets	6.5	3.7	10.2
Non-controlling interest			(2.4)
Goodwill			13.1
Consideration			20.9
Consideration satisfied by:			
Cash			15.4
Payments due to vendors			4.6
Capitalised acquisition costs			0.9

Goodwill arising from acquisitions represents the value of synergies with our existing portfolio of businesses and skilled staff to deliver services to our clients.

The contribution to revenue and operating profit of acquisitions completed in the year was not material. There were no material acquisitions completed between 31 December 2009 and the date the financial statements have been authorised for issue.

28. Acquisitions (continued)

Acquisitions in 2008

Acquisition of Taylor Nelson Sofres plc

On 29 October 2008 the Group completed its acquisition of the issued share capital of Taylor Nelson Sofres plc (TNS). The following table sets out the book values of the identifiable assets and liabilities acquired and their fair value to the Group. The fair value adjustments have been determined provisionally at the corresponding balance sheet date.

	Book Value at Acquisition £m	Accounting policy alignments ¹ £m	Fair Value adjustments ² £m	Fair Value to Group £m
Intangible assets	17.4	–	708.3	725.7
Property, plant and equipment	88.8	(7.9)	10.3	91.2
Interests in associates and other investments	2.8	15.1	(1.4)	16.5
Deferred tax assets	44.1	–	(29.4)	14.7
Current assets	601.8	(119.0)	(9.3)	473.5
Total assets	754.9	(111.8)	678.5	1,321.6
Current liabilities	(548.2)	115.9	(51.7)	(484.0)
Bonds and bank loans ³	(577.8)	–	–	(577.8)
Trade and other payables due after one year	(18.7)	0.1	(38.0)	(56.6)
Deferred tax liabilities	(34.3)	–	(210.2)	(244.5)
Provisions	(41.2)	0.4	(16.0)	(56.8)
Total liabilities	(1,220.2)	116.4	(315.9)	(1,419.7)
Net (liabilities)/assets	(465.3)	4.6	362.6	(98.1)
Non-controlling interest				(9.6)
Goodwill				1,132.7
Consideration				1,025.0
Consideration satisfied by:				
Cash				737.0
Shares ⁴				267.7
Shares to be issued				2.8
Capitalised acquisition costs				17.5

Notes

- Accounting policy alignments comprise adjustments to bring the assets and liabilities of TNS into compliance with WPP plc's accounting policies. These were principally in relation to revenue recognition and the application of the equity method of accounting to joint ventures which had been previously accounted for under the proportional method.
- Fair value adjustments comprise adjustments to bring the book value of the assets and liabilities of TNS to fair value, principally through the recognition of intangible assets (comprising customer relationships, proprietary tools and brands), their related deferred tax liabilities and other provisions including taxes.
- At acquisition date TNS had £577.8 million of debt, of which £395.7 million was paid off by WPP in November 2008 out of its own debt facilities. The total of consideration and debt acquired for TNS is therefore £1,602.8 million.
- Share consideration comprises 80.5 million ordinary shares.

Notes to the consolidated financial statements (continued)

28. Acquisitions (continued)

Net cash (outflows)/inflows in respect of TNS comprised:

	£m
Cash consideration	(737.0)
Cash and cash equivalents (net)	18.2
Acquisition costs	(17.5)
	(736.3)

The post-acquisition contribution of TNS was £269.6 million to revenue and £12.4 million to operating profit. Operating profit is stated after charging £18.5 million amortisation of acquired intangible assets.

Other acquisitions

The Group acquired a number of other subsidiaries during 2008. The following table sets out the book values of the identifiable assets and liabilities acquired and their fair value to the Group. The fair value adjustments of certain acquisitions have been determined provisionally at the corresponding balance sheet date.

	Book value at acquisition £m	Fair value adjustments £m	Fair value to Group £m
Intangible assets	1.7	18.7	20.4
Property, plant and equipment	5.5	(0.1)	5.4
Current assets	147.1	–	147.1
Total assets	154.3	18.6	172.9
Current liabilities	(106.3)	(0.3)	(106.6)
Trade and other payables due after one year	(4.2)	(19.7)	(23.9)
Deferred tax liabilities	(0.2)	(4.3)	(4.5)
Provisions	(1.2)	–	(1.2)
Total liabilities	(111.9)	(24.3)	(136.2)
Net assets/(liabilities)	42.4	(5.7)	36.7
Non-controlling interest			(15.8)
Goodwill			132.4
Consideration			153.3
Consideration satisfied by:			
Cash			108.2
Payments due to vendors			37.4
Capitalised acquisition costs			7.7

In aggregate, other acquisitions completed in 2008 contributed £106.7 million to revenues and £17.9 million to operating profit.

If all acquisitions, including TNS, had been completed on the first day of the financial year, Group revenues for the period would have been £8,534.4 million and operating profit would have been £824.8 million.

29. Principal subsidiary undertakings

The principal subsidiary undertakings of the Group are:

	Country of Incorporation
Grey Global Group, Inc	US
J. Walter Thompson Company, Inc	US
GroupM Worldwide, Inc	US
The Ogilvy Group, Inc	US
Young & Rubicam, Inc	US
Taylor Nelson Sofres Group Holdings Ltd	UK

All of these subsidiaries are operating companies and are 100% owned by the Group.

30. Related party transactions

From time to time the Group enters into transactions with its associate undertakings. These transactions were not material for any of the years presented.

31. Reconciliation of profit before interest and taxation to headline PBIT:

Reconciliation of profit before interest and taxation to headline PBIT:

	2010 £m	2009 £m	2008 £m
Profit before interest and taxation	1,028.2	818.7	922.0
Gains on disposal of investments	(4.1)	(31.1)	(3.4)
Gains on re-measurement of equity on acquisition of controlling interest	(13.7)	–	–
Goodwill impairment	10.0	44.3	84.1
Goodwill write-down relating to utilisation of pre-acquisition tax losses	–	–	1.5

Amortisation and impairment of acquired intangible assets	170.5	172.6	78.4
Share of exceptional losses of associates	0.3	1.6	0.5
Investment write-downs	37.5	11.1	30.5
Cost of changes to corporate structure	–	–	4.6
Headline PBIT	1,228.7	1,017.2	1,118.2
Headline PBIT margin (as a percent of revenue)	13.2%	11.7%	15.0%

32. Condensed consolidating financial information

WPP Finance (UK) is the issuer of \$650 million of 5.875% bonds due June 2014, with WPP plc as parent guarantor and WPP Air 1 Limited, WPP 2008 Limited, WPP 2005 Limited, and Young & Rubicam Brands US Holdings as subsidiary guarantors, previously registered under the Securities Act of 1933. A Form 15 giving notice of termination of registration was filed with the SEC in relation to this security on 2 August 2006. In addition, during June 2009 WPP Finance (UK) issued \$600 million of 8% bonds due September 2014, with WPP plc as parent guarantor and WPP Air 1 Limited, WPP 2008 Limited and WPP 2005 Limited as subsidiary guarantors.

The issuer and guarantors of the bonds are each subject to the reporting requirements under section 15(d) of the Securities Exchange Act of 1934. Accordingly, condensed consolidating financial information containing financial information for WPP Finance (UK) and the guarantors is presented beginning on page F-42. Condensed consolidating financial information is prepared in accordance with the Group's IFRS accounting policies applied in the year ended 31 December 2010, except to the extent that, in the parent company, subsidiary issuer and subsidiary guarantors columns investments in subsidiaries are accounted for under the equity method of accounting. Under the equity method, earnings of subsidiaries are reflected as "share of results of subsidiaries" in the income statement and as "investments in subsidiaries" in the balance sheet, as required by the SEC.

Although the \$600 million bonds do not have the identical subsidiary guarantor structure as the \$650 million bonds, the exclusion of the financial information of Young & Rubicam Brands US Holdings has no financial impact on the columns presented in the condensed consolidating financial information for the years ended 31 December 2010, 2009 and 2008, as it is an indirect wholly owned subsidiary of WPP Air 1 Limited with no operations or cash flows of its own and its sole assets are its interests in certain operating subsidiaries.

In the event that WPP Finance (UK) fails to pay the holders of the securities, thereby requiring WPP plc, WPP 2008 Limited, WPP 2005 Limited, Young & Rubicam Brands US Holdings or WPP Air 1 Limited to make payment pursuant to the terms of its full and unconditional guarantee of those securities, there is no impediment to WPP plc, WPP 2008 Limited, WPP 2005 Limited, Young & Rubicam Brands US Holdings or WPP Air 1 Limited in obtaining reimbursement for any such payments from WPP Finance (UK).

32. Condensed consolidating financial information (continued)

Condensed consolidating income statement information

For the year ended 31 December 2010, £m

	WPP plc	Subsidiary Guarantors ¹	WPP Finance (UK)	Other Subsidiaries	Reclassifications / Eliminations	Consolidated WPP plc
Revenue	—	—	—	9,331.0	—	9,331.0
Direct costs	—	—	—	(770.5)	—	(770.5)
Gross profit	—	—	—	8,560.5	—	8,560.5
Operating costs	(3.1)	19.4	(0.1)	(7,603.7)	—	(7,587.5)
Operating profit/(loss)	(3.1)	19.4	(0.1)	956.8	—	973.0
Share of results of subsidiaries	626.8	734.7	—	—	(1,361.5)	—
Share of results of associates	—	—	—	55.2	—	55.2
Profit/(loss) before interest and taxation	623.7	754.1	(0.1)	1,012.0	(1,361.5)	1,028.2
Finance income	—	94.6	18.3	(31.2)	—	81.7
Finance costs	(37.7)	(224.5)	(57.6)	43.0	—	(276.8)
Revaluation of financial instruments	—	0.7	—	17.5	—	18.2
Profit/(loss) before taxation	586.0	624.9	(39.4)	1,041.3	(1,361.5)	851.3
Taxation	—	1.9	—	(192.2)	—	(190.3)
Profit/(loss) for the year	586.0	626.8	(39.4)	849.1	(1,361.5)	661.0
Attributable to:						
Equity holders of the parent	586.0	626.8	(39.4)	774.1	(1,361.5)	586.0
Non-controlling interests	—	—	—	75.0	—	75.0
Profit/(loss) for the year	586.0	626.8	(39.4)	849.1	(1,361.5)	661.0

For the year ended 31 December 2009, £m

	WPP plc	Subsidiary Guarantors ¹	WPP Finance (UK)	Other Subsidiaries	Reclassifications / Eliminations	Consolidated WPP plc
Revenue	—	—	—	8,684.3	—	8,684.3
Direct costs	—	—	—	(703.6)	—	(703.6)
Gross profit	—	—	—	7,980.7	—	7,980.7
Operating costs	(5.0)	(100.4)	—	(7,113.6)	—	(7,219.0)
Operating profit/(loss)	(5.0)	(100.4)	—	867.1	—	761.7
Share of results of subsidiaries	465.5	733.6	—	—	(1,199.1)	—
Share of results of associates	—	—	—	57.0	—	57.0
Profit before interest and taxation	460.5	633.2	—	924.1	(1,199.1)	818.7
Finance income	—	165.8	14.6	(30.0)	—	150.4
Finance costs	(22.8)	(340.3)	(42.5)	50.2	—	(355.4)
Revaluation of financial instruments	—	6.0	—	42.9	—	48.9
Profit/(loss) before taxation	437.7	464.7	(27.9)	987.2	(1,199.1)	662.6
Taxation	—	0.8	—	(156.5)	—	(155.7)
Profit/(loss) for the year	437.7	465.5	(27.9)	830.7	(1,199.1)	506.9
Attributable to:						
Equity holders of the parent	437.7	465.5	(27.9)	761.5	(1,199.1)	437.7
Non-controlling interests	—	—	—	69.2	—	69.2
Profit/(loss) for the year	437.7	465.5	(27.9)	830.7	(1,199.1)	506.9

Note

¹ Includes: WPP Air 1 Limited, WPP 2008 Limited, WPP 2005 Limited and Young & Rubicam Brands US Holdings.

32. Condensed consolidating financial information (continued)

Condensed consolidating income statement information (continued)

For the year ended 31 December 2008, £m

	WPP plc	Subsidiary Guarantors ¹	WPP Finance (UK)	Other Subsidiaries	Reclassifications / Eliminations	Consolidated WPP plc
Revenue	—	—	—	7,476.9	—	7,476.9
Direct costs	—	—	—	(467.5)	—	(467.5)
Gross profit	—	—	—	7,009.4	—	7,009.4
Operating costs	(0.3)	(96.7)	1.5	(6,037.9)	—	(6,133.4)
Operating profit/(loss)	(0.3)	(96.7)	1.5	971.5	—	876.0
Share of results of subsidiaries	439.4	758.4	—	—	(1,197.8)	—
Share of results of associates	—	—	—	46.0	—	46.0
Profit before interest and taxation	439.1	661.7	1.5	1,017.5	(1,197.8)	922.0
Finance income	—	92.5	10.4	66.7	—	169.6
Finance costs	—	(304.1)	(21.7)	6.4	—	(319.4)
Revaluation of financial instruments	—	(11.3)	—	(14.1)	—	(25.4)
Profit/(loss) before taxation	439.1	438.8	(9.8)	1,076.5	(1,197.8)	746.8
Taxation	—	0.6	—	(233.5)	—	(232.9)
Profit/(loss) for the year	439.1	439.4	(9.8)	843.0	(1,197.8)	513.9
Attributable to:						
Equity holders of the parent	439.1	439.4	(9.8)	768.2	(1,197.8)	439.1
Non-controlling interests	—	—	—	74.8	—	74.8
Profit/(loss) for the year	439.1	439.4	(9.8)	843.0	(1,197.8)	513.9

Note

¹ Includes: WPP Air 1 Limited, WPP 2008 Limited, WPP 2005 Limited and Young & Rubicam Brands US Holdings.

32. Condensed consolidating financial information (continued)

Condensed consolidating cash flow statement information

For the year ended 31 December 2010, £m

	WPP plc	Subsidiary Guarantors ¹	WPP Finance (UK)	Other Subsidiaries	Reclassifications / Eliminations	Consolidated WPP plc
Net cash inflow/(outflow) from operating activities	28.1	(395.6)	(30.6)	1,759.3	—	1,361.2
Investing activities						
Acquisitions and disposals	—	20.2	—	(220.3)	—	(200.1)
Purchases of property, plant and equipment	—	(3.9)	—	(186.6)	—	(190.5)
Purchases of other intangible assets (including capitalised computer software)	—	—	—	(27.0)	—	(27.0)
Proceeds on disposal of property, plant and equipment	—	—	—	7.6	—	7.6
Net cash (outflow)/inflow from investing activities	—	16.3	—	(426.3)	—	(410.0)
Financing activities						
Share option proceeds	42.7	—	—	—	—	42.7
Cash consideration for non-controlling interests	—	—	—	(15.1)	—	(15.1)
Share repurchases and buy-backs	—	—	—	(46.4)	—	(46.4)
Net increase in borrowings	—	—	—	19.8	—	19.8
Financing and share issue costs	—	—	—	(3.5)	—	(3.5)
Capital contribution (paid)/received	—	—	—	—	—	—
Equity dividends paid	(13.4)	(187.0)	—	—	—	(200.4)
Dividends paid to non-controlling interests in subsidiary undertakings	—	—	—	(66.7)	—	(66.7)
Net cash (outflow)/inflow from financing activities	29.3	(187.0)	—	(111.9)	—	(269.6)
Net increase/(decrease) in cash and cash equivalents	57.4	(566.3)	(30.6)	1,221.1	—	681.6
Translation differences	0.1	(27.9)	25.9	84.1	—	82.2
Cash and cash equivalents at beginning of year	(56.1)	(2,245.0)	726.7	2,520.4	—	946.0
Cash and cash equivalents at end of year	1.4	(2,839.2)	722.0	3,825.6	—	1,709.8

For the year ended 31 December 2009, £m

	WPP plc	Subsidiary Guarantors ¹	WPP Finance (UK)	Other Subsidiaries	Reclassifications / Eliminations	Consolidated WPP plc
Net cash inflow/(outflow) from operating activities	(468.3)	(223.6)	(28.5)	1,539.3	(0.1)	818.8
Investing activities						
Acquisitions and disposals	—	—	—	(118.4)	—	(118.4)
Purchases of property, plant and equipment	—	(2.1)	—	(220.8)	—	(222.9)
Purchases of other intangible assets (including capitalised computer software)	—	—	—	(30.4)	—	(30.4)
Proceeds on disposal of property, plant and equipment	—	—	—	9.2	—	9.2
Net cash outflow from investing activities	—	(2.1)	—	(360.4)	—	(362.5)
Financing activities						
Share option proceeds	4.1	—	—	—	—	4.1
Cash consideration for non-controlling interests	—	—	—	(26.4)	—	(26.4)
Share repurchases and buy-backs	(9.5)	—	—	—	—	(9.5)
Net (decrease)/increase in borrowings	450.0	(1,050.7)	370.7	(196.3)	—	(426.3)
Financing and share issue costs	(10.0)	—	—	(8.8)	—	(18.8)
Capital contribution (paid)/received	—	(111.7)	—	111.7	—	—
Equity dividends paid	(22.3)	(55.9)	—	(111.7)	0.1	(189.8)
Dividends paid to non-controlling interests in subsidiary undertakings	—	—	—	(63.0)	—	(63.0)
Net cash (outflow)/inflow from financing activities	412.3	(1,218.3)	370.7	(294.5)	0.1	(729.7)
Net (decrease)/increase in cash and cash equivalents	(56.0)	(1,444.0)	342.2	884.4	—	(273.4)
Translation differences	0.1	(207.8)	(41.4)	150.4	—	(98.7)
Cash and cash equivalents at beginning of year	(0.2)	(593.2)	425.9	1,485.6	—	1,318.1
Cash and cash equivalents at end of year	(56.1)	(2,245.0)	726.7	2,520.4	—	946.0

Note

¹ Includes: WPP Air 1 Limited, WPP 2008 Limited, WPP 2005 Limited and Young & Rubicam Brands US Holdings.

32. Condensed consolidating financial information (continued)

Condensed consolidating cash flow statement information (continued)

For the year ended 31 December 2008, £m

	WPP plc	Subsidiary Guarantors ¹	WPP Finance (UK)	Other Subsidiaries	Reclassifications / Eliminations	Consolidated WPP plc
Net cash inflow/(outflow) from operating activities	(0.3)	522.5	(11.9)	413.5	(1.1)	922.7
Investing activities						
Acquisitions and disposals	—	(1.3)	—	(1,028.1)	—	(1,029.4)
Purchases of property, plant and equipment	—	(2.1)	—	(194.7)	—	(196.8)
Purchases of other intangible assets (including capitalised computer software)	—	—	—	(23.8)	—	(23.8)
Proceeds on disposal of property, plant and equipment	—	—	—	11.5	—	11.5
Net cash outflow from investing activities	—	(3.4)	—	(1,235.1)	—	(1,238.5)
Financing activities						
Share option proceeds	—	10.6	—	—	—	10.6
Cash consideration for non-controlling interests	—	—	—	(19.7)	—	(19.7)
Share repurchases and buy-backs	—	(105.3)	—	—	—	(105.3)
Net increase/(decrease) in borrowings	—	1,236.3	—	(425.9)	—	810.4
Financing and share issue costs	0.1	(15.0)	—	(4.5)	—	(19.4)
Capital contribution (paid)/received	—	—	—	—	—	—
Equity dividends paid	—	(162.9)	—	—	1.1	(161.8)
Dividends paid to non-controlling interests in subsidiary undertakings	—	—	—	(63.5)	—	(63.5)
Net cash inflow/(outflow) from financing activities	0.1	963.7	—	(513.6)	1.1	451.3
Net increase/(decrease) in cash and cash equivalents	(0.2)	1,482.8	(11.9)	(1,335.2)	—	135.5
Translation differences	—	307.0	116.0	(302.7)	—	120.3
Cash and cash equivalents at beginning of year	—	(2,383.0)	321.8	3,123.5	—	1,062.3
Cash and cash equivalents at end of year	(0.2)	(593.2)	425.9	1,485.6	—	1,318.1

Note

¹ Includes: WPP Air 1 Limited, WPP 2008 Limited, WPP 2005 Limited and Young & Rubicam Brands US Holdings.

32. Condensed consolidating financial information (continued)

Condensed consolidating balance sheet information

At 31 December 2010, £m

	WPP plc	Subsidiary guarantors ¹	WPP Finance (UK)	Other Subsidiaries	Reclassifications/ Eliminations	Consolidated WPP plc
Non-current assets						
Intangible assets:						
Goodwill	—	—	—	9,106.3	—	9,106.3
Other	—	—	—	1,904.5	—	1,904.5
Property, plant and equipment	—	4.6	—	703.8	—	708.4
Investment in subsidiaries	6,469.4	12,520.8	—	—	(18,990.2)	—
Interests in associates	—	—	—	792.1	—	792.1
Other investments	—	—	—	173.7	—	173.7
Deferred tax assets	—	—	—	79.1	—	79.1
Trade and other receivables	—	126.2	—	197.3	—	323.5
	6,469.4	12,651.6	—	12,956.8	(18,990.2)	13,087.6
Current assets						
Inventory and work in progress	—	—	—	366.0	—	366.0
Corporate income tax recoverable	—	—	—	82.9	—	82.9
Trade and other receivables	0.3	50.1	2.8	8,790.2	—	8,843.4
Cash and short-term deposits	1.4	903.7	722.0	4,081.0	(3,742.9)	1,965.2
	1.7	953.8	724.8	13,320.1	(3,742.9)	11,257.5
Current Liabilities						
Trade and other payables	(4.8)	(72.6)	(10.1)	(11,616.1)	—	(11,703.6)
Corporate income tax payable	—	—	—	(115.8)	—	(115.8)
Bank overdrafts and loans	—	(3,742.9)	—	(255.4)	3,742.9	(255.4)
	(4.8)	(3,815.5)	(10.1)	(11,987.3)	3,742.9	(12,074.8)
Net current (liabilities)/assets	(3.1)	(2,861.7)	714.7	1,332.8	—	(817.3)
Total assets less current liabilities	6,466.3	9,789.9	714.7	14,289.6	(18,990.2)	12,270.3
Non-current liabilities						
Bonds and bank loans	(413.2)	(1,608.8)	(797.4)	(778.8)	—	(3,598.2)
Trade and other payables	—	(110.1)	—	(278.5)	—	(388.6)
Corporate income tax liability	—	—	—	(481.8)	—	(481.8)
Deferred tax liabilities	—	—	—	(750.7)	—	(750.7)
Provisions for post-employment benefits	—	—	—	(241.5)	—	(241.5)
Provisions for liabilities and charges	—	—	—	(161.6)	—	(161.6)
	(413.2)	(1,718.9)	(797.4)	(2,692.9)	—	(5,622.4)
Net intercompany receivable/(payable)	393.5	(1,601.6)	—	1,208.1	—	—
Net assets/(liabilities)	6,446.6	6,469.4	(82.7)	12,804.8	(18,990.2)	6,647.9
Attributable to:						
Equity share owners' funds	6,446.6	6,469.4	(82.7)	12,603.5	(18,990.2)	6,446.6
Non-controlling interests	—	—	—	201.3	—	201.3
Total equity	6,446.6	6,469.4	(82.7)	12,804.8	(18,990.2)	6,647.9

Note

¹ Includes: WPP Air 1 Limited, WPP 2008 Limited, WPP 2005 Limited and Young & Rubicam Brands US Holdings.

32. Condensed consolidating financial information (continued)

Condensed consolidating balance sheet information (continued)

At 31 December 2009, £m

	WPP plc	Subsidiary guarantors ¹	WPP Finance (UK)	Other Subsidiaries	Reclassifications/ Eliminations	Consolidated WPP plc
Non-current assets						
Intangible assets:						
Goodwill	—	—	—	8,697.5	—	8,697.5
Other	—	—	—	2,000.7	—	2,000.7
Property, plant and equipment	—	2.5	—	678.0	—	680.5
Investment in subsidiaries	5,905.2	11,659.7	—	—	(17,564.9)	—
Interests in associates	—	—	—	729.3	—	729.3
Other investments	—	—	—	294.6	—	294.6
Deferred tax assets	—	—	—	67.5	—	67.5
Trade and other receivables	—	115.3	—	170.8	—	286.1
	5,905.2	11,777.5	—	12,638.4	(17,564.9)	12,756.2
Current assets						
Inventory and work in progress	—	—	—	306.7	—	306.7
Corporate income tax recoverable	—	—	—	73.0	—	73.0
Trade and other receivables	0.9	48.1	9.6	7,490.3	—	7,548.9
Cash and short-term deposits	1.7	1,296.8	727.8	3,182.2	(3,541.8)	1,666.7
	2.6	1,344.9	737.4	11,052.2	(3,541.8)	9,595.3
Current Liabilities						
Trade and other payables	(4.5)	(85.8)	(9.7)	(9,674.0)	—	(9,774.0)
Corporate income tax payable	—	—	—	(71.6)	—	(71.6)
Bank overdrafts and loans	(57.8)	(3,541.8)	(1.1)	(661.8)	3,541.8	(720.7)
	(62.3)	(3,627.6)	(10.8)	(10,407.4)	3,541.8	(10,566.3)
Net current (liabilities)/assets	(59.7)	(2,282.7)	726.6	644.8	—	(971.0)
Total assets less current liabilities	5,845.5	9,494.8	726.6	13,283.2	(17,564.9)	11,785.2
Non-current liabilities						
Bonds and bank loans	(402.3)	(1,624.2)	(766.6)	(793.3)	—	(3,586.4)
Trade and other payables	—	(109.5)	—	(313.8)	—	(423.3)
Corporate income tax liability	—	—	—	(485.5)	—	(485.5)
Deferred tax liabilities	—	—	—	(809.6)	—	(809.6)
Provisions for post-employment benefits	—	—	—	(251.8)	—	(251.8)
Provisions for liabilities and charges	—	—	—	(152.9)	—	(152.9)
	(402.3)	(1,733.7)	(766.6)	(2,806.9)	—	(5,709.5)
Net intercompany receivable/(payable)	450.8	(1,855.9)	—	1,405.1	—	—
Net assets/(liabilities)	5,894.0	5,905.2	(40.0)	11,881.4	(17,564.9)	6,075.7
Attributable to:						
Equity share owners' funds	5,894.0	5,905.2	(40.0)	11,699.7	(17,564.9)	5,894.0
Non-controlling interests	—	—	—	181.7	—	181.7
Total equity	5,894.0	5,905.2	(40.0)	11,881.4	(17,564.9)	6,075.7

Note

¹ Includes: WPP Air 1 Limited, WPP 2008 Limited, WPP 2005 Limited and Young & Rubicam Brands US Holdings.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of WPP DAS Ltd

We have audited the accompanying balance sheets of WPP DAS Ltd (the “Trust”) at 31 December 2010 and 2009 and the related cash flow statements and statements of changes in equity for each of the two years in the period ended 31 December 2010 and the period from 9 July 2008 through 31 December 2008. These financial statements are the responsibility of the Trust’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Trust is not required to have an audit of its internal control over financial reporting. Our audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing any opinion on the Trust’s internal control over financial reporting. Accordingly, we express no such separate opinion. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements referred to above present fairly, in all material respects, the financial position of the Trust as at 31 December 2010 and 2009, and its cash flows for each of the two years in the period ended 31 December 2010 and the period from 9 July 2008 through 31 December 2008, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

/s/ Deloitte LLP
Deloitte LLP
London, United Kingdom
29 April 2011

Cash flow statement

For the years ended 31 December 2010 and 2009 and the period from 9 July 2008 to 31 December 2008

	Notes	2010 £m	2009 £m	2008 £m
Net cash inflow from operating activities		–	–	–
Investing activities		–	–	–
Financing activities		–	–	–
Issue of ordinary shares	3	–	111.7	–
Dividends Paid	4	–	(111.7)	–
Net cash inflow from financing activities		–	–	–
Net increase in cash and cash equivalents		–	–	–
Cash and cash equivalents at beginning of year		–	–	–
Cash and cash equivalents at end of year		–	–	–

Note

The accompanying notes form an integral part of this cash flow statement.

Balance sheet

At 31 December 2010, 2009

	2010 £m	2009 £m
Assets	–	–
Liabilities	–	–
Net assets	–	–
Equity	–	–

Note

The accompanying notes form an integral part of this balance sheet.

Statement of changes in equity

For the years ended 31 December 2010 and 2009 and the period from 9 July 2008 to 31 December 2008

	Notes	Share capital £m	Distributable Reserve £m	Total £m
Issue of ordinary shares		–	–	–
Capital reduction		–	–	–
Dividends		–	–	–
At 31 December 2008		–	–	–
Issue of ordinary shares	3	167.6	–	167.6
Capital reduction	3	(167.6)	167.6	–
Dividends	4	–	(167.6)	(167.6)
At 31 December 2009		–	–	–
Issue of ordinary shares	3	187.0	–	187.0
Capital reduction	3	(187.0)	187.0	–
Dividends	4	–	(187.0)	(187.0)
At 31 December 2010		–	–	–

Note

The accompanying notes form an integral part of this statement of changes in equity.

Notes to the financial statements

1. The dividend access trust

WPP DAS Limited (the "Trust") was established on 9 July 2008 by WPP plc ("WPP"). The Trust is governed by the applicable laws of England and Wales and is a resident for tax purposes in the United Kingdom, WPP is a resident for tax purposes in the Republic of Ireland. The Trust is a wholly owned subsidiary of WPP 2008 Limited which is an indirect wholly owned subsidiary of WPP plc.

WPP DAS Limited was formed as part of WPP's Dividend Access Plan, which was primarily designed to ensure that WPP share owners may continue to receive UK dividends, meaning in particular that under the Dividend Access Plan, no Irish tax is required to be withheld from the payment of dividends to share owners. To facilitate WPP's Dividend Access Plan, the Trust issued one dividend access share to the trustee. WPP share owners will not have any interest in the dividend access share and will not have any rights against the Trust as the issuer of the dividend access share. The only assets held in trust for the benefit of share owners will be dividends paid to the trustee in respect of the dividend access share.

To ensure compliance with UK trust law rules, the period during which the dividend access trust may continue is restricted. However, the dividend access trust under current law is able to continue for 80 years.

2. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) as they apply to the financial statements of the Trust for the year ended 31 December 2010.

The financial statements were approved by the Board of Directors and authorised for issue on 29 April 2011.

Income statement and statement of comprehensive income

An income statement and a statement of comprehensive income are not presented with these financial statements because the Trust did not receive income, incur expense or recognise any gain or loss during the period under review.

The directors received no remuneration during the period for services to the Trust. The Trust had no other employees during the period. All operating expenses, including the auditors' remuneration of £1,000, were borne by WPP 2005 Limited.

Functional currency

The functional currency of the Trust is pounds sterling.

Taxation

The Trust is not required to withhold at source any amount in respect of UK tax from dividend payments it makes under the Dividend Access Plan regardless of who the recipient of the payments is.

3. Share capital and distributable reserve

In July 2008 the Trust issued 1 ordinary share with a nominal value of £1 to WPP 2008 Limited and in April 2009 the Trust issued 1 non-voting dividend access share with a nominal value of £1.

On 30 June 2009 the Trust issued 111,691,009 ordinary shares of £1 each to another Group company and on the same date a capital reduction was performed. On 30 October 2009 the Trust issued a further 55,865,345 ordinary shares of £1 each and on the same date a capital reduction was performed. As a result of this transaction the Trust remained with called-up share capital of 1 ordinary share of £1 and 1 dividend access share of £1.

On 25 March 2010 the Trust issued 117,301,956 ordinary shares of £1 each to another Group company and on the same date a capital reduction was performed. On 28 October 2010 the Trust issued a further 69,706,978 ordinary shares of £1 each and on the same date a capital reduction was performed. As a result of this transaction the Trust remained with called-up share capital of 1 ordinary share of £1 and 1 dividend access share of £1.

4. Dividends

	2010 £m	2009 £m	2008 £m
2008 second interim dividend of 10.28p per ordinary share	–	111.7	–
2009 first interim dividend of 5.19p per ordinary share ¹	–	55.9	–
2009 second interim dividend of 10.28p per ordinary share ¹	117.3	–	–
2010 first interim dividend of 5.97p per ordinary share ¹	69.7	–	–
	187.0	167.6	–

¹ This dividend was settled in cash by another Group company on behalf of the Trust.

Exhibit Index

<u>Exhibit No.</u>	<u>Exhibit Title</u>
4.23	Service Agreement in the USA, effective 26 November 2010, between WPP Group USA, Inc. and Sir Martin Sorrell.
8.1	List of subsidiaries.
12.1	Certification of Group Chief Executive.
12.2	Certification of Group Finance Director.
13.1	Certification of Group Chief Executive under 18 U.S.C. Section 1350.
13.2	Certification of Group Finance Director under 18 U.S.C. Section 1350.
14.1	Consent of Independent Registered Public Accounting Firm.

We hereby certify that this is a
true and correct copy of the original
Dated 01/12/2010

HAMMONDS LLP
7, DEVONSHIRE SQUARE
LONDON
EC2M 4YH Hammonds LLP

DATED 26 NOVEMBER 2010

WPP GROUP USA, INC (1)

and

SIR MARTIN STUART SORRELL (2)

SERVICE AGREEMENT
in the USA effective 26 November 2010

Hammonds LLP
7 Devonshire Square London EC2M 4YH DX 136546 Bishopsgate 2
Telephone +44 (0)20 7655 1000 Fax +44 (0)20 7655 1001

Website www.hammonds.com

Reference WPP.2-1375

DATE OF SERVICE AGREEMENT 26 NOVEMBER 2010

PARTIES

- (1) **WPP GROUP USA, INC**, a Delaware Corporation of 100 Park Avenue, New York, New York 10017-5529 (the “**Company**”)
- (2) **SIR MARTIN STUART SORRELL** with a business address at 100 Park Avenue, New York, New York 10017-5529 (the “**Executive**”)

INTRODUCTION

- A The Company employs the Executive in the United States of America in order to assist the Company, its Affiliates and Subsidiaries in the management, control, organisation and development of their respective businesses and trades within the United States of America pursuant to an agreement embodying the terms of such employment dated 16 August 2004 (as amended through 19 November 2008, the “**2004 Agreement**”).
- B The Company and the Executive desire to continue such employment, subject to the terms and provisions of the 2004 Agreement but with the modifications herein contained (the “**Agreement**”).

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein and for other good and valuable consideration, the receipt of which is mutually acknowledged, the Company and the Executive (individually a “**Party**” and together the “**Parties**”) agree that the 2004 Agreement is hereby amended and restated, effective 26 November, 2010 to read in its entirety as follows:

IT IS AGREED THAT:

1 DEFINITIONS

“**Affiliate**” of a person or other entity shall mean a person or other entity that directly or indirectly controls, is controlled by, or is under common control with the person or other entity specified.

“**Appointment Letter**” means the agreement between WPP plc (1) and Sir Martin Stuart Sorrell (2) dated even date relating to the Executive’s directorship of the Parent and which is effective from 19 November 2008.

“**Base Salary**” shall mean the salary provided for in clause 7.1 below or any increased salary granted to the Executive pursuant to clause 7.1.

“**Board**” shall mean the Board of Directors of the Company.

“**Compensation Committee**” shall mean the Compensation Committee of the Board of Directors of the Parent.

“**Director’s Fee**” means the fee payable to the Executive under the Appointment Letter.

“**Group**” shall mean the Company and the Parent together with their Subsidiaries and Affiliates and “**Group Company**” shall be anyone of them.

“**LEAP**” shall mean the WPP Group plc Leadership Equity Acquisition Plan adopted by the share owners of WPP Group plc (now WPP 2008 Limited) on 16 April 2004, as amended.

“**LEAP III**” shall mean the WPP plc Leadership Equity Acquisition Plan III adopted by the share owners of WPP plc on 2 June 2009, as amended.

“**Parent**” shall mean WPP plc a company incorporated in Jersey with registered number 101749.

“**Schedule**” shall mean Schedule 1 attached hereto.

“**Subsidiary**” shall mean any corporation of which the Parent owns, directly or indirectly, more than 50% of the Voting Stock.

“**Term of Employment**” shall mean the period specified in clause 3 below.

“**UK Employment Contract**” shall mean an agreement between WPP 2005 Limited and the Executive which is effective from 19 November 2008.

“**Voting Power**” shall mean the number of votes available to be cast (determined by reference to the maximum number of votes entitled to be cast by the holders of such Voting Stock upon any matter submitted to stockholders where the holders of all Voting Stock vote together as a single class) by the holders of Voting Stock.

“**Voting Stock**” shall mean capital stock of any class or classes having general voting power under ordinary circumstances, in the absence of contingencies, to elect the Executives of a corporation.

2 APPOINTMENT

2.1 During the Term of Employment, the Company shall employ the Executive to provide services in the United States of America and the Executive:

- (a) shall use his best endeavours to promote the interests of the Company, its Affiliates and Subsidiaries and also Group Companies in the United States of America in the management, control, organisation and development of their respective businesses and trades and in addition the Executive shall comply with all reasonable directions which the Board may give to him and the Executive shall furnish to the Board all such explanations, information and assistance as it may reasonably require;
- (b) will not, without first obtaining the prior written approval of the Company, on his own behalf enter into any contract or other arrangement with any other firm, person or company whose business is in competition with the businesses of the Company or any Group Company.

2.2 During the Term of Employment under this Agreement the Executive shall be a member of the Board and of the Board of Executives of such Group Company as the Parties from time to time shall agree and the Executive shall continue in his current positions as Chairman, President and Chief Executive Officer of the Company in which capacity he shall, subject to clause 2.1(a), be responsible for the overall management control, organisation and development of the affairs of the Company, its Affiliates and Subsidiaries and also the Group Companies but in all cases in the United States of America and he shall be responsible to the Board for all aspects of the conduct of such businesses.

3 TERM OF EMPLOYMENT

3.1 The Company hereby agrees to continue to employ the Executive, and the Executive hereby accepts such continued employment and, subject to clause 15, the Company and the Executive

can terminate the Term of Employment by written notice taking effect immediately on the date of its service on the other party, in which event the Executive's employment with the Company shall terminate as of the date of such notice. Any notice to terminate the Term of Employment given by either the Executive or the Company (other than a notice by the Company pursuant to clause 15.1 hereof) shall be deemed to be a notice given by such party on the grounds of the Executive's retirement and upon giving such notice, the Executive shall be deemed to have retired and qualified for retirement treatment for purposes of all plans, policies, programs, arrangements of, or other agreements with, the Company or any Group Company. If such notice is given by the Company, the termination of the Term of Employment shall be treated, for purposes of section 409A of the U.S. Internal Revenue Code (the "**Code**") and the regulations, rulings, notices and other guidance issued by the Internal Revenue Service ("**IRS**") thereunder or interpreting same (collectively, "**Code section 409A**"), as an involuntary separation from service, with respect to any amounts that become payable to the Executive upon such termination hereunder, or under any other plan, policy, program arrangement of, or other agreement with, the Company or any Group Company and that are treated as deferred compensation for purposes of Code section 409A. In the event of any termination of the Term of Employment, save as provided in clauses 3.2, 15.4, 15.5, 15.6 and 19 below, the Executive will have no entitlement to any further payments from the Company hereunder and he hereby irrevocably waives any entitlement to notice or pay and/or benefits in lieu of any period of notice. Nothing in this clause 3.1 shall prejudice the Company's right to terminate the Term of Employment hereunder pursuant to clause 15.1 hereof.

- 3.2 Following termination of the Term of Employment the Executive shall continue to be entitled to receive amounts due hereunder which are accrued up to and including the date on which the employment terminates but not yet paid, subject to any adjustment under clause 7.2 and/or clause 12.3, if applicable.

4 DIRECTOR'S FEES

Save for the Director's Fee and unless otherwise agreed in writing between the Company and the Executive the Executive shall not be entitled to any director's fees from the Company or from any Group Company in addition to the remuneration payable by the Company to the Executive hereunder; provided that if the Executive is at any time removed from the office of director whether of the Company or the Parent (other than as a consequence of the Executive being terminated in accordance with clauses 15.1 or 15.2 of this Agreement) the Term of Employment shall automatically terminate and such termination shall be deemed to be by the Company for a reason other than provided for in clauses 15.1 or 15.2 of this Agreement.

5 ACCOMMODATION

- 5.1 The Company undertakes to the Executive to provide suitable offices and suitable office and secretarial facilities for his use as are compatible with the Executive's role as President and Chief Executive Officer of the Company and the Executive shall carry out his duties there and in such other places as the Executive judges appropriate.
- 5.2 The Company shall make available for the use of the Executive (at the expense of the Company) an apartment in New York City while the Executive is in New York City and engaged in or conducting business on behalf of the Company or its Subsidiaries and Affiliates, including, but not limited to, any company referred to in clause 2.2.

6 HOURS OF WORK

- 6.1 The Executive shall work at such times and for such periods as the efficient and conscientious discharge of his duties hereunder shall reasonably require. There are no normal working hours for the Executive. The Company acknowledges that the Executive has obligations under the Appointment Letter and the UK Employment Contract for the provision of his services which will affect the time during which and the times at which he can discharge his duties under this Agreement.

7 SALARY

- 7.1 The Company shall pay to the Executive a Base Salary for each calendar year calculated and determined in accordance with the Schedule. The Base Salary shall accrue from day to day.
- 7.2 The Company will pay on 1 January and 1 July (or such other dates as may be agreed from time to time between the Company and the Executive) in each year during the Term of Employment hereunder instalments of an amount on account of the Base Salary payable under clause 7.1 above for that year in advance equal to one-half of 40% of such Aggregate Basic Income (as defined in the Schedule). Except as otherwise set forth herein, any instalment due hereunder shall be payable in accordance with the regular payroll practices of the Company. At appropriate times during the year adjustments shall be made to reflect the US Time (as defined in the Schedule) and such adjustments may be made by adjusting the amount of Base Salary paid for future services hereunder or by adjusting the portion of the bonus earned for the year in which such Base Salary is being adjusted that is attributable to US Time (as defined in the Schedule).

8 ANNUAL INCENTIVE AWARDS

- 8.1 The Executive shall, subject to satisfaction of the criteria set out below and subject to any adjustment as set forth in clause 7.2 above, also be entitled to receive, in respect of each financial year of the Parent that occurs during the Term of Employment hereunder, a bonus determined by reference to the financial performance of the Parent for the period to which it relates. The annual bonus payable hereunder to the Executive in respect of any financial year of the Parent shall be paid to him in a single payment in the next following calendar year, by no later than 15 March of such following year; provided, however, that if calculation of the amount of such bonus is not administratively practicable as of such date, then payment of such bonus shall be made 30 days after (but in any event by no later than 31 December next following) the date on which calculation of the amount of such bonus first becomes administratively practicable. The bonus shall be deemed to accrue from day to day during the period to which it relates and determined and based on three separate components, each comprising one-third of the amount of the bonus, as follows:
- (a) One component is based on financial performance of the Parent measured against budgeted operating profit and cash flow to be agreed between the Executive and the Company in consultation with the Compensation Committee (but which shall be measured in the same way as the Parent's financial performance for the purpose of calculating bonus payments for the Group's other senior executives).
 - (b) One component is based on the Parent's performance relative to a peer group of major public advertising companies. The peer group will be reviewed by the Company and the Parent from time to time as necessary and any changes to the peer group will be notified to

the Executive, provided always that the Company and the Parent will act reasonably and will consult with the Executive prior to making any changes to the companies in the peer group.

The performance levels and the criteria for achieving them will be agreed between the Executive and the Company in respect of each year and will take into account the following criteria inter alia:

- (i) Total shareholder return (i.e. share price appreciation plus reinvestment of dividends in shares);
- (ii) Increase in operating profit;
- (iii) Increase in earnings per share and/or operating margins.

Adjustments shall be made in relation to the Parent and the peer group of companies referred to above as necessary to enable an accurate comparison of performance to be made, provided always that the Company and the Parent will act reasonably and will consult with the Executive prior to making any such adjustments.

- (iv) One component shall be based on the achievement of key strategic initiatives which shall be agreed by the Executive and the Company as early as practicable during the relevant year.
- (v) For the purposes of determining the bonus payable to the Executive for the calendar year 2008, the term "**Parent**" shall mean WPP Group plc for the portion of such year ending on 18 November 2008 and WPP for the remainder of such year.

The total bonus comprising each of the three components shall be targeted so as to equal 100 per cent of the Base Salary under clause 7.1 as at 31 December of the relevant year (calculated in accordance with the Schedule) and the maximum bonus shall be 200 per cent of that Base Salary.

The Executive and the Compensation Committee may agree from time to time an alternative structure for determining the amount of the bonus payable under this clause, including the target and maximum amounts of that bonus.

- 8.2 If either the Executive or the Company terminates the Term of Employment for whatever reason (and in the Company's case other than pursuant to clause 15.1 hereof), after the end of the performance period to which the bonus period refers but prior to the payment date of any such bonus, the Executive will continue to be treated on the same basis as if he were employed on the relevant payment date. For the avoidance of doubt, if the Executive or Company terminate the Term of Employment at any time before the end of the performance period referred to then the Executive loses all and any rights under this clause and the Executive has no rights against the Company and/or Parent in respect of the same except as otherwise provided pursuant to the applicable annual incentive plan.

9 OTHER INCENTIVE AWARDS

The Executive shall have no entitlement to participate in any incentive arrangements for executives, except as expressly provided herein, or as agreed in writing in advance by the

Company or the Parent. The Executive shall be entitled at the discretion of the Compensation Committee to participate in the WPP 2004 Leadership Equity Acquisition Plan, the WPP Performance Share Plan and such other plans and arrangements which at the discretion of such Compensation Committee shall be made available for the most senior executives of the Company and the Group Companies, subject always to the rules of the applicable plan or scheme.

10 EXPENSES

The Executive is authorised to incur reasonable expenses in carrying out his duties and responsibilities under this Agreement and the Company shall promptly reimburse him for all business expenses incurred in connection with carrying out the business of the Company, subject to documentation in accordance with the Company's policy.

To the extent that the reimbursement of any expenses or the provision of any in-kind benefits under this clause 10, or under clause 5.1, clause 5.2 or clause 11 hereof, is subject to Code section 409A, (i) the amount of such expenses eligible for reimbursement, or in-kind benefits to be provided, during any one calendar year shall not affect the amount of such expenses eligible for reimbursement, or in-kind, benefits to be provided, in any other calendar year; (ii) reimbursement of any such expense shall be made by no later than 31 December of the year following the calendar year in which such expense is incurred; and (iii) the Executive's right to receive such reimbursements or in-kind benefits shall not be subject to liquidation or exchange for another benefit

11 CAR AND CLUB

The Company shall make available to the Executive as required a car and driver appropriate for his sole use. The Company shall maintain, service, and comprehensively insure the car as appropriate and shall arrange for the supply to the Executive of fuel for his use in such car. The Company shall also pay the cost and shall reimburse the Executive for his reasonable properly vouchered club expenses incurred in connection with the Company's business in accordance with Company policy as from time to time in effect.

12 INSURANCES AND PENSION

- 12.1 The Company shall or will procure that WPP 2005 Limited shall provide for the benefit of the Executive and his dependants life and accident assurance and health insurance and any other benefits as may be agreed between the Company and the Executive.
- 12.2 The Company shall pay 50% of the reasonable cost of providing for the benefit of the Executive and his dependants insurance cover on such basis and for such amounts, as shall from time to time be agreed between the Company and the Executive provided that such cover is available, which provides a payment in the event that the Term of Employment is terminated because of the Executive's death, ill-health or disability.
- 12.3 Unless otherwise agreed between the parties, the Executive shall be entitled to a supplemental pension to be funded by or on behalf of the Company by an annual payment of a sum (the "**Pensions Contribution**") calculated in accordance with the Schedule, to be funded by or on behalf of the Company by an appropriate funding mechanism for the payment of such Pensions Contribution or payment or provision in lieu thereof. An amount on account of the Pensions

Contribution will be paid or funded, as the case may be, on the first day of January of each year during the Term of Employment under this Agreement in respect of the year for which it is paid equal to 40% of the Aggregate Pensions Provision (as defined in the Schedule) at that time, shall be paid or funded in equal instalments in arrears on 31 March, 30 June, 30 September and 31 December in respect of the year for which it is paid. All necessary adjustments to reflect US Time (as defined in the Schedule) shall be made at regular times during the year in accordance with the understanding between the Parties.

13 VACATION

- 13.1 In addition to bank and other public holidays in the United Kingdom the Executive shall be entitled to six weeks paid vacation per year.
- 13.2 The vacation shall be taken at such time or times as the Executive shall decide but in any event it shall be taken at the same time as the Executive's holiday entitlement from the Parent.

14 SICKNESS ABSENCE

Subject to clause 3.1, the Company shall continue to pay to the Executive all sums due to him (without deduction) during any period of absence from work due to his illness or disability.

15 TERMINATION OF EMPLOYMENT

- 15.1 In any of the following cases, but without prejudice to clause 3.1, the Company may terminate the Term of Employment by written notice taking effect on the date of its service on the Executive in which case the Executive shall not be entitled to any further payment from the Company hereunder (other than pursuant to clause 19 hereof, if applicable) except such sums as shall then have accrued or become due.
- (a) If the Executive is convicted in the United States of a felony involving moral turpitude, fraud or dishonesty and sentenced to a term of imprisonment.
 - (b) If the Executive engages in conduct that constitutes wilful gross neglect or wilful gross misconduct in carrying out his duties under this Agreement, resulting, in either case, in material economic harm to the Company.
 - (c) If the Executive be adjudicated bankrupt under the laws of the United Kingdom.
 - (d) If WPP 2005 Limited terminates the Term of Employment under the UK Employment Contract pursuant to clause 14.1 thereof.
- 15.2 The Company may terminate the Term of Employment by reason of the Executive's illness or disability by giving written notice to the Executive in any of the following cases:
- (a) the Executive is substantially unable properly to perform the duties required under this Agreement by reason of illness or physical or mental incapacity or disability (irrespective of the cause or causes) for a period of 180 consecutive working days or for a period or periods aggregating at least 261 working days in any period of 18 months.
 - (b) the Executive is permanently prevented as a result of any deterioration of his health from providing the services to the Company which he is required to provide under this

Agreement and in particular to act as President and Chief Executive Officer of the Company. Whether or not the Executive is permanently incapacitated shall be determined by a medical doctor selected by the Parties, and in default of agreement by such medical doctor appointed by the President of the British Medical Association.

15.3 If the Term of Employment under the UK Employment Contract terminates for any reason whatsoever the Company or the Executive (as the case may be) may terminate the Term of Employment hereunder, provided that any such termination shall be deemed to be on the same basis as the Term of Employment under the UK Employment Contract, as the case may be, was terminated.

15.4

(a) Subject always to the provisions of clause 15.5, in the event it shall be determined that any payment, benefit, entitlement or distribution in the nature of compensation (within the meaning of Section 280G(b)(2) of the Code) to or for the benefit of the Executive by the Company or any Group Company, whether paid or payable pursuant to this Agreement or otherwise (a “**Payment**”), would be subject to any excise tax imposed by Section 4999 of the Code (any such excise tax, together with any interest or penalties imposed with respect thereto, are hereinafter collectively referred to as the “**Excise Tax**”), then the Executive shall be entitled to receive an additional payment (a “**Gross-Up Payment**”) in an amount such that and subject to the adjustments pursuant to the provision of clause 15.5, after payment by the Executive of all taxes, whether imposed under United States or United Kingdom tax laws, including, without limitation, any income, employment, excise or other taxes (which shall include social security, Medicare and similar imposts) and any interest or penalties imposed with respect thereto, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payment. All determinations required to be made pursuant to this clause, including whether any Excise Tax is payable with respect to any Payment and if so, the amount thereof, whether and when a Gross-Up Payment is required, the amount of such Gross-Up Payment and the assumptions to be utilised in arriving at such determinations, shall be made by an independent auditor (the “**Auditor**”) jointly selected by the Company and the Executive and paid by the Company. The Auditor shall be a nationally recognised United States public accounting firm which has not during the two years preceding the date of its selection, acted in any way on behalf of the Company or any Group Company. If the Executive and the Company cannot agree on the firm to serve as the Auditor, then the Executive and the Company shall each select one accounting firm and those two firms shall jointly select the accounting firm to serve as the Auditor. The Auditor shall be requested to provide detailed supporting calculations both to the Company and the Executive within 30 business days of a request for a determination by the Company. The Executive may request such determination by providing written notice thereof to the Company, which will promptly thereafter make such a request of the Auditor. The Auditor shall also make any determination as to whether any Payment shall be required to be reduced pursuant to Rule 11.1 of LEAP or LEAP III, as applicable. In the event the Auditor determines that the Executive will be better off with a reduction (after taking into account all arrangements between the Company and the Executive including the arrangement for the Gross-Up Payment pursuant to this clause 15.4(a)) such reduction shall be made even if not required by the terms of Rule 11.1 of LEAP or LEAP III, as applicable. If the Auditor determines that any reduction is so required, the Payments to be reduced, and the reduction to be made to such Payments, shall be determined by the Auditor in its sole discretion in a manner which will result in the least economic cost to the

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Executive, and if the reduction with respect to two or more Payments would result in equivalent economic cost to the Executive, such Payments shall be reduced in the inverse chronological order of the dates on which such Payments were otherwise scheduled to be made to the Executive, until the required reduction has been fully achieved.

- (b) Any Gross-Up Payment determined by the Auditor to be payable to the Executive pursuant to clause 15.4(a) shall be paid by the Company to the Executive within 10 days of the receipt of the Auditor's determination. Except as otherwise provided in this clause 15.4(b) and in clause 15.4(c), any determination made by the Auditor pursuant to clause 15.4(a) shall be binding upon the Company and the Executive. If it should subsequently be determined by the Auditor or by the IRS that Excise Tax is payable with respect to a Payment in an amount greater than the amount of Excise Tax, if any, initially determined by the Auditor to be payable with respect to such Payment pursuant to clause 15.4(a) (such greater amount, "**Additional Excise Tax**") the Company shall pay to the Executive an additional Gross-up Payment with respect to such Additional Excise Tax, in an amount determined in the manner provided in the first sentence of clause 15.4(a) but subject to clause 15.5. In addition, if it should subsequently be determined by the Auditor or by the IRS that Additional Excise Tax is payable with respect to a Payment for which no Gross-Up Payment is payable and except in circumstances where no Gross-Up Payment is payable by virtue of the operation of clause 15.5, the Executive shall be indemnified on a fully grossed-up basis, as determined in the manner provided in the first sentence of clause 15.4(a), but subject to clause 15.5, for all interest and penalties included in such Additional Excise Tax that the Executive incurs on account of the Auditor's initial determination under clause 15.4(a) that no Excise Tax was payable by the Executive, or that a lesser amount of Excise Tax was payable by him, with respect to such Payment.
- (c) The Executive shall notify the Company in writing of any written claim by the IRS or other taxing authority that, if successful, would require the payment by the Company of a Gross-Up Payment (a "**Claim**") or a potential Claim by the IRS (a "**Potential Claim**"). For this purpose, a Potential Claim shall mean a Claim that has been asserted against the Executive by the IRS in discussion with the Executive or his advisers but which has not yet been asserted in writing to the Executive. Such notification shall be given within 10 business days after the Executive is informed in writing of such Claim or 10 business days after the Executive first becomes aware of a Potential Claim. The Executive shall apprise the Company of the nature of any such Claim and the date on which such Claim is required to be paid by sending a copy of such Claim to the Company marked for the attention of the Group General Counsel for the time being. The Executive shall also apprise the Company of the nature of any such Potential Claim by sending written details of the circumstances giving rise to the Potential Claim to the Company marked for the attention of the Group General Counsel for the time being. The Executive shall not pay such Claim prior to the expiration of a period of 30 business days following the date on which he gives such notice of the Claim to the Company. If the Company decides that it will not contest such Claim, it shall so notify the Executive in writing prior to the expiration of such 30 day period, and shall include with such notice to the Executive, the Gross-Up Payment required to be paid by the Company to the Executive with respect to the Excise Tax asserted to be payable in such Claim and any additional amounts due the Executive pursuant to clause 15.4(b) above but subject to clause 15.5. If the Company notifies the Executive in writing prior to the expiration of such period that it desires to contest such Claim in a legally permissible manner or to pay on the Executive's behalf the Excise Tax asserted to be payable in such Claim and have the Executive sue for a refund of the Excise Tax so paid (in which latter

case the Company shall pay such Excise Tax to the applicable taxing authorities on the Executive's behalf on or before the expiration of such 30 day period and shall indemnify and hold harmless the Executive, on an after-tax basis, from any Excise Tax or income or employment taxes (including interest and penalties with respect thereto) imposed on the Executive by reason of the Company's payment of such Excise Tax), the Executive shall:

- (i) give the Company any information reasonably requested by the Company relating to such Claim or Potential Claim;
- (ii) take such action in connection with contesting such Claim or Potential Claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney selected by the Company;
- (iii) cooperate with the Company in good faith in order to effectively contest such Claim or Potential Claim, and
- (iv) permit the Company to participate in any proceedings relating to such Claim or Potential Claim;

provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify the Executive for and hold the Executive harmless from, on an after-tax basis, any Excise Tax or income or employment tax (including interest and penalties with respect thereto) imposed as a result of the Company's payment of all costs and expenses related to such contest. Furthermore, the Company's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the IRS or other taxing authority, including any liability for Excise Tax in respect of which no Gross-Up Payment is payable.

- (d) If, following a payment by the Company of an Excise Tax amount on the Executive's behalf pursuant to clause 15.4(c), the Executive becomes entitled to receive any refund with respect to any amount so paid by the Company, the Executive shall promptly after its receipt by him pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes) including, without limitation, any income, employment, excise and other taxes (which shall include social security, Medicare and similar imposts) applicable thereto). Notwithstanding the foregoing, the Executive shall be entitled to apply as an offset against the amount payable by him to the Company pursuant to the preceding sentence any amounts which, at the time of the Executive's receipt of the refund referred to therein, the Company is still obligated to pay to the Executive with respect to its undertakings under clause 15.4(c) above (i) to bear and pay all costs and expenses in connection with the Executive's pursuing its claim for such refund at the Company's request, (ii) to indemnify the Executive on an after-tax basis for any Excise Tax or income or employment tax (including interest and penalties with respect thereto) imposed on the Executive by reason of the Company paying such costs and expenses, (iii) to indemnify the Executive on an after-tax basis for any Excise Tax or income or employment tax imposed on the Executive by reason of the Company paying the Excise Tax sought to be recovered by means of such claim for refund. If, after payment by the Company of an Excise Tax amount on the Executive's behalf pursuant to clause 15.4(c), a determination is made that

the Executive shall not be entitled to any refund with respect to the Excise Tax amount so paid and the Company does not notify the Executive in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then the amount of the Excise Tax so paid shall offset, to the extent thereof, the amount of the Gross-Up Payment required to be paid by the Company in respect of the Excise Tax asserted in the Claim contested by means of such refund suit

15.5 Any Gross-Up Payment shall be calculated subject to the principle that neither the Company nor any Affiliate will be liable to make a Gross-Up Payment due to an Excise Tax or a greater Excise Tax imposed on the Executive as a result of the fact that the Executive:

- (a) did not exercise his rights to the whole of his Capital Investment Plan award on 30 November 2011;
- (b) elected to defer payment with respect to his 2004, 2005 and 2006 LEAP Award Shares (all as defined in sub-clause (iii) below); and
- (c) should the Executive so elect (with the agreement of WPP), elects to defer payment with respect to any or all of his 2007, 2008 and 2009 LEAP Award Shares

and that such adjustments as are necessary to give effect to that principle will be made to the calculation of the amount payable under clause 15.4 and including the following principles:

- (i) the Gross-Up Payment shall be calculated as if the Executive had exercised his rights to the whole amount of his award under the Capital Investment Plan on 30 November 2011 and as if payment with respect to the Executive's 2004, 2005 and 2006 LEAP Award Shares were made to him on 15 March 2008, 2010 and 2011 respectively;
- (ii) if the Executive elects (in accordance with the provisions of clause 15.5(c) above) to defer payment with respect to all or any of his 2007, 2008 and 2009 LEAP Award Shares the Gross-Up Payment shall be calculated as if payment with respect to such of those awards in respect of which he so elects to defer payment were received on 15 March of the year after the end of the I&P Period (as defined in LEAP and LEAP III as applicable) in respect of such award; and
- (iii) for purposes of this clause 15.5, the Executive's "**2004, 2005, 2006, 2007 and 2008 LEAP Award Shares**" shall mean the aggregate number of Matching Shares and Dividend Fund Shares payable with respect to the Executive's US Awards granted respectively in 2004, 2005, 2007 and 2008 and with respect to his UK Awards granted respectively in 2004, 2005, 2006, 2007 and 2008 in all cases under LEAP as of the Vesting Date (as defined in the LEAP) with respect to such Shares, as determined by the Compensation Committee and the Executive's 2009 LEAP Award Shares shall mean the aggregate number of Matching Shares and Dividend Fund Shares payable with respect to the Executive's US Award granted in 2009 and with respect to his UK Award granted in 2009 under LEAP III as of the Vesting Date (as defined in the LEAP III) with respect to such Shares, as determined by the Compensation Committee.

For the avoidance of doubt the Company shall not be required to make any Gross-Up Payment with respect to any Excise Taxes that are not actually paid by or on behalf of the Executive.

15.6 Notwithstanding any provision in clause 15.4 or clause 15.5 to the contrary, any Gross-up Payment payable to the Executive thereunder or any indemnification to be made thereunder to

the Executive with respect to any Excise Tax or income or employment taxes payable by him and interest or penalties imposed with respect thereto, shall be made to the Executive by no later than the date by which the Excise Tax, income or employment taxes, interest or penalties to which such Gross-up Payment or indemnification relates are due and payable to the applicable taxing authorities, or if the amount of such Gross-up Payment or indemnification cannot be determined as of such date, as soon thereafter as it can be determined but in any event by no later than December 31 of the year following the year in which such taxes, interest or penalties are remitted to the applicable taxing authorities.

15.7 Notwithstanding the foregoing, with regard to any payment to be made to the Executive by the Company hereunder, the Company shall be required to withhold taxes and transmit such taxes to the appropriate governmental authority in accordance with applicable law, and any payment made to the Executive by the Company hereunder shall be net of such withholding.

16 CONFIDENTIAL INFORMATION

16.1 The Executive shall not (except in the proper performance of his duties hereunder or the proper performance of his duties and obligations as an executive of the Company or a Group Company) either during the Term of Employment or at any time after the termination thereof divulge to any person whomsoever or otherwise make use of and shall use his reasonable endeavours at the cost of the Company to prevent the publication or disclosure of any trade secret or other confidential information concerning the business, finances, dealings, transactions or affairs of the Company or any Group Company or of any of their respective customers or clients (which information belongs to the Company or a Group Company) entrusted to the Executive or arising or coming to the Executive's knowledge during the course of the Term of Employment under this Agreement.

16.2 The Executive shall upon the termination of the Term of Employment immediately deliver to the Company all price lists of customers' correspondence and other documents papers and property belonging to the Company or any Group Company which may have been prepared by him or have come into his possession during the Term of Employment and shall not retain any copies thereof. Anything herein to the contrary notwithstanding, and subject always to the Executive providing full details to the Company in writing beforehand, the Executive shall be entitled to retain:

- (a) papers and other materials of a personal nature, including, but not limited to, photographs, correspondence, personal diaries, calendars and Rolodexes, personal files and personal phone books;
- (b) information regarding the Executive's compensation and/or benefits or relating to reimbursement of expenses;
- (c) information that the Executive needs for personal tax purposes; and
- (d) copies of plans, programs and agreements relating to the Executive's provision of services to the Company (or the termination of such services) having made a written request to the Company detailing what is required beforehand.

16.3 The Executive shall not have any liability under the provisions of this Agreement by reason of:

- (a) using or divulging knowledge or information, by reason of legal or accounting requirements or, after the termination of the Term of Employment hereunder, which would not at the time

of use or divulging be considered confidential or proprietary to, or capable of protection by, the Company in accordance with customary business practices in the United States of America;

- (b) any act or statement done or made by the Executive at the request of the Company or any Group Company or required to be done or made for the proper performance of duties under this Agreement;
- (c) use or disclosure of information which at the time is in public domain;
- (d) by reason of such disclosure being required by law or by any Court, mediator, arbitrator or legislative or regulatory body (including any committee thereof) either in the United Kingdom or the USA with actual or apparent jurisdiction to order disclosure or the making accessible of such information; or
- (e) in connection with any litigation, mediation or arbitration involving this Agreement, the UK Service Agreement, the Appointment Letter and/or the UK Employment Contract, including any enforcement of such agreements.

16.4 The Executive shall not knowingly at any time make any untrue statement which shall when made result in a violation of any statutory requirement or the regulations of any competent authority, in relation to the Company or any Group Company and in particular shall not after the termination of the Term of Employment wrongfully represent himself as being employed by or connected with any such company.

17 ASSIGNABILITY: BINDING NATURE

This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors, heirs (in the case of the Executive) and assigns. No rights or obligations of the Company under this Agreement may be assigned or transferred by the Company except that such rights or obligations may be assigned or transferred pursuant to a merger or consolidation in which the Company is not the continuing entity, or the sale or liquidation of all or substantially all of the assets of the Company, provided that the assignee or transferee is the successor to all or substantially all of the assets of the Company and such assignee or transferee assumes the liabilities, obligations and duties of the Company, as contained in this Agreement, either contractually or as a matter of law. The Company further agrees that, in the event of a sale of assets or liquidation as described in the preceding sentence, the Company shall take whatever action it legally can in order to cause such assignee or transferee to expressly assume the liabilities, obligations and duties of the Company hereunder. No rights or obligations of the Executive under this Agreement may be assigned or transferred by the Executive other than his rights to compensation and benefits, which may be transferred only by will or operation of law except as provided in clause 26 below.

18 ENFORCEMENT OF RIGHT

18.1 No failure to exercise or delay in exercising or enforcing any right or remedy under this Agreement shall constitute a waiver thereof and no single or partial exercise or enforcement of any right or remedy under this Agreement shall preclude or restrict the further exercise or enforcement of any such right or remedy. The rights and remedies of the Parties are cumulative and not exclusive of any rights and remedies provided by law.

18.2 Except as otherwise provided in the second sentence of this clause 18.2, time shall not be of the essence in this Agreement, but may be made so on the giving of not less than two clear days' (other than a Saturday, Sunday or public holiday in England and Wales) notice to that effect after any failure to comply with any provision of this Agreement. To the extent required to avoid any violation of the requirements of Code section 409A, time shall be of the essence as to the provisions herein specifying the time for payment of any amount payable to the Executive that is subject to Code section 409A, or that would be subject to Code section 409A if not paid by the time specified herein for the payment of such amount.

19 INDEMNIFICATION

19.1 The Company agrees that if the Executive is made a party, or is threatened to be made a party, to any action, suit or proceeding (including a request for discovery), whether civil, criminal, administrative or investigative ("**Proceeding**"), by reason of the fact that he is or was a director, executive, officer or employee of the Company or is or was serving at the request of the Company as a director, executive, officer, member, employee, trustee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether or not the basis of such Proceeding is the Executive's alleged action in an official capacity while serving as a director, executive, officer, member, employee, trustee or agent, the Executive shall be indemnified and held harmless by the Company to the fullest extent legally permitted or authorized by the Company's certificate of incorporation or bylaws or resolutions of the Board or, if greater, by the laws of the State of Delaware, against all cost expense, liability and loss (including, without limitation, attorney's fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by the Executive in connection therewith, and such indemnification shall continue as to the Executive even if he has ceased to be a director, executive, officer, member, employee, trustee or agent of the Company or other entity and shall inure to the benefit of the Executive's heirs, executors and administrators. The Company shall advance to the Executive all reasonable costs and properly vouched expenses incurred by him in connection with a Proceeding within 20 days after receipt by the Company of a written request for such advance. Such request shall include an undertaking by the Executive to repay the amount of such advance if it shall ultimately be determined that he is not entitled to be indemnified against such costs and expenses.

19.2 Neither the failure of the Company (including the Board, independent legal counsel or stockholders) to have made a determination prior to the commencement of any proceeding concerning payment of amounts claimed by the Executive under clause 19.1 above that indemnification of the Executive is proper because he has met the applicable standard of conduct, nor a determination by the Company (including the Board, independent legal counsel or stockholders) that the Executive has not met such applicable standard of conduct, shall create a presumption that the Executive has not met the applicable standard of conduct.

19.3 The Company agrees to continue and maintain a directors' and officers' liability insurance policy covering the Executive to the extent the Company provides such coverage for its other senior executive officers.

20 CODE SECTION 409A

Notwithstanding any provision to the contrary in this Agreement or in any plan maintained by the Company or any of its Affiliates in which the Executive is a participant or in any other agreement

between the Executive and the Company and any of its Affiliates (each such plan or agreement a “**Plan**”), if the Executive is a “specified employee” within the meaning of Code section 409A at the time of his “separation from service” with the Company and all of its Affiliates within the meaning of Code section 409A (as determined by the Company and its Affiliates), then any payment otherwise required to be made to the Executive under any Plan on account of the Executive’s separation from service, to the extent such payment (after taking into account all exclusions applicable to such payment under Code section 409A) is properly treated as deferred compensation subject to Code section 409A’s requirements, shall not be made until the first business day after (i) the expiration of six (6) months from the date of the Executive’s separation from service, or (ii) if earlier, the date of the Executive’s death (the “**Delayed Payment Date**”). On the Delayed Payment Date, there shall be paid to the Executive or, if the Executive has died, to the Executive’s estate, all payments delayed pursuant to the preceding sentence, plus, in the case of any cash amounts payment of which was so delayed, interest thereon at the Delayed Payment Interest Rate (as defined below) computed from the date on which each such delayed payment otherwise would have been made to the Executive until the Delayed Payment Date. For purposes of the foregoing, the “**Delayed Payment Interest Rate**” shall mean the national average annual rate of interest payable on jumbo six-month bank certificates of deposit, as quoted in the business section of the most recently published Sunday edition of The New York Times preceding the date as of which the Executive is treated as having incurred a separation from service for purposes of Section 409A. In the case of each Plan under which the Executive is entitled to receive amounts treated as deferred compensation subject to the Code section 409A and which provides for payment of such amounts in the form of “a series of installment payments”, as defined in Treas. Reg. §1.409A-2(b)(2)(iii), (A) the Executive’s right to receive such payments shall be treated as a right to receive a series of separate payments under Treas. Reg. §1.409A-2(b)(2)(iii), and (B) to the extent such Plan does not already so provide, it is hereby amended to so provide, with respect to amounts payable to the Executive thereunder.

21 REPRESENTATION

The Company represents and warrants that it is fully authorised and empowered to enter into this Agreement and that the performance of its obligations under this Agreement will not violate any agreement between it or any other person, firm or organisation. The Executive represents that he knows of no agreement between him and any other person, firm or organisation (other than the UK Employment Contract and the Appointment Letter) that would be violated by the performance of his obligations under this Agreement

22 ENTIRE AGREEMENT

This Agreement contains the entire understanding and agreement between the Parties concerning the subject matter hereof and supersedes all prior agreements, understandings, discussions, negotiations and undertakings, whether written or oral, between discussions, negotiations and undertakings, whether written or oral, between the Parties with respect thereto including the agreement entered into on 16 August 2004 (other than any agreements with respect to any outstanding equity awards, including equity agreements providing for settlement in cash or other non-equity assets).

23 AMENDMENT OR WAIVER

No provision in this Agreement may be amended unless such amendment is agreed to in writing and signed by the Executive and an authorised officer of the Company (other than the

Executive). No waiver by either Party of any breach by the other Party of any condition or provision contained in this Agreement to be performed by such other party shall be deemed a waiver of a similar or dissimilar condition or provision at the same or any prior or subsequent time. Any waiver must be in writing and signed by the Executive or an authorised officer of the Company (other than the Executive), as the case may be.

24 SEVERABILITY

In the event that any provision or portion of this Agreement shall be determined to be invalid or unenforceable for any reason, in whole or in part, the remaining provisions of this Agreement shall be unaffected thereby and shall remain in full force and effect to the fullest extent permitted by law.

25 SURVIVORSHIP

The respective rights and obligations of the Parties under this Agreement shall survive any termination of the Term of Employment to the extent necessary to the intended preservation of such rights and obligations.

26 BENEFICIARIES/REFERENCES

The Executive shall be entitled, to the extent permitted under any applicable law to select and change a beneficiary or beneficiaries to receive any compensation or benefit payable hereunder following the Executive's death by giving the Company written notice thereof. In the event of the Executive's death or a judicial declaration of his incompetence, reference in this Agreement to the Executive shall be deemed, where appropriate, to refer to his beneficiary, estate or other legal representative.

27 GOVERNING LAW/JURISDICTION

27.1 This Agreement shall be governed by and construed and interpreted in accordance with the laws of New York without reference to principles of conflict of laws.

27.2 Any judicial proceeding brought against either of the Parties on any dispute arising out of this Agreement or any matter related hereto may be brought in the courts of the State of New York and in the United States District Court for the Southern District of New York, and by execution and delivery of this Agreement, each of the Parties accepts for himself or itself the exclusive jurisdiction of the aforesaid courts and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Agreement. Each of the Parties irrevocably waives to the fullest extent permitted by-law any objection that he or it may now or hereafter have to the laying of the venue of any judicial proceeding brought in such courts and any claim that any such judicial proceeding has been brought in an inconvenient forum.

28 NOTICES

28.1 Any notice required or permitted to be given hereunder shall be given in writing delivered personally or sent by first class post prepaid recorded delivery (or if via United States mail, by certified or registered mail, postage prepaid, return receipt requested) or by telefax to the Company at its registered office from time to time (or such address as it may have notified to the

Executive in accordance with this clause) or to the Executive at the last address notified to the Company.

28.2 Any notice delivered personally shall be deemed to be received when delivered to the address referred to in clause 28.1 and any notice sent by pre-paid recorded delivery post (or if via United States mail, by certified or registered mail, postage prepaid, return receipt requested) shall be deemed (in the absence of evidence of earlier receipt) to be received two days after posting and in proving the time of dispatch it shall be sufficient to show that the envelope containing such notice was properly addressed, stamped and posted. A notice sent by telefax shall be deemed to have been received on receipt by the sender of the correct "answerback".

29 HEADINGS

The headings of the sections contained in this Agreement are for convenience only and shall not be deemed to control or affect the meaning or construction of any provision of this Agreement.

30 EXCHANGE RATE

Where any amount is expressed as a sterling amount it shall be converted into United States dollars at the rate prevailing on the due date for payment and paid in United States Dollars.

31 COUNTERPARTS

This Agreement may be executed in two or more counterparts.

WPP Group USA, Inc.

By: 

Sir Martin Stuart Sorrell

By: Martin Sorrell

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SCHEDULE 1
Calculation of Base Salary, Bonus and Pension Contributions

1 In addition to the definitions above in this Agreement, the following words and expressions shall have the following meanings except where inconsistent with the context.

“Aggregate Time” the aggregate of US Time and Services Time in respect of a calendar year.

“Aggregate Basic Income” means, as at the date of this Agreement the sum of £1,000,000 per annum as that sum may be adjusted pursuant to Paragraph 3 of Schedule 1.

“Aggregate Pensions Provision” the aggregate of the Pensions Contribution payable in respect of a calendar year under clause 12.3 of this Agreement and the Pensions Contributions payable under clause 11.3 of the UK Employment Contract being at the date of this Agreement £400,000 and subsequently such higher sum as may be agreed between the Company and the Executive for any year before the first day of January of that year, which in no event shall be less than 40% of the Aggregate Basic Income.

“Services Time” the aggregate of the amount of time (computed in working days) which the Director has spent during a calendar year in the provision of services pursuant to the UK Employment Contract as the case may be.

“US Time” the aggregate of the amount of time (computed in working days) which the Director has spent during a calendar year in performing the duties of his employment pursuant to this Agreement.

2 The annual Base Salary payable under clause 7.1 of the Agreement shall be calculated by applying the following formula:

$$\text{Amount of annual Base Salary} = \frac{\text{US Time}}{\text{Aggregate Time}} \times \text{Aggregate Basic Income}$$

3 The Base Salary payable under clause 7.1 shall be reviewed (but not downwards) from time to time in accordance with the practices adopted by the Company's Board of Directors on the recommendations from time to time of its Compensation Committee and, in reviewing the Base Salary, regard shall be had to how those practices and recommendations apply to the senior executives of the Company and the Group's senior executives and due regard shall also be had to the practices of the Parent's peer group in relation to their chief executive officers.

4 The Pensions Contribution payable under clause 12.3 of this Agreement shall be calculated by applying the following formula:

$$\text{Pensions Contribution} = \frac{\text{US Time}}{\text{Aggregate Time}} \times \text{Aggregate Pensions Provision}$$

5 At all times and immediately after the end of each calendar year, the Executive will provide to the Company full details of the Aggregate Time, including US Time which the Executive has spent in that calendar year. The Company is entitled to rely without inquiry on any notice of the amount of Aggregate Time and US Time which the Executive has provided to the Company for any calendar year.

Exhibit 8.1

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>	<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
United States		Elemental Interactive Design & Development Inc.	Georgia
141 Hawaii, LLC	Delaware	Enfatico LLC	Delaware
141 Worldwide Boomerang Inc.	Delaware	Extension 11, Inc.	California
24/7 Real Media US, Inc.	Delaware	Eyepatch LA Inc.	California
24/7 Real Media, Inc.	Delaware	Eyepatch Productions, Inc.	New York
A. Eicoff & Company, Inc.	Delaware	FAST4WD Ogilvy US, Inc.	Delaware
AAD:Fitch Architecture, PLLC	New York	Finsbury US LLC	Delaware
AAD:Fitch, Inc.	Arizona	Fitch Inc.	Ohio
Absolute Color LLC	Delaware	Food Group, Inc.	New York
Advertising Ventures Inc.	Delaware	Fortelligent LLC	Delaware
All Global LLC	New York	FOVA Inc.	Delaware
Avenue Grey Inc.	Delaware	Future Vision Media LLC	Michigan
Avon Group, Inc.	Connecticut	G2 Refinery LLC	Delaware
Baker, Winokur, Ryder, Inc.	California	G2 Worldwide Inc.	New York
Barleycorn LLC	Delaware	Geoff Howe Marketing Communications, Inc.	Missouri
Bates Advertising USA, Inc.	New York	Global Strategies Holding Inc.	Delaware
Bates Worldwide, Inc.	Delaware	Global Strategies International, LLC	Connecticut
Berlin, Cameron & Partners, Inc.	Delaware	Go Direct LLC	Delaware
Blast Radius, Inc.	Delaware	Good Neighbor Foundation Inc.	New York
Blue Interactive Marketing Inc.	Delaware	Grey Direct Services Inc.	Delaware
Blue Sky Green LLC	Delaware	Grey Global Atlanta Inc.	Delaware
Blue State Digital Inc.	Delaware	Grey Global Group Inc.	Delaware
BrandEdge Inc.	Delaware	Grey Healthcare Group Inc.	New York
Bridge Worldwide LLC	Delaware	Grey IFC 2 LLC	Delaware
BSB Club Bar, Inc.	New York	Grey IFC LLC	Delaware
Burson-Marsteller, LLC	Delaware	Grey India Inc.	Delaware
Capital IV LLC	Delaware	Grey Maryland LLC	Delaware
Center Partners, Inc.	Delaware	Grey Ventures Inc.	Delaware
Cheskin	California	Grey Worldwide Inc. (US)	Delaware
Cole & Weber, Inc.	Oregon	Grey Worldwide Los Angeles Inc.	Delaware
Commodore Thompson Music, Inc.	Delaware	Group M Movie Entertainment Holdings Inc.	Delaware
Compas, Inc.	New Jersey	Group M Movie Entertainment, Inc.	Delaware
Compete, Inc.	Delaware	Group M Worldwide, Inc.	Delaware
Competitive Media Reporting, LLC	Delaware	GWE Inc.	New York
Cordiant Finance, Inc.	Delaware	HealthAnswers Education LLC	Delaware
Cordiant US Holdings, Inc.	Delaware	Healthworld Corporation	Delaware
Crescendo Productions Inc.	New York	Healthworld International Holdings Inc.	Delaware
Crescendo Productions Inc.	New York	Hi Resolution Inc.	New York
Current Medical Directions, LLC	Delaware	Hill & Knowlton/Samcor LLC	Delaware
Cygnnet Holdings Inc.	Delaware	Hill and Knowlton, Inc.	Delaware
Cymfony, Inc.	Delaware	HLS Holding LLC (DEL)	Delaware
Datacore Marketing, LLC	Delaware	Hurd Studios Inc.	Delaware
Dewey Square Group, LLC	Delaware	I-Behavior Inc.	Delaware
Digitaria Interactive, Inc.	California		
Direct.com LLC	Delaware		
Drummer Associates, Inc.	California		
DynamicLogic, Inc.	Delaware		

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
Icodia Inc.	California
icon International, Inc.	Delaware
IEG, LLC	Delaware
Imagnet LLC	Minnesota
Innovative Customer Solutions LLC	Delaware
Insight Medical Communications Inc.	Delaware
International Meetings & Science Inc.	Delaware
J. Walter Thompson Company	Delaware
J. Walter Thompson Company Caribbean	Delaware
J. Walter Thompson Company Peruana	Delaware
J. Walter Thompson Far Eastern Company	Delaware
J. Walter Thompson U.S.A., Inc.	Delaware
J. Walter Thompson Venture Company, Limited	Delaware
JWT - Music, Inc.	Delaware
JWT Holdings, Inc.	Delaware
JWT SO5 LLC	Delaware
JWT Specialized Communications, Inc.	California
JWT/OgilvyAction Inc.	Delaware
JWTWO Productions LLC	Delaware
Kantar Health Inc.	Delaware
Kantar Media Research, Inc.	Delaware
Kantar Retail America, Inc.	Delaware
Kantar Retail LLC	Delaware
Kazaam! Inc.	New York
KMR Holdings Inc.	Delaware
KnowledgeBase Marketing Inc.	Delaware
Landor Associates International Ltd.	California
Landor Ohio LLC	Delaware
Landor, LLC	Delaware
Leopard Communications Inc.	Colorado
Level 2 Post LLC	Delaware
Lighthouse Global Network, Inc.	Delaware
Lightspeed Online Research LLC	Delaware
LiveWorld-WPP, L.L.C.	Delaware
Local Marketing Corporation	Ohio
Love Bug Productions LLC	Delaware
M 80 Services, Inc.	California
Marketing and Planning Systems LLC	Delaware
Marketing Direct LLC	Delaware
Mather Productions, LLC	Delaware
Maxus Communications LLC	Delaware

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
Maxx Marketing Inc.	Nevada
ME Scholar LLC	Delaware
Media Innovation Group, LLC	Delaware
Mediacom Worldwide Inc.	Delaware
Mediaedge:cia, LLC	Delaware
Millward Brown, Inc.	Illinois
Mindshare Days Productions, LLC	Delaware
Mindshare Entertainment USA, LLC	Delaware
Mindshare USA, LLC	New York
MJM Creative Services, Inc.	New York
mOne Worldwide LLC	Delaware
MosaicaMD, Inc.	Delaware
MRB Group, Inc.	New York
MRC Holdco, Inc.	Delaware
MSB, Inc.	Delaware
Nectar Acquisition LLC	Delaware
neo@Ogilvy LLC	Delaware
NFO Asia-Pacific, Inc.	Delaware
NFO Europe, Inc.	Delaware
O&M After-Hours Club, Inc.	New York
Ogilvy & Mather Songs, Inc.	New York
Ogilvy & Mather Venture Company, Limited	Delaware
Ogilvy & Mather Worldwide, Inc.	New York
Ogilvy CommonHealth Worldwide LLC	Delaware
Ogilvy Healthworld, LLC	Delaware
Ogilvy Public Relations Worldwide Inc.	Delaware
OgilvyAction LLC	Delaware
OgilvyOne, LLC	Delaware
Osprey Communications Inc.	Connecticut
Outrider North America LLC	Delaware
Owl Group Holdings, Inc.	Delaware
Pace Communications Group, Inc.	New York
Palisades Media Ventures LLC	Delaware
Peclers Paris North America, Inc.	Delaware
Penn, Schoen & Berland Associates, LLC	Delaware
Penny Black Media LLC	Delaware
PERQ/HCI, LLC	Delaware
Phase Five Communications Inc.	Delaware
Piranha Kid LLC	Delaware
Planetactive LLC	Delaware
Poster Publicity Inc.	Delaware
Preferred Professionals Inc.	New York
Prime Policy Group, LLC	Delaware
Promotion Mechanics, Inc.	Delaware

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
Public Relations & International Sports Marketing, Inc.	Delaware
Public Strategies, Inc.	Texas
Quinn Gillespie & Associates LLC	Delaware
Rasor Communications Inc.	Delaware
Razor Holdings Inc.	Delaware
Red Magasin, Inc.	Delaware
RedWorks, Inc.	Delaware
Reese Communications Companies, Inc.	District Of Columbia
Ring Retail LLC	Delaware
Robinson Lerer & Montgomery, LLC	Delaware
S&S MCC and MCC. Inc.	New York
Schematic Inc.	California
Schematic Latin America, LLC	Delaware
SCPF America LLC	Delaware
Secondary Holding Company L.L.C.	Delaware
Sentinel Productions, Ltd.	New York
Soho Square Public Relations Inc.	New York
Soho Square, Inc.	Delaware
Spafax Airline Network Inc.	Delaware
Strategic Information Management, Inc.	Indiana
Studio 466 Inc.	New York
Studio 58 Inc.	Delaware
Studiocom.com Inc.	Georgia
Sudler & Hennessey, LLC	Delaware
Summit Grey Inc.	New York
Taxi, Inc.	Delaware
TeamDetroit Stat LLC	Delaware
TeamDetroit, Inc.	Delaware
Ted Bates Worldwide Inc.	New York
Tempus Group North America Holdings LLC	Delaware
The Brand Union Company, Inc.	New York
The Farm LA, Inc.	Delaware
The Focus Network Inc.	New York
The GCI Group LLC	Delaware
The Geppetto Group LLC	Delaware
The Harvard Group Inc.	New York
The Leonhardt Group Inc.	Washington
The Leverage Group Inc.	New York

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
The Midas Exchange Inc.	Delaware
The Ogilvy Group, Inc.	New York
The Partners (Brand Consultants) LLC	Delaware
The Reality Shop Inc.	Delaware
The Tape Center Inc.	Delaware
TNS Acquisition 2010, Inc.	Delaware
TNS Custom Research, Inc.	Pennsylvania
TNS Ireland LLC	Delaware
TNS Media Research, LLC	Delaware
TNS North America, Inc.	Delaware
Umagination Labs, L.P.	Delaware
VF Holding I Inc.	Delaware
VML, Inc.	Missouri
Vogel-Farina LLC	Delaware
WPP Deliver LLC	Delaware
WPP Dotcom Holdings (Eight) LLC	Delaware
WPP Dotcom Holdings (Eighteen) LLC	Delaware
WPP Dotcom Holdings (Eleven) LLC	Delaware
WPP Dotcom Holdings (Fifteen) LLC	Delaware
WPP Dotcom Holdings (Five) LLC	Delaware
WPP Dotcom Holdings (Four) LLC	Delaware
WPP Dotcom Holdings (Fourteen) LLC	Delaware
WPP Dotcom Holdings (Nine) LLC	Delaware
WPP Dotcom Holdings (Nineteen) LLC	Delaware
WPP Dotcom Holdings (One) LLC	Delaware
WPP Dotcom Holdings (Seven) LLC	Delaware
WPP Dotcom Holdings (Seventeen) LLC	Delaware
WPP Dotcom Holdings (Six) LLC	Delaware
WPP Dotcom Holdings (Sixteen) LLC	Delaware
WPP Dotcom Holdings (Ten) LLC	Delaware
WPP Dotcom Holdings (Thirteen) LLC	Delaware
WPP Dotcom Holdings (Three) LLC	Delaware
WPP Dotcom Holdings (Twelve) LLC	Delaware
WPP Dotcom Holdings (Twenty) LLC	Delaware
WPP Dotcom Holdings (Twenty-One) LLC	Delaware

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
WPP Dotcom Holdings (Twenty-Three) LLC	Delaware
WPP Dotcom Holdings (Twenty-Two) LLC	Delaware
WPP Dotcom Holdings (Two) LLC	Delaware
WPP Finance Square LLC	Delaware
WPP Global Technology Services LLC	Delaware
WPP Group Holdings Corp.	Delaware
WPP Group Holdings Corp. II	Delaware
WPP Group Management Inc.	Delaware
WPP Group MTV III Holding LLC	Delaware
WPP Group U.S. Finance Corp.	Delaware
WPP Group US Investments, Inc.	Delaware
WPP Group USA, Inc.	Delaware
WPP Luxembourg Square LLC	Delaware
WPP Properties	Delaware
WPP Team Chemistry LLC	Delaware
WPP US Holdings, Inc.	Delaware
WPP/MIG Holdings, LLC	Delaware
WPPIH 2001, Inc.	Delaware
WPPTP Marketing, LLC IN	Delaware
Wunderman Media LLC	Delaware
Wunderman Worldwide, LLC	Nevada
Y&R Asia Holdings Inc.	Delaware
Y&R Far East Holdings Inc.	Delaware
Y&R Latin American Holding Co.	Delaware
Y&R PARTNER THREE L.L.C.	Delaware
Y&R Properties Holdings One LLC	Delaware
Y&R SNC Holdings-II, L.L.C.	Delaware
Yankelovich Holdings Inc.	Delaware
Yankelovich Partners LLC	Delaware
York Merger Square 2004 LLC	Delaware
York Merger Square 2009 Corp.	Delaware
Young & Rubicam Inc.	Delaware
Non-US	
J Walter Thompson (Algeria) SARL	Algeria
Taylor Nelson Sofres S.a.r.l.	Algeria
141 Bonta S.A.	Argentina
ADHL S.A.	Argentina
Burson-Marsteller S.A.	Argentina
Grey Argentina S.A.	Argentina
Hill & Knowlton de Argentina S.A.	Argentina
Información y Decisión Consultores, S.A.	Argentina
J Walter Thompson Argentina S.A.	Argentina
JWT S.A.	Argentina
LatinPanel Argentina S.A.	Argentina

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
Mediacom Argentina S.A.	Argentina
MindShare Argentina S.A.	Argentina
Multigap S.A.	Argentina
Ogilvy & Mather Argentina S.A.	Argentina
Red Cell S.A.	Argentina
Santo Buenos Aires S.A.	Argentina
SMA S.A.	Argentina
The Mediaedge S.A.	Argentina
Thompson Connect Worldwide S.A.	Argentina
TNS Gallup SA (Argentina)	Argentina
Wunderman Cato Johnson S.A.	Argentina
Y&R Inversiones Publicitarias S.A.	Argentina
Young & Rubicam S.A.	Argentina
20:20 Brand Action Pty Limited	Australia
24/7 Real Media Pty Ltd.	Australia
ABKP Ideaworks Pty Ltd.	Australia
Added Value Australia Pty Limited	Australia
Beyond Interactive Pty Ltd.	Australia
Blaze Advertising Pty Ltd.	Australia
Burson-Marsteller Pty Ltd.	Australia
Candle Lit Films Pty Ltd.	Australia
Carl Byoir & Associates Australia Pty. Limited	Australia
CAW Marketing Pty. Ltd.	Australia
Chameleon Digital Systems Pty Ltd.	Australia
Collins Thomas Cullen Pty Ltd.	Australia
Corplite Pty Ltd.	Australia
Daipro Pty. Ltd.	Australia
Dialog Marketing Communications Pty Ltd.	Australia
ENFATICO PTY LTD.	Australia
eSaratoga Lab Pty Ltd.	Australia
EWA Heidelberg Pty Ltd.	Australia
Expanded Media Holdings Pty Limited	Australia
Expanded Media Investments Pty Limited	Australia
Financial & Management Services (Australia) Pty Ltd.	Australia
Fudge Group Pty Ltd.	Australia
G2 Graffiti Pty Ltd.	Australia
G2 Pty Ltd.	Australia
GCI Group Australia Pty Ltd.	Australia
George Patterson Partners Pty Limited	Australia
George Patterson Y&R Pty Limited	Australia
Glendinning Management Consultants Australia Pty Ltd.	Australia

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
Grey Australia New Zealand Pty. Ltd.	Australia
Grey Canberra Pty Ltd.	Australia
Grey Global Group Australia Pty. Ltd.	Australia
Grey Healthcare Pty. Ltd.	Australia
Grey Healthcare Unit Trust	Australia
Grey Worldwide Pty. Ltd.	Australia
Group Employee Services Pty Limited	Australia
GroupM Communications Pty Ltd.	Australia
Hill and Knowlton Australia Pty. Limited	Australia
Howorth Communications Pty Ltd.	Australia
Ideaworks (Holdings) Pty Ltd.	Australia
Ideaworks Collateral Services Pty Limited	Australia
Ideaworks Design Pty Ltd.	Australia
Ideaworks Environmental Design Pty Ltd.	Australia
Ideaworks Media Pty Ltd.	Australia
Impact Employee Communications Pty Ltd.	Australia
Interface Advertising Pty Ltd.	Australia
ITX Corporation Pty Ltd.	Australia
J Walter Thompson Australia Pty Ltd.	Australia
Jay Grey Pty Ltd.	Australia
JWT Specialised Communications Pty Limited	Australia
Kinetic Worldwide Pty Ltd.	Australia
Landor Associates Pty Limited	Australia
Lightspeed Research Australia Pty Limited	Australia
M Media Group Pty Ltd.	Australia
Marketing Communications Holdings Australia Pty Ltd.	Australia
Maxx Marketing Pty Limited	Australia
Mediacom Australia Pty Limited	Australia
Mediacompete Pty Ltd.	Australia
Mediaedge:cia Pty Ltd.	Australia
Millward Brown Pty Ltd.	Australia
Mindshare Pty Ltd.	Australia
Motivator Media Pty Ltd.	Australia
Ogilvy Healthworld Pty Limited	Australia
Ogilvy Health PR Pty Ltd.	Australia
Ogilvy Public Relations Worldwide Pty Limited	Australia
Outrider Australia Pty Ltd.	Australia

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
Phase Five Pty Ltd.	Australia
PPR (WA) Pty Ltd.	Australia
PR Dynamics Australia Pty Limited	Australia
Premier Automotive Advertising Pty Ltd.	Australia
PRISM Team Australia Pty Ltd.	Australia
Professional Public Relations Pty Ltd.	Australia
Pulse Communications Pty Ltd.	Australia
Research International Australia Pty Ltd.	Australia
Salespoint Pty Ltd.	Australia
Sudler & Hennessey Australia Pty Ltd.	Australia
Taylor Nelson Sofres Asia Pacific Pty Ltd.	Australia
Taylor Nelson Sofres Australia Proprietary Limited	Australia
The Added Value Group (Aust.) Pty Ltd.	Australia
The Campaign Palace Melbourne Unit Trust	Australia
The Campaign Palace Pty Limited	Australia
The Campaign Palace Sydney Unit Trust	Australia
The Communications Group Holdings Pty Ltd.	Australia
WhizzbangArt Pty. Ltd.	Australia
WPP Holdings (Australia) Pty Ltd.	Australia
Wunderman Pty Limited	Australia
Young & Rubicam Brands Holding Pty Ltd.	Australia
Young & Rubicam Brands Pty Limited	Australia
Young & Rubicam Group Pty Limited	Australia
Young & Rubicam Pty Limited	Australia
141 Austria Werbeagentur GmbH	Austria
aha puttner red cell Werbeagentur GmbH	Austria
DavidO Werbeagentur GmbH	Austria
Engage CEE GmbH	Austria
GroupM Holding GmbH	Austria
International Facilities Holding GmbH	Austria
JWT Wien Werbeagentur Gesellschaft mbH	Austria
Maxus Media Communications GmbH	Austria

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
"MediaCom" Agentur fur Media Beratung, Planug - Forschung und Einkauf Gesellschaft m.b.H.	Austria
Mediaedge:cia GmbH	Austria
MindShare GmbH & Co. KG	Austria
Ogilvy & Mather CIS Media Services GmbH	Austria
Ogilvy & Mather Gesellschaft m.b.H.	Austria
Ogilvy & Mather Media Services GmbH	Austria
Ogilvy & Mather Media Services GmbH & Co. KG	Austria
OgilvyInteractive Worldwide Multimedia Beratung GmbH	Austria
OgilvyOne worldwide Werbeagentur und Marketingberatung GmbH	Austria
Red Cell Werbeagentur Gesellschaft mbH	Austria
Redworks GmbH	Austria
rmg:connect Marketing Gesellschaft mbH	Austria
Wunderman Direct Marketing Agentur GmbH	Austria
Young & Rubicam Vienna GmbH	Austria
AMRB MENA W.L.L.	Bahrain
Gulf Hill & Knowlton WLL	Bahrain
Intermarkets Bahrain S.P.C.	Bahrain
J Walter Thompson - Bahrain WLL	Bahrain
J Walter Thompson Middle East and North Africa E.C.	Bahrain
TNS Middle East & Africa WLL (Bahrain)	Bahrain
Grey Advertising (Bangladesh) Ltd.	Bangladesh
Ogilvy & Mather Communications Private Limited	Bangladesh
Software People Bangladesh Limited	Bangladesh
Behigh SA	Belgium
Burson-Marsteller sprl/bvba	Belgium
Dimarso S.A.	Belgium
Dorland & Grey SA	Belgium
Friday Communications SA	Belgium
GroupM Belgium SA	Belgium
Hill & Knowlton International Belgium SA	Belgium
J Walter Thompson SA	Belgium
Kinetic Belgium SA	Belgium

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
LDV United NV	Belgium
Ludon SA	Belgium
Marketing Services Risk Surety Ltd.	Belgium
Media+ SA	Belgium
Mediaedge:cia Belgium SA	Belgium
Mindshare SA	Belgium
NID SA	Belgium
Ogilvy Public Relations Worldwide SA	Belgium
Ogilvy Shared Services SA	Belgium
Ogilvy & Mather SA	Belgium
OgilvyOne Worldwide SA	Belgium
Redworks S.A.	Belgium
Sobemap Marketing NV	Belgium
Sudler & Hennessey Belgium SA	Belgium
Tagora SA	Belgium
The European Omnibus Survey scri	Belgium
These Days NV	Belgium
WPP Algani SNC	Belgium
WPP Group Services SNC	Belgium
Wunderman NV	Belgium
Young & Rubicam Belgium SPRL	Bermuda
Ogilvy Public Relations Worldwide SA	Bolivia
Redworks S.A.	Bolivia
141 SoHo Square Comunicação Ltda	Brazil
9ine Sports & Entertainment Consultoria Ltda	Brazil
Ação Produções Gráficas e Eletrônicas Ltda	Brazil
Action Line Telemarketing do Brasil Ltda	Brazil
Bates Latin America Holdings Ltda	Brazil
Bates Propaganda e Produções Ltda	Brazil
Burson Marsteller Ltda	Brazil
CBBA Propaganda Ltda	Brazil
DCSNET SA	Brazil
Energia Brasil Propaganda Ltda	Brazil
Energia, Y&R Comunicações de Varejo Ltda	Brazil
Energy Marketing & Comunicação Ltda	Brazil
G2.Grey Comunicação e Marketing Ltda	Brazil
Goldfarb Consultants Brasil Ltda	Brazil
GPAT S.A. - Propaganda e Publicidade	Brazil
Grey Comunicação Ltda	Brazil

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>	<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
Grey Interactive Ltda	Brazil	Blast Radius Inc.	Canada
Grey Zest Direct Marketing e Publicidade Ltda	Brazil	Feinstein Kean Partners - Canada, Ltd.	Canada
Hill & Knowlton Brasil Ltda	Brazil	GCI Communications Inc./Communication GCI Inc.	Canada
HotWorks Comunicação Ltda	Brazil	Grey Advertising (Vancouver) ULC	Canada
ICherry Publicidade E Propoganda Ltda	Brazil	Grey Advertising ULC/Publicite Grey ULC	Canada
J Walter Thompson Publicidade Ltda	Brazil	GroupM Canada Inc.	Canada
LatinPanel do Brasil Ltda	Brazil	Hill and Knowlton Canada Limited	Canada
Marketdata Solutions Brasil Ltda	Brazil	Hill and Knowlton/Ducharme Perron Ltee	Canada
Marsteller Limitada	Brazil	J. Walter Thompson Company Limited La Compagnie J. Walter Thompson	
Master Pubicidade SA	Brazil	Limitee	Canada
Millward Brown do Brasil Ltda	Brazil	Marketforce Communication ULC	Canada
Newcomm Holdings Ltda	Brazil	Marketing Communication Group Inc.	Canada
Newdesign Participações Ltda	Brazil	Media Buying Services ULC	Canada
Ogilvy Publicidade Ltda	Brazil	Media Evolution Technologies Inc.	Canada
Ogilvy & Mather Brasil Comunicação Ltda	Brazil	Mediacom Canada	Canada
OgilvyInteractive Brasil Comunicação Ltda	Brazil	Mediacom Canada ULC	Canada
OgilvyOne Brasil Comunicação Ltda	Brazil	Millward Brown Canada, Inc.	Canada
One Publicidade Ltda	Brazil	MindShare Canada	Canada
P2All Serviços Temporários Ltda	Brazil	OgilvyAction Quebec Ltd./OgilvyAction Quebec Ltee	Canada
PTR Comunicações Ltda	Brazil	OgilvyOne Worldwide Ltd.	Canada
RMG Connect Comunicação Ltda	Brazil	Soho Square Advertising Ltd.	Canada
Supermirella Participações Ltda	Brazil	Spafax Canada Inc.	Canada
TNS Interscience S.A.	Brazil	Taxi Canada Ltd./Taxi Canada Ltée	Canada
TNS Interscience Serviços S.A.	Brazil	The Meadow Wood Communication Group Inc. Le Group De Communication Meadow Wood, Inc.	Canada
TNS Serviços de Pesquisa de Mercado Ltda	Brazil	The Young & Rubicam Group of Companies ULC	Canada
Tribeca Propaganda Publicidade e Participações Ltda	Brazil	TNS Canadian Facts Inc.	Canada
WPP (Curitiba) Participações Ltda	Brazil	WPP Group Canada Communications Limited	Canada
WPP (Porto Alegre) Participações Ltda	Brazil	WPP Group Canada Finance, Inc.	Canada
WPP do Brasil - Participações Ltda	Brazil	WPP Group Quebec Limited / Groupe WPP Québec Limitée	Canada
Wunderman Brasil Comunicações Ltda	Brazil	WPP Simcoe Square Ltd.	Canada
Y&R Propaganda Ltda	Brazil	Y&R Canada Investments LP	Canada
Young & Rubicam do Brasil Ltda	Brazil		
Grey Worldwide Bulgária EOOD	Bulgária		
Index AD	Bulgária		
Research and Marketing Company Limited	Cameroon		
24/7 Media Canada Holding Company	Canada		
24/7 Real Media Inc. (Canada)	Canada		

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>	<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
Actionline Chile SA	Chile	Cohn & Wolfe Marketing Communications Consulting (Shanghai) Co. Ltd.	China
Burson-Marsteller Comunicaciones Limitada	Chile	David Communications (Beijing) Group Co. Ltd.	China
Design Direct Chile SA	Chile	DAYI (Shanghai) Consulting Co. Ltd.	China
Energía Young & Rubicam SA	Chile	Effort Ogilvy (Fujian) Advertising Limited	China
Estrategia Integral de Comunicaciones SA	Chile	G2 Aviavision China Sourcing Co. Ltd.	China
Glue Chile SAC	Chile	G2 China Co. Ltd.	China
Grey Chile SA	Chile	G2 Star Echo Marketing Communications Co. Ltd.	China
GroupM Chile SAC	Chile	Glendinning Management Consultants (Shanghai) Co. Ltd.	China
Hill & Knowlton Captiva SA	Chile	Grey China Advertising Co. Ltd. (Beijing)	China
Inversiones CI S.A.	Chile	Grey China Marketing Communications Co. Ltd.	China
J Walter Thompson Chilena SAC	Chile	GroupM (Shanghai) Advertising Co. Ltd.	China
Kantar Worldpanel Chile Investigación de Mercados Limitada	Chile	Guangdong Burson-Marsteller Public Relations Co., Ltd.	China
Media Edge Comunicaciones Chile Limitada	Chile	Guangzhou Bates Dahua Advertising Co., Ltd.	China
Ogilvy Action Chile S.A.	Chile	Guangzhou Dawson Human Resources Service Co. Ltd.	China
Ogilvy & Mather Chile SA	Chile	Guangzhou Dawson Marketing Communications Consulting Co. Ltd.	China
Ogilvyone Chile SA	Chile	Guangzhou G2 Aviavision Trading Co. Ltd.	China
Prolam Young & Rubicam SA	Chile	Guangzhou G2 Star Echo Human Resources Co. Ltd.	China
Spafax Medios y Publicidad Ltda	Chile	Guangzhou Kai Dai Advertising Ltd. (Batey)	China
Time Research Chile S.A.	Chile	Guangzhou Win-Lin Management Consulting Co. Ltd.	China
TNS Chile S.A.	Chile	Guangzhou Zdology Market Research Co., Ltd.	China
Wunderman Chile Consultoría y Comunicaciones Ltda	Chile	Hill & Knowlton (China) Public Relations Co. Ltd.	China
Young Media SA	Chile	H-Line Ogilvy Communications Company Ltd.	China
Agenda (Beijing) Ltd.	China	J. Walter Thompson Bridge Advertising Co. Ltd.	China
Always (Shanghai) Marketing Services Co. Ltd.	China		
BatesApex Integrated Marketing Co. Ltd.	China		
Beijing Channel Marketing Service Center Co. Ltd.	China		
Beijing Contract Advertising Co. Ltd.	China		
Beijing ITOP 24/7 Co. Ltd.	China		
Beijing J Walter Thompson Advertising Co. Ltd.	China		
Beijing Ogilvyone Marketing Co., Ltd.	China		
Beijing Soho Square Marketing Co. Ltd.	China		
Beijing WDT Advertising Co. Ltd.	China		
Blue Interactive Technology Department (Beijing) Co. Ltd.	China		

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
Kinetic Advertising (Shanghai) Co. Ltd.	China
Millward Brown ACSR Co. Ltd.	China
Neo@ogilvy Co. Ltd.	China
Oracle Added Value Market Research Company Limited	China
PowerForce (Shanghai) Marketing Services Co. Ltd.	China
Red Wasabi Marketing Consulting (Shanghai) Co., Ltd.	China
Research International China (Guangzhou) Ltd.	China
RMG Relationship Marketing Group Ltd.	China
Shanghai Bates Evision Digital Marketing Consulting Co. Ltd.	China
Shanghai Bates MeThinks Marketing Communications Co. Ltd.	China
Shanghai Iconmobile Co. Ltd.	China
Shanghai Ogilvy & Mather Advertising Ltd.	China
Shanghai Ogilvy & Mather Marketing Communications Consulting Co. Ltd.	China
Shanghai Star Echo Marketing & Communication Co., Ltd.	China
Shanghai Sudler MDS Healthcare Communications Co., Ltd.	China
Shenzhen Black Arc Ogilvy Advertising Media Limited	China
Soho Square Advertising Co. Ltd.	China
The Brand Union China	China
TNS China Co., Ltd.	China
TNS Marketing Consultancy (Shanghai) Co. Ltd.	China
WPP (China) Management Co. Limited	China
Young & Rubicam (Beijing) Advertising Co. Ltd.	China
C & C Action Marketing Ltda	Colombia
Energía Y&R Ltda.	Colombia
G2 Colombia Ltda	Colombia
J. Walter Thompson Colombia Ltda	Colombia
LatinPanel Perú S.A. Sucursal Colombia	Colombia
Mediaedge: Cia Ltda	Colombia
Millward Brown Colombia Ltda	Colombia
MindShare de Colombia Ltda	Colombia

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
Ogilvy & Mather S.A. (Colombia)	Colombia
REP Grey Worldwide S.A.	Colombia
RMG Connect Colombia Ltda	Colombia
SCPF Colombia S.A.S	Colombia
Young & Rubicam Brands Ltda	Colombia
J Walter Thompson SA	Costa Rica
Schematic Costa Rica Ltda	Costa Rica
TNS Data S.A. (Costa Rica)	Costa Rica
Research & Marketing Services International Sarl	Cote d'Ivoire
Grey Zagreb d.o.o. Zatrismo	
Kommuniciranje	Croatia
Mediacom Zagreb d.o.o.	Croatia
Poster Publicity SEE (South East Europe)	Croatia
Grey Worldwide Middle East Network Ltd.	Cyprus
Pelerdon Holdings Ltd.	Cyprus
Bates Praha s.r.o.	Czech Republic
Bi Praha Red Cell s.r.o.	Czech Republic
GCI/Hill&Knowton s.r.o.	Czech Republic
GroupM s.r.o.	Czech Republic
Kantar Media a.s.	Czech Republic
LGM s.r.o.	Czech Republic
Mather Activation s.r.o.	Czech Republic
Mather Advertures s.r.o.	Czech Republic
Mather Communications s.r.o.	Czech Republic
Mather Public Relations s.r.o.	Czech Republic
MAXUS Czech Republic s.r.o.	Czech Republic
MediaCom Praha s.r.o.	Czech Republic
Mediaedge:cia Czech Republic s.r.o.	Czech Republic
Millward Brown Czech Republic s.r.o.	Czech Republic
MindShare s.r.o.	Czech Republic
MQI Brno spol. s.r.o.	Czech Republic
Ogilvy Action s.r.o.	Czech Republic
Ogilvy CID s.r.o.	Czech Republic
Ogilvy One A.S.	Czech Republic
Ogilvy Public Relations s.r.o.	Czech Republic
Ogilvy & Mather Morava spol. s r.o.	Czech Republic
Ogilvy & Mather spol. s r.o.	Czech Republic
RedWorks s.r.o.	Czech Republic
Rmg:connect s.r.o.	Czech Republic
Team Red s.r.o.	Czech Republic
The Core Group s.r.o.	Czech Republic
TNS AISA s.r.o.	Czech Republic
Wunderman s.r.o.	Czech Republic

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
Young & Rubicam Praha s.r.o.	Czech Republic
ADPeople A/S	Denmark
ADProduction A/S	Denmark
Bates/Red Cell Gruppen A/S	Denmark
Burson Marsteller A/S	Denmark
Cohn & Wolfe A/S	Denmark
Dyhr / Hagen A/S	Denmark
Friendly Film A/S	Denmark
Future Lab Business ApS	Denmark
Future Lab Business Group A/S	Denmark
Futurelab Business Consulting A/S	Denmark
Grey Nordic ApS	Denmark
Grey Shared Services A/S	Denmark
Grey Worldwide Kobenhavn A/S	Denmark
GroupM Denmark A/S	Denmark
Halbye Kaag JWT A/S	Denmark
Hill & Knowlton A/S	Denmark
Hundred Percent Film Production A/S	Denmark
JLM Holdings ApS	Denmark
Mannov A/S Country	Denmark
Mannov Holding A/S	Denmark
Maxus Communications A/S	Denmark
MEC: Access ApS	Denmark
Mediabroker A/S	Denmark
MediaCom Danmark A/S	Denmark
Mediaedge:CIA Denmark A/S	Denmark
Mediaedge:CIA Denmark Holding A/S	Denmark
Mindshare A/S	Denmark
Nordic Retails Group A/S	Denmark
Ogilvy Danmark A/S	Denmark
Outrider A/S	Denmark
Ogilvy Danmark A/S	Denmark
Mindshare A/S	Denmark
WPP Holding Denmark A/S	Denmark
Uncle Grey A/S	Denmark
Y&R Denmark Holdings II APS	Denmark
Burson Marsteller A/S	Denmark
ProMedia A/S	Denmark
ADProduction A/S	Denmark
J. Walter Thompson Dominicana S.A.	Dominican Republic
LatinPanel Ecuador S.A.	Ecuador

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
A.M.R.B. Egypt L.L.C.	Egypt
Grey Worldwide Middle East Network Limited	Egypt
MediaCom Egypt	Egypt
Team Y&R LLC (Egypt)	Egypt
TMI J Walter Thompson Egypt Ltd.	Egypt
TNS Egypt Ltd.	Egypt
J Walter Thompson S.A. de C.V.	El Salvador
TNS Data S.A. de C.V. (El Salvador)	El Salvador
Emor AS	Estonia
Hill A Knowlton Eesti As	Estonia
Extern Finland Oy	Finland
GroupM Finland Oy	Finland
Happi Mindshare Finland Oy	Finland
Hill & Knowlton Finland Oy	Finland
J Walter Thompson Finland Oy	Finland
Maxus Oy	Finland
MEC Finland Oy	Finland
Mediaedge:CIA Finland OY	Finland
Mindshare Finland Oy	Finland
Suomen Gallup Elintarviketieto Oy	Finland
Taylor Nelson Sofres Suomi OY	Finland
TNS Gallup OY	Finland
Young & Rubicam Finland OY	Finland
141 France SAS	France
24/7 Real Media France SARL	France
Added Value SAS	France
Argonautes SA	France
Audit Et Systemes Consultants SAS	France
AV Co. Sarl	France
AxiCom Communications SARL	France
Banner Media France SASU	France
Bates SAS	France
Burson-Marsteller SAS	France
CB Associees SAS	France
CBA Architecture Commerciale et Design D'environnement SA	France
Cohn & Wolfe SA	France
Compagnie Fonciere Les Yvelines	France
Concorde Finance France SAS	France
CT Finances SA	France
Design Direct SAS	France
Fieldwork RI SAS	France
Financiere RKW Holding SAS	France
Fitch Vendome SAS	France
G2 France SAS	France
GIE Media Insight	France
GIE Mindshare	France

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>	<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
Grey Global Group France SAS	France	The Brand Union Paris SARL	France
Grey Healthcare Paris SA	France	The Shop SARL	France
Grey Paris SAS	France	TNS Direct SAS	France
GroupM SAS	France	TransGrey SAS	France
HFT SA	France	WPP Finance Holdings SAS	France
Hill & Knowlton SAS	France	WPP Finance SA	France
Impiric Interactive	France	Wunderman SAS	France
J Walter Thompson SAS	France	Young & Rubicam SAS	France
JFC Informatique & Media SAS	France	141 worldwide GmbH	Germany
Kantar Health SAS	France	24/7 Real Media Deutschland GmbH	Germany
Kantar Retail France SAS	France	AdGenus GmbH	Germany
Kantar SAS	France	Advanced Techniques Group (ATG) GmbH	Germany
Kassius SA	France	argonauten G2 GmbH	Germany
Kinetic SAS	France	Atletico Germany GmbH	Germany
Knowledgebase Marketing France SAS	France	AxiCom Axiom Communications GmbH	Germany
Landor Associates SAS	France	Best of Media GmbH	Germany
Le Lab Consulting SAS	France	Burson-Marsteller GmbH	Germany
Les Ouvriers du Paradis Babylone United SAS	France	Cohn & Wolfe Public Relations GmbH & Co. KG	Germany
Les Ouvriers du Paradis Bourgognes SAS	France	Cohn & Wolfe Verwaltungs GmbH	Germany
Lob Conseils SA	France	Concept Media Gesellschaft für Planung und Beratung mbH	Germany
Louiseholding SAS	France	Concept Media Gesellschaft für Planung und Beratung mit beschränkter Haftung	Germany
Lumiere Publicite SARL	France	Concept! Venture GmbH	Germany
Mather Communications SAS	France	CONNECT 21 GmbH	Germany
Mediacom Paris SA	France	Cordiant Holdings GmbH	Germany
Mediaedge:CIA France SAS	France	cpz Ogilvy Public Relations GmbH	Germany
Millward Brown SAS	France	Diebitz, Stöppler, Braun & Kuhlmann Werbeagentur GmbH	Germany
Ogilvy Action SAS	France	Dorland Werbeagentur GmbH	Germany
Ogilvy Healthworld France SAS	France	EMNID Gesellschaft mit beschränkter Haftung	Germany
Ogilvy Public Relations SAS	France	F + I GmbH, Research Consulting Marktforschung	Germany
Ogilvy & Mather S.A.S	France	facts + fiction GmbH	Germany
OgilvyOne Worldwide SAS	France	FutureCom GmbH	Germany
Peclers Paris SAS	France	G2 Düsseldorf GmbH	Germany
Plein Papier SARL	France	G2 Kommunikationsagentur GmbH	Germany
Prism SAS	France	Global "Sportnet" Beteiligungs GmbH	Germany
Pro Deo SAS	France	Global "Sportnet" Sportmarketing GmbH & Co. KG	Germany
Public Relations AKKA SAS	France	GRAMM Werbeagentur GmbH	Germany
Relations Publiques Caroline Allain RPCA SAS	France	Grey CIS Werbeagentur GmbH	Germany
RMG SAS	France		
Rmg:connect SAS	France		
Sofres Asia Pacific SAS	France		
Sofres Communication SAS	France		
Sofres Lyon SARL	France		
Strateme SARL	France		
Sudler & Hennessey SAS	France		
Taylor Nelson Sofres SAS	France		

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
Grey G2 Group GmbH	Germany
Grey GmbH	Germany
Grey Healthcare GmbH	Germany
Grey Holding Central Europe GmbH	Germany
Grey Worldwide GmbH	Germany
GroupM Competence Center GmbH	Germany
groupM Germany GmbH	Germany
HealthLive GmbH	Germany
Hering Schuppener Consulting Strategieberatung für Kommunikation GmbH	Germany
Hering Schuppener Unternehmensberatung für Kommunikation GmbH	Germany
Hill & Knowlton Communications GmbH	Germany
icon added value GmbH	Germany
icon Wirtschafts- und Finanzmarktforschung GmbH	Germany
“INCH” Design-Service GmbH	Germany
InfraLive GmbH	Germany
Infratest dimap Gesellschaft für Trend- und Wahlforschung mbH	Germany
Infratest Gesellschaft mit beschränkter Haftung	Germany
InterBates Beteiligungsgesellschaft mbH & Co. KG	Germany
InterCom Management GmbH	Germany
IntraMedic GmbH	Germany
J. Walter Thompson GmbH	Germany
J. Walter Thompson Verwaltungs GmbH	Germany
JWT Engage GmbH	Germany
JWT Germany GmbH	Germany
Kantar Health GmbH	Germany
Kantar Media GmbH	Germany
KBM GmbH	Germany
Kinetic Worldwide Germany GmbH	Germany
Landor Associates GmbH	Germany
Magic Moments Agentur für Kommunikation GmbH	Germany
Magic Poster GmbH	Germany
Mather Direct GmbH	Germany
Maxus Communications GmbH	Germany
MEC Access GmbH	Germany
MEC GmbH	Germany
Media Consult WPP GmbH	Germany

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
MediaCom Agentur für Media-Beratung GmbH	Germany
MediaCom CIS GmbH	Germany
MediaCom Hamburg GmbH	Germany
MediaCom Holding Central and Eastern Europe GmbH	Germany
MediaCom Interaction GmbH	Germany
MediaCom München GmbH	Germany
Mediaedge:cia Germany Holding GmbH	Germany
Michael Vagedes GmbH	Germany
Millward Brown Germany GmbH	Germany
MindShare GmbH	Germany
MM MEDIA MARKETING GMBH	Germany
Neo@Ogilvy GmbH	Germany
NFO International GmbH Holding	Germany
Ogilvy Action GmbH	Germany
Ogilvy Brand Center GmbH	Germany
Ogilvy Brand Center Verwaltungs GmbH	Germany
Ogilvy Healthworld GmbH	Germany
Ogilvy & Mather Advertising GmbH	Germany
Ogilvy & Mather Deutschland GmbH	Germany
Ogilvy & Mather Werbeagentur GmbH	Germany
OgilvyBrains GmbH	Germany
OgilvyFinance AG	Germany
OgilvyOne Düsseldorf GmbH	Germany
OgilvyOne GmbH	Germany
OSCAR Service GmbH	Germany
Performance SportEnt Worldwide GmbH	Germany
PQ PLAKATQUALITÄT Agentur für Außenwerbung GmbH	Germany
PRISM INTERNATIONAL GmbH	Germany
Quisma GmbH	Germany
Red Cell Werbeagentur GmbH	Germany
RedWorks GmbH	Germany
RMG Connect GmbH	Germany
s&kGrey GmbH	Germany
santamaria GmbH	Germany
spring infotainment Wirtz und Pischke Verwaltungsgesellschaft mbH	Germany
spring Wirtz und Pischke GmbH & Co. KG	Germany

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>	<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
Sudler & Hennessey Berlin GmbH	Germany	Maxus Commercial Communications SA	Greece
Sudler & Hennessey GmbH	Germany	MediaCom Ltd.	Greece
The Brand Union GmbH	Germany	Movielab SA	Greece
Tillmanns, Ogilvy & Mather GmbH	Germany	Panmail Advertising SA	Greece
TNS EMNID GmbH & Co. KG	Germany	Publicom Hill & Knowlton Hellas Ltd.	Greece
TNS Emnid Medien- und Sozialforschung GmbH	Germany	Red Cell Advertising SA	Greece
TNS Infratest Beteiligungs GmbH	Germany	Research International Hellas S.A	Greece
TNS Infratest Forschung GmbH	Germany	Salesplus Ltd.	Greece
TNS Infratest GmbH	Germany	Screen Design & Production of Advertising and Promotional Material Ltd.	Greece
TNS Infratest Holding GmbH	Germany	Spot Thompson Total Communication Group SA	Greece
TNS Infratest RI GmbH	Germany	Taylor Nelson Sofres ICAP Market Research SA	Greece
TNS Infratest Sozialforschung GmbH	Germany	The Media Edge SA	Greece
TNS Infratest Verwaltungs GmbH	Germany	Tribe Advertising Services SA	Greece
Transmission Advertising Services GmbH	Germany	WCJ Advertising SA	Greece
Verwaltungsgesellschaft Global "Sportnet" Sportmarketing mbH	Germany	Hill & Knowlton SA	Guatemala
WPP Deutschland Holding GmbH & Co. KG	Germany	J Walter Thompson SA	Guatemala
WPP Deutschland Verwaltungs GmbH	Germany	TNS Data S.A. (Guatemala)	Guatemala
WPP Digital Germany GmbH	Germany	TNS Finance (CI) Limited	Guernsey
WPP Marketing Communications Germany B.V., Zweigniederlassung Frankfurt am Main	Germany	TNS Finance (G) Limited	Guernsey
WPP Marketing Communications Germany GmbH	Germany	TNS Finance Limited	Guernsey
WPP Media Holdings GmbH	Germany	J Walter Thompson SA	Honduras
WPP Service GmbH	Germany	Agenda (China) Limited	Hong Kong
Wunderman Consulting GmbH	Germany	Agenda (Hong Kong) Ltd.	Hong Kong
Wunderman GmbH	Germany	Agenda Group (Asia) Limited	Hong Kong
Wunderman GmbH	Germany	Bates China Ltd.	Hong Kong
Wunderman Verwaltungs GmbH	Germany	Bates Hong Kong Limited	Hong Kong
Young & Rubicam Brands Germany GmbH	Germany	BatesAsia Hong Kong Limited	Hong Kong
Young & Rubicam GmbH	Germany	BatesAsia Limited	Hong Kong
Young & Rubicam GmbH	Germany	Beyond Communications Hong Kong Limited	Hong Kong
ZEG-Zentrum für Epidemiologie und Gesundheitsforschung Berlin GmbH	Germany	Beyond Interactive Co. Ltd.	Hong Kong
Millward Brown West Africa Limited	Ghana	Blue Interactive Marketing Limited	Hong Kong
Mindshare Ghana Ltd.	Ghana	Burson-Marsteller (Asia) Limited	Hong Kong
RMS International (GH) Limited	Ghana	Burson-Marsteller (Hong Kong) Limited	Hong Kong
GEO Young & Rubicam S.A.	Greece	Carl Byoir Asia Ltd.	Hong Kong
Grey Athens SA	Greece	Conquest Marketing Communications (Hong Kong) Limited	Hong Kong
		Conquest Marketing Communications (Taiwan) Limited	Hong Kong

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>	<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
Contract Advertising Company Limited	Hong Kong	Maxx Marketing Ltd.	Hong Kong
CSM HK Limited	Hong Kong	Media Investment Holdings Limited	Hong Kong
David Communications Group Limited	Hong Kong	Mediacom Limited	Hong Kong
Design Direct (Hong Kong) Limited	Hong Kong	MediaCompany Communications Limited	Hong Kong
Era Ogilvy Public Relations Co., Limited	Hong Kong	Mediaedge:CIA Hong Kong Pte Limited	Hong Kong
Fitch Design Ltd.	Hong Kong	Millward Brown Limited	Hong Kong
Freeway Communications Ltd.	Hong Kong	MindShare Communications Limited	Hong Kong
G2 Hong Kong Ltd.	Hong Kong	MindShare Hong Kong Limited	Hong Kong
G2 Ltd.	Hong Kong	NFO Asia Pacific Limited	Hong Kong
Grand Wealth International Holdings Limited	Hong Kong	Ogilvy Health Limited	Hong Kong
Grey Advertising Hong Kong Ltd.	Hong Kong	Ogilvy Public Relations Worldwide Limited	Hong Kong
Grey Advertising Limited	Hong Kong	Ogilvy & Mather (China) Holdings Limited	Hong Kong
Grey Healthcare Ltd.	Hong Kong	Ogilvy & Mather (China) Limited	Hong Kong
Grey Interactive China Company Limited	Hong Kong	Ogilvy & Mather (Hong Kong) Private Limited	Hong Kong
Grey Interactive Ltd.	Hong Kong	Ogilvy & Mather Marketing Communications Limited	Hong Kong
Grey International Limited	Hong Kong	Ogilvy & Mather Marketing Services Limited	Hong Kong
Grey Public Relations Company Ltd.	Hong Kong	OgilvyAction Hong Kong Limited	Hong Kong
GroupM Communications Hong Kong Limited	Hong Kong	OgilvyActivation Global Launch Limited	Hong Kong
GroupM Limited	Hong Kong	OgilvyInteractive Asia Pacific Limited	Hong Kong
HeathWallace (HK) Limited	Hong Kong	OgilvyInteractive Worldwide Hong Kong Limited	Hong Kong
Hill and Knowlton Asia Limited	Hong Kong	OgilvyOne Worldwide Hong Kong Limited	Hong Kong
Hill and Knowlton Asia Pacific Limited	Hong Kong	Oracle Added Value Limited	Hong Kong
H-Line Worldwide Limited	Hong Kong	Promotional Campaigns (Asia) Limited	Hong Kong
HWGL Investment (Holding) Company Limited	Hong Kong	Pulse Communications Ltd.	Hong Kong
IMRB MILLWARD BROWN INTERNATIONAL LIMITED	Hong Kong	Red Wasabi Limited	Hong Kong
iPR Ogilvy (China) Limited	Hong Kong	RedWorks Limited	Hong Kong
iPR Ogilvy Holdings Limited	Hong Kong	Relationship Marketing Group Limited	Hong Kong
iPR Ogilvy Limited	Hong Kong	Research International Asia Limited	Hong Kong
J. Walter Thompson (Taiwan) Limited	Hong Kong	Rikes Hill & Knowlton Limited	Hong Kong
J. Walter Thompson Company (North Asia) Limited	Hong Kong	RMG Connect Ltd.	Hong Kong
J. Walter Thompson Company Limited	Hong Kong	Sapphire Bright Limited	Hong Kong
Landor Associates Designers & Consultants Ltd.	Hong Kong	Shengshi International Media (Group) Limited	Hong Kong
Lightspeed Research HK Limited	Hong Kong	Signature Promotions Limited	Hong Kong
Maximise (Hong Kong) Ltd.	Hong Kong	Soho Square Hong Kong Limited	Hong Kong
Maxus Communications Limited	Hong Kong		

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
Taylor Nelson Sofres Hong Kong Limited	Hong Kong
Team Y&R Holdings Hong Kong Limited	Hong Kong
The Brand Union Limited	Hong Kong
The Bridge Communications Company Limited	Hong Kong
TOTAL GLORY INTERNATIONAL LIMITED	Hong Kong
Underline:Fitch Hong Kong Ltd.	Hong Kong
Whizzbangart Hong Kong Ltd.	Hong Kong
Wit Ocean Limited	Hong Kong
WPP Captive Holdings Limited	Hong Kong
WPP Group (Asia Pacific) Limited	Hong Kong
WPP Marketing Communications (Hong Kong) Limited	Hong Kong
XM Hong Kong Limited	Hong Kong
Young & Rubicam (HK) Limited	Hong Kong
Barci es Partners Kft	Hungary
Bates 141 Hungary Advertising Kft	Hungary
GRAMM Kft	Hungary
Grey Worldwide Hungary Kft	Hungary
Hill and Knowlton Hungary Public Relations Kft	Hungary
JWT Budapest Marketing Szolgáltató KFT	Hungary
Kantar Media Kft	Hungary
Mac-Mester Kft	Hungary
Mather Communications Reklamugynokseg Kft	Hungary
MC MediaCompany Nemzetkozi Mediaugynoki Kft	Hungary
MEC Interaction Hungary Kft	Hungary
Media Zone Hungary Kft.	Hungary
Mediaedge: cia Hungary Kft	Hungary
Millward Brown Hungary Kft.	Hungary
Ogilvy Group Zrt	Hungary
Portland Kozteruleti Reklamugynokseg Kft	Hungary
Redworks Budapest Kft	Hungary
Taylor Nelson Sofres Hungary Business and Social Marketing and Consulting Limited	Hungary
Team Hungary Kft	Hungary
TGI Hungary Marketing Research Company Kft	Hungary
The Mediaedge Kft	Hungary
Wunderman Kft	Hungary

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
Young & Rubicam Budapest International Advertising Agency Kft	Hungary
Atlas Advertising Private Ltd.	India
Bates India Private Ltd.	India
Brand David Communications Private Limited	India
Contract Advertising India Pvt Ltd.	India
Encompass Events Private Ltd.	India
Fortune Communications Ltd.	India
G2 Communications Pvt Ltd.	India
G2 Rams India Pvt Ltd.	India
G3 Communications Pvt. Ltd.	India
Genesis Burson-Marsteller Public Relations Private Ltd.	India
Grey Worldwide (India) Pvt.Ltd.	India
GroupM Media India Pvt Ltd.	India
Hindustan Thompson Associates Private Limited	India
Icon Added Value Private Ltd.	India
Indian Market Research Bureau Ltd.	India
Interactive Television Private Limited	India
Kantar Market Research Services Pvt Ltd.	India
Loose Screws Production Pvt Ltd.	India
Matrix Publicities & Media India Pvt Ltd.	India
Mediacom Media India Private Ltd.	India
Mediaedge:cia India Pvt Ltd.	India
Meridian Communication Pvt. Ltd.	India
Meritus Analytics India Pvt Ltd.	India
Millward Brown Market Research Services India Private Ltd.	India
Mindshare India Pvt Ltd.	India
Ogilvy & Mather Pvt Ltd.	India
Optima India Private Ltd.	India
Options Communications India Pvt Ltd.	India
Portland India Outdoor Advertising Private Ltd.	India
Quasar Media Private Ltd.	India
Ray & Keshavan Design Associates Pvt. Ltd.	India
Results India Communications Pvt Ltd.	India
Sercon India Private Limited	India
Sharp Shooter Films Private Ltd.	India

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
Sudler & Hennessey India Pvt Ltd.	India
TNS India Private Limited	India
TNS Mode Private Limited	India
Triyaka Communications Pvt. Ltd.	India
Triyaka First Serve Advertising (Pvt) Ltd.	India
Arena Productions Limited	Ireland
Bell Advertising Limited	Ireland
Culverbridge Limited	Ireland
Dearadh Teoranta "Interact"	Ireland
Drumgoff Holdings	Ireland
EWA Ireland Ltd.	Ireland
Grey Advertising Limited (Ireland)	Ireland
Group M WPP Ltd.	Ireland
Hill & Knowlton Limited	Ireland
Hunter/Red Cell Ireland Ltd.	Ireland
Imagecom Graphics Ltd.	Ireland
John Hunter Ltd.	Ireland
Kinetic Advertising Limited (Ireland)	Ireland
Lansdowne Market Research Ltd.	Ireland
Mediacom (Media Planning and Buying) Ltd.	Ireland
Mediaedge:cia Ireland Limited	Ireland
MediaWatch Limited	Ireland
Millward Brown Ireland Ltd.	Ireland
Millward Brown Irish Marketing Surveys Ltd.	Ireland
MindShare Limited	Ireland
Mindshare Media Ireland Limited	Ireland
Ogilvy One Worldwide Limited	Ireland
Ogilvy & Mather Group Limited	Ireland
Ogilvy & Mather Limited	Ireland
Rational Decisions Limited	Ireland
RMG Connect Ireland Limited	Ireland
Sudler & Hennessey Healthcare Ireland Ltd.	Ireland
Taylor Nelson Sofres Ireland Limited	Ireland
The Brand Union Limited	Ireland
The Helme Partnership Limited	Ireland
The Helme Production Limited	Ireland
TNS Marketing Pathways Limited	Ireland
Wilson Hartnell Public Relations Limited	Ireland
WPP Air 1 Limited	Ireland
WPP Air 2 Limited	Ireland
WPP Air 3 Limited	Ireland
WPP Ireland Holdings Limited	Ireland

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
WPP Ireland Limited	Ireland
WPP Ireland UK	Ireland
WPP Ireland US	Ireland
WPP UK Holdings Ltd. (Ireland)	Ireland
Wunderman Ireland Ltd.	Ireland
Y&R Advertising Ireland Ltd.	Ireland
Young & Rubicam Brands Ireland Ltd.	Ireland
Connect Sales Promotions Direct Marketing and Events Ltd.	Israel
JTC Scan Ltd.	Israel
JWT Israel Ltd.	Israel
Media Edge Israel Ltd.	Israel
Meishav Hafakot Ltd.	Israel
Netking (1999) Ltd.	Israel
Shalmor Avnon Amichay Advertising Ltd.	Israel
Single Source Research Israel (1999) Limited	Israel
Taylor Nelson Sofres Teleseker Limited	Israel
Tele-gal The Israeli Rating Company Ltd.	Israel
TNS Teleseker - Policy Qualitat Research Ltd.	Israel
TNS-Tel-Gal Media Research Ltd.	Israel
United Media (R.S. 2005) Ltd.	Israel
Y&R Interactive 2.1 Ltd.	Israel
1861 United Srl	Italy
24/7 Real Media Italy Srl	Italy
Added Value Srl	Italy
AxiCom Italia Srl	Italy
Bates Srl	Italy
Burson Marsteller Srl	Italy
Carl Byoir Srl	Italy
CIA Medianetwork Club Srl	Italy
CIA Medianetwork Milano Srl	Italy
Cohn & Wolfe Srl	Italy
Digital PR Srl	Italy
FAST - Financial Administration Solutions & Technologies Srl	Italy
G2 Srl	Italy
G2-Promotions Italia SpA	Italy
Grey Healthcare Italia Srl	Italy
Grey Worldwide Italia Srl	Italy
GroupM plus Srl	Italy
GroupM Srl	Italy
H-Art Srl	Italy
Hill & Knowlton Gaia Srl	Italy

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>	<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
International Strategic Communications Srl	Italy	Grey Direct Inc.	Japan
Intramed Communications Srl	Italy	Grey Healthcare Japan Inc.	Japan
J Walter Thompson Roma Srl	Italy	Grey Worldwide Inc. (Japan)	Japan
J. Walter Thompson Italia SpA	Italy	GroupM Japan KK	Japan
Kantar Health Srl	Italy	GroupM KK	Japan
Kinetic Srl	Italy	Hill & Knowlton Japan Ltd.	Japan
Landor Associates Srl	Italy	International Creative Marketing KK	Japan
LGM Little Green Men Srl	Italy	J Walter Thompson Japan KK	Japan
Lorien Consulting Srl	Italy	Japan Kantar Research Inc.	Japan
MAXUS MC2 Spa	Italy	Logic Inc.	Japan
Maxus Srl	Italy	Millward Brown Japan KK	Japan
Media Club SpA	Italy	Neo@Ogilvy KK	Japan
Media Insight Srl	Italy	Ogilvy Public Relations Worldwide (Japan) KK	Japan
Mediacom Italia Srl	Italy	Ogilvy & Mather Japan KK	Japan
Mediaedge:CIA Italy Srl	Italy	OgilvyAction Japan KK	Japan
Millward Brown Srl	Italy	OgilvyOne Japan KK	Japan
Mindshare SpA	Italy	Redworks Japan KK	Japan
Mindshare Trevenzie Srl	Italy	Soho Square Japan K.K.	Japan
Nexthealth Srl	Italy	TNS Infoplan Limited	Japan
Ogilvy Healthworld Srl	Italy	WPP Marketing Communications KK	Japan
Ogilvy Interactive Srl	Italy	WPP plc	Jersey
Ogilvy & Mather SpA	Italy	Ogilvy & Mather Kazakhstan Limited Liability Company	Kazakhstan
OgilvyOne Worldwide SpA	Italy	TNS Gallup Media Asia	Kazakhstan
One Four One Srl	Italy	BluePrint Marketing Limited	Kenya
Quisma Italy Srl	Italy	Millward Brown East Africa Ltd.	Kenya
Red Cell Srl	Italy	MindShare Kenya Limited	Kenya
Red Productions Srl	Italy	Ogilvy & Mather (Eastern Africa) Limited	Kenya
rmg:connect Srl	Italy	Ogilvy Africa Media Ltd	Kenya
Sentrix Global Health Communications Srl	Italy	Ogilvy East Africa Limited	Kenya
Soho Square Srl	Italy	Ogilvy Public Relations Limited	Kenya
sPrint Production Srl	Italy	TNS Research International Ltd.	Kenya
Sudler & Hennessey Srl	Italy	24/7 Real Media Inc. (Korea)	Korea, Republic of
Team Alfa Srl	Italy	Burson-Marsteller Korea Co. Ltd.	Korea, Republic of
TNS Infratest S.P.A.	Italy	Burson-Marsteller Korea Inc.	Korea, Republic of
TNS Italia Srl	Italy	Diamond Ogilvy Ltd.	Korea, Republic of
WPP Holdings (Italy) Srl	Italy	Grey Worldwide Korea Inc.	Korea, Republic of
WPP Marketing Communications (Italy) Srl	Italy	JWT Adventure Co. Ltd.	Korea, Republic of
Wunderman Srl	Italy	Lee & Jang OgilvyOne Worldwide Co. Ltd.	Korea, Republic of
Y&R Italia Srl	Italy	Longitude One LLC	Korea, Republic of
Y&R Roma Srl	Italy		
Bates Asia Japan Inc.	Japan		
Burson-Marsteller Co. Ltd.	Japan		
Carl Byoir Japan Ltd.	Japan		
David Communications KK	Japan		
Design Direct Japan KK	Japan		
Enfatico Tokyo Inc.	Japan		

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>	<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
Millward Brown Media Research Inc.	Korea, Republic of	WPP Luxembourg Beta Two Sarl	Luxembourg
Ogilvy & Mather Korea Ltd.	Korea, Republic of	WPP Luxembourg Europe SARL	Luxembourg
Pharmax Ogilvy Healthworld Inc.	Korea, Republic of	WPP Luxembourg Gamma Five Sarl	Luxembourg
Synergy Hill & Knowlton Co. Ltd.	Korea, Republic of	WPP Luxembourg Gamma Four Sarl	Luxembourg
Taylor Nelson Sofres Korea Ltd.	Korea, Republic of	WPP Luxembourg Gamma Sarl	Luxembourg
The Lacek Group, Inc.	Korea, Republic of	WPP Luxembourg Gamma Three Sarl	Luxembourg
Wunderman International Co. Ltd.	Korea, Republic of	WPP Luxembourg Gamma Two Sarl	Luxembourg
JWT Advertising & Marketing Co. WLL	Kuwait	WPP Luxembourg Germany Holdings 2 S.à r.l.	Luxembourg
Team Advertising and Marketing WLL	Kuwait	WPP Luxembourg Germany Holdings 3 Sarl	Luxembourg
Hill & Knowlton Latvia SIA	Latvia	WPP Luxembourg Germany Holdings S.à r.l	Luxembourg
Mediaedge:CIA Baltic Ltd.	Latvia	WPP Luxembourg Holdings Eight Sarl	Luxembourg
TNS Latvia SIA	Latvia	WPP Luxembourg Holdings Sarl	Luxembourg
Asdaa Advertising & Public Relations Sarl	Lebanon	WPP Luxembourg Holdings Seven SARL	Luxembourg
Digital Factory S.A.L (Offshore)	Lebanon	WPP Luxembourg Holdings Six SARL	Luxembourg
Grey Worldwide ME Network - SARL	Lebanon	WPP Luxembourg Holdings Three Sarl	Luxembourg
Intermarkets SAL	Lebanon	WPP Luxembourg Holdings Two Sarl	Luxembourg
JWT SAL (Offshore)	Lebanon	WPP Luxembourg IH 2001 Holdings Sarl	Luxembourg
MEC Sarl (Lebanon)	Lebanon	WPP Luxembourg Sarl	Luxembourg
MediaCom Lebanon	Lebanon	WPP Luxembourg Square LLC Sarl	Luxembourg
Team Advertising SARL (Lebanon)	Lebanon	WPP Luxembourg Theta Sarl	Luxembourg
Tihama Al Mona International - J Walter Thompson S.A.R.L	Lebanon	WPP Luxembourg US Holdings Sarl	Luxembourg
TNS Liban SARL	Lebanon	WPP Luxembourg YMC Sarl	Luxembourg
SIC Gallup Media UAB	Lithuania	WPP Quebec Square S.a r.l.	Luxembourg
TNS Gallup UAB	Lithuania	WPP TNS US S.a.r.l.	Luxembourg
Grey Worldwide Luxembourg S.A.	Luxembourg	WPP Union Square Sarl	Luxembourg
Luxembourg Finance Holdings Seven CV	Luxembourg	J.Walter Thompson Company (Malawi) Ltd.	Malawi
NFO (Luxembourg) SARL	Luxembourg	Advertising Ventures Pvt Ltd.	Mauritius
NFO Holding (Luxembourg) S.a.r.l.	Luxembourg	Millward Brown Mauritius Limited	Mauritius
TNS Luxembourg Alpha S.a.r.l.	Luxembourg	Research and Marketing Group Investment Limited	Mauritius
TNS Luxembourg Beta S.a.r.l.	Luxembourg	WPP Holdings (Mauritius) Ltd.	Mauritius
WPP Luxembourg Beta Sarl	Luxembourg	141 Worldwide, SA de CV	Mexico
WPP Luxembourg Beta Three Sarl	Luxembourg		

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>	<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
Agencia de Comunicación Interactiva, SA de CV	Mexico	Worldwide Mediacom México, S.A. de C.V.	Mexico
Asesoría Estratégica Maxus, S.A. de C.V.	Mexico	WPP México, S.R.L. de C.V.	Mexico
Burson Marsteller México, S.de R.L. de C.V.	Mexico	WPP Second, S. de R.L. de C.V	Mexico
Cohn & Wolfe México, S.A. de C.V.	Mexico	Wunderman SRL de CV	Mexico
Compañía Hill & Knowlton México, SA de CV	Mexico	Young & Rubicam S de RL de CV	Mexico
Comunicaciones Connect SA de CV	Mexico	CBS-AXA (Limited)	Moldova, Republic of
Dinamica Multiple SA	Mexico	Grey Worldwide North Africa Network SARL	Morocco
Empresas del Sur, SRL de CV	Mexico	J Walter Thompson Morocco SARL	Morocco
Estudios de Mercado LP de México, S.A. de C.V.	Mexico	Mediacompete Morocco	Morocco
G7.0 Servicios Gráficos, SA de CV	Mexico	Mediaedge:cia Morocco SARL	Morocco
Goldfarb Consultants México, S.A. de C.V.	Mexico	NFO WorldGroup (Maroc) S.a.r.l.	Morocco
Grey México, S.A. de C.V.	Mexico	Team Y&R SARL	Morocco
Greycomex, S.A. de C.V.	Mexico	TNS Maroc S.a.r.l.	Morocco
J. Walter Thompson de México, S.A.	Mexico	Wunderman SARL (Morocco)	Morocco
JWT México, S.R.L. de C.V.	Mexico	Thompson Nepal Private Ltd.	Nepal
Millward Brown México, S.A. de C.V.	Mexico	141 Amsterdam BV	Netherlands
Millward Brown Servicios SA de CV	Mexico	24/7 Real Media Investment Holding BV	Netherlands
MindShare de México, S.A. de C.V.	Mexico	AdValue International BV	Netherlands
Multidim SA	Mexico	AdValue Nederland BV	Netherlands
Mystery Shopper México, S.A. de C.V.	Mexico	Akron Reclame en Marketing BV	Netherlands
Ogilvy & Mather SA	Mexico	Arbour Square B.V.	Netherlands
Ogilvyinteractive SA de CV	Mexico	Atface Internet Facility Centre BV	Netherlands
OgilvyOne SA	Mexico	Axicom BV	Netherlands
RedWorks SA de CV	Mexico	Bates Nederland Holding BV	Netherlands
Segarra, Cuesta, Puig, Fernandez De Castro, SRL de CV	Mexico	Bates Not Just Film B.V.	Netherlands
Servicios de Publicidad Interactivos SA de CV	Mexico	Bercum Boender Cardozo & Werkendam BBCW B.V.	Netherlands
Servicios Profesionales de Administración LPM, S.A. de C.V.	Mexico	Berkeley Square Holding BV	Netherlands
Taylor Nelson Sofres México, S.A. de C.V.	Mexico	Blast Radius BV	Netherlands
The Media Edge S de RL de CV	Mexico	Borgi Advertising BV	Netherlands
TNS México, S.A. de C.V.	Mexico	Brown KSDP Netherlands BV	Netherlands
Walter Landor y Asociados, S de RL de CV	Mexico	Burson-Marsteller B.V.	Netherlands
		Cato Johnson B.V.	Netherlands
		Cavendish Square Holding BV	Netherlands
		Chafma B.V.	Netherlands
		CIA Holding B.V.	Netherlands
		Colon Marketing BV	Netherlands
		Consult Brand Strategy B.V.	Netherlands
		Dentsu 24/7 Search Holdings BV	Netherlands
		Dolphin Square Holding B.V.	Netherlands
		GCI Nederland BV	Netherlands
		Grey Advertising B.V.	Netherlands
		Grey Brasil Holdings B.V.	Netherlands
		Grey Communications Group B.V.	Netherlands

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>	<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
Grey Netherlands Holding B.V.	Netherlands	Russell Square Holding BV	Netherlands
Group M BV	Netherlands	Santo Europe BV	Netherlands
Group M India Holding B.V.	Netherlands	Scribble Beheer BV	Netherlands
Healthworld BV	Netherlands	Sirof II BV	Netherlands
Healthworld Communications Group (Netherlands) B.V.	Netherlands	Taylor Nelson Sofres BV	Netherlands
Hill & Knowlton Nederland BV	Netherlands	TBK/G2 BV	Netherlands
Integres Holding BV	Netherlands	The Office Advertising Group BV	Netherlands
J Walter Thompson Company B.V.	Netherlands	These Days BV	Netherlands
JWT (Netherlands) Holding BV	Netherlands	Tiddens, Brahler, De Kemp Reklame en Marketing B.V.	Netherlands
JWT International BV	Netherlands	TNS Consult B.V.	Netherlands
Kader Advertising Holding B.V.	Netherlands	TNS Nipo BV	Netherlands
KSM B.V.	Netherlands	Trafalgar Square Holding B.V.	Netherlands
La Comunidad, Interactive & Event Marketing BV	Netherlands	Trefpunt Sports and Leisure Marketing B.V.	Netherlands
LdB Ogilvy & Mather B.V.	Netherlands	UFO Centrum BV	Netherlands
Leicester Square Holding B.V.	Netherlands	Uforce BV	Netherlands
Lexington International B.V.	Netherlands	VBAT BV	Netherlands
Lightspeed Research B.V.	Netherlands	Veldkamp Marktonerzoek BV	Netherlands
Luxembourg Finance Beta CV	Netherlands	Vincent Square Holding BV	Netherlands
Luxembourg Finance Europe CV	Netherlands	WPP Equity Portugal B.V.	Netherlands
Luxembourg Finance Gamma CV	Netherlands	WPP Frankfurt Square B.V.	Netherlands
Luxembourg Finance Holdings Six C.V.	Netherlands	WPP Herald Square B.V.	Netherlands
Luxembourg Finance Holdings Two CV	Netherlands	WPP Holdings (Holland) B.V.	Netherlands
Marketique Interactive Marketing Services BV	Netherlands	WPP International Holding B.V.	Netherlands
Maxus B.V.	Netherlands	WPP Japan Holding B.V.	Netherlands
MB Centrum BV	Netherlands	WPP Kiev Square B.V.	Netherlands
Media Basics BV	Netherlands	WPP Kraken 2 B.V.	Netherlands
MediaCom B.V.	Netherlands	WPP Kraken B.V.	Netherlands
Mediaedge:cia BV	Netherlands	WPP Madison Square B.V.	Netherlands
Millward Brown BV	Netherlands	WPP Management Services (Holland) B.V.	Netherlands
MindShare BV	Netherlands	WPP Marketing Communications Germany B.V.	Netherlands
Miniato B.V.	Netherlands	WPP Minotaur B.V.	Netherlands
Netherlandser G.C.I. B.V.	Netherlands	WPP Netherlands B.V.	Netherlands
Nipo Software B.V.	Netherlands	WPP Ontario Square BV	Netherlands
Ogilvy Groep (Nederland) B.V.	Netherlands	WPP Rio Square BV	Netherlands
Ogilvy & Mather Africa B.V.	Netherlands	WPP Sheridan Square B.V.	Netherlands
PPGH/JWT Groep VOF	Netherlands	WPP Square 4 B.V.	Netherlands
Process Blue B.V.	Netherlands	WPP Square one B.V.	Netherlands
Promotion Makers BV	Netherlands	WPP Superior Square BV	Netherlands
Promotional Campaigns BV	Netherlands	WPP US Investments BV	Netherlands
Reddion BV	Netherlands	WPP Washington Square B.V.	Netherlands
Research International Nederland BV	Netherlands	Y & R Minority Holdings C.V.	Netherlands
Research Resources Rotterdam BV	Netherlands	Young & Rubicam Amsterdam B.V.	Netherlands
Research SA B.V.	Netherlands	Young & Rubicam Group Netherlands B.V.	Netherlands

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
Young & Rubicam International Group B.V.	Netherlands
Young & Rubicam Netherlands BV	Netherlands
Team Holdings Curacao N.V.	Netherlands Antilles
Endicott Enterprises Limited	New Zealand
Financial & Media Services (NZ) Ltd.	New Zealand
Focus Research Limited	New Zealand
Grey Global Group New Zealand Ltd.	New Zealand
J Walter Thompson International (NZ) Limited	New Zealand
MediaCom (New Zealand) Ltd.	New Zealand
Millward Brown NZ Ltd.	New Zealand
MindShare New Zealand Limited	New Zealand
NeedScope International Limited	New Zealand
NFO Worldgroup N.Z. Holdings Ltd.	New Zealand
P R Dynamics Limited	New Zealand
Professional Public Relations NZ Holdings Limited	New Zealand
Professional Public Relations NZ Limited	New Zealand
Research International N.Z. Limited	New Zealand
TNS New Zealand Ltd.	New Zealand
WPP Holdings (New Zealand) Limited	New Zealand
Y&R Limited	New Zealand
Young & Rubicam Holdings Limited	New Zealand
J Walter Thompson SA	Nicaragua
Aqvilio Norway AS	Norway
Bates United AS	Norway
Bates-Gruppen AS	Norway
Brindfors Enterprise IG AS	Norway
Burson-Marsteller AS	Norway
CIA Norway Holdings AS	Norway
Gambit Hill & Knowlton AS	Norway
GCI Communique AS	Norway
Grey Oslo AS	Norway
GroupM Norway AS	Norway
Maxus Communications AS	Norway
Media.com Interactive AS	Norway
MediaCom AS (Norway)	Norway

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
Mediaedge:CIA Norway AS	Norway
MediaPLUS AS	Norway
Mindshare Norway AS	Norway
Norsk Gallup Institute AS	Norway
Ogilvy & Mather AS	Norway
TNS Gallup AS	Norway
Uncle Grey Oslo AS	Norway
WPP Norway AS	Norway
Wunderman Oman - Diamonds Screen SOC	Oman
GroupM Pakistan (Private) Ltd.	Pakistan
WPP Marketing Communications (Pvt) Ltd.	Pakistan
ASDAA Public Relations Holding Inc.	Panama
G2 International Corp.	Panama
IMT Advertising (Holding) Inc.	Panama
J Walter Thompson S.A.	Panama
TNS Data S.A. (Panama)	Panama
WNDRM Inc.	Panama
JWT SA	Paraguay
Ad-Hoc SA	Peru
Energía Publicitaria S.A.	Peru
GCG Perú S.A.C.	Peru
LatinPanel Perú S.A.	Peru
Millward Brown Perú S.R.L.	Peru
MindShare Perú S.A.C.	Peru
Momentum Ogilvy & Mather SA	Peru
The MediaEdge SA	Peru
Y&R SA	Peru
360 TTL Sp.z.o.o.	Poland
Argonauts sp.z.o.o	Poland
Bates Poland Sp. z.o.o.	Poland
Cohn & Wolfe Sp.z.o.o.	Poland
Grey Worldwide Warszawa Sp. z.o.o	Poland
GroupM Sp.z.o.o.	Poland
Gruppa 66 Ogilvy Sp. z.o.o.	Poland
Hill and Knowlton Sp. z o.o	Poland
J Walter Thompson Warszawa Sp. z.o.o.	Poland
JWT Engage Spz.o.o.	Poland
Kantar Media sp. z o.o	Poland
Mather Communications Sp. z.o.o.	Poland
Maxus Sp.z.o.o.	Poland
Maxus Warszawa Sp z.o.o	Poland
MEC Sp.z.o.o	Poland
Media Plan Sp.z.o.o.	Poland
MediaCom - Warszawa Sp.z.o.o.	Poland

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>	<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
MindShare Polska Sp. z.o.o.	Poland	Ogilvy Public Relations, Unipessoal, Lda	Portugal
Ogilvy Action Sp z.o.o.	Poland	Ogilvy & Mather Design, Unipessoal Lda	Portugal
Ogilvy Brand Consulting Sp. z.o.o.	Poland	Ogilvy & Mather Portugal - Publicidade, Unipessoal, Lda	Portugal
Ogilvy One Sp. z.o.o.	Poland	Ogilvy & Mather Portugal Directo Servicos S.A.	Portugal
Ogilvy PR Sp. z o.o.	Poland	Outrider Search Marketing - Consultoria e Servicos Web Lda	Portugal
Osrodek Badania Opinii Publicznej Sp.z.o.o.	Poland	Publumeios Publicidade e Distribucao de Meios S.A.	Portugal
Pentor Research International Poznan Sp. z.o.o	Poland	Red Partner Unipessoal, Lda	Portugal
Pentor Research International S.A.	Poland	Synergy Connect - Comunicacao De Publicidade Interactiva Unipessoal, Lda	Portugal
Raymond Sp. z.o.o	Poland	WPP (Portugal) Sociedade Gestora de Participacoes Sociais Lda	Portugal
Redworks Sp z.o.o.	Poland	WPP Portugal - Servicos Partihados, Unipessaoal, Lda	Portugal
SMG/KRC Poland Media S.A.	Poland	Wunderman Cato Johnson (Portugal) Lda	Portugal
Soho Square Sp. z.o.o.	Poland	Young & Rubicam (Portugal) - Publicidade, S.A.	Portugal
Taylor Nelson Sofres Poland Sp.z o.o	Poland	Young & Rubicam (Portugal) - Sociedade Gestora de Participacoes Sociais Unipessoal, Lda	Portugal
Testardo Gram Sp. z.o.o.	Poland	Grey Puerto Rico, Inc.	Puerto Rico
The Media Insight Polska Sp. z.o.o.	Poland	GroupM Puerto Rico Inc.	Puerto Rico
Wunderman Polska Sp. z.o.o.	Poland	Hill & Knowlton PR Inc.	Puerto Rico
Young & Rubicam Poland Sp. z.o.o.	Poland	J Walter Thompson Promotions & Direct Inc.	Puerto Rico
APP - Agencia Portuguesa de Producao ACE	Portugal	J. Walter Thompson Puerto Rico, Inc.	Puerto Rico
Bates Red Cell Portugal - Publicidade e Marketing S.A.	Portugal	Young & Rubicam of Puerto Rico Inc.	Puerto Rico
Easy Media Central de Meios de Publicidade S.A.	Portugal	Grey Worldwide Middle East Network Qatar W.L.L.	Qatar
Euroteste-Marketing e Opiniao, SA Futurecom (Portugal) - Marketing, Telemarketing e Sistemas de Informacao Lda	Portugal	Gulf Hill & Knowlton LLC	Qatar
Grey Lisboa- Agencia de Publicidad S.A.	Portugal	Team Y&R WLL (Qatar)	Qatar
GroupM Publicidade Advertising S.A.	Portugal	Grey Worldwide Romania SRL	Romania
Hill & Knowlton Portugal SA	Portugal	Kantar Media Audiences S.R.L.	Romania
J Walter Thompson Publicidade S.A.	Portugal	Kinetic Worldwide Romania SRL	Romania
Maxus Portugal Lda	Portugal	Mather Communications SRL	Romania
Media Insight - Tempo e Meios Publicitarios, Lda	Portugal	MediaCom Romania Srl	Romania
Mediaedge:CIA - Servicos Publicitarios Ltda	Portugal	Mediaedge:cia Romania Srl	Romania
MindShare - Planeamento e Compra de Tempo e Meios Publicitarios ACE	Portugal	MindShare Media Srl	Romania
Mindshare II - Meios Publicitarios Lda	Portugal		
Ogilvy Interactive SA	Portugal		

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>	<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
Ogilvy & Mather Advertising SRL	Romania	Burson-Marsteller (S.E.A.) Pte Ltd.	Singapore
OgilvyAction Romania SRL	Romania	Carl Byoir (SEA) Pte Ltd.	Singapore
OgilvyOne Advertising SRL	Romania	Comwerks Pte Ltd.	Singapore
Portland Romania Advertising SRL	Romania	Cybersoft OgilvyInteractive Pte Ltd.	Singapore
Alite LLC	Russian Federation	Deliriumcybertouch (Asia) Pte Ltd.	Singapore
LLC 'Ogilvy & Mather'	Russian Federation	Demand Pte Ltd.	Singapore
LLC "Mather Communications"	Russian Federation	Dentsu Young & Rubicam Pte Ltd.	Singapore
LLC "Maximise"	Russian Federation	Encompass Private Ltd.	Singapore
LLC "Mindshare Interaction"	Russian Federation	Enfatico Pte Limited	Singapore
LLC "Mindshare"	Russian Federation	Fitch Design Pte Ltd.	Singapore
LLC Young & Rubicam FMS	Russian Federation	Grey Group PTE Ltd.	Singapore
Marketing Information Center	Russian Federation	GroupM Asia Pacific Holdings Pte Ltd.	Singapore
Mediacom LLC	Russian Federation	GroupM ESP Pte Ltd.	Singapore
TNS Gallup Adfact	Russian Federation	GroupM Singapore Pte Ltd.	Singapore
TNS Gallup Media	Russian Federation	Hill & Knowlton (SEA) Pte Ltd.	Singapore
TNS Marketing Information Center		IMRB Millward Brown International Pte Ltd.	Singapore
St. Petersburg	Russian Federation	J Walter Thompson (Singapore) Pte Ltd.	Singapore
TNS Marketing Information Center		Kinetic Worldwide Media Pte Ltd.	Singapore
Tula	Russian Federation	Landor Associates Designers & Consultants Pte Ltd.	Singapore
Wunderman LLC	Russian Federation	MEC Media Singapore Pte. Ltd.	Singapore
Advanced Marketing Results Al		Ogilvy & Mather (Singapore) Private Ltd.	Singapore
Baheth LLC	Saudi Arabia	Redworks (Singapore) Pte Ltd.	Singapore
Arab for Advertising LLC (Grey		Research International Asia Pte Ltd.	Singapore
Saudi Arabia)	Saudi Arabia	Saffron Hill Research Pte Limited	Singapore
Arab for Advertising LLC		Scotts Road Management Services LLP	Singapore
(MediaCom Saudi Arabia)	Saudi Arabia	Sercon Asia Pacific Pte Ltd.	Singapore
International Marketing Company		Siang Design International Pte Ltd.	Singapore
WLL	Saudi Arabia	Soho Square Pte Ltd.	Singapore
RMG Connect (Altawasol		Spafax Airline Network (Singapore) Pte Ltd.	Singapore
International For Advertising)	Saudi Arabia	Taylor Nelson Sofres Singapore Pte Limited	Singapore
Ltd.	Saudi Arabia	The Brand Union Pte Ltd.	Singapore
Team Advertising SP		WPP Holdings (S) Pte. Ltd.	Singapore
Tihama al Mona International		WPP Singapore Pte Ltd.	Singapore
Advertising Ltd.	Saudi Arabia	Wunderman Asia Holdings Pte Ltd.	Singapore
Research & Marketing Services		Wunderman Pte Ltd.	Singapore
International Senegal SA (to be	Senegal	XM Asia Pacific Pte Ltd.	Singapore
renamed TNS RMS Senegal SA)	Serbia, Republic of	Creo/Young & Rubicam s.r.o.	Slovakia
Grey d.o.o. Belgrad	Singapore	Barci & Partner Bratislava s.r.o.	Slovakia
10AM Communications Pte Ltd.	Singapore	Mediaedge:cia Slovak Republic s.r.o	Slovakia
Bates 141 Pte Ltd.	Singapore	Mindshare Slovakia s.r.o.	Slovakia
Bates 141 Singapore Pte Ltd.	Singapore	MediaCom Bratislava s.r.o.	Slovakia
Batey (Pte) Ltd.	Singapore	TNS Slovakia s.r.o	Slovakia
Batey Holdings Pte Ltd.	Singapore		
Blue Interactive Marketing Pte Ltd.	Singapore		

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
TNS Infratest Slovakia s.r.o.	Slovakia
GroupM Slovakia s.r.o.	Slovakia
Redworks Digital Bratislava s.r.o.	Slovakia
Grey Ljubljana Agencija za truze komunikue d.o.o.	Slovenia
Poster Publicity Ltd. Ljubljana	Slovenia
Aqua Online (Proprietary) Limited	South Africa
Base Two Digital (Proprietary) Limited	South Africa
Bates 141 (Proprietary) Limited	South Africa
BLGK Bates (Proprietary) Limited (South Africa)	South Africa
Brand Activation 141 (Proprietary) Limited	South Africa
CiForce (Proprietary) Limited	South Africa
Code Red Communications (Pty) Ltd.	South Africa
Coley Porter Bell South Africa (Proprietary) Ltd.	South Africa
Glendinning Management Consultants South Africa (Proprietary) Limited	South Africa
GrappelGroup 141 (Proprietary) Limited	South Africa
Grey Channel (Proprietary) Limited	South Africa
Grey Financial Services (Proprietary) Limited	South Africa
Grey Group South Africa (Proprietary) Limited	South Africa
Grey Worldwide South Africa (Proprietary) Limited	South Africa
GroupM Media South Africa (Proprietary) Limited	South Africa
Hamilton Russell South Africa (Proprietary) Limited	South Africa
Harrison Human Bates (Proprietary) Limited	South Africa
Interactive Edge (Proprietary) Limited	South Africa
J Walter Thompson Cape Town (Proprietary) Limited	South Africa
J Walter Thompson Company (CT) (Proprietary) Limited	South Africa
J Walter Thompson Company (JHB) (Proprietary) Limited	South Africa
J Walter Thompson Company South Africa (Proprietary) Limited	South Africa
J Walter Thompson South Africa Holdings (Proprietary) Limited	South Africa

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
Kantar South Africa (Pty) Limited	South Africa
KSDP BrandAfrica (Proprietary) Limited	South Africa
KSDP Group (Proprietary) Limited	South Africa
KSDP Johannesburg (Proprietary) Limited	South Africa
KSDP Pentagraph (Proprietary) Limited	South Africa
Mediacompete (Proprietary) Limited	South Africa
Mediaedge:cia (Proprietary) Limited	South Africa
Millward Brown South Africa (Pty) Ltd.	South Africa
Mindshare South Africa (Cape) (Proprietary) Limited	South Africa
Mindshare South Africa (Gauteng) (Proprietary) Limited	South Africa
MindShare South Africa (Proprietary) Limited	South Africa
Mother Russia Communications (Pty) Ltd.	South Africa
Nota Bene Media Planning Agency (Proprietary) Limited	South Africa
Ogilvy Action (Pty) Ltd.	South Africa
Ogilvy Cape Town (Proprietary) Limited	South Africa
Ogilvy Healthworld South Africa (Proprietary) Limited	South Africa
Ogilvy Interactive Worldwide (Proprietary) Limited	South Africa
Ogilvy Johannesburg (Proprietary) Limited	South Africa
Ogilvy Neo South Africa (Pty) Ltd.	South Africa
Ogilvy Public Relations Worldwide (Proprietary) Limited	South Africa
Ogilvy South Africa (Proprietary) Limited	South Africa
OgilvyOne Worldwide Cape Town (Proprietary) Limited	South Africa
OgilvyOne Worldwide Johannesburg (Proprietary) Limited	South Africa
Orange Juice Design (Cape Town) (Proprietary) Limited	South Africa
Redworks Communications (Pty) Ltd.	South Africa
Redworks Communications Johannesburg (Pty) Ltd.	South Africa

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
Research International (South Africa) (Proprietary) Ltd.	South Africa
The Added Value Group (Proprietary) Limited	South Africa
The Brand Union (Proprietary) Limited	South Africa
The Customer Equity Company (SA) (PTY) Limited	South Africa
Thompson Connect (Proprietary) Limited	South Africa
TNS Research Surveys (Pty) Limited	South Africa
WPP Memeza Holding (Proprietary) Limited	South Africa
Young & Rubicam Hedley Byrne (Proprietary) Limited	South Africa
Young & Rubicam South Africa (Proprietary) Limited	South Africa
Zing Communications (Proprietary) Limited	South Africa
Zoom Advertising South Africa (Proprietary) Limited	South Africa
Added Value Planners SL	Spain
Adhoc Share Holdings SL	Spain
Ad-Hoc Young & Rubicam SL	Spain
Agora GCI Barcelona SL	Spain
Atletico International Advertising SL	Spain
Axicom Spain SL	Spain
Bassat Ogilvy Comunicación SL	Spain
Bassat, Ogilvy & Mather Barcelona SA	Spain
Bassat, Ogilvy & Mather Madrid SA	Spain
Beaumont Bennett Madrid SLU	Spain
Boole Relaciones Inteligentes con Clientes SL	Spain
BSB Publicidad Asturias SL	Spain
BSB Publicidad SA	Spain
BSB Publicidad Tenerife SL	Spain
Burson-Marsteller SL	Spain
CB'a Graell Design, SL	Spain
Centro de investigacion y Compra de Medios SL	Spain
Comercial de Productos y Alquileres, S.A.	Spain
Comunicacion y Servicio Consultores de Marketing y Publicidad SL	Spain

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
Cordiant Advertising Holding SA	Spain
Delvico 2IN SL	Spain
Delvico Comunicacion SLU	Spain
Estudio Graphic Line SLU	Spain
Expansion de Ventas SL	Spain
Focus Media SL	Spain
Full Contact la Agencia de Comunicacion Integrada SLU	Spain
G2 Intelligence SL	Spain
G2 Worldwide Spain S.L.U	Spain
GMBG Holdings Spain SL	Spain
Grey Espana SLU	Spain
Grey Healthcare Spain SL	Spain
Grey Iberia SL	Spain
GroupM Publicidad Worldwide SAU	Spain
Healthworld España SL	Spain
Hill & Knowlton Espana SA	Spain
Indecsa Research International SA	Spain
JWT Delvico SLU	Spain
Kantar Media S.A.	Spain
Kantya Estrategias de Marca SL	Spain
Kinetic Worldwide SA	Spain
Madrid Redes de Campo SA	Spain
Mass Media Station SA	Spain
MEC Interaction Worldwide SL	Spain
MEC Sponsorship Worldwide SL	Spain
Mediacom Iberia SA	Spain
Mediaedge:cia Mediterranea SA	Spain
Mediaedge:CIA, SL	Spain
Mediasur Agencia De Medios SA	Spain
Millward Brown Spain SAU	Spain
Mindshare Spain SA	Spain
Mr John Sample S.L.	Spain
Neo Ogilvy SA	Spain
NFO Infratest SL	Spain
Ogilvy Action BCN SA	Spain
Ogilvy Action SA	Spain
Ogilvy Healthworld Barcelona SA	Spain
Ogilvy Healthworld Madrid S.L.U.	Spain
Ogilvy Interactive SA	Spain
OgilvyOne Worldwide SA	Spain
Outrider SL Unipersona	Spain
Power Station Factory SL	Spain
Real Media SA	Spain
Red de Medios SA	Spain
Red Shots SL	Spain
RMG Connect SL	Spain

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
Segarra Cuesta Puig Fernandez De Castro SL (SCPF)	Spain
Sociograma SL	Spain
Sra Rushmore SA	Spain
Tapsa Agencia de Publicidad SL	Spain
Tapsa Barcelona Agencia de Publicidad SL	Spain
Taylor Nelson Sofres Group Spain SL	Spain
Taylor Nelson Sofres Healthcare SA	Spain
Taylor Nelson Sofres S.A. (in Spain)	Spain
Technical Full Marketing SL	Spain
Tempus Media Holding SL	Spain
The Brand Union Iberia SL	Spain
The Reality Shop S.L.	Spain
TNS Area Investigacion SA	Spain
TNS Area Operaciones S.L.	Spain
TNS Investigacion de Mercados Y Opinion SRL	Spain
Tramontana Dream Holdings SL	Spain
Ulmara SLU	Spain
Unimedia Central de Medios SL	Spain
Valverde de Miquel & Dorland SL	Spain
Vinizius Young & Rubicam SL	Spain
WPP Holdings Spain SA	Spain
Wunderman SL	Spain
Young & Rubicam S.L.	Spain
Batey Public Relations Marketing Pvt Ltd.	Sri Lanka
Grey First Serve Advertising Pvt Ltd.	Sri Lanka
J Walter Thompson Private Ltd.	Sri Lanka
Ogilvy Action (Pvt) Ltd.	Sri Lanka
Phoenix O&M (Private) Ltd.	Sri Lanka
TNS Lanka Private Limited	Sri Lanka
AB Frigga	Sweden
Adaptus International Stockholm AB	Sweden
Adrians Perch AB	Sweden
Aqvilu Sweden AB	Sweden
Axicom AB	Sweden
Bates Red Cell Sweden AB	Sweden
Becker Spielvogel Bates Goteborg AB	Sweden
BG Intressenter 1997 AB	Sweden
Brando Design AB	Sweden
Burson-Marsteller AB	Sweden
Cohn & Wolfe Goteberg AB	Sweden

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
Cohn & Wolfe Gruppen AB	Sweden
Cohn & Wolfe Stockholm AB	Sweden
Cronert & Co. AB	Sweden
Everystone Nordic AB	Sweden
G2 Stockholm AB	Sweden
GCI Mannov Malmo AB	Sweden
Grey Direkt AB	Sweden
Grey Global Group Sweden AB	Sweden
Grey Holdings AB	Sweden
Grey Reklamebyrå i Malmo AB	Sweden
Grey Worldwide Stockholm AB	Sweden
GroupM Holding AB	Sweden
GroupM Sweden AB	Sweden
Hall & Cederqvist/Young & Rubicam AB	Sweden
Halson Partners AB	Sweden
Hill & Knowlton Sweden AB	Sweden
Impiric AB	Sweden
Infratest Burke International AB	Sweden
J Walter Thompson Oresund AB	Sweden
KGM Datadistribution AB	Sweden
Kinetic Sweden AB	Sweden
Maxus Communications AB	Sweden
Media Insikt AB	Sweden
Media Support Scandanavian AB	Sweden
Mediacommunications Göteborg AB	Sweden
MediaCommunications Services Sverige AB	Sweden
Mediacommunications Sverige I Stockholm AB	Sweden
MediaCompany Sweden AB	Sweden
Mediaedge:cia Content AB	Sweden
Mediaedge:cia Nordic AB	Sweden
Mediaedge:cia Sweden AB	Sweden
Mindshare BroadMind Sweden AB	Sweden
Mindshare Sweden AB	Sweden
Moller Mortensen Annonsbyra AB	Sweden
Navigare Medical Marketing Research AB	Sweden
Nomina Prospecting AB	Sweden
O&A Purchaser AB	Sweden
Observera Grey Annonsbyrå AB	Sweden
Ogilvy Activation AB	Sweden
Ogilvy Advertising AB	Sweden
Ogilvy Nordic AB	Sweden
Ogilvy Sweden AB	Sweden
OgilvyOne Worldwide AB	Sweden
Ogily Group AB	Sweden

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
Ogily PR AB	Sweden
Old Bates AB	Sweden
Outrider Sweden AB	Sweden
Promedia Sverige AB	Sweden
PS International AB	Sweden
Real Media Scandinavia AB	Sweden
Research International Sweden AB	Sweden
SCP AB	Sweden
Sifo International AB	Sweden
Sifo Management Group AB	Sweden
Sifo Sweden AB	Sweden
Spielvogel Bates Helsingborg AB	Sweden
Strenstrom Red Cell AB	Sweden
Svenska Gallup AB	Sweden
Taylor Nelson Sofres Sverige AB	Sweden
The Brand Union AB	Sweden
Tidningsstatistik AB	Sweden
TNS Automotive AB	Sweden
TNS Gallup AB	Sweden
TNS Prospera AB	Sweden
WPP Sweden AB	Sweden
Wunderman Sweden AB	Sweden
Young & Rubicam Sweden AB	Sweden
24/7 Real Media Europe Holding SA	Switzerland
24/7 Real Media Technology SA	Switzerland
Advico Young & Rubicam AG	Switzerland
All Access AG	Switzerland
Burson-Marsteller AG	Switzerland
Dr Schlegel Pharmamarketing AG	Switzerland
FutureCom Interactive AG	Switzerland
Grey Worldwide AG	Switzerland
GroupM Switzerland AG	Switzerland
Guye Benker Werbeagentur AG	Switzerland
J Walter Thompson AG	Switzerland
Kinetic Worldwide Switzerland AG	Switzerland
Landor Associates Branding Consultants and Designers Worldwide (Switzerland) Sarl	Switzerland
MC Media Company AG	Switzerland
Mediaedge:CIA Switzerland AG	Switzerland
MindShare AG	Switzerland
Ogilvy PR AG	Switzerland
Ogilvy & Mather AG	Switzerland
OgilvyOne AG	Switzerland
Red Cell AG	Switzerland
TNS International SARL	Switzerland
Wunderman AG	Switzerland

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
Young & Rubicam Business Communications SA	Switzerland
Young & Rubicam Holding AG	Switzerland
Agenda Taiwan Ltd.	Taiwan
Bates Taiwan Co. Ltd.	Taiwan
David Advertising (Taiwan) Co. Ltd.	Taiwan
Dentsu Young & Rubicam Co. Ltd.	Taiwan
G2 Taiwan Co. Ltd.	Taiwan
Mediaedge:cia Taiwan Ltd.	Taiwan
Millward Brown Ltd., Taiwan Branch	Taiwan
Ogilvy Identity Enterprise IG (Taiwan) Co. Ltd.	Taiwan
Ogilvy Public Relations Worldwide Co. Ltd.	Taiwan
Ogilvy & Mather (Taiwan) Co. Ltd.	Taiwan
Ogilvy & Mather Direct (Taiwan) Co. Ltd.	Taiwan
Ogilvy & Mather Identity Management Ltd.	Taiwan
Taylor Nelson Sofres Taiwan Ltd.	Taiwan
Team-Mate Marketing Consultants Co. Ltd.	Taiwan
Team-Mate Marketing Development & Services Ltd.	Taiwan
141 (Thailand) Co. Ltd.	Thailand
141 Worldwide Ltd.	Thailand
Bates (Thailand) Co. Ltd.	Thailand
Conquest Communicatons Co. Ltd.	Thailand
Contract Advertising (Thailand) Co. Ltd.	Thailand
Dentsu Young & Rubicam Ltd.	Thailand
Enterprise IG Limited	Thailand
Grey (Thailand) Co. Ltd.	Thailand
Grey Direct Interactive Co. Ltd.	Thailand
Grey Siam Co. Ltd.	Thailand
Kinetic Worldwide (Thailand) Co. Ltd.	Thailand
MDK Consultants (Thailand) Ltd.	Thailand
MediaCom Co. Ltd.	Thailand
Millward Brown Firefly Ltd.	Thailand
Minteraction Company Ltd.	Thailand
Monday People Co., Ltd.	Thailand
Ogilvy Brands by Design Ltd.	Thailand
Ogilvy Public Relations Worldwide Limited	Thailand
OgilvyAction Ltd.	Thailand

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
OgilvyOne Worldwide Limited	Thailand
Power Response Advertising Limited	Thailand
Research International Asia (Thailand) Ltd.	Thailand
Taylor Nelson Sofres (Thailand) Limited	Thailand
WhizzbangArt Ltd.	Thailand
WPP (Thailand) Ltd.	Thailand
WPP Marketing Communications (Thailand) Ltd.	Thailand
J Walter Thompson (Tunisia) Limited	Tunisia
Capitol Halkla İlişkiler ve İletişim Hizmetleri A.S.	Turkey
Gram Reklamcılık Ltd. Sti	Turkey
Grey Worldwide İstanbul Reklamcılık Ltd. Sti	Turkey
GroupM Medya Hizmetleri Ltd. Sti	Turkey
Kinetic Reklam Hizmetleri Limited	Turkey
Maxus Medya Hizmetleri Ticaret A.S.	Turkey
MEC Yönetim Planlama Hizmetleri Limited Şirketi	Turkey
MediaCom İstanbul Medya Hizmetleri A.S.	Turkey
Millward Brown Pazar Araştırmaları Ticaret Limited Şti	Turkey
Mindshare Medya Hizmetleri A.S.	Turkey
Ogilvy and Mather Reklamcılık A.S.	Turkey
Ogilvy Healthworld Reklamcılık Hizmetleri A.S.	Turkey
Ogilvy One Doğrudan Pazarlama A.S.	Turkey
Soho Square Reklamcılık Limited Şirketi	Turkey
Stüdyo Reklamcılık Sanayi LTD. Şti	Turkey
Team Red Reklamcılık ve Yayınçılık Limited Şirketi	Turkey
TNS Piyasa Araştırma Danışmanlık ve Ticaret Anonim Şirketi	Turkey
Young & Rubicam Reklamcılık Reklamcılık LTD. Şti	Turkey
Enterprise Grey LLC	Ukraine
Mather Communications LLC	Ukraine
Mediacom LLC	Ukraine
Mediaedge:cia LLC	Ukraine
Mindshare LLC	Ukraine

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
Ogilvy Group Ltd.	Ukraine
Taylor Nelson Sofres Ukraine Limited	Ukraine
Young & Rubicam LLC	Ukraine
ADVERTISING & MARKETING RESULTES - AL BAHETH (A.M.R.B) L.L.C.	United Arab Emirates
Asdaa Advertising FZ LLC	United Arab Emirates
Asdaa Advertsing LLC	United Arab Emirates
Classic Partnership Advertising FZ LLC	United Arab Emirates
Grey Worldwide Co. LLC	United Arab Emirates
gsFITCH FZ-LLC	United Arab Emirates
Intermarkets Advertising FZ-LLC	United Arab Emirates
Intermarkets Advertising LLC	United Arab Emirates
J Walter Thompson LLC	United Arab Emirates
MEC (Mediaedge CIA) FZ LLC	United Arab Emirates
RMG Connect Consultancy FZE	United Arab Emirates
Tattoo FZ LLC	United Arab Emirates
Team Gulf Advertising LLC	United Arab Emirates
Team Y&R Advertising LLC (Abu Dhabi)	United Arab Emirates
Wunderman WCJ FZ LLC	United Arab Emirates
Wunderman WCJ FZ LLC	United Arab Emirates
141 Blue Skies Limited	United Kingdom
24/7 Real Media UK Ltd.	United Kingdom
Added Value Group Holdings Limited	United Kingdom
Added Value Limited	United Kingdom
Addison Corporate Marketing Limited	United Kingdom
Addison Investments Limited	United Kingdom
Airport Media International Ltd.	United Kingdom
All Global Limited	United Kingdom
Allan Burrows Limited	United Kingdom
Alton Wire Products Ltd.	United Kingdom
Ambassador Square	United Kingdom
Applied Research & Communications Limited	United Kingdom
Art Company (Creative Services) Limited (The)	United Kingdom

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>	<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
Artwork Direct Ltd.	United Kingdom	Brilliant Books Ltd.	United Kingdom
Asset Marketing Limited	United Kingdom	British Market Research Bureau Ltd.	United Kingdom
Atlas Advertising Limited	United Kingdom	Buchanan Communications Ltd.	United Kingdom
Automotive Marketing Ltd.	United Kingdom	Bulletin International Limited	United Kingdom
Aviator Media Limited	United Kingdom	Bulletin International UK Limited	United Kingdom
Axicom Group Limited	United Kingdom	Burson-Marsteller (UK) Limited	United Kingdom
Axicom Limited	United Kingdom	Burson-Marsteller Ltd.	United Kingdom
B1 Media Limited	United Kingdom	Business Design Group McColl Ltd.	United Kingdom
B1.com Limited	United Kingdom	Business Planning and Research Limited	United Kingdom
Bamber Forsyth Limited	United Kingdom	Campaign Planning Ltd.	United Kingdom
Banner Corporation PLC	United Kingdom	Carl Byoir (UK) Ltd.	United Kingdom
Banner Public Relations Limited	United Kingdom	CCG.XM (UK) Limited	United Kingdom
Bates Communications Limited	United Kingdom	CCG.XM Holdings Limited	United Kingdom
Bates Europe Limited	United Kingdom	Cheetham Bell JWT Ltd.	United Kingdom
Bates Healthcom Limited	United Kingdom	Chelsea Market Research Limited	United Kingdom
Bates Integrated Communications Limited	United Kingdom	CIA Medianetwork Ireland Holdings Limited	United Kingdom
Bates Overseas Holdings Limited	United Kingdom	CIA Nominees Limited	United Kingdom
BDG Facilities Ltd.	United Kingdom	City Research Associates Limited	United Kingdom
BDG MCCOLL LIMITED	United Kingdom	City Research Group Limited	United Kingdom
BDGWORKFUTURES LIMITED	United Kingdom	City & Corporate Counsel Ltd.	United Kingdom
Beaumont Square	United Kingdom	Clarion Communications (P.R.) Limited	United Kingdom
Beaumont-Bennett Limited	United Kingdom	CLEVER MEDIA PRODUCTIONS LTD.	United Kingdom
Belgrave Square	United Kingdom	CME Scholar Limited	United Kingdom
Beyond Interactive Limited	United Kingdom	Cockpit Holdings Limited	United Kingdom
Bisqit Design Limited	United Kingdom	Cockpit Two Limited	United Kingdom
BJK & E Holdings Ltd.	United Kingdom	Cohn & Wolfe Ltd.	United Kingdom
BJM Research and Consultancy Limited	United Kingdom	Coley Porter Bell Ltd.	United Kingdom
Black Cat Direct Ltd.	United Kingdom	Colwood Healthworld Limited	United Kingdom
Black Cat RMG Connect Ltd.	United Kingdom	Common Technology Centre EEIG	United Kingdom
Blanc And Otus (UK) Limited	United Kingdom	Communique Public Relations Ltd.	United Kingdom
Blue Skies Agency Limited (The)	United Kingdom	Connect Five Limited	United Kingdom
Blue State Digital UK Limited	United Kingdom	Connect One Limited	United Kingdom
BMRB Customer Satisfaction Ltd.	United Kingdom	Connect Six Limited	United Kingdom
BMRB Customer Satisfaction Measurements Ltd.	United Kingdom	Conquest Creative Services Ltd.	United Kingdom
BMRB UK Ltd.	United Kingdom	Conquest Europe (UK) Limited	United Kingdom
Bone Studio Limited	United Kingdom	Conquest Media Ltd.	United Kingdom
Brand Futures Consultancy Limited (The)	United Kingdom	Cordiant (US) Holdings Limited	United Kingdom
Brand Union Holdings Ltd. (The)	United Kingdom	Cordiant Communications Group Limited	United Kingdom
Brand Union Limited (The)	United Kingdom	Cordiant Communications Group Trustees Limited	United Kingdom
Brand Union Worldwide Ltd. (The)	United Kingdom		
Brandamp Ltd.	United Kingdom		
Brandmade Media Group Limited (The)	United Kingdom		

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>	<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
Cordiant Group Limited	United Kingdom	Fipra UK Ltd.	United Kingdom
Cordiant Overseas Holdings Limited	United Kingdom	First Music Ltd.	United Kingdom
Cordiant Pension Trustee Company Limited	United Kingdom	Fitch Design Consultants Limited	United Kingdom
Cordiant Property Holdings Limited	United Kingdom	Fitch International Limited	United Kingdom
Corporate Vision Ltd.	United Kingdom	Fitch Limited	United Kingdom
Creative Services Unit Ltd.	United Kingdom	Fitch Live Ltd.	United Kingdom
Creative Strategy Limited	United Kingdom	Fitch Worldwide Limited	United Kingdom
Credit Call Research	United Kingdom	Fitch: Qatar Limited	United Kingdom
Darwin - Grey Limited	United Kingdom	Flamingo Perspectives Limited	United Kingdom
Decision Shop Limited (The)	United Kingdom	Flexible Organisation	United Kingdom
Deckchair Studio Limited	United Kingdom	Forward Data Management Limited	United Kingdom
Dialogue Marketing Partnership Ltd.	United Kingdom	Forward Limited	United Kingdom
Digital Artwork & Reprographic Technology Limited	United Kingdom	Forward Publishing Agency Ltd.	United Kingdom
Digitlondon Limited	United Kingdom	Forward Publishing Ltd.	United Kingdom
Direct MediaCom Limited	United Kingdom	Foster Turner & Benson Ltd.	United Kingdom
DirectCom Limited	United Kingdom	G2 Agency Limited	United Kingdom
Dovetail Contract Furniture Limited	United Kingdom	G2 Branding and Design Limited	United Kingdom
Dr. Puttner And Bates Limited	United Kingdom	G2 Data Dynamics Limited	United Kingdom
Dynamiclogic (Europe) Limited	United Kingdom	G2 Interactive Limited	United Kingdom
Eaton Square Limited	United Kingdom	G2 London Limited	United Kingdom
Ecumedia Limited	United Kingdom	Garrott Dorland Crawford Holdings Limited	United Kingdom
Effective Sales Personnel Limited	United Kingdom	GCI Financial (Holdings) Limited	United Kingdom
Enduring Organisation	United Kingdom	GCI Financial Group Limited	United Kingdom
Enduring Organisation Three	United Kingdom	GCI Group Limited	United Kingdom
Enduring Organisation Two	United Kingdom	GCI Healthcare Limited	United Kingdom
Enfatico Ltd.	United Kingdom	GCI Jane Howard Limited	United Kingdom
Enterprise IG UK Limited	United Kingdom	GCI London Limited	United Kingdom
Euroclearing Limited	United Kingdom	GCI UK Limited	United Kingdom
Eurocrew Limited	United Kingdom	Genesis Studios Ltd.	United Kingdom
European Market Research Bureau Limited	United Kingdom	GfK Taylor Nelson Sofres Limited	United Kingdom
Everystone Limited	United Kingdom	GfK-TNS Limited	United Kingdom
EWA Ltd.	United Kingdom	GHG Access Limited	United Kingdom
Farm Post Production Limited (The)	United Kingdom	GI Consulting Limited	United Kingdom
FAST4WD OGILVY LIMITED	United Kingdom	Global Sportnet UK Limited	United Kingdom
Fieldcontrol Limited	United Kingdom	Goldfarb Consultants UK Ltd.	United Kingdom
Finchdean Limited	United Kingdom	Goldfarb Focus Ltd.	United Kingdom
Finsbury Limited	United Kingdom	Grey Advertising Limited	United Kingdom
Finsbury.com Ltd.	United Kingdom	Grey Communications Group Limited	United Kingdom
FIPRA EU Limited	United Kingdom	Grey Direct Limited	United Kingdom
		Grey Entertainment and Media Limited	United Kingdom

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>	<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
Grey Europe Limited	United Kingdom	Infratest Burke Ltd.	United Kingdom
Grey GB Limited	United Kingdom	Intact Limited	United Kingdom
Grey Global Group (UK) Limited	United Kingdom	Intelliquest, Ltd.	United Kingdom
Grey Group Services Limited	United Kingdom	International Market Research Bureau Limited	United Kingdom
Grey Healthcare London Limited	United Kingdom	International Presentations Ltd.	United Kingdom
Grey Interactive Europe Limited	United Kingdom	Interstar Holdings Limited	United Kingdom
Grey Limited	United Kingdom	i-syt Limited	United Kingdom
Grey London Limited	United Kingdom	J Walter Thompson Company (Manchester) Ltd.	United Kingdom
Grey Midlands Limited	United Kingdom	J. Walter Thompson Company Ltd.	United Kingdom
Grey Network Limited	United Kingdom	J. Walter Thompson Group Limited	United Kingdom
Grey North Limited	United Kingdom	J. Walter Thompson U.K. Holdings Limited	United Kingdom
Grey NT Limited	United Kingdom	Jack Morton Company Limited (The)	United Kingdom
Grey PTK Advertising Limited	United Kingdom	Jermyn Street Communications Centre Limited	United Kingdom
Grey Technology Services Limited	United Kingdom	JWT Specialized Communications Limited	United Kingdom
Grey Worldwide Limited	United Kingdom	Kantar Group Limited (The)	United Kingdom
Greycom Limited	United Kingdom	Kantar Media Intelligence Ltd.	United Kingdom
Group Activation Ltd.	United Kingdom	Kantar Media Research Group Limited	United Kingdom
GroupM Entertainment Ltd.	United Kingdom	Kantar Media UK Ltd.	United Kingdom
GROUPM UK Ltd.	United Kingdom	Kantar Retail UK Limited	United Kingdom
Hamsard 2750 Limited	United Kingdom	Key Lead Limited	United Kingdom
Harrison Patten Troughton Limited	United Kingdom	Kinetic Worldwide Group Limited	United Kingdom
Headcount Worldwide Field Marketing Limited	United Kingdom	Kinetic Worldwide Limited	United Kingdom
Headlight Vision Ltd.	United Kingdom	Kingsway Media Services Ltd.	United Kingdom
Healthworld Holdings Limited	United Kingdom	Lambie-Nairn & Company Ltd.	United Kingdom
Heath Wallace Limited	United Kingdom	Landor Associates Europe Ltd.	United Kingdom
Henley Centre Headlight Vision Ltd.	United Kingdom	Lighthouse Holdings (UK) Limited	United Kingdom
Hereford Telecommunications	United Kingdom	Lightspeed Research Ltd.	United Kingdom
Hi Resolution (Production) Limited	United Kingdom	Line Exchange Limited	United Kingdom
Hill & Knowlton CIS Ltd.	United Kingdom	M 101 Limited	United Kingdom
Hill & Knowlton Limited	United Kingdom	Management Ventures Europe Limited	United Kingdom
Hilton Advertising Limited	United Kingdom	Mando Corporation Limited	United Kingdom
Hive Management Services Limited	United Kingdom	Mando Services Ltd.	United Kingdom
Horizon Video Ltd.	United Kingdom	Market Behaviour Limited	United Kingdom
HP:ICM Limited	United Kingdom	Market Research Bureau Group Limited	United Kingdom
Icomms Media Group Ltd.	United Kingdom	Market Research Bureau Limited	United Kingdom
Icon Holdings (UK) Ltd.	United Kingdom	Marketing Blueprint Limited	United Kingdom
Ignite JV Limited	United Kingdom	Marketing Consultancy Ltd. (The)	United Kingdom
Infratest Burke Asia Pacific Limited	United Kingdom		
Infratest Burke Core Company Limited	United Kingdom		
Infratest Burke Group Limited	United Kingdom		
Infratest Burke International Services Limited	United Kingdom		

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>	<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
Marplan Limited	United Kingdom	Mone Limited	United Kingdom
Marsteller Advertising Ltd.	United Kingdom	Moonraid Limited	United Kingdom
Mass-Observation (UK) Ltd.	United Kingdom	Mortimer Square Limited	United Kingdom
Mass-Observation Ltd.	United Kingdom	MRB Group Limited	United Kingdom
Mather Communications Limited	United Kingdom	MRB International Limited	United Kingdom
Matthew Poppy Advertising Ltd.	United Kingdom	MRB Research Group Ltd.	United Kingdom
Maxus Communications (UK) Limited	United Kingdom	MRB Research Ltd.	United Kingdom
Maxus Communications Limited	United Kingdom	Netcoms Europe Limited	United Kingdom
Media Business Limited (The)	United Kingdom	Network (The Ogilvy Media Company) Limited (The)	United Kingdom
Media Insight Outdoor Limited	United Kingdom	Newcrosse Limited	United Kingdom
Media Research Consultancy Ltd. (The)	United Kingdom	NFO European Access Panels Limited	United Kingdom
MediaCom Group Limited	United Kingdom	NFO Worldwide Limited	United Kingdom
MediaCom Holdings Limited	United Kingdom	North Kent Plastic Cages Ltd.	United Kingdom
Mediacom North Ltd.	United Kingdom	Nylon Marketing Communications Ltd.	United Kingdom
MediaCom Scotland Limited	United Kingdom	O&M Consulting Ltd.	United Kingdom
MediaCom UK Limited	United Kingdom	O&M Europe Limited	United Kingdom
Mediaedge:CIA (UK) Holdings Ltd.	United Kingdom	Oakley, Young Associates Ltd.	United Kingdom
Mediaedge:cia International Investments Limited	United Kingdom	Ogilvy 4D Limited	United Kingdom
Mediaedge:cia International Limited	United Kingdom	Ogilvy Adams & Rinehart Ltd.	United Kingdom
Mediaedge:cia UK Investments Limited	United Kingdom	Ogilvy Advertising Ltd.	United Kingdom
Mediaedge:CIA UK Ltd.	United Kingdom	Ogilvy And Mather Advertising Limited	United Kingdom
Mediaedge:CIA Worldwide Limited	United Kingdom	Ogilvy Health PR Ltd.	United Kingdom
Mediahead Communications Ltd.	United Kingdom	Ogilvy Healthworld Advertising Ltd.	United Kingdom
Mellors Reay & Partners Limited	United Kingdom	Ogilvy Healthworld Europe Ltd.	United Kingdom
Metro Broadcast Limited	United Kingdom	Ogilvy Healthworld UK Ltd.	United Kingdom
Metro Ecosse Ltd.	United Kingdom	Ogilvy Primary Contact Ltd.	United Kingdom
Milburn Finance Limited	United Kingdom	Ogilvy Public Relations Worldwide Ltd.	United Kingdom
Millward Brown Market Research Ltd.	United Kingdom	Ogilvy & Mather Dataconsult Ltd.	United Kingdom
Millward Brown Precis Ltd.	United Kingdom	Ogilvy & Mather Direct Ltd.	United Kingdom
Millward Brown UK Ltd.	United Kingdom	Ogilvy & Mather Europe Ltd.	United Kingdom
Milward Brown Ulster Limited	United Kingdom	Ogilvy & Mather Group (Holdings) Limited	United Kingdom
Milton Marketing Group Limited	United Kingdom	Ogilvy & Mather International Media Limited	United Kingdom
Milton Marketing Ltd.	United Kingdom	Ogilvy & Mather Management Services	United Kingdom
Milton Public Relations Limited	United Kingdom	Ogilvy & Mather Partners Limited	United Kingdom
Mind Over Media Limited	United Kingdom	Ogilvy & Mather Public Relations Ltd.	United Kingdom
Mindshare Media UK Limited	United Kingdom	Ogilvy & Mather Teleservices Ltd.	United Kingdom
Mindshare Media Worldwide Limited	United Kingdom		
MJM Creative Services UK Ltd.	United Kingdom		
Module Communications Group Limited	United Kingdom		

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>	<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
Ogilvyinteractive Limited	United Kingdom	Premiere Recruitment Ltd.	United Kingdom
OgilvyOne Connections Group Ltd. (The)	United Kingdom	Premiere Sponsorship Marketing Limited	United Kingdom
OgilvyOne Dataservices Ltd.	United Kingdom	Premiere Television Limited	United Kingdom
OgilvyOne Ltd.	United Kingdom	Presswatch Media Limited	United Kingdom
Ogilvyone Management Services	United Kingdom	Primeads International Ltd.	United Kingdom
OgilvyOne Teleservices Ltd.	United Kingdom	Prognostics Limited	United Kingdom
OGILVYONE WORLDWIDE LTD.	United Kingdom	Promotional Campaigns Limited	United Kingdom
Ohal Limited	United Kingdom	Promotional Studios Limited	United Kingdom
Onezeroone Media Limited	United Kingdom	Prophaven Limited	United Kingdom
Opinion Research Limited	United Kingdom	Propose Two Limited	United Kingdom
Optitech Ltd.	United Kingdom	Public Attitude Surveys Holdings Limited	United Kingdom
Outdoor Connection Ltd.	United Kingdom	Public Attitude Surveys Limited	United Kingdom
Outdoor Focus Ltd.	United Kingdom	Public Relations and International Sports Marketing Limited	United Kingdom
Outdoor MediaCom Limited	United Kingdom	Public Strategies Global Limited - strike off requested	United Kingdom
Outrider Ltd.	United Kingdom	QCI Assessment Ltd.	United Kingdom
Outside The Box Communications Limited	United Kingdom	Qualitative Workshop Ltd. (The)	United Kingdom
Oxford Academy for Professional Health Education Ltd. (The)	United Kingdom	Quisma Limited	United Kingdom
P S D Associates Limited	United Kingdom	R.I. Specialist Units Limited	United Kingdom
P.O.A. Holdings Limited	United Kingdom	Rainey Kelly Campbell Roalfe Limited	United Kingdom
Parker Bishop Limited	United Kingdom	Rainey Kelly Campbell Roalfe/Young & Rubicam Limited	United Kingdom
Partners (Design Consultants) Limited (The)	United Kingdom	ReadySquare Limited	United Kingdom
PCI:Live Ltd.	United Kingdom	Readysquare Two Limited	United Kingdom
PDM Communications Limited	United Kingdom	RealSubstance Ltd.	United Kingdom
Peacock Services Ltd.	United Kingdom	Red Cell Scotland Ltd.	United Kingdom
Permanent Organisation	United Kingdom	Red Dot Square Holdings Ltd.	United Kingdom
Permanent Organisation Two	United Kingdom	Red Dot Square Solutions Limited	United Kingdom
Piler Ltd.	United Kingdom	Relish Marketing Ltd.	United Kingdom
Piranhakid Communications Limited	United Kingdom	Research Bureau Ltd.	United Kingdom
Portland Outdoor Advertising Limited	United Kingdom	Research International Group Limited	United Kingdom
Possible Worldwide Limited	United Kingdom	Research International Ltd.	United Kingdom
Poster Business Ltd. (The)	United Kingdom	Research Resources Ltd.	United Kingdom
Poster Publicity Group Ltd.	United Kingdom	RMG:Black Cat Ltd.	United Kingdom
Poster Publicity Holdings Ltd.	United Kingdom	RMG:Connect Ltd.	United Kingdom
Poster Publicity Ltd.	United Kingdom	RMS Instore Limited	United Kingdom
Poster Sites Management Limited	United Kingdom	ROCQM Ltd.	United Kingdom
Precis (567) Limited	United Kingdom	Rodney Fitch International Design Consultants Limited	United Kingdom
Precis Limited	United Kingdom	Rono Online Limited	United Kingdom
Premiere Consultants Ltd.	United Kingdom	RWG Limited	United Kingdom
Premiere Elite Limited	United Kingdom	S.H. Benson (India) Limited	United Kingdom
Premiere Group Holdings Limited	United Kingdom	S.H. Benson International Limited	United Kingdom
Premiere Licensing Ltd.	United Kingdom		
Premiere Management Ltd.	United Kingdom		

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>	<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
Sadek Wynberg Millward Brown Ltd.	United Kingdom	Tempus Media Technologies Holdings Limited	United Kingdom
Sampson Tyrrell Corporate Marketing Ltd.	United Kingdom	Tempus Partners Limited	United Kingdom
Schemetype Limited	United Kingdom	The Customer Equity Company Limited	United Kingdom
Scott Stern Associates Limited	United Kingdom	The Store Consulting Limited	United Kingdom
Scott Stern Limited	United Kingdom	Thistleclub Limited	United Kingdom
Secure Two Limited	United Kingdom	TMC International Ltd.	United Kingdom
SGA Research International Ltd.	United Kingdom	TNS AGB Limited	United Kingdom
Sharpen Troughton Owens Response Ltd.	United Kingdom	TNS Asia Holdings Limited	United Kingdom
Showcase Placements (UK) Limited	United Kingdom	TNS Field Limited	United Kingdom
Signposter.com Ltd.	United Kingdom	TNS Global Limited	United Kingdom
Sirius Holdings	United Kingdom	TNS Group Holdings Limited	United Kingdom
SJS Management Services Ltd.	United Kingdom	TNS Healthcare Limited	United Kingdom
Softmedia Limited	United Kingdom	TNS Insight Limited	United Kingdom
Soho Square (Advertising) Ltd.	United Kingdom	TNS Magasin Limited	United Kingdom
Sonic Sun Limited	United Kingdom	TNS Overseas Holdings (Alpha) Limited	United Kingdom
Spafax Airline Network Ltd.	United Kingdom	TNS Overseas Holdings (Beta) Limited	United Kingdom
SparkLab Limited	United Kingdom	TNS Overseas Holdings (Delta) Limited	United Kingdom
SponsorCom Limited	United Kingdom	TNS Overseas Holdings (Epsilon) Limited	United Kingdom
Sponsorship Business Limited (The)	United Kingdom	TNS Overseas Holdings (Gamma) Limited	United Kingdom
Squash DVD Ltd.	United Kingdom	TNS Overseas Media Holdings Limited	United Kingdom
Stickleback Limited	United Kingdom	TNS Research Limited	United Kingdom
Strategic Marketing Consultancy Limited	United Kingdom	TNS RMS UK Limited	United Kingdom
Stream Digital Artwork Systems Ltd.	United Kingdom	TNS Sport Limited	United Kingdom
Sudler & Hennessey Ltd.	United Kingdom	TNS UK Holdings Limited	United Kingdom
Taylor Nelson Sofres International Limited	United Kingdom	TNS UK Limited	United Kingdom
Taylor Nelson Sofres Services Limited	United Kingdom	TNS Worldpanel Limited	United Kingdom
Taylor Nelson Sofres Trustees Limited	United Kingdom	TNS-NFO UK Limited	United Kingdom
TBU Holdings Ltd.	United Kingdom	TNS-NFO US	United Kingdom
Ted Bates Holdings Limited	United Kingdom	Transact Communications Limited	United Kingdom
Telebingo Limited	United Kingdom	Transart Educational Marketing Systems Limited	United Kingdom
Telephone Market Research Bureau Ltd.	United Kingdom	Transart Pharmaceutical Limited	United Kingdom
Tempest Online Marketing Ltd.	United Kingdom	Tranzformer Limited	United Kingdom
Tempus Employees	United Kingdom	Tripcare Ltd.	United Kingdom
Tempus Group Holdings Limited	United Kingdom	Tutssels Enterprise IG Ltd.	United Kingdom
Tempus Group Limited	United Kingdom	Tyrell Corporation Ltd.	United Kingdom
Tempus Group Trust Company (1990) Limited (The)	United Kingdom	Ultimate Events Limited	United Kingdom
		Ultimate Square	United Kingdom
		Uncle Post Production Limited	United Kingdom

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
United London Communications Ltd.	United Kingdom
VAP Group Limited	United Kingdom
VAP International Communications Ltd.	United Kingdom
Visual Art Productions (Oxford) Limited	United Kingdom
VML London Ltd.	United Kingdom
Voluntarily United Creative Agencies Limited	United Kingdom
Warwicks UK Ltd.	United Kingdom
Watershed Studio Ltd.	United Kingdom
Westbourne Terrace Management Services Ltd.	United Kingdom
WG Consulting Healthcare Ltd.	United Kingdom
Wildfire Word of Mouth Limited	United Kingdom
Wire & Plastic Products Limited	United Kingdom
Wise Conclusion	United Kingdom
WOW Factory Ltd. (The)	United Kingdom
WPP 1177	United Kingdom
WPP 1178	United Kingdom
WPP 2005 Limited	United Kingdom
WPP 2008 Ltd.	United Kingdom
WPP 2318 Ltd.	United Kingdom
WPP 2323 Limited	United Kingdom
WPP 2709 Limited	United Kingdom
WPP 2828 Ltd.	United Kingdom
WPP AMC Holdings	United Kingdom
WPP ATTICUS	United Kingdom
WPP Beans Limited	United Kingdom
WPP Brandz	United Kingdom
WPP Cap Limited	United Kingdom
WPP Communications Ltd.	United Kingdom
WPP COMPETE	United Kingdom
WPP Consulting Limited	United Kingdom
WPP CP Finance plc	United Kingdom
WPP Das Limited	United Kingdom
WPP Direct Ltd.	United Kingdom
WPP Dotcom Holdings (Eight)	United Kingdom
WPP Dotcom Holdings (Eleven)	United Kingdom
WPP Dotcom Holdings (Fifteen)	United Kingdom
WPP Dotcom Holdings (Five)	United Kingdom
WPP Dotcom Holdings (Four)	United Kingdom
WPP Dotcom Holdings (Fourteen)	United Kingdom
WPP Dotcom Holdings (Nineteen)	United Kingdom
WPP Dotcom Holdings (One)	United Kingdom
WPP Dotcom Holdings (Seven)	United Kingdom

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
WPP Dotcom Holdings (Seventeen)	United Kingdom
WPP Dotcom Holdings (Six)	United Kingdom
WPP Dotcom Holdings (Sixteen)	United Kingdom
WPP Dotcom Holdings (Ten)	United Kingdom
WPP Dotcom Holdings (Thirteen)	United Kingdom
WPP Dotcom Holdings (Three)	United Kingdom
WPP Dotcom Holdings (Twelve)	United Kingdom
WPP Dotcom Holdings (Twenty)	United Kingdom
WPP Dotcom Holdings (Two)	United Kingdom
WPP Dutch Holdings Ltd.	United Kingdom
WPP Enterprise Ltd.	United Kingdom
WPP Finance (UK)	United Kingdom
WPP Finance 2010	United Kingdom
WPP Finance Co. Limited	United Kingdom
WPP Finance One plc	United Kingdom
WPP Flame	United Kingdom
WPP Global	United Kingdom
WPP Group (Nominees) Limited	United Kingdom
WPP Group (UK) Ltd.	United Kingdom
WPP Group Holdings Ltd.	United Kingdom
WPP Group Nominees Five Limited	United Kingdom
WPP Group Nominees Four Limited	United Kingdom
WPP Group Nominees One Limited	United Kingdom
WPP Group Nominees Three Limited	United Kingdom
WPP Group Nominees Two Limited	United Kingdom
WPP GUSA UK	United Kingdom
WPP Headline	United Kingdom
WPP India Limited	United Kingdom
WPP Insight Ltd.	United Kingdom
WPP Investments Ltd.	United Kingdom
WPP James Holdings Ltd.	United Kingdom
WPP Jargon Ltd.	United Kingdom
WPP Knowledge	United Kingdom
WPP LN Limited	United Kingdom
WPP Madrid Square Limited	United Kingdom
WPP Magic Limited	United Kingdom
WPP Marketing Communications Holdings Limited	United Kingdom
WPP Marketing Communications Spain	United Kingdom
WPP Montreal Ltd.	United Kingdom
WPP Netherlands	United Kingdom
WPP No. 2337 Limited	United Kingdom

<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>	<u>COMPANY NAME</u>	<u>JURISDICTION UNDER WHICH ORGANISED</u>
WPP No. 2356 Limited	United Kingdom	Young & Rubicam S.A.	Uruguay
WPP North Atlantic Limited	United Kingdom	141 Coimbra Publicidad, C.A.	Venezuela
WPP Ottawa Ltd.	United Kingdom	Burson Marsteller de Venezuela CA	Venezuela
WPP Pearls Limited	United Kingdom	Grey Advertising de Venezuela, C.A.	Venezuela
WPP Pension Trustees Limited	United Kingdom	J Walter Thompson de Venezuela C.A.	Venezuela
WPP Phoenix 2004	United Kingdom	LatinPanel Venezuela C.A.	Venezuela
WPP Phoenix Limited	United Kingdom	MindShare, C.A.	Venezuela
WPP Phoenix Two Limited	United Kingdom	Ogilvy & Mather Andina C.A.	Venezuela
WPP PREDICTIONS	United Kingdom	Servicios Portland de Venezuela C.A.	Venezuela
WPP Razor UK	United Kingdom	Bates 141 Vietnam Ltd.	Vietnam
WPP Rocky Ltd.	United Kingdom	Dentsu Young & Rubicam Vietnam Limited	Vietnam
WPP Sparkle Limited	United Kingdom	Grey Global Group Vietnam Co. Ltd.	Vietnam
WPP Sparky Limited	United Kingdom	Millward Brown Vietnam Company Limited	Vietnam
WPP Spike Limited	United Kingdom	NFO Vietnam Ltd.	Vietnam
WPP Toronto Ltd.	United Kingdom	Ogilvy & Mather Vietnam Ltd.	Vietnam
WPP Unicorn Limited	United Kingdom	T&A Ogilvy Joint Venture Company Limited	Vietnam
WPP Vancouver Ltd.	United Kingdom	T&A Ogilvy Joint Venture Company Ltd.	Vietnam
WPP.Com Ltd.	United Kingdom	Taylor Nelson Sofres Vietnam Pte Limited	Vietnam
Wunderman Cato Johnson Nominees Limited	United Kingdom	WPP Marketing Communications Vietnam Company Limited	Vietnam
Wunderman Limited	United Kingdom	WPP Media Ltd.	Vietnam
XM	United Kingdom	Infinitude Holdings Ltd.	Virgin Islands, British
Y & R Brazilian Holdings Limited	United Kingdom	Impact Market Management Ltd.	Virgin Islands, British
Yes Solutions UK Ltd.	United Kingdom		
Young & Rubicam Brands US Holdings	United Kingdom		
Young & Rubicam Development (Holdings) Limited	United Kingdom		
Young & Rubicam Europe Ltd.	United Kingdom		
Young & Rubicam Group Ltd.	United Kingdom		
Young & Rubicam Holdings (UK) Ltd.	United Kingdom		
Young & Rubicam Pension Trustees Limited	United Kingdom		
Despatch S.A.	Uruguay		
J. Walter Thompson Uruguay S.A.	Uruguay		
Renier S.A.	Uruguay		

Certification

I, Sir Martin Sorrell, certify that:

1. I have reviewed this annual report on Form 20-F of WPP plc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: 29 April 2011

/s/ Sir Martin Sorrell

Sir Martin Sorrell
Group Chief Executive
(principal executive officer)

Certification

I, Paul Richardson, certify that:

1. I have reviewed this annual report on Form 20-F of WPP plc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: 29 April 2011

/s/ Paul W.G. Richardson

Paul W.G. Richardson
Group Finance Director
(principal financial officer)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of WPP plc (the "Company") on Form 20-F for the period ending 31 December 2010 (the "Report"), I, Sir Martin Sorrell, Group Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- 1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2) The information contained in the Report fairly presents, in all material respects, the Company's financial position and results of operations.

Date: 29 April 2011

/s/ Sir Martin Sorrell

Sir Martin Sorrell
Group Chief Executive

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in these Registration Statements No. 333-06378, No. 333-40516, No. 333-103888, No. 333-108149, No. 333-119949, No. 333-129640, No. 333-129733, No. 333-145041, No. 333-152662 and No. 333-157729, each on Form S-8, and Registration Statement No. 333-158262 and 333-159691 each on Form F-3 of our reports relating to the consolidated financial statements of WPP plc and subsidiaries (the "Company") the effectiveness of the Company's internal control over financial reporting dated 29 April 2011, appearing in the Annual Report on Form 20-F of WPP plc for the year ended 31 December 2010.

/s/ Deloitte LLP
DELOITTE LLP
London, United Kingdom
29 April 2011