# How we’re doing

## Financial summary

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Billings¹</td>
<td>£44,792m</td>
<td>£42,684m</td>
<td>+4.9</td>
</tr>
<tr>
<td>Revenue</td>
<td>£10,022m</td>
<td>£9,331m</td>
<td>+7.4</td>
</tr>
<tr>
<td>Headline EBITDA²</td>
<td>£1,640m</td>
<td>£1,439m</td>
<td>+14.0</td>
</tr>
<tr>
<td>Headline operating profit²</td>
<td>£1,365m</td>
<td>£1,173m</td>
<td>+16.4</td>
</tr>
<tr>
<td>Reported operating profit</td>
<td>£1,192m</td>
<td>£973m</td>
<td>+22.5</td>
</tr>
<tr>
<td>Headline PBIT²</td>
<td>£1,429m</td>
<td>£1,229m</td>
<td>+16.3</td>
</tr>
<tr>
<td>Headline PBIT margin²</td>
<td>14.3%</td>
<td>13.2%</td>
<td>+1.1</td>
</tr>
<tr>
<td>Headline PBT²</td>
<td>£1,229m</td>
<td>£1,034m</td>
<td>+18.9</td>
</tr>
<tr>
<td>Reported PBT</td>
<td>£1,008m</td>
<td>£881m</td>
<td>+18.5</td>
</tr>
<tr>
<td>Headline earnings²</td>
<td>£882m</td>
<td>£731m</td>
<td>+20.7</td>
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<tr>
<td>Reported earnings</td>
<td>£840m</td>
<td>£586m</td>
<td>+43.3</td>
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<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Headline diluted earnings per share²,⁴</td>
<td>67.7p</td>
<td>56.7p</td>
<td>+19.4</td>
</tr>
<tr>
<td>Headline diluted earnings per share (including exceptional tax credit)²,⁴</td>
<td>75.6p</td>
<td>56.7p</td>
<td>+33.3</td>
</tr>
<tr>
<td>Reported diluted earnings per share⁴</td>
<td>64.5p</td>
<td>45.9p</td>
<td>+40.5</td>
</tr>
<tr>
<td>Ordinary dividend per share</td>
<td>24.60p</td>
<td>17.79p</td>
<td>+38.3</td>
</tr>
<tr>
<td>Ordinary dividend per ADR³</td>
<td>$1.97</td>
<td>$1.38</td>
<td>+42.8</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net debt at year-end</td>
<td>£2,465m</td>
<td>£1,888m</td>
<td>+30.6</td>
</tr>
<tr>
<td>Average net debt⁵</td>
<td>£2,811m</td>
<td>£3,056m</td>
<td>-8.0</td>
</tr>
<tr>
<td>Ordinary share price at year-end</td>
<td>675.5p</td>
<td>789.5p</td>
<td>-14.4</td>
</tr>
<tr>
<td>ADR price at year-end</td>
<td>$52.23</td>
<td>$61.97</td>
<td>-15.7</td>
</tr>
<tr>
<td>Market capitalisation at year-end</td>
<td>£8,554m</td>
<td>£9,982m</td>
<td>-14.3</td>
</tr>
</tbody>
</table>

### At 19 April 2012

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary share price</td>
<td>855.5p</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ADR price</td>
<td>$68.48</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market capitalisation</td>
<td>£10,833m</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The financial statements have been prepared under International Financial Reporting Standards (IFRS).

1. Billings is defined on page 182.
2. The calculation of ‘headline’ measurements of performance (including headline EBITDA, headline operating profit, headline PBIT, headline PBT and headline earnings) is shown in note 31 of the financial statements.
3. One American Depositary Receipt (ADR) represents five ordinary shares. These figures have been translated for convenience purposes only using the income statement exchange rates shown on page 152. 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.
4. Earnings per share is calculated in note 9 of the financial statements.
5. Average net debt is defined on page 182.
Reported revenue growth of 7.4% reflected the strength of sterling, primarily against the US dollar. On a constant currency basis, revenues were up over 8% and, on a like-for-like basis, revenues were up over 5% and gross margin up almost 6%.

Headline PBIT margin was 14.3% in 2011 against 13.2% in 2010. Headline PBIT was up 16.3% to £1,429 million.

Diluted headline earnings per share was up over 19% to a record 67.7p. Dividends were up over 38% to 24.6p per share – an all-time high.

After-tax return on average capital employed rose to 11.3%, with the weighted average cost of capital falling to 6.1%.

WPP out-performed the FTSE 100 Index and continued to do well against its competitors.

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1 The calculation of 'headline' measurements of performance (including headline EBITDA, headline PBIT and headline earnings) is shown in note 31 of the financial statements.
2 Calculated gross of goodwill and using profit after taxation before goodwill impairment and other goodwill write-downs, revaluation of financial instruments, amortisation and impairment of acquired intangible assets, share of exceptional losses/gains of associates, costs incurred in 2008 in changing the corporate structure of the Group and investment gains/losses and write-downs, and adjusted to reflect taxes and net finance costs paid.
Net debt averaged £2.8 billion in 2011, down £0.2 billion at 2011 exchange rates. The average net debt to headline EBITDA ratio has improved to 1.7 times, well within the Group’s current target range of 1.5 to 2.0 times.

Markets outside North America now account for over 66% of our revenues, up from 62% five years ago. The influence of the faster-growing markets outside North America is increasing rapidly.

Marketing services comprised almost 60% of our revenues in 2011, a similar proportion to 2010. We are no longer an advertising agency, we really are a communications services company.

PBIT contributions were broadly in line with revenues, with all sectors showing improvement in reported operating margins.

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1 Percentages are calculated on a constant currency basis. See definition on page 182.
2 The calculation of headline PBIT is set out in note 31 of the financial statements.
3 The calculation of headline EBITDA is set out in note 31 of the financial statements.
4 Includes corporate bonds, convertible bonds and bank loans payable at par value, excluding any redemption premium due, by due date.
Dear share owner

2011, our twenty-sixth year, was a record year in almost all respects. Revenue, profit before tax and earnings per share all reached new highs. Yet, as pleasing as these financial results are, perhaps your Company’s most satisfying achievement in 2011 was the first ever award of a Cannes Lion to a Holding Company, in recognition of your Company’s collective creative excellence. 2011 demonstrated once again that outstanding creativity and financial success go hand in hand.

Forward-looking statements

In connection with the provisions of the Private Securities Litigation Reform Act of 1995 (the ‘Reform Act’), the Company may include forward-thinking 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 anticipated loss of a material client or key personnel, delays or reductions in client advertising budgets, shifts in industry rates of compensation, government compliance costs or litigation, natural disasters or acts of terrorism, the Company’s exposure to changes in the values of other major currencies (because a substantial portion of its revenues are derived and costs incurred outside of the UK) 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 under the caption ‘Principal risks and uncertainties’ on pages 112 to 114, 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.

* This letter to share owners should be read in conjunction with and as part of the management report set out in the section headed Directors’ report on pages 105 to 116.
This record performance was achieved in difficult circumstances, particularly in the second half of the year, when the Eurozone crisis triggered uncertainty amongst consumers and corporates across the globe, resulting in a slowdown of economic activity in most geographic regions and functional sectors.

Although your share price declined in 2011 by around 14% to 675.5p at the year end, it has since increased sharply, to 855.5p at the time of writing, up 27% from 1 January 2012. Total share owner return was enhanced by a 38% increase in dividends to 24.6p, a record level, and included a 45% increase in the second interim dividend to 17.14p, moving more rapidly towards the Company’s new dividend payment ratio target of 40%.

Billings were up almost 5% to £44.8 billion. Revenues were up over 7% to £10.0 billion, the first time the Group has exceeded £10 billion. Including 100% of associates, revenue is estimated to total over £12.1 billion. Our revenues exceeded all our competitors for the fourth consecutive year and by an increasing amount. Headline PBIT was up over 16% to £1.429 billion against £1.229 billion in 2010. Headline PBIT margin was 14.3% in 2011 against 13.2% last year, well ahead of target and equal to the pro-forma high pre-Lehman.

On gross margin, the headline PBIT margin was 15.5%, up 1.1 margin points on 2010. This is probably a more accurate basis for competitive comparisons. Reported profit before interest and tax rose over 22% to £1.258 billion from £1.028 billion.

Headline EBITDA (which is a key metric that private equity firms, for example, use for valuing companies) increased by 14% to £1.640 billion. Headline profit before tax was up almost 19% to £1.229 billion and reported profit before tax was up over 18% to £1.008 billion, above £1 billion for the first time. Diluted headline earnings per share were up over 19% to 67.7p (an all-time high) and diluted reported earnings per share were up over 40% to 64.5p.

Free cash flow strengthened to £1.013 billion in the year, over £1 billion for the first time. Net debt averaged £2.8 billion in 2011, down £0.2 billion at 2011 exchange rates, and net debt at 31 December 2011 was £2.5 billion, £0.6 billion higher than 2010, reflecting stronger acquisition and share buy-back activity in the latter half of the year. Equity and debt analysts appear comfortable with the level of the Group’s average net debt, which was around 1.7 times headline EBITDA in 2011 compared with 2.1 times in 2010, and well within the Group’s current target range of 1.5-2.0 times.

Headline interest cover in 2011 was 7.1 times. So far, in the first three months of 2012, average net debt was up approximately £0.4 billion at £2.6 billion against £2.2 billion for the same period in 2011, at 2012 exchange rates, starting to show an improvement on the 2011 year-end position. A positive sign of this improvement is the recent upgrade by Moody’s of the Group’s debt ratings. Our long-term debt is now rated Baa2 and BBB and our short-term debt P2 and A2, by Moody’s and Standard & Poor’s respectively.

With a current equity market capitalisation of approximately £10.8 billion, the total enterprise value of your Company is approximately £13.6 billion, a multiple of 8.3 times 2011 headline EBITDA.

**Growth in revenues despite the Eurozone crisis**

Our reported revenue growth for the year of over 7% reflected the strength of sterling, primarily against the US dollar. On a constant currency basis, which excludes the impact of currency movements, revenues were up over 8%.

On a like-for-like basis, excluding the impact of acquisitions and currency, revenues were up 5.3%, with gross margin up 5.9%. In the fourth quarter, like-for-like revenues were up 4.5%, down slightly on the third quarter, primarily due to stronger comparatives.

Despite the slowdown in economic activity resulting from the uncertainty triggered by the Eurozone crisis, advertising and marketing services expenditures continued to rise and there seem to have been some significant changes, particularly in corporate behaviour, to explain why. In 2009, post-Lehman, all bets were off. Consumers and corporates were focused almost totally on rapidly reducing costs and de-leveraging. In 2010 and 2011, however, the situation seemed to change. The financial world did not come to an end as some had predicted. Western-based multinational companies, which today are reputed to be sitting on as much as $2 trillion net cash with relatively un-leveraged balance sheets, were still fearful of making mistakes but prepared to invest in capacity and behind brands in fast-growing markets. At the same time, they were also prepared to invest in brands to maintain or increase market share even in slow-growth Western markets, such as the US and Western Europe. This approach has the virtue of not increasing fixed costs, although we in the communications services business naturally regard brand spending as a fixed investment and not a discretionary cost. This positive double whammy has clearly benefited our industry over the last two years.

On a combined basis, over the last two years, there has been a sequential improvement in like-for-like quarterly revenue growth, with 6.7% for the first quarter, 10.3% in the second, 12.2% for the third and 13.1% for the fourth. This two-year combined sequential quarterly growth continues to reflect increased client advertising and promotional spending – with the former tending to grow faster than the latter, which from our point of view is more positive – across most of the Group’s major geographic markets and functional sectors despite tougher comparatives. Nonetheless, clients understandably continue to demand increased effectiveness and efficiency, i.e. better value for money.
All regions showed revenue growth with Latin America taking the lead

North America continued to show good growth throughout the year, with constant currency revenues up 6.3%. The UK, against market trends, showed even stronger growth, with constant currency revenues up almost 9% and gross margin even stronger up almost 11%, accelerating in the second half. Western Continental Europe, although relatively more difficult, grew constant currency revenues by over 6%, partially reflecting acquisition activity. Austria, Germany, Switzerland and Turkey all showed strong like-for-like growth for the year, but France and especially Greece, Portugal and Spain remained affected by the Eurozone debt crisis.

In Asia Pacific, Latin America, Africa and the Middle East and Central and Eastern Europe, revenue growth was strongest, up well over 12%, principally driven by Latin America and the BRICs1 and Next 112 parts of Asia Pacific and the CIVETS3 and the MIST4. Like-for-like growth was up well over 10%. Latin America showed the strongest growth of all of our sub-regions in the year, with constant currency revenues up over 14% and up over 18% like-for-like. The Middle East remained the most challenged sub-region. In Central and Eastern Europe, constant currency revenues were up over 6% and up almost 6% like-for-like, with strong growth in Russia, Ukraine, Kazakhstan, Poland and Romania, but Hungary and the Czech Republic were more challenging. Growth in the BRICs, which account for almost $2 billion of revenue, was over 17%, on a like-for-like basis, with Next 11 and CIVETS up 13% and well over 9% respectively on the same basis. The MIST was up almost 14%.

In 2011, over 29% of the Group’s revenues came from Asia Pacific, Latin America, Africa and the Middle East and Central and Eastern Europe – over one percentage point more compared with the previous year and against the Group’s strategic objective of 35-40% over the next three to four years. Markets outside North America now account for over 66% of our revenues, up from 62% five years ago.

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1 Brazil, Russia, India and China.
2 Bangladesh, Egypt, Indonesia, Mexico, Nigeria, Pakistan, the Philippines, South Korea, Turkey and Vietnam (the Group has no operations in Iran).
3 Colombia, Indonesia, Vietnam, Egypt, Turkey and South Africa.
4 Mexico, Indonesia, South Korea and Turkey.

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1 See definition on page 182.
2 The calculation of headline PBIT is set out in note 31 of the financial statements.
Profits improved across all business sectors

In constant currencies, Advertising and Media Investment Management revenues grew by 12.2%, with like-for-like growth of 7.4%. Of the Group’s advertising networks, Ogilvy & Mather, Grey and United finished the year strongly, with particularly strong growth in the UK, Latin America and Africa.

Growth in the Group’s Media Investment Management businesses was very consistent throughout the year, with constant currency revenues up almost 19% for the year and like-for-like growth up almost 13%. tenthavenue, the ‘engagement’ network focused on out-of-home media, was established towards the end of 2010 and in 2011 showed strong revenue growth, with like-for-like revenues up over 14%. The strong revenue growth across most of the Group’s businesses, together with good cost control, resulted in the combined reported operating margin of this sector improving by 0.8 margin points to 16.1%.

In 2011, Ogilvy & Mather Advertising, JWT, Y&R, Grey and United generated estimated net new billings of £909 million ($1.455 billion). GroupM (the Group’s Media Investment Management arm, which includes Mindshare, MEC, MediaCom, Maxus, GroupM Search and Xaxis), together with tenthavenue, generated net new business billings of £1.587 billion ($2.539 billion).

Consumer Insight revenues grew 1.7% on a constant currency basis, with gross margin up 2.2%. On a like-for-like basis revenues were up 0.8% with gross margin growth stronger at 1.9%. Headline PBIT margins improved 0.8 margin points to 10.5%, while reported gross margin margins (headline PBIT as a proportion of gross margin rather than revenue) improved 1.1 margin points to 14.3% – reflecting the benefit of continued cost focus. As a result, operating profit was up over 10% to £259 million.

The Group’s Public Relations & Public Affairs businesses had another good year with full-year growth in constant currencies of 6.2%, with like-for-like revenues up 4.6%. Operating margins rose by 0.3 margin points to 16.1%.

At the Group’s Branding & Identity, Healthcare and Specialist Communications businesses (including direct, digital and interactive), constant currency revenues grew strongly at 10.1% with like-for-like growth of 6.9%. Like-for-like revenue growth slipped slightly in quarter four but remained above 6%. The Group’s global direct, digital and interactive agencies showed continuing strong growth, with like-for-like revenues up well over 7% for the year. This sector showed strong margin improvement, with reported operating margins up 1.9 margin points to 14.3%. Over 30% of the Group’s 2011 revenues came from direct, digital and interactive, up over one percentage point from the previous year.

Marketing services comprised almost 60% of our revenues in 2011, a similar proportion to 2010. We are no longer an advertising agency, we really are a communications services company.
Margins rise to equal historic highs

Headline PBIT margins were up 1.1 margin points to 14.3% compared to 13.2% in 2010, equal to the pro-forma high pre-Lehman and well ahead of the Group’s original budget target of 0.5 margin points and revised target of at least 0.7 margin points. On a like-for-like basis headline PBIT margins were also up 1.1 margin points. Headline gross margin margins (or headline PBIT as a percentage of gross margin) were up 1.1 margin points to 15.5%, close to the highest reported levels in the industry.

During 2011, the Group continued to reap the benefits of containing operating costs, with improvements across most cost categories, particularly direct, property, commercial and office costs. On a like-for-like basis the average number of people in the Group increased by 4.6% in 2011. On the same basis, the number of people in the Group at 31 December 2011 was 4.3% higher than at the end of 2010. Also on a like-for-like basis, revenues increased by 5.3% and gross margins grew on the same basis by 6.7% and 8.6% respectively. The Group’s employer social taxes in the UK rose 11.6% like-for-like.

Reported staff costs, excluding incentives, rose by 8.6% and by 9.6% in constant currency. Incentive payments amounted to £338 million (or over $500 million) which was almost 20% of headline operating profit before incentives and income from associates and represented close to maximum achievement of agreed performance targets. Our objective remains to pay out approximately 20% of operating profit before bonus and taxes at maximum and 15% at target and, in some cases, 25% at ‘super-maximum’. Given the record profit and margin performance in 2011, most of the Group’s operating companies achieved record incentive levels – reflecting pay for performance, not failure. We should not be, and are not, hesitant to pay for success and be competitive internationally.

Before these incentive payments, headline PBIT margins rose by 0.8 margin points to 17.6%. The Group’s staff cost-to-revenue ratio, including incentives, increased by 0.3 margin points to 58.6% compared with 58.3% in 2010. Following intentional containment in 2009 and 2010 post-Lehman, the Group continued to increase its investment in human capital in 2011, particularly in the faster-growing geographic and functional markets, as like-for-like revenues and gross margin increased significantly. However, the Group’s more representative staff costs to gross margin ratio remained flat at 63.6% compared with the prior year, as gross margin grew faster than revenues.

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 slowdowns. In 2011, the ratio of variable staff costs to total staff costs was 12.2%, compared with 13.4% in 2010 and 9.7% in 2009. As a proportion of revenue, variable staff costs were 7.2% in 2011 compared with 7.8% in 2010 and 5.7% in 2009. The business is, therefore, well positioned if current market conditions change.

As a result of all this, headline PBIT rose over 16% to £1.429 billion from £1.229 billion, up over 17% in constant currencies. Reported PBIT rose over 22% to £1.258 billion from £1.028 billion, up over 23% in constant currencies. Reported PBIT rose over 22% to £1.258 billion from £1.028 billion, up over 23% in constant currencies.

Net finance costs (excluding the revaluation of financial instruments) were £200 million, up 2.5% from £195 million in 2010, reflecting lower average net debt, offset by higher funding costs. Headline profit before tax increased by almost 19% to £1.229 billion and reported profit before tax was up 18.5% to £1.008 billion, over £1 billion for the first time.

The Group’s tax rate on headline profit before tax was 22.0%, the same as 2010, and on reported profit before tax was 9.1%, significantly less than the rate of 22.4% in 2010.

Net people additions (excluding associates)

<table>
<thead>
<tr>
<th>Year to 31 December</th>
<th>Like-for-like 2011/2010</th>
<th>Like-for-like 2010/2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>1,008</td>
<td>499</td>
</tr>
<tr>
<td>UK</td>
<td>907</td>
<td>538</td>
</tr>
<tr>
<td>India</td>
<td>456</td>
<td>490</td>
</tr>
<tr>
<td>Brazil</td>
<td>310</td>
<td>315</td>
</tr>
<tr>
<td>US</td>
<td>233</td>
<td>1,876</td>
</tr>
<tr>
<td>Germany</td>
<td>193</td>
<td>(98)</td>
</tr>
<tr>
<td>Indonesia</td>
<td>148</td>
<td>116</td>
</tr>
<tr>
<td>Singapore</td>
<td>135</td>
<td>167</td>
</tr>
<tr>
<td>Thailand</td>
<td>123</td>
<td>52</td>
</tr>
<tr>
<td>Mexico</td>
<td>119</td>
<td>140</td>
</tr>
<tr>
<td>Other countries</td>
<td>1,100</td>
<td>393</td>
</tr>
<tr>
<td>Total</td>
<td>4,732</td>
<td>4,487</td>
</tr>
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</table>

Group payroll taxes (excluding associates)

<table>
<thead>
<tr>
<th>Year to 31 December 2011</th>
<th>Employees$ m</th>
<th>Employees$ m</th>
<th>Social taxes per head £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>174</td>
<td>131</td>
<td>12</td>
</tr>
<tr>
<td>France</td>
<td>111</td>
<td>52</td>
<td>45</td>
</tr>
<tr>
<td>UK</td>
<td>104</td>
<td>71</td>
<td>17</td>
</tr>
<tr>
<td>Germany</td>
<td>62</td>
<td>62</td>
<td>23</td>
</tr>
<tr>
<td>Brazil</td>
<td>47</td>
<td>10</td>
<td>17</td>
</tr>
<tr>
<td>Spain</td>
<td>39</td>
<td>7</td>
<td>14</td>
</tr>
<tr>
<td>Italy</td>
<td>38</td>
<td>12</td>
<td>24</td>
</tr>
<tr>
<td>Sweden</td>
<td>20</td>
<td>4</td>
<td>28</td>
</tr>
<tr>
<td>China</td>
<td>19</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Australia</td>
<td>12</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>Other countries</td>
<td>157</td>
<td>89</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>783</td>
<td>447</td>
<td>11</td>
</tr>
</tbody>
</table>

1 Estimate.
The difference was primarily due to the exceptional release of prior year corporate tax provisions following the resolution of a number of open tax matters, together with deferred tax credits in relation to amortisation of acquired intangible assets.

Diluted headline earnings per share rose over 19% to 67.7p and diluted reported earnings per share increased over 40% to 64.5p. Including the exceptional tax credit, diluted headline earnings per share rose over 33% to 75.6p. No severance or integration or acquisition expenses have been excluded in arriving at headline earnings which is, unusually, not competitive practice.

The outlook for 2012

2012 may well have a pattern similar to 2011. Forecasts of worldwide real GDP growth still hover around 3.5% with inflation of 2% giving nominal GDP growth of 5.5%. Advertising as a proportion of GDP should at least remain constant, as it is still at relatively depressed historical levels, particularly in mature markets, post-Lehman, and grow at a similar rate to GDP. The three maxi-quadrennial events of 2012, the UEFA Football Championships in Central and Eastern Europe, the Summer Olympics and Paralympics in London and last, but not least, the US Presidential election in November should underpin industry growth by 1% alone this year. Some commentators, including our own, estimate $7-8 billion of political spending in the US alone.

Both consumers and corporates are likely to continue to be cautious and fearful, but should continue to purchase or invest in brands in both fast- and slow-growth markets. In addition, although there may not have been the required strong political leadership in the Eurozone, it is just possible that Europe will muddle through the current crisis, without a catastrophic failure, although the Iranian and Middle-Eastern situation poses another threat to global stability and oil prices. Some worry about Chinese growth rates and hard landings, although we see little let-up in Mainland China (in the first three months of 2012, China revenues are up 16% like-for-like) and believe the worst case is a soft landing, particularly following the strategies laid out in the 12th Five Year Plan – stressing consumption, social security and service industries.

In 2012, our prime focus will remain on growing revenues and gross margin faster than the industry average, driven by our leading position in the new markets, in new media, in consumer insight, including data analytics and the application of technology, creativity and ‘horizontality’. New markets, new media and consumer insight account respectively for 29%, 30% and 25% of the Group’s revenues of over $16 billion, demonstrating the success of our strategic focus.

At the same time, we will concentrate on meeting our operating margin objectives by managing absolute levels of costs and increasing our flexibility in order to adapt our cost structure to significant market changes. The initiatives taken by the parent company in the areas of human resources, property, procurement, information technology and practice development continue to improve the flexibility of the Group’s cost base. Additionally, as noted earlier, flexible staff costs (including incentives, freelance and consultants) have returned close to historic highs of around 7% of revenues, giving some protection in case market conditions change.

The budgets for 2012 have been prepared on a conservative basis, as usual, reflecting the faster-growing geographical markets of Asia Pacific, Latin America, Africa and Central and Eastern Europe and faster-growing functional sectors of Advertising, Media Investment Management and direct, digital and interactive to some extent moderated by the slower growth in the mature markets of the US and Western Europe. Our 2012 budgets show like-for-like revenue and gross margin growth of around 4% and a target operating margin improvement of 0.5 margin points.

Incentive plans for 2012 will continue to emphasise revenue (particularly in the mature markets of our custom consumer insight businesses) and operating profit growth in conjunction with operating margin improvement, although objectives will continue to include...
qualitative Group objectives, including coordination and co-operation, talent management and succession planning.

At the time of writing, we have revenue and profit data for the first three months of 2012. The Group has started the year well, with like-for-like revenue and gross margin for the first three months both up 4%. Geographically, we continue to see strong growth in Asia Pacific and Latin America and modestly better growth in the mature Western and Continental Europe markets. By sector, Advertising and Media Investment Management remains strong and Consumer Insight is showing an improvement in growth compared with the fourth quarter of 2011. These trends are in line with our budgets, which also indicate a broadly steady rate of growth throughout the year, albeit with the usual conservatism in quarter four. Operating profits were above budget.

One of the clouds on the horizon may, however, be 2013. There will be no maxi- or mini-quadrennial events in that year. It now seems more likely that President Obama will be re-elected and will have to confront the intimidating US budget deficit, whilst dealing with a Republican-controlled House of Representatives and/or Senate. Legislative gridlock may continue at a time when ‘kicking the can’ down the road may no longer be viable. Some hope that a re-elected President becomes more concerned with his legacy.

**The longer term**

In the long term, the outlook for the communications services industry appears favourable.

Globalisation, overcapacity of production in most sectors and the shortage of human capital, the developments in new technologies and media, the growth in importance of internal communications, the need to influence retail distribution, brand emphasis on health and wellness, the growth in government spending and the new focus on corporate sustainability issues such as climate change, underpin the need for our clients to continue to differentiate their products and services both tangibly and intangibly.

Moreover, the continuing growth of the BRICs, Next 11 and other faster-growing geographical markets will add significant opportunities in Asia Pacific, Latin America, Africa and the Middle East and Central and Eastern Europe – along with the growth of ‘new-BRICs’ such as Vietnam, Pakistan, Indonesia, Bangladesh, Colombia and Mexico and even Myanmar. Advertising and marketing services expenditure as a proportion of GDP has started to resume its growth, although in these relatively low-inflationary times, where our clients have limited pricing power, we remain committed to working with our clients and their procurement departments to improve the effectiveness and efficiency of their spending and investments.

Given these short-term and long-term trends, your Company believes it has the correct strategic priorities – new markets, new media, consumer insight and ‘horizontality’ – and a focus on not only strategic planning, creative execution and distribution, but also on both the application of technology and analysis of data, to the benefit of our clients and people.

Including associates, the Group currently employs over 158,000 full-time people (up from over 146,000 the previous year) in over 2,500 offices in 107 countries. It services 344 of the Fortune Global 500 companies, all 30 of the Dow Jones 30, 63 of the Nasdaq 100, 33 of the Fortune e-50, and 730 national or multinational clients in three or more disciplines. More than 470 clients are served in four disciplines and these clients account for almost 57% of Group revenues. This reflects the increasing opportunities for coordination and co-operation or ‘horizontality’ between activities, both nationally and internationally and at a client and country level. The Group also works with almost 360 clients in six or more countries.

These statistics reflect the increasing opportunities for developing client relationships between activities nationally, internationally and by function. We estimate that well over 35% of new assignments in the year were generated through the joint development of opportunities by two or more Group companies. The Group continues to improve co-operation and coordination among its operating companies in order to add value to our clients’ businesses and our people’s careers, an objective which has been specifically built into short-term incentive plans. ‘Horizontality’ has been accelerated through the appointment of over 30 Global Client Leaders for our major clients, accounting for about one-third of total revenues of $16 billion, and Country Managers in half a dozen ‘test’ markets. The Group continues to lead the industry in coordinating investment geographically and functionally through parent company initiatives and winning Group pitches.
Our key priorities

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.

To that end, we have three key strategic priorities.

1. First, with the financial crisis of 2008 now hopefully behind us, and with margins now equal to historic pro-forma highs, our immediate goal is to deliver annual EPS growth of 10-15% through organic revenue growth of up to 5%, margin improvement of 0.5 margin points or more, and productive use of our cash flow. Compared with the last downturn, our people are stronger: they are better resourced, better 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. In the most recent economic cycle, margins peaked at 15.0% (pre-TNS) and bottomed at 11.7%, as opposed to 10.5% and 5.6% in the early 1990s.

2. 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, particularly from a margin and operating profit point of view, and the focus has now to be on revenue and gross margin growth, capturing greater market share – an opportunity heightened by the recent Ipsos/Synovate takeover.

3. 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 over 29% to 35-40%.
   - Increase the share of revenues of new media from 30% to 35-40%.
   - Increase the share of more measurable marketing services – such as Consumer Insight and direct, digital and interactive – to be more than 50% of revenues, with a focus on digital and consumer insight, data analytics and the application of new technology.

Our six specific objectives

Here are six objectives which represent our key performance indicators (KPIs). For an assessment of how we performed against them in 2011, read on.

1. Continue to raise operating margins to the levels of the best-performing competition.

2. Continue to increase flexibility in the cost structure.

3. Improve total shareholder return and return on capital.

4. Continue to enhance the value added by the parent company.

5. Continue to place greater emphasis on revenue growth.

6. Improve still further the quality of our creative output.

First, to continue to raise operating margins to the levels of the best-performing competition. In 2011, we achieved a margin of 14.3%, equal to our historic pro-forma high. We continue to believe a margin of 18.3% is a tough, but realistic, objective given that our best-performing companies in each services sector have already demonstrated they can perform at a combined Group margin of 17%. It may well be that gross margin margin is a more accurate competitive comparison and we achieved 15.5% in 2011, significantly up on 2010 and at the top levels of industry performance.
Second, to continue to increase flexibility in the cost structure. In 2011, flexible staff costs (including incentives, freelance and consultants) returned close to historical highs of around 7% of revenues and continue to position the Group extremely well, if current market conditions change.

Third, to improve total share owner return by maximising the return on investment on the Company’s substantial free cash flow of over £1.0 billion (or around $1.6 billion).

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 have increased investment in our digital and technology-based service offering, in line with our strategic goals. We have also invested significantly more in real estate following lease renewals to secure greater efficiencies, although we have an opportunity to sell a freehold property for a significant capital gain.

- **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. There is a very significant pipeline of reasonably priced small and medium-sized potential acquisitions, with the exception of Brazil and India and digital in the US, where prices seem to have got ahead of themselves because of pressure on our competitors to catch up. This is clearly reflected in some of the operational and governance issues that are starting to surface elsewhere at our competitors, particularly in fast-growing markets like China.

  Our acquisition focus in 2011 was again on the triple opportunities of faster-growing geographic markets, new media and consumer insight, including data analytics and the application of technology, totally consistent with our strategic priorities in the areas of geography, new communication services and measurability. In 2011, the Group spent £381 million on initial acquisition payments, net of cash acquired and disposal proceeds. Net acquisition spend is currently targeted at around £300 million per annum and we will continue to seize opportunities in line with our strategy.

  - **Dividends or share buy-backs**. We have increasingly come to the view, based on co-operative research with leading investment institutions, that, currently, the markets favour consistent increases in dividends and higher maintainable pay-out ratios, along with anti-dilutive buy-backs and, of course, sensibly-priced strategic acquisitions.

  Following the strong first-half results in 2011, your Board raised the dividend by 25%, around five percentage points faster than the growth in diluted headline earnings per share, a pay-out ratio in the first half of 33%. For the full year, diluted headline earnings per share (including the exceptional tax credit) rose by 33% and as a result, the second interim dividend has been increased by 45%, bringing the total dividend for the year to 24.60p per share, up 38%, five percentage points higher than the growth in diluted headline earnings per share (including the exceptional tax credit) and 19 percentage points higher than the growth in diluted headline earnings per share (excluding the exceptional tax credit). As indicated in the AGM statement in June 2011, the Board’s objective remains to increase the dividend pay-out ratio to approximately 40% as soon as possible compared to the 2010 ratio of 31%. In 2011, it reached 36% on diluted headline earnings per share (excluding the exceptional tax credit) and 33% on diluted headline earnings per share (including the exceptional tax credit). Dividends to be paid in respect of 2011 will total over £300 million for the year.

  Share buy-backs will continue to be targeted to absorb any share dilution from scrip dividends, issues of options or restricted stock, although the Company does also have considerable free cash flow to take advantage of any anomalies in market values, as it did last year. Share buy-backs in 2011 cost £182 million, representing 2.1% of issued share capital.

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**Distributions to share owners**

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividends paid</th>
<th>Buy-backs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>6.6%</td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>4.7%</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>3.4%</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>3.0%</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>4.8%</td>
<td></td>
</tr>
</tbody>
</table>

1 Sum of share buy-backs and dividends paid divided by average shares in issue for the relevant period, as a % of the average share price for the relevant period.
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, including sustainability. We will continue to do this through a limited group of 400 or so people at the centre in Dublin, London, New York, Tokyo, Hong Kong, Shanghai and São Paulo. This does not mean that we seek to diminish the strength of our operating brands, but rather to learn from one another. Our objective is to maximise the added value for our clients in their businesses and our people in their careers.

Many of our initiatives are possible because of the scale on which we now operate. In the optimum use of property, in information technology and in procurement generally, we are able to achieve efficiencies that would be beyond the reach of any individual operating company.

But it is also clear that there is an increasing requirement for the centre to complement the operating companies in professional development and client coordination. It is a relatively recent development for certain multinational marketing companies, when looking to satisfy their global communications needs, to make their initial approach not to operating companies, but directly to holding or parent companies.

Such assignments present major, and increasingly frequent, opportunities for the few groups of our size. It is absolutely essential that we have the professional resources and the practice development capability to serve such clients comprehensively, actively and creatively. Initiatives involving some of the world’s largest marketers continue to gain momentum. The world’s largest advertiser is itself integrating its efforts around brands, in the areas of advertising, media investment management, market research, packaging design and public relations. Our largest client is seeking a seamless model, effectively a one-client agency within our Group. All our clients, whether global, multinational or local, continue to focus on the quality of our thinking, coordination of communications and price. In response, we focus on talent, structure and incentives.

**Managing talent**

Talent and its management therefore remain the lynchpin of our reason for existence: that is what our clients pay us for. Development of our people and the way we manage that talent is a critical determinant of performance and on that critical dimension, we continue to make significant progress.

In creating highly-competitive incentives with extremely attractive working environments, we increasingly differentiate ourselves from our competitors and improve the attractiveness of WPP companies as destinations for talent. Our quarterly reviews with the operating companies have been structured to give more time and attention to talent and to clients. Our recruiting efforts throughout 2011 were especially fruitful as we successfully targeted and recruited top talent within and beyond our industry, often competing with investment banking, management consulting, new media and private equity offers. The war for talent is fierce and will intensify further, and there is more to be done.

The blueprint for our executive development curriculum has been completed, and our flagship client leadership training program, Maestro, is being continuously developed. The parent company and each of our operating companies installed its own approach to performance assessment and succession planning, aimed at developing the careers of their people, improving the quality of feedback, coaching and mentoring they receive and providing for orderly succession. We have launched a senior management mentoring and development program specifically for women, run by Charlotte Beers and called 'The X Factor'.

In 2011, your Company teamed up with the Shanghai Art & Design Academy (SADA) to establish the WPP School of Marketing and Communications. This jointly run school offers China’s first professional marketing and communications three-year diploma program. After 17 years, the WPP Marketing Fellowship program remains (sadly) the only multi-disciplinary and multi-geographical recruitment and training initiative in the industry.

We continued to scrutinise and modify our compensation practices, both to offer competitive and appropriately-based rewards to our people and to attract outstanding talent from elsewhere. This is a key strategic priority for us. Our competition is, sometimes, not so rigorous in evaluating and rewarding performance – for example, taking advantage of sharp falls in share prices to re-price or issue options or giving limited disclosure to investors of compensation plan details. A failure of external, as well as internal, audiences to understand the importance of globally competitive incentive-based compensation will undermine the Company’s leadership position. After all, we invest almost $10 billion a year in human capital, as opposed to only $400 million in fixed assets – 25 times more.

**Communications**

Of all businesses, a communications services company must be a model of excellent external and internal communications. To that end, we accelerate understanding of the Group’s vast resources with a raft of regular communications through our websites and social media channels and in print: our monthly public online news bulletin, e.wire; our consistently-awarded global newspaper and eBook, The WIRE; our annual Atticus Journal of original marketing thinking; the
offerings in the telecommunications sector to increase efficiencies and to provide enhanced support to our increasingly mobile workforce.

**Practice development**

In practice development we continue to develop horizontal initiatives in a focused set of high-potential areas across our vertical operating brands: in media investment management, healthcare, corporate sustainability, government, new technologies, new faster-growing markets, retailing, shopper marketing, internal communications, financial services and media and entertainment. Specifically, we continue to invest in sharing insights and developing initiatives through WPP Digital (in digital marketing and media) and The Store (in distribution and retail).

In key geographic markets we are increasingly coordinating our activities through WPP Country Managers. We continue to believe that increasing coordination is required between our brands at the country and global levels, as the arguments for investment in regional management become weaker. In addition, we have increased the number of WPP Global Client Leaders to coordinate our efforts on behalf of clients and to ensure they receive maximum benefit from their relationships with WPP operating brands. Over 30 global client leaders have been appointed so far.

Furthermore, we continue to encourage internal strategic alliances and promote co-operation. Practice development initiatives have therefore been reinforced in such areas as healthcare, retail, internal communications, corporate sustainability and media and entertainment. This has been especially important in developing our portfolio of direct investments in new media under WPP Digital and where our investments are working with our agencies and people to bring new technology capabilities and understanding to our clients. All these initiatives are designed to ensure that we, the parent company, really do (as well as being perceived to) inspire, motivate, coach, encourage, support and incentivise our operating companies to achieve their strategic and operational goals.

**Sustainability**

The Group’s commitment to, and investment in, sustainability initiatives supports major business wins. We estimate that clients who engaged with WPP on our approach to sustainability were worth at least $1 billion to the Group in 2011. See pages 117 to 127 for more on sustainability at WPP.
### Sustainability performance summary

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of client business supported by our sustainability credentials*</td>
<td>$1bn</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Gender diversity (% of women total employees)</td>
<td>54%</td>
<td>54%</td>
<td>0%</td>
</tr>
<tr>
<td>Gender diversity (% of women Board directors/executive leaders)</td>
<td>31%</td>
<td>31%</td>
<td>0%</td>
</tr>
<tr>
<td>Investment in training and welfare</td>
<td>£58.3m</td>
<td>£48.9m</td>
<td>+19%</td>
</tr>
<tr>
<td>Carbon footprint (tonnes of CO₂ per person)</td>
<td>2.44</td>
<td>2.51</td>
<td>-3%</td>
</tr>
<tr>
<td>Social investment (£ million)</td>
<td>£15.3m</td>
<td>£14.3m</td>
<td>+7%</td>
</tr>
</tbody>
</table>

* Value of clients who requested information on our sustainability policies and performance through their supplier management process.

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Fifth, to continue to place greater emphasis on revenue growth. One legitimate criticism of our performance against the best-performing competition is our comparative level of organic revenue growth, although the methods used to calculate rates of organic growth ‘vary’ to say the least and we may have put too much emphasis on margin improvement. In 2011, our like-for-like revenue growth of 5.3% was strong but not as strong as others, although quarter-four growth of 4.5% was in the middle of the pack. On a gross margin basis, the Group’s like-for-like growth of 5.9% was in line with our leading competitors. Our margin performance is consistently at the top end of the pack.

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Given the significance of Consumer Insight revenues to the Group, with none of our direct competitors present in that sector, gross margin and gross margin margins are a more meaningful measure of comparative, competitive revenue growth and margin performance. This is because Consumer Insight revenues include pass-through costs, principally for data collection, on which no margin is charged and with the growth of the internet, the process of data collection is more efficient.

Estimated net new business billings of £3.2 billion ($5.2 billion) were won in 2011, up over 7% on 2010, placing the Group first or second in all leading net new business tables.

Our practice development activities are also aimed at helping us position our portfolio in the faster-growing functional and geographic areas. In 2011, 24 acquisitions and investments were in new markets, 32 in new media and eight in Consumer Insight, including data analytics and the application of technology, with the balance of seven driven by individual client or agency needs.

Specifically, in 2011, acquisitions and increased equity stakes were completed in Advertising and Media Investment Management in the US, France, Germany, the Netherlands, Bahrain, South Africa, Brazil, Chile, China, India, South Korea and the Philippines; in Consumer Insight in the US, Ireland, Germany, Poland, Russia, Kenya, Japan and Sri Lanka; in Public Relations & Public Affairs in the US, the UK, South Africa and Singapore; in direct, digital and interactive in the US, the UK, Austria, Brazil, China, the Philippines and Singapore; and in Specialist Communications in the US and Kenya.

So far in 2012, the Group has made acquisitions or increased equity interests in Advertising and Media Investment Management in Israel, China, Singapore and Indonesia; in Consumer Insight in China and New Zealand; in Public Relations & Public Affairs in the US, Finland, Russia and Hong Kong; and in direct, digital and interactive in Russia and Australia. These acquisitions continue to move us forward to our previously described strategic priorities; expanding the share of revenues of our businesses in Asia Pacific, Latin America, Africa and the Middle East, and Central and Eastern Europe to 35-40%; in new media to 35-40%; and in Consumer Insight, direct, digital and interactive, to over one-half.

We intend to expand our strong networks – Ogilvy & Mather Advertising, JWT, Y&R, Grey, United, bates, Mindshare, MEC, MediaCom, Maxus, tenthalvenue, TNS, Millward Brown, Kantar Media, Kantar Health, Kantar Retail, Kantar Worldpanel, Hill+Knowlton Strategies, Ogilvy Public Relations, Burson-Marsteller, Cohn & Wolfe, OgilvyOne Worldwide, Wunderman, OgilvyAction, G2, Possible Worldwide, 24/7 Media, Ogilvy CommonHealth Worldwide, Sudler & Hennessey, ghg, The Brand Union, Landor and FITCH – in high-growth markets or where their market share is insufficient.

We will also enhance our leadership position in Consumer Insight by further development of our key brands with particular emphasis on North America, Asia Pacific, Latin America and Continental and Eastern Europe. We will continue our growth of research panels and have established a Kantar-wide operational capability. We will reinforce our growing position in media research through Kantar Media, which includes our investments in television audience research through the former TNS Media Intelligence and TNS Media Research, and IBOPE and Marktest, which, combined, is the market leader outside North America. We now measure television and/or internet audiences in 47 countries around the world.
In addition, we intend to reinforce our worldwide strength in direct and interactive marketing and research through our traditional channels such as OgilvyOne, Wunderman, G2, Blanc & Otus and Lightspeed. We will also invest directly in new channels through start-ups, particularly as US and French valuations in search, for example, are still prohibitive. Other opportunities will be sought to enhance our online capabilities.

Lastly, we will continue to develop our specialist expertise in areas such as healthcare, retail and interactive and to identify new high-growth areas.

Creativity remains paramount

Sixth, to improve still further the quality of creative work throughout the Group. Despite the growing importance of co-ordinated communications and price effectiveness, the quality of the work remains and will remain paramount. If you drew a graph plotting creative awards (as a proxy for creativity) against margins for any group of agencies, there would be a very strong correlation. The more awards, the stronger the margins. The client’s procurement department fades into the background when the work is strong. Of the three things we do – strategic thinking, creative execution and co-ordination – creative execution is undoubtedly the most important, and that means creativity in its broadest sense.

Clients look for creative thinking and output not just from advertising agencies, public relations and design companies, but also from our media companies and our research companies. Millward Brown remains arguably one of our most creative brands. Witness the BrandZ™ Top 100 Most Powerful Brands study published annually with the Financial Times and its study of the BrandZ™ Top 50 Most Valuable Chinese Brands, together with the just-launched BrandZ™ Top 50 Most Valuable Latin American Brands.

We intend to achieve this objective by stepping up our training and development programs; by recruiting the finest external talent; by celebrating and rewarding outstanding creative success tangibly and intangibly; by acquiring strong creative companies; and by encouraging, monitoring and promoting our companies’ achievements in winning creative awards.

In pursuing these aims, the Group is led by John O’Keefe, WPP’s worldwide creative director. Under John’s guidance, gratifying and discernible progress continues.

Your Company was named Holding Company of the Year at the 2011 Cannes Lions International Festival of Creativity, the world’s premier showcase for excellence in communications. This marks the first time the Cannes Lions have measured and recognised creative performance at the parent company level. Based on the collective number of Cannes Lions awarded to WPP agencies for creative excellence, WPP accumulated 1,219 points in the competition, followed by Omnicom second with 1,152 points and Publicis with 744 points. Awards were won by WPP agencies from more than 30 countries across all continents, including most notably a prestigious Grand Prix awarded to JWT Shanghai, the first time a Chinese agency has won this top prize. Three years earlier, JWT India was the first agency to win a Cannes Grand Prix for India.

Our performance in The Gunn Report, even on an accurately-calculated weighted basis, is as strong, with GroupM topping the Media Holding Company of the Year tables and Mindshare the fastest growing of the two big agencies at the top of the report in terms of media creativity. 2011 also saw the fifth annual WPPED Cream awards, our internal award program for outstanding work across the Group.

We are committed to achieving our objectives in the right way, as a company that recognises our responsibilities to clients, our people and the world at large. Sustainability at WPP encompasses our principles for marketing ethics, privacy and data protection, our leading employment practices, our commitment to minimise our environmental footprint and the contribution we make to communities through pro bono work and charitable giving. This is not altruism or charity, it is good business when, like us, you are focused on long-term total share owner return. Our strong track record in this area enables us to take advantage of new commercial opportunities as sustainability continues to grow in importance for consumers, governments, brands and businesses in Western and fast-growing economies. Our goal is for WPP to be a centre of excellence for sustainability communication, giving our clients the best advice and enhancing consumers’ understanding of sustainability issues.

A summary of the Group’s approach to sustainability can be found on pages 117 to 127. Please also see our annual Sustainability Report on the work our clients and our people do in these increasingly important areas.

Future challenges

A colossal amount remains to be done – challenging our clients, and therefore us. It seems certain that once these objectives are achieved, they will be replaced by new ones. As companies grow in size, most chairmen and CEOs become concerned that their organisations may become flabby, slow to respond, bureaucratic and sclerotic. Any sensible business leader aggressively resists this phenomenon; we all seek the benefits of size and scale without sacrificing the suppleness and energy of a smaller firm. And, for the first time, new technologies now make this possible on a global platform. WPP wants the scale and resources of the largest firm together with the heart and mind of a small one.
Howard Paster (1944-2011)

When Howard Paster died in August of last year, his army of friends and colleagues shared two dominant emotions: a huge sense of loss; and infinite gratitude for having known him.

Bill and Hillary Clinton were among them. He’d worked closely with both. “We will remember Howard for his passion and candor and his dedication to public service,” they wrote.

Howard Paster had been part of WPP since 1989 – for the last decade with responsibility for all the Group’s public relations and public affairs interests, and for much of that time as a member of the WPP Board of Directors. Extensive though that responsibility was, Howard’s influence was greater still. The multitude of tributes that followed his death painted a remarkably consistent picture of the qualities with which he was blessed and which he so liberally shared.

Here is just a fraction of those tributes.

“A good man.” “One of the finest men I’ve ever met.” “His integrity, compassion and deep love of his family were inspirations to all of us.” “Always the person to turn to for advice.” “We will all miss Howard’s knowledge, great wisdom and kindness” “A compassionate man.” “He was as insightful a business guy and generous a human being as I have known.” “Wise, kind, expert, polite and always helpful.” “A wonderful man.” “A great guy and a wise counsellor.” “We’ve truly lost a remarkable man, but the inspiration of his faith, optimism and perseverance will live in our hearts forever.”

“Howard has been our colleague, friend and trusted advisor for almost a quarter of a century”, said Martin Sorrell at that time. “He really is irreplaceable.”

As we extend our sympathy to Howard Paster’s family, we thank them profoundly for having shared him with us.

Philip Lader
Chairman

Sir Martin Sorrell
Group chief executive

Paul Richardson
Group finance director
Reports from our operating brands

Our business is best understood through an understanding of its constituent parts. On the following pages, the leaders of our major companies give thumbnail accounts of their performance and progress in 2011.

Advertising agency networks p34
Media Investment Management p54
Consumer Insight p61
Public Relations & Public Affairs p65
Branding & Identity p69
Healthcare Communications p73
Specialist Communications p76
WPP Digital p79
In 2011, we welcomed two new global clients to our network, SC Johnson and Royal Philips Electronics. We could not be more proud to have been entrusted with these remarkable brands.

In the discussion which led up to our appointments, a common and central theme was ‘integration.’ Perhaps not surprisingly, since our research shows it to be the No.1 issue concerning CMOs today. Both clients attributed our appointment, in part, to our ability to demonstrate ‘deep’ integration.

In the last few years our focus for investment has been Integration 3.0, and now even beyond that. One of the problems of our industry, though, is that the earlier integrated life forms resolutely refuse to die.

There is Integration 1.0: graphic integration, mainly – what we call “matching luggage,” where things look and feel essentially similar. Slightly more evolved is Integration 2.0, “integration by funnel,” where there is a systematic (though often formulaic) attribution of different roles for communications to a different stage of a funnel. This still represents best practice for many. Integration 3.0 is where the process becomes much more organic: where the real journeys of shoppers and customers are the basis for how to integrate. 4.0 takes us into territory we are starting to explore, where integration is dynamic, involving chain reactions to every element of the business, right across the marketing and sales mix; all managed live, in-market and driven digitally.

Getting there has quite a price of entry. You need, firstly, to possess the ability to execute to best-in-class levels. In this respect, client disappointment with execution which does not live up to the promise of a plan is rife throughout the industry. Integration is execution. And, secondly, you need laser focus. As my colleague Ben Richards (who, with his team, has developed our strategic approach in this area) puts it, while you desperately need 360° capabilities, what then matters is how you deploy them: clients want “the 10° which really matter.” Goodbye to all those bicycle wheel charts, which showed a zillion points of contact radiating from the core idea, which would inevitably be a television commercial. This 10° is our sweet spot, and it happens in one room, with one team and one operating system.

The other highlight of our year was Cannes – at so many levels. At one level, it saw our best performance ever in terms of awards, emerging as the No.2 network – a tribute to the leadership of our worldwide creative director Tham Khai Meng and his teams. At another, it saw us celebrate the 100th birthday of David Ogilvy. The event was made for us by the attendance of Mme Herta Ogilvy. We spread a two-kilometer red carpet along the length of the Croisette, parts of which Khai has had cut up and made into ‘official David Ogilvy insoles’ to remind us to continue “walking like a lion”!

TED speaker and education and creativity expert Sir Ken Robinson delivered the first lecture of our ‘Ogilvy & Inspire’ series and reminded us that “pervasive creativity is about involving everybody and the whole operation” and that “great creative work involves interactions across and within an organization and among different areas of expertise.” This was another reminder of the need for deep integration.

Last year, we performed ahead of the market in all our regions and all our disciplines. Brian Fetherstonhaugh (direct marketing), Chris Graves (public relations), Steve Harding (activation) and Matt Giegerich (healthcare) detail their performances on the following pages. We have not called out Ogilvy & Mather Advertising (led by Paul Heath) separately, as much of its achievements I have touched on above.

Geographically, the US and the UK both grew very well for us, while the developing markets in Asia and Latin America continued to outperform our expectations. Last year, we took a majority stake of our outstanding business in South Africa, cementing the acceleration of our Africa strategy. In China, we acquired Nanjing Yindu, one of China’s largest independent advertising agencies, consolidating our strong position in the Yangtze River Delta region. Who Digital in Vietnam and Promo Interactive in Russia are both significant acquisitions in the digital area.
Recognizing the growing heft of Chinese business abroad we established the first US-based China Practice of any international network, to assist Chinese companies entering the US. DAVID in Brazil and Argentina was launched, with the aim of capturing the fantastic creative talent there and making it accessible, jointly, abroad.

Once again our agencies around the world received multiple recognitions, and it is difficult to single out all of them here, but I want to recognize the success of Asia in winning both Campaign Asia Pacific’s Regional Network of the Year and Creative Agency of the Year, and of Ogilvy & Mather Latina in being Network of the Year in three different awards (San Sebastián Festival, Antigua Festival and the Oro de Iberoamérica). These achievements are remarkable.

OgilvyOne Worldwide

Chairman and chief executive officer

Through 2011, OgilvyOne continued to grow and develop as a network, and we have tremendous opportunities ahead.

We grew in every region, and set a new all-time high for worldwide revenues. In 2010, our growth was led by exceptionally strong performance in the US. In 2011, it was the other regions that carried the load. Europe had its best year for revenue growth since 2005. Latina grew over 25%. And Asia achieved a hard-fought, double-digit revenue increase.

OgilvyOne’s strong fast-growing market footprint continues to drive outstanding growth. Our combined revenue growth in Brazil, China, India and Russia was well over 20%.

Our digital performance marketing network – Neo – finished the year strongly to achieve double-digit growth yet again.

Finally, we come to the UK, whose 2011 was nothing short of spectacular: revenue and profit growth well above 25%, big new business wins, and a sharp increase in creative awards. To cap it off, in December, OgilvyOne UK was selected by Campaign magazine as the Direct Marketing Agency of the Year – for the second year in a row.

Another source of pride is the network’s sense of responsibility to the broader communities in which we live and work. I am thinking in particular of the Great Tohoku Earthquake in Japan. The response of our staff in Tokyo through repeated visits to the disaster zone and the generous support of our offices around the world, have made a real difference to shattered communities. This reaction shows the Ogilvy family at its very best, epitomizing the humanistic values espoused by our founder, who laid down a culture of volunteerism that continues to thrive today in the countless pro bono campaigns undertaken by our offices. From long-standing global partnerships such as the WWF to local grassroots charities, our culture provides an environment that allows movements to flourish when a few of our people get together with an altruistic goal in mind. Our global sustainability practice, OgilvyEarth, launched three years ago, is continuing to help clients such as Coca-Cola, Johnson & Johnson and Unilever develop programs that move beyond traditional green marketing. Their latest research study Mainstream Green uncovers the huge gap between what consumers say they intend to do and what they actually do around sustainable living, providing new insights for how companies can create the link to behavioral change.

In 2011, I was lucky to visit our offices in over 15 countries. In each of them I found the same people power, the same well-springs of inspiration, the same sense of family, or, as we would put it, of “red-ness” – even as the shades of red vary, as we want them to, from culture to culture. To all our staff, I would like to express the heartfelt thanks of the management team for driving a red letter year.

Creativity remains a core strength of OgilvyOne Worldwide, and our performance at industry award shows is important in attracting clients and top talent. In 2011, Ogilvy won the Direct Marketing category at Cannes, led by integrated efforts from Latin America. We had another good year at the Direct Marketing Association Echos, capturing 14 awards including two Gold and two special awards, including the prestigious Henry Hoke award. And we got back onto the podium at the Caples with 12 medals.
Our reputation continues to climb – we were digital or direct Agency of the Year in Argentina, China, Germany, India, the UK and the US. RECMA, in its survey of the top 150 global digital agencies, ranked us at No.2. Forrester, the leading US digital analyst, ranked us in their top leadership tier in their report on Mobile Marketing Strategy and Execution.

Our promise to our clients is a simple one: we help them win more customers and make them more valuable. 2011 was the year when we crystallized our ability to ‘unlock the full value of customers.’ Every OgilvyOne employee worldwide now has access to the OneStore, a comprehensive toolkit for discovering and unlocking the value of customers for our clients. This approach has been instrumental in many of our client engagements and new business wins in 2011.

We conducted a pioneering research study to understand the impact of the mobile device on the retail environment to help marketing leaders capitalize on the potential of mobile marketing. The resulting white paper, From Armed to Charmed: Preparing for and profiting from the new mobile-enabled point of sale, developed with OgilvyAction, has been viewed by over 50,000 marketing leaders around the world.

For 2012 and beyond, we will focus on two marketing battlefields... e-commerce... and social customer relationship management

As we look to the future, we will focus our attention on emerging markets and fast-growing segments of the digital landscape. Acquisition plays a vital role in bringing critical geographic coverage, capabilities and talent to the OgilvyOne network. In 2011, we welcomed these companies into the fold:
- Who Digital – Vietnam
- Promo Interactive – Russia
- DT Digital – Australia

For 2012 and beyond, we will focus on two marketing battlefields that will be increasingly important to our clients. The first of these is e-commerce, which is growing globally at over 15%. OgilvyOne has a strong existing base in e-commerce that leverages our strengths in digital direct marketing, analytics and brand experiences. We have ambitious goals to expand beyond this e-commerce core. The second battlefield is ‘social customer relationship management’ (sCRM), an emerging field that combines the power of traditional CRM with the explosive growth of social media.

In marking the 100th anniversary of our founder’s birth, Ogilvy Public Relations tried to live up to one of David Ogilvy’s pronouncements: “Change is our lifeblood.”

Ogilvy PR leadership took a view that, in a media landscape fragmenting and morphing at blinding speeds, the times called for revolution. So we accelerated our transformation of the agency with a comprehensive, worldwide, educational strategy reminiscent of Six Sigma. The industry arbiter, The Holmes Report, rewarded Ogilvy PR for these substantial efforts by naming us Digital/Social Agency of the Year. Our clients rewarded us with their trust that we understood the ‘social’ phenomenon as a business and branding strategy and not just a tactic or gimmick. Revenues for this nascent business grew more than 43% making it a serious contributor to our overall business.

And the transformation went beyond digital and social. A deep integration with the other Ogilvy disciplines drives a key differentiator of Ogilvy PR. The company embraced the new Ogilvy & Mather group operating system called Fusion™. Rather than a sequential or hierarchical process, Fusion™ draws Ogilvy PR into the integrated strategy from the outset. Just as we did with Social@Ogilvy, we rolled out Fusion™ training around the world.

In 2011, Ogilvy PR further embraced the transformation IBM’s Jon Iwata identified as “every company is a publisher.” But in the rush to become content creators, we recognized our need to help clients create relevant and high-quality content – not just more noise. To this end we welcomed aboard four-time Emmy and two-time Peabody Award winner Betsy Stark whose three-decade career spans The Wall Street Journal and ABC News. She joined an already strong content team that has crafted compelling content ranging from videos to infographics and conversation starters in client online communities.
While the Asia Pacific region has served as the most powerful growth engine for many years, in 2011, the US and Europe fired up double-digit growth rates surpassing Asia. A healthy combination of new business wins and expanded work with existing clients added up to a record year for Ogilvy PR.

We were honored to win highly-competitive global pitches for Diageo, the BP London 2012 Olympic Games sponsorship, BMC Software and the Mexico Tourism Board, among dozens of others.

As in prior years, broadening and deepening relationships with existing clients drove a significant amount of growth. Our multi-region client roster grew by 40%. This organic growth is a reflection of our ability to maintain long-term client partnerships – 95% of our top 20 clients stayed with us in 2011.

While fiercely proud of our financial performance, just as importantly, Ogilvy PR people worked hard to make the world a slightly better place.

The stellar year-on-year growth was achieved by some exceptional regional performances in North America and Asia Pacific. The US joint venture with the Malone Group in 2010 made OgilvyAction a top five agency and was instrumental in the continued positive development of our North American operation in 2011.

OgilvyAction’s existing client base also saw continuation of sustainable growth and strengthened our platform to increase penetration in Ogilvy & Mather’s global client roster. In line with this strategy, Coca-Cola, Kimberly-Clark, Unilever and Siemens showed significant growth in 2011.

Our growth strategies were the base of 2011 plans and proved to be fundamental in achieving revenue and profit growth.
To help elevate the quality of our creative product and to enhance our creative reputation, we launched a new global philosophy: ‘Big Ideas in Action’. This focus has resulted in OgilvyAction increasing its success in award shows, 150% on 2010, making 2011 the most successful year for creative awards in the network’s history.

We also embedded a business development framework to deliver ‘Big Ideas in Action’. Named ‘Winning Ways’, this is a dynamic and globally-consistent model and approach to new client acquisition and organic development that has now been adopted across all four regions.

We have strengthened our talent pool with investment in strategic and creative expertise across our key hubs.

There was also a strong focus on learning and development; the extension of best practice via our global community has spurred excellence in the delivery of our core Shopper, Trade, Experiential and Promotional activation disciplines.

Most importantly, we launched the OgilvyAction Digital Activation 6-Point Plan. This will ensure that digital focus is ubiquitous throughout our network. The leadership team firmly believes that this initiative will be the most important move in defining our future success and achieving our global ambitions.

2011, whilst successful in its own right, is only one part of our journey. As we move into 2012 with its continued economic uncertainty, we will continue to be ambitious and driven but at the same time pragmatic. Our 2012 plan therefore, provides no fundamental change to our overriding ambitions and strategy. We have positive momentum, so a balance of continuing on our existing path together with some increased focus in specific areas, is the basis of our plan for the year ahead. 2012 will see us focus on five key areas:

1. Drive growth via our ‘Winning Ways’ business approach, building revenue in both Ogilvy & Mather’s global clients and ‘greenfields’ opportunities.

2. Continue to build our creative reputation, targeting significant creative and effectiveness awards.

3. Drive digital ubiquity in every region, particularly in the mobile and social shopper areas.

4. Achieve all the above whilst improving our margin.

5. Via our talent community, ensure that our existing talent is developed, retained and motivated and where we have talent gaps, strengthen our capabilities by recruiting the ‘best’.

OgilvyAction’s ambition is to be the world’s best brand activation network. We have made significant strides in achieving that goal and we believe that clients’ continued demand for strategically-led activation solutions with ‘Big Ideas’ at their centre, will ensure that OgilvyAction is well positioned to continue its growth in 2012 and beyond.

After just one full year of operation, the healthcare marketing network formed in 2010 by the merger of Ogilvy Healthworld and CommonHealth has proven it can deliver a more integrated, more digital and more global offering than either could as separate entities, with an impressive 72 significant new agency-of-record assignments in 2011, as well as numerous additional project-based assignments.

With 65 offices across 35 countries, individual business units within the Ogilvy CommonHealth Worldwide network continue to provide specialized focus on key healthcare marketing disciplines. However, a new, unified global reporting structure is now in place, intended to help ensure the network can deploy the right team and resources for every client, regardless of geography or scale. This global structure also creates operational efficiencies and reduces duplication of effort and investment.
JWT

Report by Bob Jeffrey (below)
Worldwide chairman and chief executive officer

As JWT approaches its 150th anniversary in 2014, we continue to redefine what it means to be a global network in the 21st century. Our pioneering spirit, fortified by the breadth and depth of talent and knowledge across our global network, has helped us maintain many enduring relationships: Unilever (108 years), Kraft (88 years), Kimberly-Clark (83 years), Kellogg’s (80 years), Ford (66 years), Rolex (65 years), J&J (50 years), Shell (49 years) and Bayer (14 years). It also has translated into winning creative and substantial business in new categories across the globe, including mobile/telecoms (Nokia and Vodafone) and financial services and technology (HSBC and Bloomberg, and Microsoft in Brazil and China).

And the pioneering continues. In 2011, under the guidance of Fernando Vega-Olmos, chairman of JWT’s Worldwide Creative Council, we won 49 Cannes Lions and earned a spot as one of the top five agencies in the Festival. We also made history by bringing home the first-ever Grand Prix award for Mainland China for our work on Samsonite after a similar feat at JWT India for the Times of India three years ago. Our performance significantly contributed to WPP’s ranking as the top holding company of the year at Cannes. This momentum continues to fuel our desire to look towards the future and innovate as the industry evolves.

Two forces are shaping our culture – technology and geography. Our strategy for 2012 and beyond, developed with our worldwide planning director Guy Murphy, is a belief that, correctly executed, blending technological innovation with international imagination will give us a competitive advantage. In other words, the route to great work – and therefore growth – for our biggest clients is embracing a philosophy we call ‘worldmade’. In short, at JWT, we make things inspired by the world.

Worldmade permeates everything we do, and is the foundation and inspiration for the creation of dotJWT. dotJWT is the operating system that unites all of our digital expertise, both in our specialist agencies and within JWT, and connects them internationally to solve client problems. dotJWT encompasses nearly 2,000 specialists, nine+ agency brands, 20+ locations and more than 100 clients.

We’ve already seen success with dotJWT across a number of our key global brands including Unilever’s Lux, J&J’s Zyrtec, Energizer/Schick and HSBC. We are Google’s biggest customer in Brazil, an Adobe development partner in Singapore, New York and San Diego, and help manage HSBC’s online presence across the globe.

Non-traditional marketing is the fastest-growing segment of our industry, and now accounts for a growing percentage of our revenues. Our work on ‘activating’ global campaigns such as Nokia’s Lumia launch is further testament to the power of our global network.

We’ve further fortified our non-traditional capabilities by increasing investment in shopper marketing. In 2011, we acquired Lunchbox, a premier player in this space. Lunchbox has led innovation in sales and marketing platforms for retailers by connecting brands to millions of hard-to-reach customers. This is just one example of JWT’s latest best-in-breed acquisitions as the agency continues to add capabilities that will bolster our offerings in growing markets and sectors.

Below is an update from the senior executives of our regions.

Asia
Michael Maedel, president, JWT Asia Pacific

Although Asia was buffeted by the European debt crisis and US economic slowdown of 2011, the region’s economies remained relatively strong. Our revenues in this region continued to grow, reflecting the growth of our clients’ interest and investment in BRIC and the Next 11 markets. Internet and mobile phone penetration rates are soaring, even in the region’s least-developed markets. To leverage this trend, JWT has expanded the footprint of XM Asia Pacific in key Southeast Asian markets, and in October 2011 agreed to
acquire A4A, one of China’s most dynamic digital marketing agencies. XM will continue to strengthen its regional presence through additional acquisitions.

India remains one of our strongest markets through our diversified offerings of mainstream, digital, design and activation capabilities. Talent development is at the forefront of our strategy. Recent hires include creative heavyweight Bobby Pawar as chief creative officer and managing partner for India, Bindu Sethi as chief strategy officer and Max Hegerman as head of digital, adding fresh momentum to the advertising agency’s formidable presence in the market. Client relationships continue to be strong, especially our penetration in every category with India’s market leaders – the most admired multinational companies and India’s finest in a bluest-of-blue-chip line up.

JWT notched up a number of key ‘firsts’ for China’s ad industry in 2011, helping to raise the bar in one of the world’s most important and competitive advertising markets. JWT Shanghai won the prestigious Grand Prix Lion at Cannes for its ‘Heaven and Hell’ print ad campaign for Samsonite – the first-ever Grand Prix awarded for Mainland China. The team also won China’s first-ever Grand LIA, for the same campaign, at the London International Awards. That ad took home numerous other awards in 2011: The Gunn Report named ‘Heaven and Hell’ the most-awarded print ad in the world in 2011.

Lo Sheung Yan, JWT’s North East Asia executive creative director, was also selected by the Cannes Lions committee to lead the Outdoor ad jury in 2012 – becoming the first jury chair from China in the history of Cannes.

North America
David Eastman, chief executive officer, JWT North America

North America has enjoyed considerable success in expanding our relationship with Nestlé by winning the Lean Cuisine business. Additionally, the Corporation for Travel Promotion – now Brand USA – named JWT agency of record to lead America’s first global campaign to create a marketing and promotion program to compete for international visitors and the job creation and economic growth they bring.

We have seen continued success with Macy’s ongoing ‘Believe’ platform and the continuation of Diageo’s powerful ‘Nightlife Exchange’ efforts for the Smirnoff brand.

In addition, North America has significantly bolstered management by hiring two of our industry’s most innovative, forward-thinking leaders. Jeff Benjamin, chief creative officer, JWT North America, is the most-awarded digital creative in the industry. Mike Geiger, chief integration officer, JWT North America, is famous for delivering cutting-edge technological innovation on a massive scale. Additionally, Perry Fair takes the helm as chief creative officer, JWT Atlanta, to steer our U.S. Marines account, one of JWT’s longest-standing relationships (65 years).

South America
Stefano Zunino, chief executive officer, JWT Group Brazil
James Evans, chief executive officer, JWT Latin America & Caribbean

JWT Brazil was the third most-awarded Brazilian agency at Cannes and is considered one of the top creative operations in our network. Approximately 35% of our business in this region is digital and growing. In 2011, we were awarded a prestigious global assignment from Johnson & Johnson for their 2014 FIFA World Cup sponsorship.

Additionally, JWT Brazil launched Agência CASA, the result of a successful merger of two agencies – Digital Media and RMG Connect. Agência CASA is currently the country’s largest buyer of digital media in internet search engines.

JWT Latin America had a great year in 2011, bringing in 12 Cannes Lions in different categories across Argentina, Chile, Mexico, Colombia and Puerto Rico. Two of our creative leaders, Manuel Techera and Jaime Rosado, have been selected as leading creative talent, according to leading publication Adlatina.

Team Ford Latam has had an impressive start developing global ideas for two key nameplates as well as a regional idea to deploy the new Ford brand promise. This is a great example of WPP companies working together to add value to the Ford brand in the region.

Our strategy to become stronger with local clients is producing good results, winning business from leading brands such as Telmex and CPTM in Mexico, and AT&T and Banco Popular in Puerto Rico.

UK and continental Europe
Toby Hocare, chairman and chief executive officer, JWT UK & Europe

The European market remains challenging. However, there are positive signs of growth in some markets, notably Russia, which has experienced growth with multinationals, including Bayer HealthCare, Johnson & Johnson and Nokia. Turkey had significant success with its appointment to the Turkcell business. There were other encouraging wins in Italy, the Netherlands and the UK. JWT London has been appointed by the Ministry of Defence to oversee the entire integrated advertising business for the British Army’s recruitment account.
The majority of our offices are focused on organic growth driven by digital investment. This has already paid off with significant digital projects from our multinational clients. JWT’s shopper offering has also been rolled out to key European markets, and we have identified this as an area of potential growth. There has also been considerable progress building dotJWT.

The London office has focused on growing revenue from existing clients. At the start of this year a new management structure, a three-way partnership, was put in place. The three executive partners have ambitious plans for new business, and we expect to see positive signs of growth from London in 2012.

**Middle East and Africa**
Roy Haddad, chief executive officer, JWT Middle East/Africa

The African Development Bank estimates that the African middle class, those earning between $4 and $20 a day, will increase to 1.1 billion by 2060 – the year when JWT will be 196 years old. This middle class will account for 42% of the continent’s population. The International Monetary Fund has forecast economic growth in sub-Saharan Africa at 5.25% this year and 5.75% next year, beating the global average of 4% each year.

But Africa still presents challenges. About 61% of the continent’s population still lives on less than $2 a day. Notwithstanding the fact that many consumers live far from urban areas and roads are often sketchy – at best – and the supply network often falls short.

JWT has been a pioneer in Africa since 1927, having opened an office in Alexandria, Egypt, that year and another in Port Elizabeth, South Africa, in 1928. We are today aggressively pursuing this great opportunity through an innovative approach that will see us operating through five hubs that will offer marketing solutions to multinational and local clients alike. Already we are present in more than 12 African countries, regrouped under these five hubs.

Our ‘Back to the Future’ pioneering spirit will allow us to access the consumer through a combination of traditional communication activities while using new technologies such as mobile geo-location in addition to field sampling. With its near 150-year history, no agency is better poised to use this ‘old and new’ approach to deliver results to our clients across the continent.

**Conclusion**

JWT is soon to be 150 years old, and we are very proud to have such a long, rich and exciting history. But it is not passive appreciation; we are aggressively working to expand our services, geographies and capabilities. In today’s ‘two-speed world’ – where some countries continue to grow at breakneck speed and other, more mature markets have levelled off – ‘worldmade’, dotJWT and our continued focus on non-traditional capabilities are allowing us to optimize opportunities and grow. We are confident that we are positioned to meet the challenges of 2012 with continued growth, innovation and success on behalf of our clients.

All of the Young & Rubicam Group companies operate independently, with their own set of clients, their own point of view, their own expertise, their own pursuit of state of the art. Their independence gives them their drive and freedom to innovate.

At the same time these companies, some of them working together from as early as the early 1970s, know how to collaborate around a client’s challenge, know how to deliver seamlessly integrated communications programs customized to deliver on the business objectives of their clients.

In 2011, our companies lived up to their standard of advancing the state of their art. The year brought innovation in many forms and across all of our businesses. VML – once again singled out by Forrester Research as a Stronger Performer in 2011 and named one of Advertising Age’s 10 Standout Digital Agencies in North America for the same year – is expanding globally with the help of Y&R. New agencies were opened in São Paulo, Singapore and Mumbai and, in early 2012, in Sydney. Early 2012 also brought iconmobile – an extraordinary player in the mobile arena, with a footprint that reaches from Berlin to Beijing – under the VML umbrella to complement its own vibrant mobile practice.

Wunderman’s leadership role in gathering, interpreting and leveraging data continues to make it a global hot shop, with top rankings in many markets, including Shanghai, Argentina, Vienna and Frankfurt. Wunderman’s Blast Radius and ZAAZ also continued to garner honors around the world.

At Burson-Marsteller, much of its growth can be attributed to its increasing presence within digital and social media. Work for a broad spectrum of clients, from Coca-Cola to Japan’s Nuclear Energy Institute, has demonstrated the importance of digital and social media in the public relations and public affairs arena.

In the healthcare arena, Sudler & Hennessey brought digital integration to its clients, developing some important proprietary digital tools for clients in their markets, as well as demonstrating their thought leadership in a North American eHealth and Technology Summit.

As each of our companies advanced its offerings, the Young & Rubicam Group built on its shared resources and training to enhance their collaborative efforts.

Training remained a key commitment for us. In 2011, Y&R led the charge in the pilot phase of WPP’s Spectrum program, which develops client leaders who can drive innovation and collaboration across disciplines. We selected some of our most promising developing leaders from across companies and geographies. They have been working intensively – individually, in groups, and with an executive sponsor – to broaden their focus, handle greater complexity and increase their impact. The program will be expanded significantly in 2012. Our established Ray Rubicam University program had yet another successful year of building cross-disciplinary skills in 2011.

We continued to be thought leaders. In 2011, Cohn & Wolfe, Landor Associates and Penn Schoen Berland released their seventh annual Green Brands Global Insights Survey, a highly-esteemed industry benchmark on consumer perceptions of green brands. At the World Economic Forum in Davos in early 2012, BrandAsset Consulting, Burson-Marsteller, Landor and Penn Schoen Berland presented the results of the inaugural Global Corporate Reputation Index. We participated in numerous global conferences sponsored by The Economist. In early 2012, Y&R New York launched www.moneysomethings.com, a site that was developed with the agency’s propriety ‘eXploring’ research and is focused on this generation of 20-somethings and their relationship to money and brands.

In the last part of the year, we undertook a name change and rebranding, from Young & Rubicam Brands to Young & Rubicam Group, which clarifies and underscores...
our integrated offering and its ‘Best Alone, Better Together’ philosophy.

Y&R

Report by David Sable (below)
Chairman and chief executive officer

For Y&R, 2011 was a year of digital growth, a year of building infrastructure, a year of evolution and innovation. Our digital growth was prolific. In the past 12 months, we expanded the global footprint of VML around the world, which has advanced and deepened our partnership. The simplest articulation of our relationship is Y&R = Y&R Advertising + VML – and it has three strategic pieces. The first is VML as VML, one of the world’s most highly-regarded digital agencies – a Standout Digital Agency in Advertising Age’s A-List and lauded by Forrester Research yet again as a Strong Performer. In early 2012, we aligned iconmobile, WPP’s largest mobile marketing agency, under VML in a move that greatly expands our global mobile offering.

The second piece revolves around integration – Y&R Advertising and VML share clients, and 2011 brought full integration on clients like Colgate, Revlon and Xerox. Third, while every Y&R Advertising office is fully digital on its own, we are fortunate to have VML as a digital backbone, which gives us a competitive edge that is truly unparalleled in the industry. Through a comprehensive training and activation program last year, VML shared their state-of-the-art thinking with our people in every region of the world.

2011 was a year in which we changed our infrastructure and continued to build our talent pool to reflect the changing marketplace and its new challenges, as well as to give all of our clients the full benefit of the talent and resources across our global network.

We embraced the notion that we are a ‘global boutique’ and have organized ourselves around that principle. Simply put, this means that the strength of our global network is driven by the strength of our local agencies because customers connect, consume and commit to brands locally. These local strengths resonate around the world and are reinforced by shared values, tools and resources that connect us globally.

In shaping our global boutique, we are looking at markets differently. In Europe, we unbundled the regional network, making geographic clusters where it was advantageous, and giving greater independence to major markets, where it was most productive. Martin Beck, an 18-year veteran of the agency and most recently the EVP of Y&R in Central and Eastern Europe, took on the COO role to give operational support. We created three geographic groupings led by Y&R veterans – Central and Eastern Europe (Petr Havlicek), Middle East and North Africa (Nassib Boueri), as well as Belgium, Luxembourg and the Netherlands (Erwin Jansen and Giovanni Canini). The rest of Y&R’s markets in Western Europe and South Africa are now moving ahead under their national leadership. In France, we brought in Xavier del Sarte, a luminary in the market, to head the agency. We successfully transitioned to the next home-grown generation of leadership at RKCR/Y&R, promoting Ben Kay and Alison Hoad to joint CEOs, while Mark Roalfe continues as the agency’s chairman. New business wins in Europe included FIBA, Vodafone and Beeline.

In the US, we continued the unbundling of structure, bringing in Carter Murray to lead both the North America region, as well as serve as CEO of Y&R New York. The North America markets have repositioned themselves to benefit from their regional strengths – Y&R Chicago, for example, has taken off as a great center for the American Midwest and is consistently winning new business. On the West coast, we are successfully repositioned as Y&R California, which is about innovation, a state of mind rather than place. New clients in North America include BMO Harris Bank, Hampton Inn, Crystal Cruises, Microsoft Advertising, Waldorf Astoria, the U.S. Olympics Committee and Famous Footwear, among others.

We continued to focus on fast-growth markets to great results for our clients and the agency. Double-digit growth in Latin America came from new assignments and new wins. Creatively, Latin America won nine lions at Cannes last year and ranked among the top three networks in the important Ojo de Iberoamerica. In 2012, we will expand our shopper marketing capabilities and strengthen our position in Central America.

Our Asia region had a great new business track record in 2011, with new clients that include Amazon, Disney Stores, Suntech and SoSo.com. In early 2012, we announced that
Sanjay Bhasin, CEO of Y&R Thailand and Indochina, would take on the additional role of CEO, South East Asia. Asia, too, had its best year ever at Cannes, with seven Lions. Impressively, Thailand took home two Gold Lions. Finally, the truest measure of our success, our work for Gap in China helped our client win Brand of the Year at the 2011 Campaign Asia-Pacific Agency of the Year Awards.

At the same time that we have empowered our local agencies to be best in market, we are also focused on the global side of the equation. As clients ask for global solutions more and more, our ability to bring diverse talent and relevant expertise is critical. Tony Granger, our global chief creative officer, continues to attract world-class creative talent and has successfully built a global creative community, driven by technology, that gives our clients access to talent all around the world. In 2011, more and more of our clients tapped into creative talent across the network. And our ‘global boutique’ philosophy found validation in client wins like Revlon and Beeline.

Innovation at the agency took many forms. In 2011, we felt the benefit of global planning director Sandy Thompson’s strategic leadership. We created eXploring, a new ‘anthropological’ system of field research that complements our quantitative research, and is key to a full understanding of consumers. Working with GroupM, in particular with Sue Kaufman, we brought communications planning back into the strategic process, and we recommitted to our proprietary brand management tool, BrandAsset® Valuator.

In 2011, we saw the beginning of what we are calling ‘Digital Exponential’ – a convergence of the digital and physical worlds to create a complete lifestyle for our clients’ customers. The implications for marketing are huge, as we take digital tools, efficiency and enablements and leverage them in the physical world. It is a massive opportunity for Y&R, because of the individual and collective strengths of Y&R Advertising, VML and iconmobile.

We also drove innovation through ‘The Spark Plug,’ an initiative that offers innovative start-ups office space in exchange for access to their people, ideas and products. A hugely-successful launch in New York has already created opportunities for clients. In 2012, we are creating regional Spark Plugs in Chicago, London, Paris, Tel Aviv, Brazil and Singapore.

At the end of the year, we launched Tech.YR, a new global practice that links together the expertise of seven of our agencies around the world for companies with complex business-to-business offerings and smaller budgets.

Y&R is poised to help our clients with the fundamental core of our business – the ability to tell great stories about brands as well as the innovation to drive these stories through new channels. The two core pieces of our business add up to new consumer engagements with powerful impact in the marketplace and culture. 2012 remains lined with these opportunities.
Wunderman

Report by Daniel Morel (above right)
Chairman and chief executive officer

Customers rule. This idea should never go out of fashion, and it won’t.

Connecting customers and brands anywhere they are, in the right context, is what matters most. It’s why Wunderman links massive amounts of data to map customer journeys and optimize paths to purchase. It’s why we build sophisticated targeting models and why our creative delivers business results. Clients recognize the value of this approach.

At the start of 2011, Advertising Age recognized Wunderman as a global leader and hot shop. Our footprint grew to 150 offices in 60 countries and we were consistently placed in the top 10. AGENDA was named Best Creative Agency in Hong Kong by the Yahoo! Big Idea Chair Awards and placed second for Best Digital Agency in Shanghai at the ROI Festival. Wunderman in Argentina was again named Best Interactive Agency at the Jerry Goldenberg Awards and, for the first time, was named by AMDIA as Agency of the Year. Our agencies in Vienna and Frankfurt ranked first and second in the Austrian Direct Marketing Awards, and Blast Radius in Canada made Marketing magazine’s Top Agency of the Year shortlist.

2011 performance was strongest in Asia Pacific and Latin America – both regions grew by double digits, with BRIC markets, where we have a true digital presence and 1,100 people, fueling growth. Europe/Middle East/Africa had healthy growth. North America was steady. Underlying our success are our people who build strong relationships with our clients, especially Ford, Microsoft and Nokia. In addition, the talent in the companies we have acquired since 2006, such as AGENDA, Blast Radius, Designkitchen and i-Behavior, gives us tremendous flexibility and bench strength to tap into the social, mobile and local skills our clients demand.

After lengthy and fiercely competitive pitches, Wunderman won Levi’s and Best Buy, two multimillion-dollar, enterprise-wide accounts that will benefit North America in 2012. Three factors tipped the scales in our favor: our expansive global footprint; operational efficiency; and the ‘social/local’ marketing innovation of our network partners. Wunderman World Health, which also draws on network resources, won two major global accounts – Novartis and Johnson & Johnson. Among current clients, our relationships with Coca-Cola, Procter & Gamble, Telefonica, Starbucks and Nike expanded dramatically across borders and regions.

In December, our Marketing Solutions Center opened for business. This global resource combines production, creative execution and analytics in one end-to-end service offering that reduces costs and increases marketing effectiveness for
our clients across print, digital, mobile and broadcast platforms. At its core are high-volume, scalable, global delivery centers in Dhaka and Moscow, as well as seven regional delivery centers. With all work flowing through an integrated measurement framework, near real-time performance reporting reveals what’s working and what needs improvement. It already serves Nokia and Microsoft, and we are ramping up for Best Buy.

On the analytics front, working with KBM Group and WPP sister company Kantar, Wunderman now connects customer data with both purchasing and click-stream data, which enables CMOs to make better-informed decisions about when to use TV, print, online video and mobile media.

Wunderman heads into 2012 with momentum as new accounts and global resources gear up. Our immediate focus is North America. We also look to accelerate growth and increase capabilities in Australia, Brazil, China, India, Russia and throughout Central Europe, and the Middle East and Africa. With the customer charting our course and technology providing infinitely more data, we are excited about the possibilities.

At 91, our agency founder Lester Wunderman continues to inspire us. In his honor, we launched ‘Sigi,’ an internal awards program born of his passion for the Dogon tribal people of Mali, their secret language and spirit of kinship.

Burson-Marsteller continued to build on the significant growth we have had over the last five years, and 2011 was no exception. We have achieved aggressive growth in the growing economies of Asia and Latin America. We have the biggest presence in Latin America as compared to any of the global agencies. Moreover, our European markets have remained strong despite challenging economic times. We have also continued to build upon our comprehensive modernization of our services and systems through our DIGS – Digital, Integrated, Global, Strategic – initiative, expanding our footprint in key markets while deepening our commitment to the client worldwide.

Digital and social media have been a huge initiative for us this year, as evidenced by our robust growth in the marketplace. From collaborating with Coca-Cola to establish global social training, to working with the Nuclear Energy Institute to handle its digital crisis management during the Japan crisis, we proved ourselves as a top contender in the digital and social media space.

To lay the foundation for a long-term relationship and future expansion in Africa, we acquired a majority stake in Arcay Communications, a leading African consulting firm headquartered in Johannesburg, South Africa. We also strengthened our partnership with our Finnish colleagues at Pohjoisranta by taking a majority stake in the company. Additionally, we launched North of Nine Communications, an independent boutique technology agency within Burson-Marsteller, led by our former Global Technology Practice chair Jennifer Graham Clary. Major clients like Ford significantly expanded their global work with us in 2011.

We are constantly focused on obtaining and retaining the best talent across the globe. While we made a number of noteworthy promotions and hires this year, including the addition of Matt Miller, Martin Roll and Hoh Kim to the Global Strategy Team, I would also like to highlight a few changes with regards to the members of our Business Operations Team. For their outstanding record and commitment to our clients, we promoted Ramiro Prudencio to Latin America CEO, Dave DenHerder to US CEO, Dallas Lawrence to chief global digital strategist, Lisa Poulson to Global Technology Practice chair and Michael Bassik to Proof CEO. Moreover, we welcomed three worldwide hires: global consumer and creative lead Lisa Travatello (formerly Weber Shandwick), global consumer lead for the Ford account Laura Hall (formerly MSL Group) and global chief marketing and new business officer Esther Lee (formerly US Department of Commerce). We also promoted former US CEO Pat Ford to worldwide vice chairman of Client Service. In this newly-created position, Pat is responsible for supporting Burson-Marsteller as we continue to strengthen our relationships with and services to key clients.

Throughout the globe, we were recognized at The Holmes Report’s SABRE Awards, with EMEA, Asia Pacific and the US taking home a host of honors, including North American Agency of the Year. ASDA’A Burson-Marsteller took home Middle East and Africa Agency of the Year at the International Business Awards while our work with the Royal British Legion on the ‘2 Minute Silence’ track title was awarded two European Excellence Awards and two Silver Lions at Cannes.

Our integration of top-flight research, grassroots and digital along with public relations sets us apart. Our integrated family of companies includes Penn Schoen Berland, Prime Policy Group, Direct Impact, North of Nine...
Communications, BrandAsset Consulting (BAV) and Proof Integrated Communications.

On a final note, Burson-Marsteller along with Landor Associates, Penn Schoen Berland and BrandAsset Consulting unveiled our findings from the inaugural Global Corporate Reputation Index during this year’s World Economic Forum Annual Meeting in Davos. The findings revealed that citizenship consistently lagged in comparison to corporate performance, suggesting a lack of emphasis on citizenship in today’s corporate marketplace. Companies can and should use this finding as a clear opportunity to strengthen their reputation by demonstrating and communicating more actively their commitment to good corporate citizenship.

At Burson-Marsteller, we’re committed every day to helping our clients do just that.

Landor Associates

Report by Mary Zalla (below)
Chief executive officer

For Landor Associates, 2011 was a year of renewed energy. We refocused the company on top-line growth and new business, introduced an exciting new vision, added energetic new leaders, increased our corporate responsibility initiatives and launched a new approach to awards.

Landor enjoyed an excellent year with Procter & Gamble, our largest global client, where we continue to expand our offer and build deep, strategic partnerships across key categories. One of the most exciting programs was our work for P&G’s 2012 Olympics sponsorship. We have also strengthened our capabilities in Asia to meet the growing needs of P&G’s brands in this important region.

We continue to nurture our key client relationships with Diageo, Kraft and others, with the goal of growing these important partnerships in line with their needs for a partner that can help them realize their global brand ambitions.

We were also pleased to welcome new clients across a broad range of industries and geographies in 2011, including DC Entertainment, ICICI Bank, Mahindra & Mahindra Ltd, Kirin Beverage Company, New York Life Insurance Company, Yell Group, Takenaka Corporation, Shutterfly and British Airways.

Published over the summer, Dispatch from a New Business Horizon is Landor’s synthesis of best-in-class companies rethinking their activities to create social and environmental benefit and making them more essential to their business. We were fortunate to have the opportunity to share this at the Cannes Festival and with clients.

Landor aggressively pursued top new talent and made strategic shifts in leadership to better position our organization for success. Notable additions included: Mark Levy, chief talent officer; Henry Chan, president, Greater China; Jane Geraghty, managing director, London; and Dominic Walsh, managing director, Sydney. Significant promotions included: Nick Foley, regional president, South East Asia & Pacific; Marcela Graces, managing director, Mexico City; and Chris Lehmann, general manager, Chicago.

In 2011, we also refocused on awards in an effort to drive a more creative culture and raise the bar for our work. In December, we launched a new approach to our internal awards, calling them The Walter Awards, with expectations that this will drive more winning submissions externally. Our success in the WPPEA Cream awards continues to be a point of pride for our network. Externally, we improved our performance at Cannes with a Bronze Lion for the packaging design of Australia’s Yummy Tummy Koalas.

Our 2012 strategic initiatives will be driven by our new purpose of collectively unleashing creativity to make a meaningful difference. We will work to embed our culture and values, expand our offer to grow the bottom line, and continue to focus on our key client relationships as the foundation of our business.

Sudler & Hennessey

Report by Jed Beitler (see page 48, top left)
Chairman and worldwide chief executive officer

2011 was another positive year for the Sudler global network. Our network goals were growth and collaboration. We achieved both with the addition of new US and global clients to our roster, along with the development of new S&H network initiatives.

The Sudler global network is divided into three key regions: The Americas, headed up by co-CEOs Louisa Holland and Rob Rogers; and the EMEA and Asia Pacific regions, both headed up by CEO Max Jackson. Ellen Goldman is the global CFO/COO.

Our EMEA and Asia Pacific regions enjoyed growth and our new business efforts achieved exceptional success in Milan and London. While our various regions were faced with difficult economic market conditions, globally we continued to enjoy stable growth.
Bravo’s strategy of client-centricity, whereby we help clients capitalize on the growing Hispanic opportunity in the US, has fueled growth and satisfaction across our major relationships with AT&T, Chevron, CVS, Pfizer, Wendy’s and Wrigley’s. As the face of America becomes more Hispanic and multicultural, clients are turning to Bravo for bold, integrated solutions that deliver bottom-line results. Our investments in planning and insights, digital and creative are enhancing our product quality and service delivery while ensuring we are an innovative, world-class agency and our clients’ most valuable partner.

This strategy has also fueled new business success. Our Miami office won FedEx and Winn-Dixie, while our New York office won Extra Care from CVS, Vertex Pharmaceuticals and the Prevnar business from Pfizer.

By delivering actionable insights, brighter ideas and precise implementation for our clients, Bravo has achieved excellent top-line growth. Our focus on superior talent is winning.

Looking forward to 2012, the opportunity to collaborate with sister WPP companies takes on greater focus. Major global clients and categories like auto, banking, consumer package goods, insurance and spirits are yet to be represented in Bravo’s portfolio and offer us the opportunity to further enhance our business and performance.

Our worldwide network creativity was recognized through platinum, gold, silver and bronze awards, as well as many awards of excellence from local, regional and global ceremonies including the PMEA, Compríx, IPA, MarCom and Rx Club Awards. S&H’s new website reflects the creative nature of our global network.

Thought leadership was also of growing importance for the Sudler network in 2011. We communicated the strategic, digital and creative expertise of our people through a variety of publications, podium presentations and website placements.

The Sudler global network continued to strengthen its core capabilities throughout the Americas, EMEA and Asia Pacific regions, with focused growth in our Medical Education and Digital offerings. We expanded our promotional, educational and digital activities in many of the growth markets of the ‘pharmerging’ world, especially in Latin America and Asia Pacific.

Digital integration accelerated and played a key role in our business model as our clients’ needs continued to quickly evolve from a technology standpoint. The Sudler network continued to grow and adapt to meet the ever-changing demands of our global marketplace, from developing proprietary digital tools for our clients’ local markets, to convening a North American eHealth and Technology Summit.

The Bravo Group

Report by Eddie Gonzalez (right)
Chairman and chief executive officer

In 2011, Bravo continued to grow and excel across all critical business areas: client satisfaction, innovation, new business success and financial results.

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Cohn & Wolfe (full report on page 66)

Report by Donna Imperato
Chief executive officer

With a strengthened global leadership team in place and significant new business momentum going into 2011, Cohn & Wolfe delivered a year marked by solid top- and bottom-line growth, award-winning client work, groundbreaking digital initiatives for clients and staff and expansion across Asia.
Grey received wide recognition for the multi-platform creative excellence we are achieving. *Fast Company* named Grey New York in its ‘50 Most Innovative Companies in the World’ issue in 2011. Grey New York’s president and chief creative officer Tor Myhren was named to *Fortune* magazine’s ‘40 Under 40’ stars of the business world, the only ad person on the list. Grey London, Grey Hong Kong and Grey Asia Pacific were all nominated for Agency of the Year by trade magazines *Campaign* and *Marketing*. Grey India was chosen as Digital Agency of the Year by the Indian Digital Media Awards and Grey Colombia was named Agency of the Year by *P&M* magazine.

Grey, again, delivered its best new business performance ever in 2011, led by the win of the $200 million Ally Financial account. We expanded our client roster with wins including Mike’s Hard Lemonade, Turner Network Television (US); Vodafone Ireland, Bacardi, QVC, Jordans & Ryvita, Spanish Lottery, Banco Popular and Anheuser Busch (EMEA); Heinz, Bulla, FedEx, Galaxy Macau and Honda (Asia Pacific); and Herbalife, Heineken, Casa & Video and HBO (Latin America).

Grey’s flagship agency in New York accelerated its creative cachet and financial momentum. Highly-acclaimed integrated efforts for DirecTV, CoverGirl, Pantene, Febreze, Downy, Red Lobster and Canon delivered sales success and unprecedented social media buzz. Once again, the E*TRADE baby set new records for popularity and effectiveness in the Super Bowl, as did our work for the NFL.

Grey enhanced its global leadership with the appointment of Alain Groenendaal as president and CEO of Grey Latin America. He will continue to serve as president and CEO of Wing, uniting our US Hispanic and Latin American capabilities into a powerful resource. Michael Houston was promoted to managing director of Grey New York after overseeing our successful new business and marketing efforts since 2007.

We were delighted to welcome T.H. Peng, one of China’s most accomplished and respected advertising leaders, as chairman and CEO of Grey Greater China.

2011 was Grey’s fourth year in a row of record new business performance. In naming Grey to its prestigious A-List of the 10 hottest shops in the US, *Advertising Age’s* headline said, “Strong exec leadership and improved digital knack draw a slew of enviable new business.”

As we begin our 95th year under the banner of ‘Grey Famously Effective Since 1917,’ our track record for effectively building many of the world’s great brands, coupled with our growing reputation for famous work that influences popular culture, is resonating across the globe as never before.

We continued to elevate our creative performance and award recognition through the work of our Global Creative Council, headed by Tim Mellors, worldwide chief creative officer. We won 18 Cannes Lions in eight categories from 13 countries of our global network, ranking us among the top 10 winning agencies. New executive creative directors were appointed in 13 countries, a testament to the priority we place on world-class talent.
a new position, to expand our reach and resources in this vital market. Eric Hanna returned to Grey, where he spent a decade building our Middle East operations, to become CEO of Grey Group MENA. Stephanie Nerlich joined Grey Canada as president and CEO and Claudia Martinez was promoted to president and CEO of Grey Mexico.

We continue to invest in the world’s developing growth countries and expand our service offering. Grey 141 Group, a merger between Grey Brazil and Ogilvy’s second agency, 141, opened its doors as the 13th largest agency in Brazil, led by Luiz Kroeff. We entered into a strategic partnership with Possible Worldwide, WPP’s interactive marketing network, to provide our clients with best-in-class digital communications on a global scale as we concurrently build Grey’s digital holdings through acquisition. In addition, we rebranded and expanded The Social Partners, our social media marketing agency.

We launched Grey Healthy People, a next-generation, full-service, integrated offering to serve the health, wellness and lifestyle industries, with 300 people, five offices, $500 million in billings and 50 leading brands. Plans call for the division to be introduced into our 20 largest markets in 2012. Led by Maureen Maldari as president, its mandate is to help marketers build brands dedicated to the preservation, longevity and enjoyment of a healthy life.

Our Global Planning Council, under the leadership of Suresh Nair, director of global strategic planning, continued to build Grey’s pre-eminence in consumer insight. We launched a new communications planning platform called SHIFT that combines brand planning with channel and digital planning. The goal is to deliver brand success through ideas that generate fame and effectiveness. Grey’s Eye on Asia, our proprietary trends study, remains a key window into consumer psyche and behavior.

Today we are producing some of the most leading-edge creative work across platforms, breaking new ground in brand experience.

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In 2011, G2 Worldwide continued to build upon the momentum that we started in 2010. Our accomplishments were driven by G2’s focused and energetic worldwide staff, all of whom contributed to the expansion of our relationships with key clients and the addition of important new clients and assignments to our growing portfolio of businesses.

As a specialized brand communications agency network with a dedicated focus on brand activation, G2 is committed to helping our clients ‘Sell More’ by finding and owning precisely the spaces, places, moments, and voices that most successfully influence the right people. Our unique ability to see and understand the entire marketing communications landscape is realized through the breadth and depth of expertise within our global network in the disciplines that matter most to marketers. And our precise blend of context and content has led to great work that works for our clients.

At G2, digital and data have long been at the center of everything we do, and our ‘Precision Influence’ approach – whether the communications channel is branding and design, digital, experiential, promotional and shopper or relationship marketing – has resulted in significant new business wins and assignments over the past year. In 2011, we continued to build upon the partnerships with our stable of key multimarket clients, including Adobe, BAT,
GlaxoSmithKline, Heineken and Procter & Gamble. Additionally, we were awarded new multimarket assignments from Coca-Cola, Hertz, Kraft, Nestlé and Vodafone.

Additional new business activity in 2011 included:
- G2 China was assigned a CRM campaign for Mercedes-Benz in China and e-marketing duties for Hilton. G2 Korea was named in-store management consultant for the home appliances division of LG Electronics.
- In EMEA, G2 won digital assignments for Laureus in the UK; data and CRM assignments for BMW, also in the UK; and ATL assignments for Bacardi in Russia.
- G2 USA picked up new business wins from Ally (with our sister agency Grey), Capital One, Southwest Airlines and Weight Watchers.
- And, following a competitive review, G2 Brazil bested the competition by winning planning, creative and advertising duties for Panasonic in Brazil.

These wins and assignments reflect clients’ growing demand for G2’s unique marketplace offer, which combines multidisciplinary skill sets across our global network. Since the introduction of G2’s Pathfinder planning process in 2010, we’ve been able to engage existing and new clients with a new way of thinking about consumers’ ‘Purchase Decision Journey’, which has helped to grow our reputation within the industry.

Looking ahead, we will continue to bolster our Global Shopper Marketing offering, led by Sarah Todd, global key accounts director for Shopper Marketing, and facilitated by our network of shopper experts around the world. Additionally, Jonathan Dodd, global chief strategy officer, G2 Worldwide; Cesar Montes, chief strategy officer, G2 EMEA; and Eric Pakurar, executive director, head of Strategy & Planning, G2 USA, will continue to evangelize G2’s proprietary Pathfinder planning process within G2 and with our roster of clients.

We look forward to continuing our momentum as well as pursuing new opportunities in the coming year.

At G2, digital and data have long been at the center of everything we do.

Throughout 2011, G2 offices around the world were committed to pro bono and cause-related programs that benefit our communities. We partnered with many different organizations, including One Laptop Per Child, the Malaysian Nature Society, the SPCA, Action Against Hunger and the World Health Organization. For the fourth year in a row, G2 devoted its global pro bono efforts to Save the Children. Building on the project that we initiated in 2010, G2 sponsored 10 children around the world to support education and quality of life programs in countries including Central America, Asia and the Middle East.

G2 was ranked among the Promo Power 100, named an IT Agency by Event Marketer, and once again named to B2B Magazine’s Top Agencies List. Across the G2 network, our agencies garnered multiple honors and accolades for our client work.

A key priority in 2011 was continuing to build our senior management ranks, and we strengthened our worldwide leadership teams across the globe with a number of strategic appointments.
2011 was a strong year for United from the perspective of competing and winning new business.

In the US, Berlin Cameron United won major assignments for Stoli Vodka and ING Direct. Cole & Weber United generated a significant assignment from Microsoft.

In Europe, our Benelux agency was chosen as the agency of record in Belgium for Opel. 1861 United in Italy won Costa Crociere and BTS United in Norway picked up a number of local assignments as well as the global campaign for Helly Hansen. In Spain, arguably our most challenged market from a macroeconomic point of view, Sra Rushmore United had a banner year for new business, building deeper relationships with such blue-chip clients as Coca-Cola and Telefonica.

As WPP continues to lead the industry in the creation of cross-company client teams, United played central roles in many of these: Team Vodafone and Team Mazda, among others. United continues to offer a strong strategic and creative resource both in the open marketplace and in partnership with some of our bigger sister companies.

A further achievement this year was to make significant progress in our margins by strong discipline on the cost side. One thing we see is the strong trend towards ‘project’ or ‘short-term’ client commitments that necessitate very cautious management of our costs.

Finally, although our scale means that we do not show at Cannes in the depth of some of our siblings, we were happy to have won a Silver Lion for Sra Rushmore in Spain together with a Bronze Lion for LDV United in Belgium, and to have other work shortlisted and, in our own way, contribute to WPP’s great year at this important showcase for creativity.
Chairman

2011 was a year in which our positioning was refined from ‘the change agency’ to ‘the changengage™ people’; a year in which we made significant progress in raising the calibre of our local office management to better deliver against our promises to clients; a year in which progress was made in integrating our specialist operating units; a year that put us in a very good place for further advances in 2012.

bates remains focused on the high-growth BRIC markets in Asia – China with three offices and India with four offices – and in the Next 11 markets of ASEAN, with global and Asian clients such as HSBC, Diageo, Four Seasons Hotels and Resorts, F&N and Ultrajaya. We are a nimble mid-sized network but with competitive scale within our ‘one company, two brands’ collaborative set up with Ogilvy & Mather. We summarize this as “big enough to care and small enough to dare.”

We piloted the changengage™ positioning in Singapore where it resonated so well with our people and clients that we ended the year having won 10 new contracts. We refined this positioning and refreshed our identity for a launch across our network in October. The essence of changengage™ is a simple and holistic embrace of new technologies. The emphasis is not on digital for digital’s sake, but on the benefits that these new technologies bring – the ability to engage with audiences as never before. We have since completed case studies that successfully demonstrate the values of this offer for clients including Disney, Castrol and Singapore Polytechnic.

We started 2011 by organizing our offices into three clusters and with our management structure in place in two of them – China and ASEAN. We ended the year with the opportunity to strengthen our Indian cluster leadership and we put in place new local management where our changengage™ ambitions have demanded new style and new skills – most notably in Delhi, Singapore, Manila, Kuala Lumpur, Shanghai and Taiwan.

We have adopted a quasi-consultancy approach to leveraging our pockets of excellence and our previously independent specialists across the network. For instance, the ‘intelligent activation’ expertise of bates Sercon and the ‘experiential outdoor’ skills of bates Wallstreet, both in India, the discreet marketing experience of bates Indonesia and Vietnam, and the event/activation capabilities of bates MeThinks China. These specialists are highly relevant to our changengage™ offer and have therefore been fully integrated into the network to deliver greater value during 2011.

We continued to invest in our talent, with the second wave of our Young Change Agents career development program. Twenty of our brightest young stars were handpicked to take part. We also initiated a number of changengage™ thought leadership projects as a launch pad for our ambitious growth plans for the coming years. We see this as a great differentiator that underscores everything we do.

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GroupM enjoyed an especially prosperous 2011. By the end of the year, our company scored a 13% increase in overall global billings compared to the previous year, according to RECMA, the independent organization that measures media agency sector operations. At the same time, with $82.2 billion in worldwide billings (RECMA) we remained the undisputed market leader among all global media agency networks with a 29% share of total measured volume.

As both a parent company and collaborator, GroupM’s primary goal remains constant: we provide maximum support for each of our operating companies – Maxus, MEC, MediaCom and Mindshare. We assist them in their efforts to provide a wide range of products and services to their clients, such as trading, content creation, digital communications, new business, finance, proprietary tool development and other critical capabilities.

Throughout 2011 our agencies scored important new business wins around the globe and also benefited from varying degrees of organic growth from existing clients. The account wins, along with industry awards, are outlined in the individual agency accounts on the following pages of this report. I’m particularly pleased to note that Maxus truly came into its own this year as our fourth international agency network. Since 2009, the agency more than doubled its billings from under $3 billion to upwards of $6.5 billion. In North America, the agency’s billings were roughly $700 million at the end of 2010 and edged toward $2 billion by the end of 2011, according to RECMA, which named Maxus the fastest-growing agency network in the world in both 2010 and 2011.

OMMA magazines. One of those issues was online privacy. In June, GroupM announced the development of new guidelines for safeguarding the privacy of consumers using mobile devices in a pioneering effort to introduce a high level of privacy standards to mobile communications. The guidelines were designed to limit the amount of data collected and passed from mobile devices that can be used in marketing campaigns in order to protect consumers from the unwanted collection and distribution of their personal information.

In its article announcing our award, MEDIA said: “Over the past two years, the firm is credited with doing more than any other advertising company to advance the cause of the industry’s self-regulatory position on privacy.”

In other awards, GroupM also topped the annual Gunn Report’s Holding Company of the Year tables in 2011 with 513 points and, at the Cannes Festival, Mindshare was awarded for its creativity by winning more awards in more categories than any other media agency, including three Gold Lions.

Another area in which we were viewed as leading the industry was in our efforts to protect the copyright-protected intellectual property of all content-producing companies. GroupM developed and adopted a pioneering new digital media trading policy designed to prevent its clients’ ads from appearing on websites that distribute
illegally-obtained content. The policy includes anti-piracy language for insertion orders that prohibits vendors from placing GroupM clients’ advertising on sites that support piracy or contain any illegally distributed content. In conjunction with the new policy, GroupM identified a list of more than 2,000 US-based websites that were identified as containing or supporting pirated content.

As always, developing new technology also played a key role for us in 2011. As part of that plan, we launched a new company called Xaxis, a global audience buying company that combines all of WPP’s demand-side data and technology resources and the trading leverage of the GroupM agencies into a single comprehensive resource that allows advertisers to target specific audiences directly, independent of website, app or media platform. With a presence in 13 markets globally, Xaxis has served hundreds of billions of impressions for over 600 advertisers since its launch.

In other areas, GroupM continues to be a leading prognosticator of worldwide advertising spending in both traditional and digital media, issuing several This Year, Next Year forecast reports throughout 2011. We also published Interaction 2011, our fifth annual point of view on the state and future of the digital media marketplace with an analysis of what it means for the world’s largest advertisers.

In 2011, GroupM not only emerged as an industry thought leader on the major issues challenging media agencies globally, but each of our agencies also experienced continued growth in both billings and market leadership in a majority of locales worldwide. At the same time, we remained committed to our long-standing and ever-present goal of serving as a catalyst in advancing the media landscape for the benefit of our stakeholders and our clients. We continue to act aggressively to pursue any and all opportunities and initiatives that bring substantial competitive advantage to our agencies’ clients.
Maxus had a great 2011 by almost any measure: new business wins; network development; visibility and recognition; talent recruitment; and most importantly, client satisfaction.

Winning new business

We have an exciting new global relationship with SC Johnson, in partnership with our colleagues at Ogilvy; we won Universal Pictures and NBC Networks in North America; and the global Barclays and Kärcher accounts. We expanded our L’Oréal relationship in Asia, winning pitches in Malaysia, Thailand and Vietnam. There were significant local wins, including GSK in Australia, Bausch & Lomb in the US, and Pfizer in China. Importantly, we are also winning significant digital marketing assignments in a number of markets as we continue to invest in our social, search and data analytics capabilities. In total, we added $2.5 billion in new business billing, our most successful year ever.

Expanding our network

Our global footprint grew again in 2011, with eight new offices launching to meet our clients’ requirements. We opened operations in Argentina, Canada, Czech Republic and Sri Lanka; we expanded our US presence with offices in Chicago, Los Angeles and Minneapolis; and we launched Maxus Nanjing, our fourth China office. Our network now spans over 70 offices in 60 countries.

Improving our visibility

Campaign magazine in the UK named Maxus its Global Media Network of the Year. Adweek magazine named Maxus its US Media Agency of the Year and Advertising Age said we are an Agency to Watch in 2012.

Attracting top talent

Great people continue to join us. We hired ambitious new country heads in Canada, Denmark, Indonesia, Mexico and Turkey. We appointed new digital leaders in a number of markets including China, Germany, Italy, the UK and the US. We bolstered our trading teams in Europe, Asia and North America. And we strengthened our global leadership team by appointing a chief information officer and a global talent director. The ability to attract and retain the best talent in our industry is one of the best indicators of success. So far so good!

Delivering great work for clients

We measure client satisfaction through a research company called The Client Relationship Consultancy. It consistently tells us that our client relationships are among the strongest in the business. This is due, in part we think, to our Relationship Media philosophy. It has improved the quality of the work we do for clients, in terms of both creativity and effectiveness. With our clients, we won over 100 awards globally in 2011 in recognition of our great work. Maxus India won a Silver Cannes Lion; we won more WPPED Cream jugs than any other media agency; we won Effies in Hungary and Poland; leading industry awards for search marketing in Australia and India; and a major award for research excellence in the US.

Keeping our focus

RECMA will soon announce that Maxus was the fastest-growing agency in the world in 2011, for the third year running.
2011 was a year full of positives for MediaCom, helped by a fragmented media landscape that has given consumers even more ways to interact with each other and brands. This rather chaotic world of communications has elevated our role of helping advertisers simplify and consolidate the task of engaging with consumers.

Of course, in response to these changes, we cannot stand still – and we continue to reshape and re-tool our business to ensure that our offer remains competitive and ahead of the game. This was demonstrated by another strong year in new business in which we consolidated and won global assignments from Bayer, NBC Universal (with Maxus), Revlon, Visit Britain and Zoosk.

We also captured some significant regional appointments including: Procter & Gamble in Southeast Asia; Coca-Cola in Singapore/Malaysia; Ferrosan, Nestlé, SAS and Danske Bank in the Nordics; and Bose, Findus and Müller in Europe. We won many significant local assignments including Westpac Group in Australia, Mars/Wrigley and Yum! Brands in Canada, Procter & Gamble in Japan and the Netherlands, Wort & Bild in Germany, DFS in the UK and Allianz in France. These wins, and many others, amounted to over $2 billion of annualised billings, and will further strengthen our position as the world’s third largest media agency (as measured by RECMA).

In recognition of the work we do for our clients, we were named Agency Network of the Year at the M&M Awards – the first time an agency has ever received this award three years in a row. The win capped an excellent 12 months in which we received over 300 recognitions across the network, including Agency of the Year crowns in seven territories: Australia, Canada, Estonia, Japan, Philippines, Poland and Sweden.

These local awards are particularly valuable as they underline our commitment to delivering best practice in every local market, whilst building strong foundations for our overall global performance.
MEC

Report by Charles Courtier (below)
Chief executive officer

MEC delivered double-digit growth again in 2011. We added more than $1 billion in new billings for the second year running. Much of this growth was characterised by a successful run in new business in local markets.

Key wins included: Marriott International globally; BUPA, Everything Everywhere and the Department of Health in the UK; Lotería y Apuestas in Spain; Hollard Insurance Group in South Africa; SIBA in Sweden; Henkel in Poland; Ahold in the Netherlands; and Allianz in Australia.

MEC in EMEA and Latin America are, according to RECMA, those regions’ fastest-growing agencies. Special kudos goes to MEC Latin America for again being our fastest-growing region, for the third year running.

We made a number of important management changes this year. A new management team is in place in North America, with Marla Kaplowitz at the helm. MEC North Europe chairman Tom George joined our global executive committee. We strengthened our strategic resources in Asia Pacific as well as installing a new management team in China. We also made positive leadership changes in Spain, Russia, Italy and the UK.

In June we gathered together as a management team, 250 of our top people, for our Global Conference in San Francisco. We engaged with the Silicon Valley companies that are doing so much to change the world of communications. In fact, we were the largest group that Google had ever hosted at their Mountain View headquarters. We got inspired and challenged ourselves to accelerate change.

Keeping pace with this communications landscape continues to occupy most of our waking hours. Our ability to provide strategic leadership to our clients in this environment is paramount.

Our fastest-growing resources are in data and digital, particularly social and mobile, and we continue to invest heavily in these areas.

Despite the difficult economic conditions in Western Europe and the US, 2011 was a successful year for MEC. Ultimately that’s because of the efforts of all of our people, all around the world and the support of our clients and partners.

Our efforts include taking our corporate social responsibility seriously. This year over 20 countries created and managed CR programs for clients such as H&M, Colgate, China Light and Power, Citi, IKEA and The Salvation Army.

Looking at 2012, we’re off to a flying start, winning Scotts Miracle-Gro in the US and Lavazza across Europe. And with the Olympics we also predict a big year for MEC Access, our sport and entertainment division.

So despite economic fragility we are cautiously confident about 2012. It happens to be MEC’s 10th anniversary too, so we intend to make it a year to remember and one to celebrate.

We also have key clients fuelling our growth – IKEA, KFC, Chanel and Colgate all had significant growth in 2011. Our focus on the work manifested itself in an excellent run of awards success. We won over 90 external awards around the network, double our previous record. These included Agency of the Year in Poland, UK, Portugal and Czech Republic, as well as a stunning six Effies in Poland.

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2011 was Mindshare's 14th year, each year showing considerable growth on the previous one, in good times and bad. 2011 was no exception. However, there's no doubt 2011 was tough, particularly because of the uncertainty in the global economy and in our clients' marketing plans. Caution became the overwhelming sentiment within clients and this cautious uncertainty is now spilling into 2012.

Mindshare needed to be flexible and our service offering needed to adapt to these changing sentiments. With a heavy emphasis on pricing and delivery we are fortunate to be part of GroupM, which gives our clients the platform to be very competitive in the marketplace and the confidence to help us develop new service propositions. So in 2011, we invested a lot in developing our digital skills, our content development capabilities, our business planning strength and our strategic offering.

2011 was a year when clients wanted the full breadth of our services. Accountability as well as creativity. Value as well as differentiation. Measurement as well as magic. I am pleased to say that Mindshare delivered against these demands and we were rewarded with some significant new business wins from clients such as Unilever, Heineken, SKY, Mazda and MSD.

It also meant that we were very well recognized in industry awards, winning Agency of the Year in Argentina, Chile, Colombia, Ireland, the Netherlands, Portugal, Turkey, India and Malaysia. Beyond this we won regional Agency of the Year in Asia Pacific, South East Asia and the Indian subcontinent. We were also rewarded for our creativity by winning more at Cannes than any other media agency, including three Gold Lions.

We also changed the management in many regions and markets in order to keep fresh and challenging. We brought in new CEOs in North America, Latin America and Europe, as well as important countries like Italy, Australia and Mexico.

We also recognized that technology would continue to be the main driver of change within our business. So we hired our first chief technology officer. We recognized that within technology, mobile will become a key driver. So we launched our mobile marketing centre of excellence in India, leading business development and global best practice in this area.

2011 was also my last year as CEO of Mindshare, as I am moving to GroupM. It has been a privilege to have been at Mindshare since day one, and I know that the new management team, led by Nick Emery, will make the company even better and stronger.
tenthavenue has much to be proud about after our first year. Not only were we successful financially, but we developed and deepened both client and partner relationships in all parts of our organization, as the summaries opposite record.

tenthavenue is focusing on how content and audiences come together at the innumerable consumer touchpoints outside the home. By nurturing the development of enabling technologies such as Near Field Communications (NFC) and understanding how those enabled touch points inter-relate with each other, we can deliver engaging content which consumers want to interact with and share. Crucially, it is the ability to quantify those interactions that enables the distribution of further related content to reinforce the consumer value – either through mobile, online or more traditional channels.

Spafax, our content distribution and custom publishing network, had a great year for core growth; consolidating the Lufthansa/Swiss in-flight entertainment account, as well as developments in other audience groups and networks in colleges, retail, healthcare and hotels. At the end of 2011, Spafax Networks was launched in the US to build new audiences, focusing on the growth of digital screens in various environments such as malls and bars.

Kinetic

Out-of-home expert Kinetic further cemented its position as the world’s foremost agency at reaching people on the move. The new management has significantly strengthened its global position, particularly in Asia Pacific, and focused on developing new, professional service-based revenue streams, which has resulted in strengthened direct relationships with clients like Asda, Vodafone, Accenture and SAP. Kinetic partnered with Mindshare to win a Gold Lion at Cannes this year. This is a major milestone for the out-of-home industry.

Joule

Mobile marketing agency Joule increased its footprint by launching in Australia as well as the recent opening of offices in Paris and China. Joule has consolidated its position as a major force in the mobile world with the winning of the Paramount US business, among others.

Quisma

Performance marketing agency Quisma completed its European roll-out in the Netherlands, Italy, Spain, France and the UK and now has one of the largest European footprints of any performance marketing company. Quisma is aligned with GroupM clients, but also has a significant independent client base.
Consumer Insight

Kantar

Report by Eric Salama (below)
Chairman and chief executive officer

If 2011 reminded us of anything, it was the importance of the Big Idea. From the Arab Spring to the Royal Wedding to the legacy of Steve Jobs, we were surrounded by examples of big ideas that inspired people. And, in our own way, our industry is going through its own Spring as clients reassess the role of data and insights and explore ways in which they can be used to revolutionise business, drive revenue growth and optimise spending.

The need for big ideas that influence deep-seated change within our industry was eloquently expressed by Joe Tripodi, chief marketing and commercial officer of The Coca-Cola Company, when he told his audience of planners, researchers and clients at the ARF Conference that, “If you don’t like change, you are going to like irrelevance even less.”

What hasn’t changed. What must change

The need for consumer understanding has increased, and not just in fast-growing markets where market access strategies are key. The need for actionable insights has not changed. Nor has the importance of having talented people: researchers who can understand and predict human behaviour, storytellers who can inspire an audience, client service people who can join up the dots and operational people who can improve data quality and drive efficiencies.

But the ferocity of competition, the importance of speed in decision-making and the explosion of data – often referred to as ‘Big Data’ – has led many clients to ‘zero base’ their insight plans and examine what data and insights they really need to drive their business and how they should be partnering with agencies. Bob McDonald, CEO of Procter & Gamble, said recently in McKinsey Quarterly: “We’ve been working with all our data partners to help them understand that our need is for real-time data.”

It is against this backdrop – our own Insight Spring – that we assess our business and plan our strategy and try to get the balance right between incremental and radical change.

Kantar’s mission: collaboration, creativity, innovation

The end we continue to seek is actionable joined-up insights, told in creative ways that inspire our clients to act; and real-time quality data which can be used to make good business decisions fast. Our means lie in innovating and in collaborating, within Kantar and WPP and with external partners. Our goal is a mix of incremental and radical innovation in our offer and approach. Against this backdrop, how did we do in 2011? Maybe it’s easiest to see it through two of the lenses that are most critical to our clients: data and China.

Much of our work and success is hidden and client-confidential. But there are some areas where the combination of innovation, imagination, talent, collaboration and perseverance resulted in the winning of highly-visible long-term contracts. Nowhere was this more apparent than in the media measurement space, where Kantar Media won the TV audience (TAM) contracts in UAE (new), Turkey (from Nielsen), Romania (from GfK) and Switzerland (from GfK). In addition, a joint Kantar Media and Kantar Worldpanel team was at the heart of our winning Google’s cross-media

Not just ‘Big Data’: good data, better data, connected data, actionable data

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And it is no longer an exception now to see datastreams joined up so that clients can, for example, get the benefits of The Futures Company’s Global Monitor segmentation in TNS’s Digital Life, or Needscope segmentation from TNS included in Millward Brown Link studies.

Key to all of this is a culture of sharing and connecting and putting the clients’ interest first, and a focus on capturing high-quality survey data and developing behavioural data sources. The latter are extensive and growing.

We have launched mobile passive behavioural measurement panels in seven markets with plans to roll out to a further 15 this year; our KTags track seven billion digital display, mobile and video impressions every day; we process 20 million new posts and articles on a daily basis aggregating content from over 20 million blogs and 40,000 news sites; we track product-level purchase data on 200 million consumers in the US and in an even deeper way through our consumer panels in most other important markets around the world (including our newly-launched panel in Indonesia).

In parallel, we are redefining survey research and innovating to deliver higher quality, cheaper, more relevant quantitative survey research.

Kantar Operations is working with TNS and Millward Brown to roll out ISO 20252 as the basis for high-quality data collection while Lightspeed Research’s partnership with TrueSample is raising standards in online data collection.

TNS has developed an innovative approach to phone-based data collection which reduces costs by 20% and was the basis for the award of the multi-year Eurobarometer work by the EU.
The InTouch team is developing highly interactive and more visual ways of conducting surveys which are designed to improve the consumer experience and be more in tune with the world that our consumers inhabit.

Our partnership with Lumi is being used extensively to capture attitudes through mobile devices at the point at which certain behaviours are displayed.

Our partnership with Affectiva enables us to capture and interpret facial expressions through simple camera technology, a solution which is scalable to every part of the world and which is being used extensively by Millward Brown to get a deeper insight into the way that consumers respond to advertising.

Our acquisition of GMI during the year has given the enlarged Lightspeed access to panelists in 38 markets including new ones in Latin America and India with whom we can engage for our surveys.

Millward Brown has launched Fan Index to help clients understand the value of Facebook fans to them and Ad Index Dashboard as a tool to measure online advertising effectiveness with quick turnaround.

Kantar Health has extended its National Health & Wellness Survey into Brazil, allowing pharma and other health-oriented companies to understand in detail the health status attitudes and outcomes in all key markets around the world.

Data plus creativity and storytelling

Some of what is touched on above is about data that can be actioned, often in real time with no human intervention. But as the amount of data explodes so does the need to make more sense of that data, to explore it holistically and find those nuggets of insights which can give a client a competitive edge. In turn, our ambition of inspiring clients to act requires an ability to tell compelling stories about those insights.

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Some of this focus on storytelling is reflected on a renewed emphasis that we are putting on qualitative work, work which gets to the deepest human emotions in a way that no quantitative work can. The Futures Company and Added Value have historically had qualitative work at the very heart of their approaches. But the likes of Millward Brown, TNS and Kantar Health have been investing heavily in the past year in talented people and technologies to help those people dig deep into human attitudes and behaviour. Nor is it surprising that some of our best new recruits this year, people who are world-class experts in their own right – people like Jannie Hofmeyr at TNS in the area of tracking, Susan Suponcic at Kantar Health in the area of market access and Bernardo Geoghegan at The Futures Company in Latin America – are natural storytellers who can inspire their audiences.

But the world has discovered that it’s not just people who can tell stories, but data can too! The world of data visualisation has blossomed and we are proud to have partnered with David McCandless, the recognised guru in the field. With David we have established the global, open-to-all Information is Beautiful Awards (www.informationisbeautifulawards.com) and begun to train our people and to establish a roster of creative talent around the world. Thankfully, examples are everywhere to see. Millward Brown (with Link copy testing), Added Value (with their tracking i3.0), Worldpanel (grocery data) and TNS (with Digital Life, TRI*M stakeholder) have revamped their deliverables in highly-creative ways.

Our world through the lens of China

We often talk about our capabilities globally but local capability continues to be as important as ever. What do we look like to clients (global, local, Chinese multinationals) in the market that many of them are most focused on – China?

From a capability point of view we look strong. TNS, Millward Brown, Added Value, Kantar Retail and Kantar Health have thriving businesses in the region: Kantar Media is the provider of all audience measurement services (through our joint venture with CCTV) while Kantar Worldpanel has invested heavily to revamp its purchase panel, which is now the sole provider locally through a state-of-the-art 40,000 electronic panel. And in 2012, Kantar Worldpanel has launched a media ROI solution to help clients understand the impact that different kinds of media consumption have on purchase patterns, and Kantar Media completed the purchase of CIC, China’s leading online monitoring agency. Chinese clients, no less than any others, have a growing need for the real-time monitoring of consumer brand conversations on their equivalent social media networks such as Renren and Sina Weibo, and CIC operates a team of over 60 consultants doing precisely that. Individually these offers are strong, together they are unmatched.

We as are proud of our thought leadership as we are of our capabilities. Millward Brown’s Chinese BrandZ™ study has become required reading for anyone interested in which brands are growing in the market and why Kantar Retail set up its iQ service in China to study retailers continuously and released its inaugural PowerRanking for China retail industry last month. Western-controlled manufacturers P&G...
ARF for client work on Domino’s, Kotex, Coca-Cola, Chase, Cadbury and Cracker Barrel; IMRB won Agency of the Year in India for the fifth time; Kantar Worldpanel and Added Value were in The Sunday Times UK Top 100 employers, while numerous people including Kantar Health CEO Lynnette Cooke and Lightspeed/GMI’s Jon Puleston were awarded prestigious personal industry awards.

And recognition can come from within too. We fulfilled our fundraising commitment to UNICEF and to the programs we sponsor in Bolivia, Malawi and Bangladesh two years early as we raised money from across Kantar in a variety of imaginative and inspiring ways.

The effort that our people put into fundraising captures the spirit of what it should mean to work at Kantar. This is even truer when tragedy strikes. We are so proud of Kantar Japan, where in the aftermath of the tsunami, through terrific commitment and collaboration, and despite the challenges to fieldwork and delivery, Masanori Miyajima and our team in Japan maintained business as usual and kept our clients serviced.

As I look back on 2011 there isn’t a single pitch or piece of work that stands out, or a particular day or meeting, but more a feeling that we are increasingly comfortable stretching ourselves collaboratively and imaginatively to deliver in ways that are revolutionising the research industry.

The vast majority of our staff is local but the industry is not as mature as it is in other parts of the world. We are committed to an extensive training program, designed to help people develop the skills needed to service global clients to the standards they are used to. And we are ambitious in taking an industry leadership position in growing the available pool of talent. In 2011, we set up a Kantar-wide graduate program aimed at recruiting and training hundreds of people a year. Our ‘Class of 2011’ launched the scheme with the hire of 60 graduates working across our businesses in China and our ‘Class of 2012’ follows this year. The graduates participate in the two-year development program which is supported by our customers and senior management.

We can never do enough in China, but the range of our capabilities is unmatched. And we are fiercely ambitious to continue to innovate and develop.

Recognising Big Ideas

As we said earlier, our industry is not one with Cannes-like visibility. But there are awards and our people and companies have been well represented again this year. Millward Brown was part of the winning team on six Ogilvy Awards at the...
During my first full year as Hill+Knowlton Strategies’ global chairman and CEO, our worldwide team underwent a series of significant changes. As part of these changes, we rebranded the company, reorganized our regional structure and created an effective talent initiative that not only recruits strong candidates but also grows our current talent from within.

During 2011, we took stronger steps to highlight our research and digital offerings – which have helped grow our client base – and established a stronger client service team. Together, these changes amount to much more than the adding of a word or the changing of a logo; they mark the beginning of a new era of strategic communications that integrates consulting with a tradition of innovative public relations services. I believe Hill+Knowlton Strategies is leading the way for the industry.

During this year of transition, Hill+Knowlton Strategies identified investments and priorities to enhance our company’s success. We created a new global position focused on client service across our network. The new position’s aim is client revenue expansion, and the retention and development of our H+K client leaders. Over the last year, the value of our largest 50 clients has grown 20% over budget.

We placed a strong emphasis and equal value on two core constituencies: our talent and our clients. Clients expect the best talent, and our talent expects blue-chip clients. Exemplary client service was complemented by our continued investment in talent, ensuring that the best people are available for every client team, regardless of geography.

To ensure that we are able to provide the best possible counsel to our clients, H+K Strategies invested in senior leadership around the world. In the US, Ian Bailey and Claire Koeneman, who both have more than 20 years of corporate and financial communications experience, took the reins in New York and Chicago, respectively, and Dr Luis de la Calle, the former undersecretary for international trade negotiations in Mexico’s Ministry of the Economy, joined as president of H+K’s Latin America region. On the global level, Cassandra Carr, formerly the senior executive vice president of external affairs for AT&T, now serves as vice chair of talent and, finally, Ken Luce joined as global COO and brings deep expertise in crisis, corporate reputation management, public affairs and marketing communications.

With digital media increasingly becoming one of the dominant new ‘highways’ between traditional organizations and the public, H+K took significant steps in growing its global digital practice. Taking the lessons and best practices of the political world, in which a digital strategy is arguably the most important communications element, we sought leaders in that space to join the firm. Andrew Bleeker joined as global digital practice director after successfully running President Obama’s online marketing operation during the 2008 campaign, and Rishi Saha joined the digital team in Australia, the Middle East, Africa and South & Central Asia after running UK Prime Minister David Cameron’s digital communications office.

Throughout our regions, Hill+Knowlton Strategies has been chosen for numerous high-level campaigns for clients around the world. In East Africa, Procter & Gamble appointed H+K, along with the International Marketing Council of South Africa, to assist with maintaining the country’s momentum following its hosting of the World Cup. In Asia, we represented Yue Xiu in China and CJ-Geil Jedang in Korea. Other key new clients include the Department of Health & Aging/NeHTA Australia and the Royal Canadian Mint in Canada, which named H+K as its agency of record. Europe continued to bring in successful clients such as P&G Global Olympics, SABIC, Brand South Africa and Novartis. The US, meanwhile, now represents Yahoo!, salesforce.com, America’s Natural Gas Alliance, the PGA and Aon Corporation in various client campaigns. The firm’s technology practice added new clients, including Adobe Omniture, Facebook, MSFT in India and Etisalat in the
Middle East. The practice also managed a massive re-launch of HP consumer products in China and took both LinkedIn and Responsys from private to public companies.

Enforcing our immersion in the ‘wisdom business,’ H+K Strategies launched Research+Data Insights (RDI), an independent organization with a focus on providing clients with data analytics and primary research – the basis of strategic and effective communications in a public environment. Following this, H+K Strategies introduced its Corporate Advisory Group as a new strategic service providing business advisory counsel, focusing exclusively on meeting the public risk and reputational challenges of client leaders at the C-suite and board levels.

H+K Strategies has also been active in assisting companies like Procter & Gamble and HP with their sustainability initiatives while also providing pro bono counsel for organizations including Text4Baby, an award-winning educational platform for expectant mothers, and for United Cerebral Palsy, a leading disability rights and advocacy organization. Additionally, H+K assisted Operation Smile, a volunteer-based organization that provides free medical treatment for children of impoverished families suffering from various facial deformities, as well as for Mercedes Benz China with its Happy Music Classroom Project, which provided 125 fully furnished music classrooms and donated musical instruments to over 40,000 students across rural China.

"Our goal at Hill+Knowlton Strategies is to occupy a ‘fifth seat’ in our clients’ executive suites, alongside the traditional advisors to the world’s largest corporations"

Our goal at Hill+Knowlton Strategies is to occupy a ‘fifth seat’ in our clients’ executive suites, alongside the traditional advisors to the world’s largest corporations – the attorney, the accountant, the banker and the management consultant. We believe that strategic communications today belongs at the forefront of corporate strategy. We will continue to elevate this offering in 2012 and earn the right to be seated in our clients’ C-suites. We’re changing the industry, and we’re excited for the road ahead.

Cohn & Wolfe

Report by Donna Imperato (below)
Chief executive officer

With a strengthened global leadership team in place and significant new business momentum going into 2011, Cohn & Wolfe delivered a year marked by solid top- and bottom-line growth, award-winning client work, groundbreaking digital initiatives for clients and staff and expansion across Asia.

The full impact of our 2010 leadership restructuring – including the addition of new talent and moving other leaders into new roles to drive strategic priorities – came in 2011, where we saw a solid increase in global revenue and double-digit growth on the bottom line. It was a big year for new business as we added 50 new brands to our client roster. We were appointed agency of record for Hennessy and Allergan, began work for the US Olympic Committee and picked up Universal Pictures. Other significant wins include Sam’s Club, Berkeley Park Capital, Boots, Global Premium Brands, Hotels.com, HSBC, Kia Motors, tescodiets.com and Warburtons.

Thanks to the talent and creativity of our account teams, 30% of Cohn & Wolfe’s growth was organic. With client satisfaction at an all-time high, we retained and grew 19 of our top 20 accounts – including Walmart, 3M, Colgate-Palmolive, JM Smucker, Panasonic and Valvoline. Many of our existing accounts also expanded into new domestic and international markets.

We accomplished another key priority: fully integrating digital into every aspect of the organization with digital talent in all offices around the globe. Our digital practice drove revenue growth in all markets through award-winning work and 10 new digital services including Online Reputation Management, Enterprise Social Media Strategy and Social Newsrooms.
Expanding our global footprint in Asia Pacific was another top priority for Cohn & Wolfe. We opened an office in Jakarta, added new offices in Hong Kong, Singapore and Malaysia and, following the acquisition of leading communications agency, impactasia, in China, merged offices in both Beijing and Shanghai. With an established network throughout Greater China, Cohn & Wolfe-impactasia represents top clients such as Rolls-Royce, Guinness, Pernod Ricard, MGM Hospitality, Robert Half International, Mandarin Oriental Hotel Group and Sofitel Luxury Hotels. In Southeast Asia, we added XPR (now Cohn & Wolfe XPR), one of the region’s top digital and social media agencies with leading brands including Groupon, SingTel, BMW Asia, Dell, Salesforce.com and Motorola Mobility. These acquisitions tripled our size in the Asia Pacific region, positioning us well to serve multinational clients in Asia and around the world.

Our digital practice drove revenue growth in all markets through award-winning work and 10 new digital services

Our agency continues to be recognized for its creative spirit and imaginative mindset, ranking as one of Advertising Age’s Best Places to Work and shortlisted for the UK’s Pathfinders Media Employer of the Year. We won over 40 industry honors, including a PRSA Prism Award of Excellence for the launch of Michael Jackson: The Experience, the Shanghai PR Association Gold Award for MSD Pharmaceutical and a Silver SABRE in Fashion & Beauty for our work with Tom’s of Maine. Stockholm won the Spinn Award for Best Social Media Campaign of the Year for its work with Unibet and Spain picked up the IPRA special Golden World Award for its work with the EU’s Consumer Rights campaign.

We also brought together more than 500 employees in 18 offices worldwide to focus on our pro bono client, Project Kaisei, a nonprofit organization dedicated to reducing plastic waste in our oceans. This global campaign more than doubled Project Kaisei’s Facebook fans and raised funds for its next clean-up voyage.

Cohn & Wolfe’s specialty companies, GCI Health and Axicom, also experienced new and organic growth in 2011. In addition to being named Healthcare Agency of the Year and winning Rx Pharmaceutical Campaign of the Year by The Holmes Report, GCI Health was awarded Allergan’s Facial Aesthetics business. AxiCom continued to build its strength in technology markets with wins that included IntraLinks, ITU Telecom World and NDS while expanding its work with Red Hat, Dell and ZTE. It also significantly grew its clean tech practice with new clients that include Qualcomm, Enphase and Bridgelux.

Looking forward, our expanding network, new industry offerings, outstanding creative resources and strong leadership across practices gives us a solid foundation for long-term company growth. 2012 is primed to be one of our best years ever.

RLM Finsbury

Report by Roland Rudd (below, top)
Chairman
and
Walter Montgomery (below, bottom)
Chief executive officer

In 2011, US-headquartered Robinson Lerer & Montgomery and UK-headquartered Finsbury Group merged to create RLM Finsbury, a global leader in strategic corporate, financial and crisis communications. With the opening of the firm’s Hong Kong office in 2011, along with offices in the US, Europe and the Middle East, RLM Finsbury now serves the boards and
senior management of leading global companies in every major industry.

Services provided by the combined firm include financial communications and investor relations, M&A transactions, IPOs and other capital raisings, proxy fights and corporate restructurings, as well as crisis communications, corporate reputation campaigns, issues management, executive transitions and litigation support. The firm also provides advice on corporate affairs, public policy, regulatory affairs, thought leadership, issue advocacy campaigns, strategic marketing initiatives, employee communications and corporate social responsibility/philanthropy campaigns. RLM Finsbury is affiliated with FIPRA (Finsbury International Policy & Regulatory Advisers), a global network of senior, strategic advisers in more than 50 countries, specialising in advising clients on a range of government relations and regulatory policy issues.

**RLM Finsbury now serves the boards and senior management of leading global companies in every major industry**

In 2011, RLM Finsbury delivered solid results in a challenging economic environment. The firm continued to provide a broad range of communications support to major financial services and investment management companies, leading global manufacturers and natural resources companies, major technology, media and telecom companies, and high-profile healthcare and pharmaceutical companies.

**Ogilvy Public Relations**
Full report on page 36

A healthy combination of new business wins and expanded work with existing clients added up to a record year for Ogilvy PR. While the Asia Pacific region has served as the most powerful growth engine for many years, in 2011, the US and Europe fired up double-digit growth rates surpassing Asia.

The agency won highly-competitive global pitches for Diageo, the BP London 2012 Olympic Games sponsorship, BMC Software and the Mexico Tourism Board, among dozens of others.

As in prior years, broadening and deepening relationships with existing clients drove a significant amount of growth. Ogilvy PR’s multi-region client roster grew by 40%. This organic growth is a reflection of the agency’s ability to maintain long-term client partnerships – retaining 95% of its top 20 clients.

Ogilvy PR garnered more than 125 awards in 2011, including Cannes PR Lions and winning the top WPP WPPED Cream creative award for the fourth time in five years.

**Hering Schuppener**

Report by Ralf Hering
Chief executive officer

Hering Schuppener, headquartered in Düsseldorf with offices in Frankfurt, Berlin and Hamburg, is Germany’s market leader in financial and corporate communications. The consultancy has topped the mergermarket rankings for M&A transactions in volume since 2004 and value since 2007. *The Holmes Report* named the firm European Financial Consultancy in 2012, for the second time. It was also named EMEA Best Consultancy to Work For 2011, for the third time.

In 2011, the consultancy advised clients in four of the five largest M&A transactions and in three of the five largest IPOs in Germany. The firm also provided corporate communication counsel to listed and private companies from Europe and beyond in almost every sector, including leading financial institutions, global manufacturers, service firms, healthcare companies and family offices. Other high-profile assignments included CEO transitions in the financial services and consumer goods industry, major litigation projects and bankruptcies in the retail industry, and restructurings in the manufacturing sector.
2011 was a year of growth and achievement for the Branding to Design (B to D) Group. We delivered solid revenue growth and profit improvement with several of our companies achieving record revenues and operating profits for the year. We continued to strengthen our global performance across a number of practices and we improved our showing at the Cannes Festival in June.

Through the insights, creativity and dedication of our teams around the world, we initiated new client partnerships with many respected brands, including GlaxoSmithKline, Interstate Hotels & Resorts, JX Holdings, Saudi Telecom, Shanghai Media Group, Yell, South African Airways and Best Buy. We also continued to successfully build and expand our key client relationships, delivering innovative and effective solutions for our long-standing clients. As ever, these global key client relationships continue to form the bedrock of our businesses.

Once again, our companies won several high-profile awards in 2011 and these are detailed in their respective reports. All of our companies continue to innovate, adapt and change in order to remain creative leaders of the industry.

The B to D Group garnered a number of other highlights for the year. Lambie-Nairn and The Brand Union sponsored the inaugural Cannes Also event at the Cannes Festival, showcasing the photographic talent within the global creative marketing industries. VBAT successfully launched the new corporate identity for PostNL and achieved a significant profit turnaround for the year. Addison continued to establish itself as an integrated corporate communications agency, with new strategic communications projects for BASF, BG and Zurich Financial Services. Mary Zalla was promoted to CEO of Landor, leading the agency in the implementation of its new vision and company purpose. FITCH and The Partners continued to expand their global reach, with FITCH opening an office in Delhi and The Partners opening its third international hub in Singapore. PeclersParis made good headway in growing its consulting business and achieved record-level trend book sales. At the end of the year our group launched The Mix, a website developed to facilitate greater collaboration between the B to D Group companies and our sister group, Kantar.

As a group, we continue to establish our sustainability marketing services and we work to make sustainability central to our marketing approach. Notably, The Partners created a desktop app for Deloitte, named PlanetSaver, that encourages Deloitte staff to put their computer screens into sleep mode whilst idle. After one full year of deployment in 2011, PlanetSaver had 31,000 active users worldwide and had saved 64 MWh of power. According to Deloitte’s own data, that is the equivalent of powering one small office for 16 years, brewing 1.8 million cups of coffee, or powering all of Greater London for 21 minutes.

Looking ahead, the early signs for 2012 are favorable. We are aligning ourselves with those clients, capabilities and geographies that provide the greatest potential for growth, and we anticipate another positive year in 2012.

Please see below for an overview of Addison, The Brand Union, FITCH, Lambie-Nairn, Landor Associates (which is also a Y&R Group company), The Partners, PeclersParis and VBAT.

Addison

Addison achieved another growth year in 2011. It was also one of significant development, reflecting the rapidly-changing environment within corporate communications. Major trends included the evolving societal expectations on companies, the continuing rise of regulation and the accelerated use of technology – providing Addison with clear opportunities for growth, based on its distinctive consultancy offer within the market.

Led by CEO Tom Robinson, Addison continues to expand its areas of practice, including research, digital communications, sustainability, thought-leadership communications, internal communications, as well as social media and engagement. Client relationships continue to grow across its core European markets, most notably with BASF, Zurich Financial Services and Heineken.

The Brand Union (full report on page 71)

After a challenging first quarter in 2011, momentum grew, culminating in a very strong second half performance. This positive outcome came from three main sources: growth with our key client partners; the development of our consumer...
branding practice; and further expansion of the network, opening offices in Qatar and Thailand, and adding a Cape Town operation and an affiliation in Korea.

**FITCH (full report on page 72)**

FITCH continued to grow in 2011, with a high double-digit revenue increase in North America and the Asia Pacific region. The agency welcomed many new clients including Best Buy, Staples and Nickelodeon in the US, Etihad Towers and Wafra Real Estate in the Middle East, Molton Brown and Ann Summers in the UK, and Nestlé and PepsiCo in India. FITCH opened a Delhi office and garnered best-in-class design wins from Chain Store Age, the VM&RD Retail Awards and the Asia Retail Congress.

**Lambie-Nairn**

Lambie-Nairn achieved a record year in 2011 in terms of both revenue and profit growth. Led by CEO Christian Schroeder, the agency experienced significant double-digit business growth. On the heels of its first full year of trading in its three Latin American offices (Colombia, Mexico, and Argentina), the agency is now looking to open an office in Brazil in 2012.

Lambie-Nairn continued to successfully grow its business in Spain and Germany and was named global branding agency for Telefónica, O₂, and Movistar. It also added a number of significant new clients to its roster, including GlaxoSmithKline, Panasonic, Telecom New Zealand, Saudi Telecom and Qatar National Hotels. Lambie-Nairn won several design effectiveness and creative awards, continuing to build its reputation as a leading screen- and digital-based global branding agency.

**Landor Associates (full report on page 47)**

For Landor Associates, 2011 was a year of renewed energy. The company refocused on top-line growth and new business, introduced an exciting new vision, added energetic new leaders, increased its corporate responsibility initiatives and launched a new approach to awards.

**The Partners**

The Partners delivered a strong performance, achieving significant growth in both London and New York. Under the leadership of CEO Jim Prior, the agency expanded its global footprint, putting a stake in the ground in Singapore.

Continuing to bolster its reputation as one of the most creatively-recognized agencies in the world, The Partners won a Gold Lion at Cannes for the third year – no other agency has won Gold more than once in the four years design has been a category. The Partners also won a Bronze Lion at Cannes, and was named Design Agency of the Year at Marketing Week’s Blades Awards and was commended runner-up in Marketing magazine’s Branding Agency of the Year.

The Partners continued to develop its thought-leadership position throughout 2011, with articles published in The Guardian, Management Today and other influential titles. With the current leadership in New York (Steven Gilliatt, managing director) and new leadership in the London office (Matt Woods, managing director) and Singapore office (Anant Deboor, managing director), The Partners have positioned the organization for another year of growth and success in 2012.

**PeclersParis**

Under the leadership of CEO Eric Duchamp, styling and trend forecasting agency PeclersParis continues to be a partner for some of the leading brands in the world, providing consulting services and trend publications for the textile, fashion, cosmetics, home decoration, consumer goods and retailing industries across its main geographies of Europe, China and the US. 2011 was a year of revenue growth for the agency, based on the strength of its restaged trend books and the addition of a number of new clients including Shiseido, Elle Licensing and Wonderbra.

PeclersParis has unique creative transformation capabilities, creating value for its clients by strategically translating future innovation opportunities into tangible style and design directions. At a moment when brands really want to reinforce their emotional link with consumers, the agency leverages its experience in the fashion world to help inspire this connection.

**VBAT**

For Netherlands-based VBAT, 2011 was a very good year. Building upon the recovery which started in the second part of 2010, a strong performance was delivered. Both revenue and margin showed significant growth.

This growth was fuelled by a number of successful new business gains: of particular note were the corporate identity program for PostNL and the store concept for Makro Cash & Carry (Metro Group). Long-term relationships with key clients such as Heineken Group, Campina and Intergamma continued to develop and provide a strong foundation for growth.

VBAT’s presence on the international stage continued with the development of successful launches for Goldberg (Nigeria), Amstel Premium Pilsner (Russia and Greece) and work for Sol beer (global).

Led by chairman/CEO Eugene Bay, VBAT has a positive outlook on the coming year and is determined to build on its momentum.
New business

We prevailed in a number of big reviews to secure new clients such as Genpact, Cofco Group, China Mobile, Qatar National Bank, Kellogg’s, Heineken, Fidelity International Investment, Yves Rocher, South African Airways and Abu Dhabi Ports Company. It was particularly gratifying to be awarded major new branding assignments for digital clients such as Shazam, Moussy.com and WPP’s new initiative, The Data Alliance.

Network development

We opened offices in Qatar and Thailand and bolstered our African presence by adding a Cape Town operation. We established an affiliate partnership in Korea and, at time of going to press, we are in the advanced stages of entering Brazil.

Talent progress

We transferred a record number of people across our network including Toby Southgate who moved from New York to London to become CEO of UK and Ireland. Other significant appointments included Meghna Prasad as CEO of India, Oleg Kuzmin as CEO of Moscow, Rene De Paus as MD of Jakarta and Natasha Adams as group human resources director.

Awards, accolades and social responsibility

We had another good year and, amongst many awards, highlights included: our Paris and India agencies being crowned Agency of the Year in their markets; we increased our visibility at Cannes through the sponsorship (with our sister company Lambie-Nairn) of Cannes Also; at the individual level, Glenn Tutssel, our UK executive creative director, was made a Fellow of the Royal Society of Arts and Sujata Keshavan, founder of our business in India, was named one of that country’s Fortune Top 50 most powerful women in business.

Finally, I would like to recognise the social contribution our people have made through initiatives such as pro bono work, our internship program, education and charitable endeavours. Our New York team mobilised the entire network in the ‘Movember’ moustache campaign to raise awareness and funds for male cancers. Initiatives such as these help fuel our culture and make The Brand Union such a special place to work.

I believe this to be the most exciting and challenging of times in our industry. Brands compete in an ever-changing landscape where market forces, media channels and the breadth of web, digital and social media mean that we all interact with brands in a different manner today. However, the core tenet of our business remains constant. The Brand Union is charged by its clients to bring perspective and resonance to their brands.

Rising to the challenge

After a challenging first quarter in 2011, in which we merged our high-end consulting offer with our core business, momentum grew – culminating in a very strong second-half performance. This positive outcome came from three main sources: growth with our key client partners, the development of our consumer branding practice led by Dave Brown, and further expansion of our network, particularly in developing markets.

Key client partners

The philosophy of focusing effort and investment around our major multinational client business is embedded in our culture and is manifested in strong teams delivering world-class output every day. We were rewarded with major new assignments from Bank of America Merrill Lynch, GSK, Henkel, Pernod Ricard, Reckitt Benckiser and Vodafone.
**FITCH**

**Report by Lois Jacobs (below)**
Chief executive officer

Globally, we continued to leverage our network’s multicultural insight, diverse skill sets and regional deployment to support clients looking for worldwide design consistency. FITCH has been a key partner to Dell in growing its retail presence, with consumers experiencing this previously online-only brand in a variety of retail settings and channels. For Nokia, FITCH was the lead retail experience agency for the biggest new product launch in their history: the Nokia Windows platform. With sustainability central to our design approach, our innovative concept for US homewares retailer Fixtures Living earned two awards for its green credentials in energy and resource efficiencies.

**From simple to splintered to seamless retail**

Thanks to technology, the way people shop is changing – quickly. We are seeing a more powerful consumer, able to shop where and when they want, possessing better information on price and pedigree, and able to shift comfortably and easily between in-store, online and out-of-store worlds. FITCH is embracing this change by defining new opportunities for retailers and innovating product categories for brand owners. Our New Customer Journey tool joins up the myriad ‘splintered’ touch points and options that digitally-empowered consumers now have. We’ve also identified three universal Shopper Mind States – Dreaming, Exploring and Locating – delivering important new thinking around how consumer behaviour is changing, and how brands and retailers can respond with a seamless ‘in-line’ experience that captures the heads, hearts and hands of the target customer.

This approach is already being used on a number of different client engagements as we go into 2012, which is shaping up to be another busy year.

In 2011, we delivered new store concepts and strategies for leading retailers in local markets including Morrisons in the UK, Sundan in China, Asian Paints in India and Eldorado and Beeline in Russia.

FITCH continued to grow in 2011 and it was a good year for us. Of particular note was our high double-digit revenue increase in North America and the Asia Pacific region. We were pleased to welcome many new clients including Best Buy, Staples and Nickelodeon in the US, Etihad Towers and Wafra Real Estate in the Middle East, Molton Brown and Ann Summers in the UK, and Nestlé and Pepsico in India. We also opened our Delhi office, complementing our Mumbai presence. Best-in-class design wins from Chain Store Age, the VM&RD Retail Awards and the Asia Retail Congress were undoubtedly strong contributors to our success.

"We are seeing a more powerful consumer, able to shop where and when they want, possessing better information on price and pedigree, and able to shift comfortably and easily between in-store, online and out-of-store worlds."
After just one full year of operation, Ogilvy CommonHealth Worldwide (OCHWW), the healthcare marketing network formed in 2010 by the merger of Ogilvy Healthworld and CommonHealth, has proven it can deliver a more integrated, more digital and more global offering than either could as separate entities, with an impressive 72 significant new agency-of-record (AOR) assignments in 2011, as well as numerous additional project-based assignments.

**Strong and growing**

Strong growth in 2011 was driven by Ogilvy CommonHealth Worldwide’s ability to deliver end-to-end solutions that integrate both leading-edge and traditional offerings on a local and global scale.

The fastest-growing segments in the network were our London-based businesses and Payer Marketing divisions, the latter of which specialize in access and reimbursement communication to those who pay for medical services, such as insurance companies. We believe access strategies are game-changers in our industry and we are well placed with three well-established Payer Marketing business units, offering our clients a way to integrate these strategies seamlessly into their overall communications efforts.

Of note, our Interactive Marketing groups drove considerable growth for existing agency-of-record assignments, as clients increasingly saw the value in a single network that can deliver both powerful core creative ideas along with full-service digital and multimedia expertise. New business assignments in the medical device, diagnostic and over-the-counter categories provide balance to OCHWW’s traditional Rx pharmaceutical client base.

Work on major product launches also helped to reinforce OCHWW’s dominant industry position. Our network’s involvement in Team Chemistry, WPP’s multidisciplinary team for Johnson & Johnson, contributed to the US launch of Xarelto® (rivaroxaban)/Janssen Pharmaceuticals, arguably one of the largest and most important pharmaceutical innovations in the cardiovascular category. In 2011, Team Chemistry also helped introduce to market Zytiga® (abiraterone acetate)/Janssen Biotech, a groundbreaking oncology brand for prostate cancer.

All told, the network has earned more than 160 industry awards in the last two years, including a number of Gold or first-place finishes, in addition to a CLIO Healthcare Award given to Ogilvy CommonHealth Madrid.

**Integrated global services**

With 65 offices across 35 countries, individual business units within the OCHWW network continue to provide specialized focus on key healthcare marketing disciplines. However, a new, unified global reporting structure is now in place, intended to help ensure the network can deploy the right team and resources for every client, regardless of geography or scale. This global structure also creates operational efficiencies and reduces duplication of effort and investment.

Other new and expanded offerings for OCHWW in 2011 included the launches of Parsippany, NJ-based Scientific Communications & Information services group, which focuses on the specific needs of medical affairs and R&D teams, and London-based Ogilvy Digital Health, a newly formed agency that brings together best-in-class health and digital marketing all under one roof.

**Support for communities**

In addition to the local charities OCHWW supports (through annual food, coat and toy drives; health-related fund-raisers; and disaster-relief efforts), the agency gave back to its communities with hundreds of thousands of dollars worth of pro bono work and negotiated more than $1,000,000 worth of free advertising space for various worthy organizations.
What hasn’t changed at ghg is the delivery of outstanding creative work, for which we received notable industry recognition. As part of Team Chemistry (the WPP team for Johnson & Johnson), ghg was recognized for its innovative work with the 2011 North American Marketing Award, as well as a Global Burke Award in the healthcare access category on behalf of Janssen Connect. ghg Australia took home a Clio, and was a Global Awards® finalist in eight categories for its exceptional creativity.

ghg continues to transform professional marketing for pharmaceutical brands with integrated models that leverage iPad applications, social media, online distance learning and mobile initiatives.

ghg now “speaks health” for a diversified client base that includes OTC health brands, animal health brands, medical devices, corporate identity clients, and health advocacy organizations. This reflects the new reality that, as healthcare companies become more consumer-driven, many are playing a bigger role in prevention and wellness.

Of note, the agency dedicated its talents to a pro bono initiative for Direct Relief International, an organization that provides medical assistance to those affected by poverty, disaster and civil unrest around the world. The creative campaign will be rolled out this year through donor outreach initiatives via TV, interactive and direct mail.

Future plans

Today, forward-thinking agencies are taking note of the fact that medical professionals and consumers are redefining healthcare by putting the emphasis on ‘health’ – preventive medicine and wellness – rather than ‘care’ – in the treatment of a condition or illness. As health and wellness become more important to medical professionals and consumers, this, too, will become an important platform for OCHWW’s new business growth.

The healthcare communications world of the future will be more global, more integrated, and more digital in every aspect. OCHWW, built on this very foundation, is not just responding to the changes, but truly leading the charge.

ghg

Report by Lynn O’Connor Vos (above right)
Chief executive officer

2011 was a landmark year for ghg, as a combination of new business wins and existing business expansion led to record-breaking growth. The pursuit of leadership in the emerging, fully integrated, digitally-driven healthcare world, with the consumer at the center, has been a stated goal of our organization for several years. Now, as that vision of the future becomes a reality, ghg’s long-range strategic decisions are bearing fruit.

ghg now continues to transform professional marketing for pharmaceutical brands with integrated models that leverage iPad applications, social media, online distance learning and mobile initiatives.

What hasn’t changed at ghg is the delivery of outstanding creative work, for which we received notable industry recognition. As part of Team Chemistry (the WPP team for Johnson & Johnson), ghg was recognized for its innovative work with the 2011 North American Marketing Award, as well as a Global Burke Award in the healthcare access category on behalf of Janssen Connect. ghg Australia took home a Clio, and was a Global Awards® finalist in eight categories for its exceptional creativity.

ghg continues to transform professional marketing for pharmaceutical brands with integrated models that leverage iPad applications, social media, online distance learning and mobile initiatives. Our US and European medical education groups – Phase Five, IMsci, Darwin Healthcare – are redefining professional medical education with an approach based on the changing needs of digitized healthcare professionals.

ghg strengthened its digital practice with the launch of ghg Healxx Digital, a full-service digital healthcare communications agency that channels digital innovation from WPP Digital companies. The agency provides best-in-class digital healthcare strategies and integrated, multichannel programs designed to improve health outcomes, engage professionals and deliver solid business results.

ghg also continues a tradition of pro bono work for the Jed Foundation and the Helen Keller National Center for Deaf-Blind Children and Adults.
New wins confirm the value of our approach

ghg was named Bayer Animal Health global Agency of Record, cementing its position as the global leader in animal health communications. The agency was also awarded professional work for two global oncology agents, a diabetes diagnostic brand consumer launch and a medical device professional launch from Medtronic. As part of the multidisciplinary Team Chemistry, we won the US launch of a new hepatitis C agent from Johnson & Johnson. In the EU, ghg won important pharmaceutical assignments from key clients, and also expanded its animal health business.

Future plans

As the industry continues to evolve, a new landscape has emerged that calls for a different business model for healthcare brands and their agencies. ghg is leading this change with enhanced digital and mobile expertise, innovative creativity and an integrated marketing approach. The success achieved in 2011 has positioned ghg well for continued growth as we move into Health 3.0: The Era of Outcomes.

GCI Health

Report by Wendy Lund
Chief executive officer

Named Healthcare Agency of the Year by The Holmes Report, GCI Health not only successfully navigated 2011’s challenging healthcare landscape, it also exceeded growth expectations.

This growth resulted from GCI Health’s strategic focus on the evolving marketplace and anticipating changing client needs.

As one of the world’s largest specialty healthcare PR agencies, we aggressively expanded current accounts in high science, aesthetics, consumer health, patient advocacy and activation, and crisis management. The agency also added to the diversity of our client mix, which ranges from large pharmaceutical companies to specialty pharma and biotech to medical devices and not-for-profits.

This year, we further invested in developing our media specialty. As clients continue to value ‘traditional’ media and its convergence with digital media, we added new talent and repositioned services to better integrate expert strategy into each account team and maximize client coverage.

GCI Health also bolstered its consumer health resources to best channel consumers’ increasing interest in taking greater ownership of their personal health. Furthermore, the agency enhanced its advocacy and stakeholder outreach tools to strengthen advocates’ ability to ensure the highest quality of care for patients.

The reach of the agency was also broadened with the opening of the Chicago office, joining a network spanning New York, Boston, Atlanta, Los Angeles, San Francisco, Toronto and the UK.

Focused on even greater success in 2012, GCI Health’s goal remains to provide an unwavering commitment to fearlessly tackle the complex and high-profile challenges clients are facing today and tomorrow.

Sudler & Hennessey

Full report on page 47

2011 was another positive year for the Sudler global network. Its network goals were growth and collaboration. It achieved both with the addition of new US and global clients to its roster, along with the development of new Sudler & Hennessey network initiatives.
WPP’s Specialist Communications division comprises individual business units with separate and distinct marketing expertise by industry, audience segment or medium. Our clients benefit from their depth of knowledge and strategic focus; the Group benefits through the flexibility these companies offer as partners for affiliated WPP companies when serving clients’ integrated marketing needs. Additionally, we are able to capitalize on evolving trends of new areas of expertise. Our role in managing this portfolio is to help these companies grow on their own terms and to support co-operation opportunities across the Group.

**Direct, promotion, digital and interactive marketing**

MJM, a leading US-based corporate events company serving long-term clients such as Pfizer, AstraZeneca and Deloitte, continued to focus on creating innovative corporate meetings and sales training programs that energize and transform human performance. To better align with its clients’ strategic goals, MJM has developed processes that optimize program investment by unifying creative and production strategy through deep client understanding. New clients acquired in 2011 include Sara Lee and Johnson & Johnson.

UK outsourcing agency EWA continued to focus on adding value to its clients’ direct communications through an innovative combination of strategy, insight and delivery techniques. New client projects during the year included a travel information and booking service for London 2012, a food e-commerce system for a partnership between M&S and Regus, and an ordering and scheduling facility for a major fuel supplier.

Our role in managing this portfolio is to help these companies grow on their own terms and to support co-operation opportunities across the Group.

Risk management specialists Mando had a very strong year. They secured a large project for the Russian electronics retailer, El Dorado, coordinating with agencies across three countries. Expansion in southern Europe produced new business in Portugal and Spain, delivering Unilever’s couponing activity as well as major consumer marketing campaigns for Lindt and household brand Cofresco. The German business continued its growth, adding Mastercard to its client list, while the UK enhanced its portfolio with brands such as Dr Oetker and Specsavers joining its established blue-chip client roster.
2011 saw field marketing agency **Headcount** win a significant project with Unilever to develop a system to deliver and report on in-store measurement activity across Europe. The relationship between Headcount and the South African-based field marketing agency, Smollan Group, continued to develop well during 2011.

**Custom media**

In 2011, during its 25th anniversary year, multi-channel content agency **Forward** launched a number of new projects for existing and new clients and won a prestigious award for its financial services work.

On the digital side, Forward developed content-rich microsites and social media strategies for a number of new FMCG brands that are available exclusively at Tesco; created the CSR website **Together for Trees** for the charity RSPB and Tesco; extended its outbound e-zine campaign for Regus to the Middle East; launched a number of online educational tools and animations for Standard Life’s new website; and created a monthly email program for City recruitment firm Astbury Marsden.

Alongside its new digital work, Forward published new print-based projects including *The Successful Retirement Guide* for Standard Life, *B&Q Home*, which is distributed to more than five million B&Q customers and prospects; and the Tesco Wine mailing program. Finally, Forward’s redesigned Standard Life magazine, *MoneyPlus*, won Best Finance Title at the 2011 International Content Marketing Awards run by the Association of Publishing Agencies.

**Demographic and sector marketing**

**The Food Group** used its extensive foodservice marketing, public relations and culinary experience to help the Louisiana Seafood Promotions & Marketing Board as well as the Gulf and South Atlantic Fisheries Foundation promote and market Gulf seafood throughout the US.

In addition, The Food Group continued to work with premier foodservice brands Kraft Foods, Tabasco®, Dawn Foods, Dannon, Kozy Shack, PERDUE® and the Florida Department of Citrus in 2011.

**Pace Advertising** and its **Green Advertising** division continued to build their operations through increased client opportunities with a major healthcare client; Calder Raceway & Casino (a Churchill Downs company); an upscale, casual hamburger chain; a virtual security business; and new homebuilder clients in Minnesota, New York, Florida and New Jersey. They successfully attracted new business from website video content to corporate videos and TV campaigns.

In 2011, youth marketing company **Geppetto** worked with companies as varied as Kraft, the National Basketball Association and Ringling Bros. Barnum & Bailey to create programs and products fueled by its youth and family expertise and acumen.

2011 saw the combining of BDGworkfutures and BDGMcColl under the brand name of **BDG architecture+design**, to better reflect its capability. It delivered a number of high-profile projects for clients including Mindshare in London, The University of St Andrews and Standard Life in Scotland, and Group M in Moscow whilst continuing to develop key relationships with its major accounts in all locations. The company’s work in Europe remains strong and in Russia there have been a number of significant commissions in the corporate fit-out sector.

Contract furniture business **Dovetail** saw another improved year, with ongoing relationships with Unilever, Deloitte and Bloomberg. Significant new clients were Rio Tinto and JP Morgan.

**Media and film production services**

**Metro**’s London technical event production team had a successful year in 2011, maintaining long-term client relationships with Shell, the Financial Services Authority, Deloitte, Roche and Credit Suisse. New client wins included work for Allergan, Jagex and NYSE. Activity during the year saw Metro providing clients with technical support for
projects throughout Asia, Europe and the US. The Edinburgh team developed its relationships with Experian, NHS Health Scotland, Prudential, Royal Bank of Scotland and Scottish Power; some notable new clients with planned activity for 2012 include DLA Piper and Edinburgh Council.

Metro was one of the first UK event companies to be accredited with the BS 8901 sustainability standard. The standard defines the requirements for a sustainability event management system to ensure an enduring and balanced approach to economic activity, environmental responsibility and social progress relating to events.

Post production company The Farm Group had an extremely busy and successful year in 2011. Activity in its existing Soho sites remained very high, with repeat business on primetime, high-profile terrestrial series such as Downton Abbey, The X Factor, Britain’s Got Talent, The Jonathan Ross Show, Total Wipeout and Shameless. Added to this were new productions including The Shadow Line, Red or Black, A&E, Planet Dinosaur and The Marriage Ref. A competitive tender was won to be the authorized post production facility to LOCOG for the London Olympics. As such, The Farm is editing the material that will go on the big screens at the various venues. The Farm’s creative staff were proud to be awarded two Royal Television Society awards: for the colour grading on Eric and Ernie and the sound mixing on The Shadow Line.

In May 2011, The Farm completed its acquisition of Editgods, an LA-based post production facility. This is now named The Farm LA and has a team incorporating UK and LA talent. One of its major early projects was the launch series of The X Factor US, as well as the Victoria’s Secrets awards, Miss America and a recent Rihanna concert.

In March 2011 it was announced that The Farm had won the competitive tender to supply all of the management and staffing for the post production and sports news studios within the new BBC North site in Salford. The project went live in October 2011. This means that The Farm is now responsible for the output of numerous additional staple BBC programs such as Blue Peter, Match of the Day, Songs of Praise and many other household names.

In 2011, implementation agency Hogarth Worldwide sustained the rapid growth it saw in 2009 and 2010, expanding its operations in London and New York and opening new offices in Singapore, Hong Kong and Mexico City. The agency integrates proprietary technology with transcreation (the adaptation of creative work for different markets) to deliver savings for global brands, by using a centralised implementation model that produces international campaigns more efficiently, whilst enhancing quality. Its 2011 output included the production and delivery of over 12,000 TV commercials around the world.

Hogarth achieved several significant new business wins in 2011. The agency was appointed to handle international TV production and delivery for Ford, underlining Hogarth’s strength in international implementation. The winning of Santander’s studio business highlighted Hogarth’s competitive strength in studio management and production technology. The agency also started to win asset management contracts on a ‘software as a service’ basis with ZONZA, its next-generation digital asset management and delivery system that came on stream in 2011. The trend towards using centralised implementation supported by technology is set to continue; Hogarth anticipates further strong growth through 2012 and beyond.

2011 was a landmark year for MRC’s film and television studio businesses, both of which had some of the industry’s largest presales.

MRC Film is currently in post production on two films, Neill Blomkamp’s Elysium and Seth MacFarlane’s T.E.D. Set to be released in early 2013, Elysium is Blomkamp’s follow-up to the Academy Award nominated blockbuster District 9 and stars Academy Award winners Matt Damon and Jodie Foster. T.E.D is an R-rated comedy, starring and directed by MacFarlane, creator of The Family Guy. MRC demonstrated continued manufacturing strength as both projects, the company’s largest-scale to date, wrapped on time and on budget.

In 2011, MRC released two films, The Adjustment Bureau starring Matt Damon and 30 Minutes or Less starring Academy Award nominee Jesse Eisenberg. Upcoming films include two additional projects from Neill Blomkamp; two projects from Panic Pictures, a production company in partnership with David Fincher (The Social Network, Fight Club); The Civilian, an action film produced by Michael Bay; a project from Duncan Jones, director of the hit film Source Code; and Forever from director Gareth Edwards.

In television, MRC struck a groundbreaking deal with Netflix, launching it into the original-content business with a two-season order for the new series House of Cards. The high-profile drama series marks the first foray into series television by Oscar nominee David Fincher and Oscar winners Kevin Spacey (American Beauty) and Eric Roth (Forrest Gump). MRC TV has two other series currently on the air, The Ricky Gervais Show and The Life and Times of Tim, both in their third seasons on HBO. Looking ahead, MRC TV’s development slate includes an additional project from David Fincher and a drama series from Spider Man director Sam Raimi.

In the future

We will continue our strategic focus of developing our creative service offer, including digital capabilities, delivering measurable, cost-effective results to clients.
WPP Digital

Report by Mark Read (below)
Chief executive officer

WPP Digital enjoyed excellent growth in 2011. We launched Possible Worldwide and Xaxis (in partnership with GroupM and 24/7 Media), continued to invest in proprietary technologies and made several acquisitions of strong companies, particularly in fast-growing markets. We start 2012 with an even stronger footprint in the geographies and sectors which will drive further growth.

We strengthened our digital agency network with the launch of Possible Worldwide, an interactive marketing agency, and with the acquisitions of Rockfish in the US and F.biz in Brazil. Our minority investment in Vice Media, a leading global youth media brand, reflects the growing importance of branded content to win online audiences.

We also continued to invest in technology and analytics to harness the exponential growth of data. We launched Xaxis, a global audience buying company which combines the demand-side data and technology of 24/7 Media with the client relationships and trading leverage of GroupM. We established The Data Alliance, a partnership between WPP companies to connect diverse data to provide powerful, analytics-driven solutions for our clients. Finally, we made a strategic investment in nPario, a proprietary technology company which analyses ‘big data’ for marketing and monetization.

WPP Digital’s companies summarise their performance and activities on the following pages.

24/7 Media

Report by David Moore (below)
Chairman and chief executive officer

24/7 Media remains at the centre of WPP’s dual strategy of investing in building proprietary technologies and partnering with industry leaders to develop an integrated technology platform which allows our clients to reach their customers more effectively.

2011 saw continued success for 24/7 Media, which now operates in 12 countries through 18 offices, and in partnership with other WPP agencies. Open AdStream – our market-leading ad management platform – continued to grow, delivering 1.2 trillion ads across thousands of websites in 2011. And our Global Web Alliance maintained its strong position, finishing the year ranked seventh largest advertising network by reach in the US, according to ComScore Media Metrix. In December 2011 we acquired Panache, a Los Angeles-based digital video advertising technology company. Adding video capabilities to the Open AdStream platform has created new and expanded revenue opportunities for our clients at a time when online video consumption is experiencing enormous growth.

2011 was also a transitional year for 24/7’s Media Innovation Group (MIG). The team helped successfully launch Xaxis in partnership with GroupM. MIG continues to grow fast, serving advertisers and agencies with one of the most complete multi-channel digital advertising solutions currently in the market.
In 2012, we will focus on creating an agency that is truly collaborative. Possible Worldwide will continue to draw from its strengths, as we leverage each office’s local capabilities, and develop them across Possible’s growing global footprint.

Blue State Digital

Report by Thomas Gensemer
Managing partner

In our first full year as part of WPP Digital, Blue State Digital saw very strong organic growth within the agency’s portfolio of non-profit, cultural and political clients – from United Way Worldwide, Oxfam UK, Metropolitan Museum of Art and the Tate, and from the re-election campaign of US President Barack Obama to the transition into office for Brazil’s President Dilma Rousseff.

With nearly 150 employees based in six offices – New York, Washington DC, Boston, Los Angeles, Detroit and London – Blue State Digital builds and manages communities of online advocates, donors and influencers for brands, causes and political interests. Our strategic campaign services are deployed in conjunction with our proprietary tools for email marketing, social media management, fundraising and peer-to-peer advocacy. This unique combination of skills and capabilities attracted a strong list of new clients including Cadbury, Ford, the Greenbay Packers, Procter & Gamble, Royal Bank of Scotland and Recyclebank.

F.biz

Report by Gal Barradas
Chief executive officer

Created 12 years ago, F.biz is recognized as one of the most influential Brazilian agencies of the digital age. With a brand-oriented approach, our mission is to help brands to develop a strong and lasting relationship with their clients, combining strategic planning, creativity and technology in order to generate results for the client’s business.

2011 was a great year for F.biz. In addition to joining WPP Digital in June, we won new business from Heineken and Shiseido, and we were delighted to win awards including Festival of Media LATAM, Mobile Merit Awards, MMA Mobile Marketing Awards, Premio de Midia Estadão and Festival of Media in Valencia. F.biz was also named a Great Place to Work as one of the best agencies for the second year running by the Great Place to Work Institute.
Housed within WPP Digital, The Data Alliance facilitates coordination and collaborative innovations that span across data types and analytical disciplines, ranging from consumer and marketplace insights (Kantar), to media investment and response data (GroupM and 24/7 Media), to purchase transaction data (i-Behavior).

In the few months since we started The Data Alliance, we have identified several areas where analytic projects that began as process-intensive collaborations on one or two clients can be automated and scaled by 24/7 Media technology. We anticipate the first of the new analytics products resulting from these efforts will be released in mid-2012.

Summary

As ever in the digital industry, 2011 was a year of change across WPP Digital, with companies joining the team, new companies and initiatives launched and new partnerships formed. Our priorities remain to complement the wider Group’s digital strategies by incubating and providing a home for specialist digital agencies and talent and taking on cross-WPP initiatives in the technology and data area.

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Our key focus areas for 2012 are to strengthen our capabilities in mobile and social marketing for our clients, to invest in e-commerce and e-shopper technology and expertise and to continue to focus on data, technology and analytics. It is the people in our companies who worked hard all year that we should thank for the progress we have made and we will strive to harness their passion, creativity and talent to make 2012 even more successful.

How we’re doing

WPP Digital