



2 May 2019

Australian Securities Exchange
Market Announcements Office
Level 4, 20 Bridge Street
Sydney NSW 2000

Dear Sir / Madam

WPP AUNZ Limited Annual General Meeting

Please find attached the following documents that will be presented at the Annual General Meeting of WPP AUNZ Limited (ASX:WPP) commencing at 10am on Thursday 2 May 2019 in compliance with Listing Rule 3.13.3:

- Chairman's Address; and
- Executive Director and Interim Chief Executive Officer's presentation.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'L. Gough'.

Linda Gough
General Counsel & Company Secretary
WPP AUNZ Limited



Chairman's Address
Annual General Meeting – 2 May 2019

Good morning and welcome to the Annual General Meeting of WPP AUNZ Limited, which we hold for the second consecutive year at The Bond, one of our two campuses in Sydney.

As you will be aware, despite an agenda for growth and an encouraging start to the 2018 financial year, your Company posted a disappointing full year financial performance, albeit consistent with the earnings downgrade that we released in October.

This full year result was primarily driven by varied performance across our portfolio whereby a small number of our businesses underperformed significantly which offset the overall performance of the Group and the pleasing results achieved in a large number of our companies.

Our media, public relations and public affairs agencies performed well, and our digital and data / research companies also largely delivered growth through strong service offerings in e-commerce, marketing automation and digital transformation.

However, we disappointingly saw recurring underperformance from certain creative and production agencies with 60% of the 2018 downgrade, attributed to just two businesses. We are actively making changes in the underperforming businesses in our portfolio to restructure and rightsize those businesses. We are confident that we have plans in place to stabilise and then enhance those businesses over the next 12 months.

To be clear, we continue to believe that the overall performance of the Company in 2018 was not reflective of the significant opportunity in front of us to capitalise on the growth and scale opportunity that we created through the 2016 merger with the Australian businesses of WPP. We quite simply must do better across the group and transform the way in which we operate in order to better match the changes that we are seeing in our industry, with the needs of our clients and the ways in which they operate.

Despite the challenging conditions, your board declared a fully franked final dividend of 4.0 cents per share. The total full year dividend was 6.3 cents per share fully franked. We have held the total dividend to be in line with the prior year to confirm to our shareholders the confidence of the board and management in the opportunity for the business and our ability to deliver improved earnings in the future.

In October 2018, we saw changes to the Company's executive leadership team with the resignation of Mike Connaghan from the business following 25 years of significant commitment and contribution to the company, including as your CEO since 2006. I would like to again thank Mike for the leading role he played in the creation and evolution of the Group over his tenure. He leaves with much respect and strong relationships with our people and our clients.

An extensive search has been undertaken locally and globally to identify a new CEO with the background and capabilities to help drive our transformation and to firmly position WPP AUNZ as the respected thought leader and "go to" company in the industry. We have been very pleased with the quality and the breadth and background of the candidates we have

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considered. The search is drawing to a close and I am confident that we will make an announcement by the end of this month. I am sure you will understand that I will not be able to comment further given the advanced state of the search process.

I will shortly ask John Steedman, our very experienced and widely respected interim CEO, to delve deeper into the changing nature of our industry and what we are doing to respond to those changes at an operational level as well as update you on our year to date trading results and the outlook for the 2019 calendar year.

We are fortunate to have someone of Steady's calibre able to step in as interim CEO. Steady is supported by a very capable executive leadership team. Importantly, Steady and the Exco have been given a clear mandate to get on with the process of change and transformation and not just hold the reigns until a new CEO is in place. A big thank you Steady and indeed to all of our Exco leadership for your commitment and the way in which you have taken up the mandate for change.

On another important front, our majority shareholder WPP plc last year announced plans to divest a majority stake in their data and research arm, Kantar. We are continuing discussions with WPP to assess how WPP AUNZ may best participate in or respond to that strategic decision by WPP. Further announcements will be made as we learn more from WPP or make any definitive decisions about the future of our shareholding in Kantar locally.

Lastly, I would like to thank Jon Steel who, following a distinguished executive career in the global marketing and communications industry, most significantly with WPP plc as Group Planning Director, retired in December 2018 from both his executive role with WPP and as a non-executive director of WPP AUNZ. Jon's professionalism, deep industry expertise, friendship and passionate contribution was greatly valued. We wish him all the best in the new life chapter he has started.

Moving forward, in 2019 the market will continue to move, and we will be moving more quickly to respond to our clients' changing needs while cementing our leadership position and pushing harder to reward our shareholders for their patient support.

Before handing over to Steady, I want to thank our people, our clients, our shareholders and my fellow directors for your respective contribution, support and continued commitment during 2018.

Thank you.



CEO Address

Thank you, Rob.

Good morning and thank you for joining us today. I will now take you through our headline financial results for 2018 and our strategy for improved performance and sustained growth across WPP AUNZ moving forward.

Slide 2

As highlighted earlier by the Chairman, our full year 2018 results were in line with the updated market guidance we provided in October 2018. The company's net sales were \$857 million, headline earnings before interest and tax of \$121 million, delivering an operating margin of 14%.

New debt facilities of \$520m entered into with a syndicate of 5 banks. Leverage ratio at 31 December 2018 was 1.9x, which is within our targeted range.

Slide 3

Our media, digital and public relations companies delivered solid organic growth and a positive momentum was achieved following the creation of the integrated networks of VMLY&R and Wunderman Thompson. However, this strong performance was offset by the underperformance of a small number of operating companies which materially affected the Group's financial results.

We know we can do better, and we are actively addressing the issues we faced in 2018 to deliver a sustainable performance going forward.



With that goal in mind, we are implementing a turnaround and restructuring strategy including financial investment and management changes to position the overall business for growth.

This strategy is progressing well. We commenced a restructure of specific creative and production units within the business to address underperformance and have streamlined shared services departments.

We continue to simplify our structure through integrating agencies with complementary strengths and investing in WPP aligned businesses to build more meaningful scale. We're simplifying our structure, focusing and investing in our core product offering and making it easier for our clients to navigate our portfolio. We are enhancing collaboration and efficiencies through our co-location strategy with the Melbourne Campus which launched in FY18 and the Kent St Campus in FY19.

Slide 5

There's no doubt that our industry is facing structural change not structural decline. Like almost every other industry, we are however in the near term facing some economic headwinds, electoral uncertainty and responding to the realities of digital transformation.

We know that digital transformation is set to continue at an accelerated pace and so is the change in the way consumers utilise information, services and products.

Slide 6

In this new market reality, our necessity is to be a more valuable partner for our clients with the right level of agility and responsiveness to help them navigate the complexities in a digitally disrupted world, and to support their marketing and business growth requirements.

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The key issue to remember is that our company has for years brought unique, world leading technology to the Australian and New Zealand markets. We have led the way when it comes to utilising technology and data to help our clients engage and transact with their customers effectively and easily.

Essence and Lightspeed, the companies we acquired in 2018, are examples of how we work with our current and prospective clients to solve their marketing needs in ways that leverage technology to work smarter and faster. Essence is a media technology company that allows us to bring together the analogue and digital worlds so that we can measure the value of every dollar invested on behalf of our clients. Accurate measurement of media spend is what every client rightly seeks, and Essence can use the rich data spine of WPP to reduce waste and get our clients' brands closer to their customers. The Essence technology and the data feeds are world-class which is why Essence has been Google's agency of record for over 12 years and counting.

Lightspeed is what modern data research should look like. Lightspeed allows us to speak with hundreds of thousands of Australians in close-to-real-time to get instant data to help our clients make sound decisions before, during and after going to market. Real-time feedback is the key to market and product innovation and the Lightspeed panel with its hundreds of thousands of data points, analysed and interpreted, helps us to do exactly that.

Both businesses are game changers and are just some of the best examples of highly differentiated offerings we have in the Australian and NZ markets.

Slide 7

As we look forward, we believe that what sets us apart - is that we know how our clients can make the best use of data and marketing technology to reach their

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business goals - because we also understand behaviour. Plenty of people have wasted a lot of money over the past few years harvesting data without a clear picture of why and how they're going to get value out of it. We have deep expertise in our data analytics team, led by Rob Pardini. This is our sweet spot and with the breadth of our expertise - I believe we are better placed than anyone else in the market to create and deliver excellent results for our clients.

Slide 9

At WPP AUNZ, we are a creative transformation company because the X factor driving powerful communication is, and will always be, creativity. The most effective technology and the most accurate data in the world work best when the message is motivating and compelling to a customer. If the brand story does not motivate a purchase or a preference toward a certain brand or company, that is a lost opportunity, a lost sale.

Moving forward, navigating WPP AUNZ for our clients must be more streamlined, more effective and therefore faster. Chief Marketing Officers and the C-Suite in general, are seeking agility and responsiveness when it comes to their marketing needs. We have a strong team at the centre, working with our operating companies on a daily basis, myself included. To this team we have recently added Sunita Gloster, who has joined us in her role as Chief Customer Officer. This is a very important role for us and will allow us to react more quickly, to our clients changing needs and get closer to their business.

Our campus model that is designed to promote collaboration, is bearing fruit. This will be accelerated with our 1 Kent Street campus launching as a streamlined offer to clients who seek one team with specific skills and expertise to service their marketing needs.

Our collaborative, group wide offer has been streamlined into 4 key strategic pillars:

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- Communication
- Experience
- Commerce
- Technology

These skills are in high demand in a global marketplace and in a digital world where every retailer must now create an online presence to compete against Amazon, Alibaba and the various online marketplaces we are seeing every day. We must also work in partnership with Google, Facebook, Adobe, Salesforce and other platforms so that we can maximise results for our clients. Embedding communication alongside the customer experience whilst using the best technology to effect commerce, is what our operating companies are responsible for every single day.

We have taken significant steps to empower our executive leadership team to act immediately where necessary. Our clients demand both pace and excellence and by allowing our leadership team to act swiftly we are improving our delivery standards across our entire group.

Slide 10

We know that our transformation requires that we collectively and individually transform, and this can only be done from the inside out which is why we made a strong commitment to culture, leadership and talent.

Our operating companies are all committed to a renewed emphasis on creating a culture of excellence. “Good” isn’t good enough. Excellence is what we seek, and our training Academy has re-worked its entire curriculum to help our people deliver their very best work on a daily basis.



It's no surprise that our best performing companies are led by fantastic leaders. We have programs in place to help our leaders thrive and to give them the skills and tools they need to be outstanding leaders. Talent is where we win, and the Academy program and syllabus is geared toward helping our people be the best in the marketplace and to stay ahead of the trends.

At the core of our transformation is a strong belief in diversity and inclusion to ensure we have the depth and breadth of thinking, and a working environment that fosters healthy energetic debates to generate refreshing and creative solutions to our clients' business problems.

We recognise we have a gender imbalance at the senior level with only 39% of the senior roles currently being held by women across WPP AUNZ. This is why we have put in place a target of 50:50 women and men in leadership roles by 2021. While we continue to prioritise ability for any leadership appointment, we are committed to changing the gender imbalance with this target and ensuring we have a strong pipeline of diverse candidates when filling senior roles.

In addition, we have rolled out a number of other initiatives to create richer diversity and greater inclusion. Over the past two years, almost 300 women participated in our award-winning global initiative, 'Walk the Talk' which aims to empower and support women's career progression in to leadership roles.

We have signed up to the Diversity Council of Australia and Diversity Works in New Zealand. We also regularly run company-wide diversity and inclusion surveys and use alternative recruitment arrangements to ensure a diverse workplace including: Career Seekers (for asylum seeker and refugee interns); Career Trackers (for indigenous and Torres Strait Islander recruitment); and Talent Rise (education and job-ready programs for marginalised youth).



There's no doubt that WPPAUNZ is an Australian market leader when it comes to parental leave policy. We know families come first and we want to make sure that our employees are well looked after when they are starting or growing their families. This is why we launched a revamped talent and attraction policy last year which offers both primary and secondary carers up to 16 weeks full salary parental leave depending on the length of their tenure.

Slide 11

Moving forward, we will continue to focus on growing our revenue and profitability through organic growth, new business development focused on new service offerings and use of technology and data as well as operational efficiencies and moving faster on addressing underperforming businesses.

Turning to our earnings outlook for the 2019 year. Our 2019 budget was for underlying earnings per share to be flat against the prior year. The outlook has been reaffirmed by our recently completed Q1 forecast.

The first quarter actual trading results are ahead of our internal forecasts, but behind the year prior, primarily as a result of the weak media expenditure and flow through impact of weak media expenditure and the flow through impact of contract losses of last year. I note the overall media spend in the first quarter is expected to be down circa 7%. Importantly the first quarter is always by far our smallest quarter for the year.

We expect our half year results to be weaker than the previous corresponding period at both the net sales and underlying earnings per share lines as the drivers of our first quarter performance continues to play out.



As budgeted, we are expecting a heavier weighting of earnings in the second half. This improved performance in the second half is driven by a number of factors including the commencement of a turnaround of the underperforming units identified in our October 2018 earnings guidance and the full year benefit of material contract wins late last year and in the first quarter of this year.

As interim CEO, I will continue to forge ahead with a more empowered Leadership Team with deep experience across the various disciplines and responsibilities across particular clusters to ensure decisions are made to address the four key pillars identified in our transformation strategy.

Our simpler structure, our investment and understanding of the latest technologies, our understanding of what makes Australians and New Zealanders buy the brands they do, and our commitment to excellence is our renewed focus for WPP AUNZ. This focus will position us well to move quickly to respond to our clients' needs as the market continues to change.

Thank you





WPP AUNZ ANNUAL GENERAL MEETING

2 May 2019

FINANCIAL REVIEW FULL YEAR 2018

Headline full year financial performance

- Net sales of \$857.3 million
- Headline EBIT of \$121.0 million
- Operating margin 14.1%
- Headline earnings per share of 8.4 cents

Mixed performance across the portfolio

- Growth in Media, Digital and Public Relations
- Global repositioning of VMLY&R and Wunderman Thompson

Strong cashflows and improved banking facilities

- New debt facilities of \$520 million with a syndicate of 5 banks
- Leverage ratio 1.9x within targeted range of 1.5x to 2.0x

Dividends

- Final dividend of 4.0 cents per share fully franked
- Total full year dividend of 6.3 cents (2017: 6.3 cents)
- Payout ratio 75% of headline earnings

OPERATIONAL OVERVIEW FULL YEAR 2018

WPP GLOBAL LEADERSHIP

- New global leadership with a clear direction for WPP – “a creative transformation company”
- Moving more quickly to respond to sector structural change; not structural decline
- Integrating agencies with complementary strengths to deliver clients a better team and outcome

POSITIONING WPP AUNZ FOR GROWTH

- Leadership changes
- Evolving services to better serve customer needs
- Wunderman Thompson - effective Q1 2019
- VMLY&R – effective Q1 2019
- Investment in WPP aligned businesses - Essence, Lightspeed
- Established Melbourne Campus, 15 companies – better collaboration

SIMPLIFYING

- Speeding up the rationalisation of the portfolio
- More clarity around offering to clients
- Taking quick action to remedy underperforming segments



OPERATIONAL LANDSCAPE FULL YEAR 2019

OUR INDUSTRY IS FACING STRUCTURAL CHANGE, NOT STRUCTURAL DECLINE

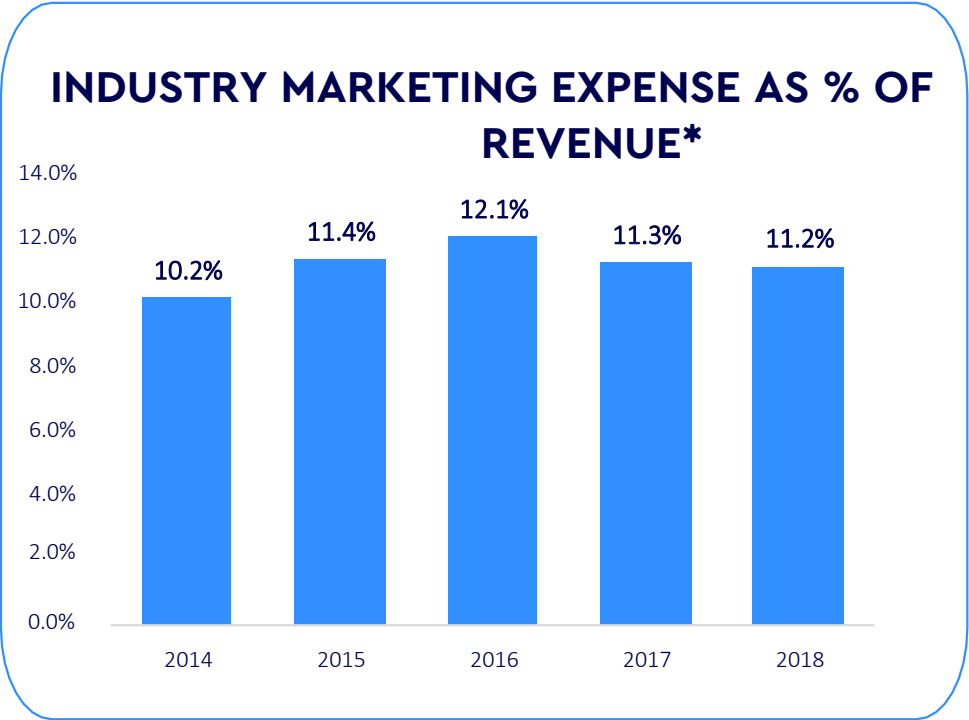
Key challenges

- Role of "traditional" creative agencies challenged
- Our clients are being disrupted
- Consultants competing for technology and talent
- Facebook, Google etc. vying for talent and attention
- Trust paramount

Legacy issues

- Clarify our vision and brand position
- Invest more in creativity and talent
- Make it simpler for clients to access our best resources
- Increase our investment in technology
- Simplify our structure, making WPP AUNZ easier to manage
- Make WPP AUNZ more efficient and effective

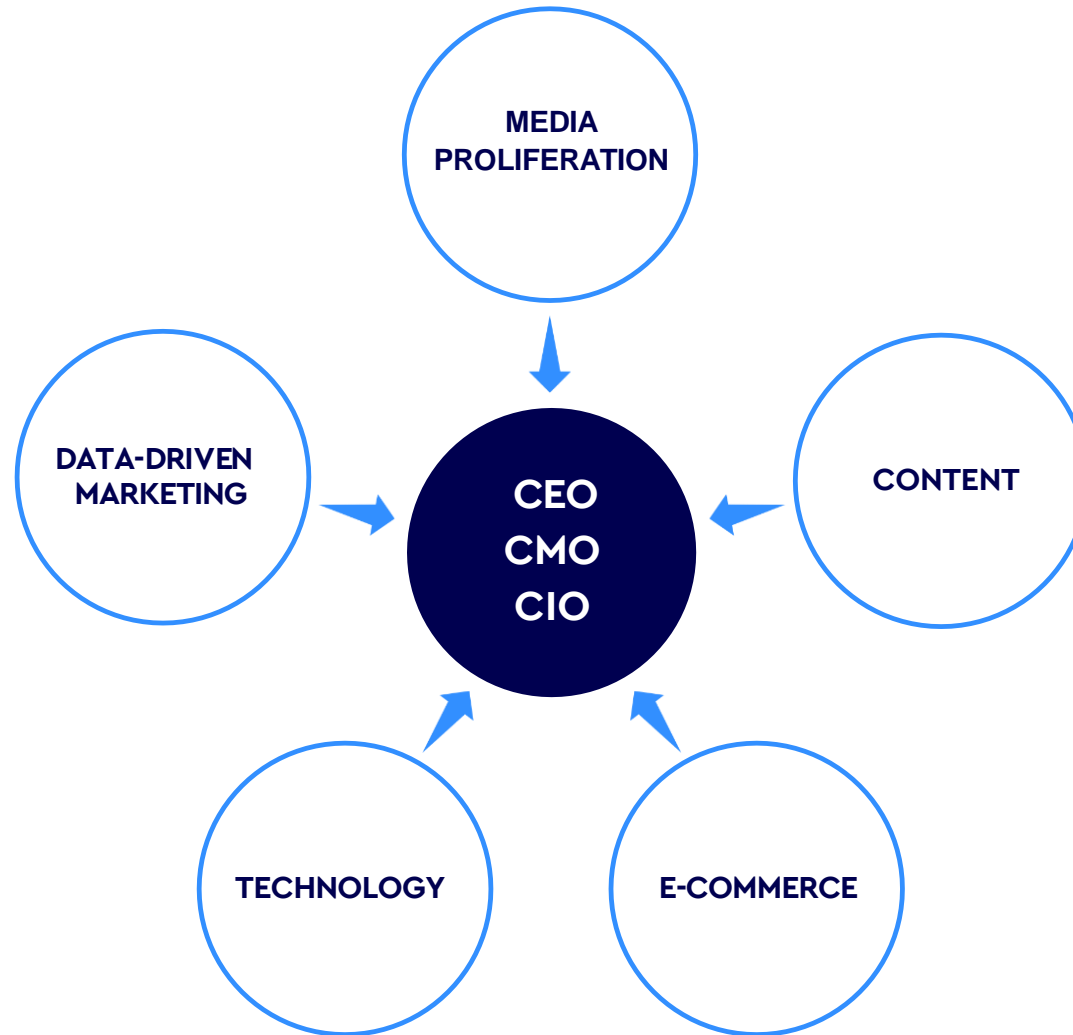
CLIENTS ARE NOT CUTTING SPEND, BUT LOOKING FOR BROADER PARTNERSHIPS



- CREATIVITY
- MEDIA INSIGHT AND PERFORMANCE
- DATA EXPERTISE
- TECHNOLOGY

*Source Gartner: October 2018
CMO Budget Allocation – Mean Percentage of Budget Shown
* Survey of 353 marketing executives in North America and the UK at companies with more than \$250 million in annual revenues

TECHNOLOGY IS FUNDAMENTALLY RESHAPING OUR INDUSTRY





WPP AUNZ STRATEGY

Driving Growth Through Creative Transformation

What we do

WPP AUNZ is a **Creative Transformation** Company

**Our offer to
clients**

Communications

Commerce

Experience

Technology

Structure

Clients

Empowered leadership to deliver seamless solutions, connecting technology, data and creativity

Companies

Stronger operating brands covering each discipline, well positioned for growth

Leadership

Deeply connected leaders working together to serve clients, leveraging talent and relationships

How we behave

Open

Optimistic

Extraordinary

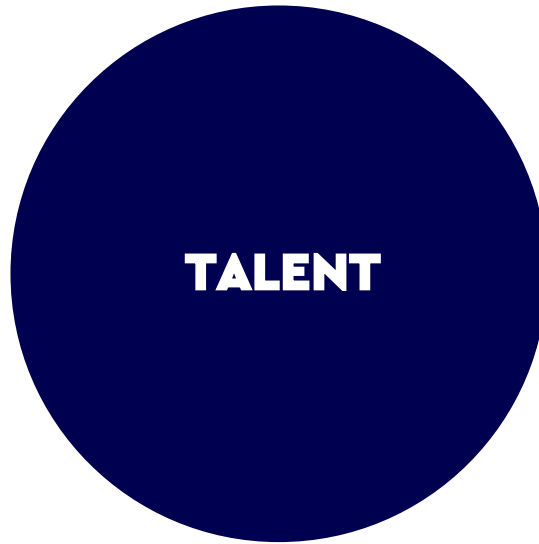
Our purpose

Creating Better Together

A CULTURE OF EXCELLENCE TO SUPPORT OUR TRANSFORMATION



- Refresh Executive Leadership Team
- Digital Leadership
- Select new Opco Leadership
- Investment in Creative Leadership



- Career at WPP AUNZ
- Develop next generation of talent
- Enhance Training and Development
- Diversity & Inclusion Initiatives



- New Incentive Plan

WPP AU
NZ

OUTLOOK

OUTLOOK

- 2019 Outlook for underlying earnings per share to be flat against the prior year
- Q1 trading results are ahead of internal forecast, but behind prior year
- Overall market media spend in the first quarter is expected to be down circa 7%
- First half trading results expected to be weaker than the previous corresponding period
- Heavier weighing of earnings in the second half of the year driven by turnaround of the underperforming units and full year benefit of material contract wins



WPP AUNZ AGM RESOLUTIONS

ITEM 1:

FINANCIAL AND OTHER REPORTS

To receive and consider the Financial Report, Directors' Report and the Independent Auditor's Report for the Company and its controlled entities for the year ended 31 December 2018.

RESOLUTION 2.1:
RE-ELECTION OF
MR ROBERT MACTIER

'That Mr Robert Mactier, being a Director of the Company who retires by rotation in accordance with the Company's constitution and, having offered himself for re-election and being eligible, be re-elected as a Director of the Company.'

	NUMBER OF PROXIES	%
For	752,435,199	99.57
Against	2,508,570	.33
Open	759,732	.10
TOTAL VALID PROXIES	755,703,501	100%

RESOLUTION 2.2:
RE-ELECTION OF
MS KIM ANDERSON

'That Ms Kim Anderson, being a Director of the Company who retires by rotation in accordance with the Company's constitution and, having offered herself for re-election and being eligible, be re-elected as a Director of the Company.'

	NUMBER OF PROXIES	%
For	740,390,109	97.98
Against	14,545,318	1.92
Open	789,732	.10
TOTAL VALID PROXIES	755,703,501	100%

RESOLUTION 3:

GRANT OF PERFORMANCE RIGHTS TO INTERIM CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR UNDER LONG TERM INCENTIVE PLAN

'That, for the purposes of ASX Listing Rule 10.14, approval be given for the grant of Performance Rights with a value of \$1,000,000 to the Company's Interim Chief Executive Officer ("CEO") and Executive Director, Mr John Steedman, pursuant to the WPP AUNZ Long Term Incentive Plan on the terms and conditions summarised in the explanatory statement accompanying the Notice of Annual General Meeting.'

	NUMBER OF PROXIES	%
For	750,891,409	99.37
Against	3,958,502	.53
Open	752,173	.10
TOTAL VALID PROXIES	755,703,501	100%

RESOLUTION 4:

GRANT OF STIP PERFORMANCE SHARES TO INTERIM CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR UNDER SHORT TERM INCENTIVE PLAN

'That, for the purposes of ASX Listing Rule 10.14, approval be given for the grant of up to \$ 412,500 worth of STIP Performance Shares to the Company's Interim CEO and Executive Director, Mr John Steedman, under the WPP AUNZ Short-Term Incentive Plan on the terms and conditions summarised in the explanatory statement accompanying the Notice of Annual General Meeting.'

	NUMBER OF PROXIES	%
For	750,874,563	99.38
Against	3,998,619	.53
Open	666,173	.09
TOTAL VALID PROXIES	755,703,501	100%

RESOLUTION 5: ADOPTION OF REMUNERATION REPORT

'That the Remuneration Report for the year ended 31 December 2018 be adopted.'

	NUMBER OF PROXIES	%
For	749,932,651	99.40
Against	3,785,638	.50
Open	752,092	.10
TOTAL VALID PROXIES	755,703,501	100%



THANK YOU