

Q2/2016 **R3**View



Welcome to the Q2 2016 R3VIEW, our regular quarterly report on the marketing communications industry. In this issue, we look at the biggest stories in the industry, the full year estimates for the holding groups, CMOs and CEOs on the move, along with the full year M&A and New Business results.

The Biggest Stories

The ANA Reported on Rebates – It was a long time coming, but the ANA report on rebates in the US advertising industry finally came down with a thud. The association appointed an independent investigation firm to connect with 281 individuals and gain insight into this issue. In the end, they were only able to connect with 143 of this group, as five of the six holding company groups declined to participate. R3 has seen issues in this area since our inception, and we are firm advocates that media agencies be well paid for what they do – but not a dollar overpaid. For all marketers, we believe three things need to change going forward:

- 1 Change Contracts Immediately:** Marketers will have no legal standing in this debate, unless the wording in their contracts with their agencies protects them from these kinds of issues. Most don't.
- 2 Report Rebates Regularly:** Rebates are not going away, but the best agencies are pro-actively reporting these on a quarterly basis to their clients, so that media channel decisions can be mutually made on what will most effectively reach the consumer.
- 3 Audit Agencies Annually:** A simple onsite financial audit by a third party is crucial to make sure agencies are accountable and fulfilling their legal commitments. It makes no sense for one company to give

R3 is a leader in global, regional and local consulting on improving the effectiveness and efficiency of marketers and their agencies. We work with nine of the world's top twenty marketers including Coca-Cola, Unilever, AB InBev, MasterCard, Mercedes Benz, Johnson & Johnson, Samsung and Kimberly Clark.

NEW YORK

57 W 57th Street 4th floor
New York, NY

T +1 646 416 8088

Melissa Lea – Managing Director

melissa@rthree.com

Taleah Mona Lusky – Senior Consultant

taleah@rthree.com

Kayleigh Ma – Consultant

kayleigh@rthree.com

SHANGHAI

Room 4203, United Plaza,
1468 NanJing Road West

T +86 21 6212 2310

Greg Paull – Principal

greg@rthree.com

Erin Singleton – Consultant

erin@rthree.com

Trace Qu – Researcher

trace@rthree.com

BEIJING

A 1801, Chaowai SOHO, No.6 B Chaowai
Street, Chaoyang District, Beijing

T +86 10 5900 4733

Sabrina Lee – Managing Director

sabrina@rthree.com

Maria Gong – Senior Researcher

mariagong@rthree.com

SINGAPORE

69A Tras Street, Singapore 079008

T +65 6221 1245

ShuFen Goh – Principal

shufen@rthree.com

Seema Punwani – Principal Consultant

seema@rthree.com

Herbert Ho – Regional Business Director

herbert@rthree.com

LONDON

77 Beak Street London, W1F9DB

T +44 20 7993 6009

Nick Elliott – Managing Director

nick@rthree.com

SAO PAULO

Rua Jerônimo da Veiga, 428 – conjunto
21 São Paulo, Brazil

SOUTH AFRICA

Rykie Brink – Senior Consultant
rykie@rthree.com

facebook.com/r3worldwide

linkedin.com/company/r3

twitter.com/R3WW

weibo.com/r3china

www.rthree.com

www.r3integration40.com

www.r3social40.com

www.r3adtech40.com

another \$10m, \$50m or \$100m and not expect some independent oversight on how it was invested.

See our full story on this report [here](#) and [here](#).

Brexit Hit with a Similar Thud - In what is shaping up as something Queen Elizabeth might call an “Annus Horibilis,” the Brexit decision also impacted the marketing sector in a negative way. WPP’s stock lost more than 10% of its value in 48 hours, and Publicis Groupe and Havas, both European heavy, suffered similar declines. WPP is the most exposed to Europe as a percentage of revenue, with 34% of revenue coming from the UK and western continental Europe, and closer to 40% including the rest of Europe (15% of revenue comes from the UK alone). Publicis generates 28% of their revenue from Europe.

The Scammies Lions Are Back Again - Somewhere in 45,000 entries, you are bound to find a few rotten apples. This year, there were multiple examples of awards going to agencies for work that either was never approved by a client, or never actually ran in a legitimate way. As rebates are the albatross around the media agency’s neck, so is scam work around creative agencies. We’ve always been a fan of these awards being shared. The producers of a movie are the ones onstage with the director and cast at the Academy Awards. So, in the spirit of collaboration, why not have the marketing team onstage with their agency accepting the trophies? Isn’t this the way it’s supposed to be? ‘

See the world’s 24 best commercials of 2015-2016 [here](#).

For a fresh and intelligent take on Cannes – without any mention of John Cena, or Usher, read Pivotal Research Group’s key takeaways [here](#).

R3 Announces New Managing Director for Europe, Middle East and Africa

- We’re pleased to announce that Nick Elliott has joined our family to lead things out of London for some of our most important clients and markets. Nick’s initial focus will be on Unilever and HSBC, as we support them on some transformational changes. He brings 18 years of global, regional and local experience – most recently with five years at WPP leading integration across all their agencies for GSK, Vodafone and Land Rover.

Nick recently visited our Singapore office to learn more about what we do.



Not Surprisingly, Ad Forecasts are now Down – and Up - In this environment, there's so much uncertainty that forecasting 2016 ad spending is a thankless task. Magna raised its 2016 forecast from +4.6% to +5.4%, while Zenith reduced its 2016 forecast from +4.6% to +4.1%. Both saw growth up from internet related spend (above 11%).

See the full comparison table below:

Advertising Growth Rate Forecast Comparisons		Forecast Source			
		Magna	Zenith	GroupM	Pivotal
Global 2015 Total	Dec 2014	4.8%	4.9%	4.9%	-----
	March 2015	-----	4.4%	-----	-----
	June / Aug 2015	3.9%	4.2%	4.0%	-----
	Sept 2015	-----	4.0%	-----	-----
	Dec 2015	3.2%	3.8%	3.4%	-----
	March 2016	-----	3.9%	-----	-----
	June 2016	3.6%	4.6%	-----	-----
Global 2016 Total	Dec 2014	6.0%	5.6%	5.1%	-----
	March 2015	-----	5.2%	-----	-----
	June / Aug 2015	5.2%	5.0%	4.8%	-----
	Sept 2015	-----	4.9%	-----	-----
	Dec 2015	4.6%	4.6%	4.5%	-----
	March 2016	-----	4.6%	-----	-----
	June 2016	5.4%	4.1%	-----	-----
Global 2017 Total	March 2016	-----	4.6%	-----	-----
	June 2016	3.1%	4.3%	-----	-----
Global Internet 2015	Dec 2014	15.1%	16.9%	17.2%	-----
	March 2015	-----	16.6%	-----	-----
	June / Aug 2015	15.8%	16.9%	19.0%	-----
	Sept 2015	-----	17.3%	-----	-----
	Dec 2015	17.2%	18.1%	17.2%	-----
	March 2016	-----	18.7%	-----	-----
	June 2016	18.3%	20.3%	-----	-----
Global Internet 2016	Dec 2014	13.4%	14.8%	-----	-----
	March 2015	-----	14.5%	-----	-----
	June / Aug 2015	13.2%	14.9%	14.8%	-----
	Sept 2015	-----	15.2%	-----	-----
	Dec 2015	13.5%	15.2%	14.4%	-----
	March 2016	-----	15.7%	-----	-----
	June 2016	14.8%	15.4%	-----	-----

Advertising Growth Rate Forecast Comparisons

		Forecast Source			
Global Internet 2017	March 2016	-----	12.3%	-----	-----
	June 2016	12.4%	12.4%	-----	-----
Global Television 2015	Dec 2014	3.0%	2.5%	2.6%	-----
	March 2015	-----	1.8%	-----	-----
	June / Aug 2015	1.2%	1.7%	0.4%	-----
	Sept 2015	-----	1.1%	-----	-----
	Dec 2015	-0.1%	0.8%	0.9%	-----
	March 2016	-----	-0.1%	-----	-----
	June 2016	-0.3%	0.4%	-----	-----
Global Television 2016	Dec 2014	6.0%	3.9%	-----	-----
	March 2015	-----	3.7%	-----	-----
	June / Aug 2015	5.3%	3.0%	2.5%	-----
	Sept 2015	-----	2.4%	-----	-----
	Dec 2015	3.6%	1.8%	2.3%	-----
	March 2016	-----	1.4%	-----	-----
	June 2016	4.4%	0.8%	-----	-----
Global Television 2017	March 2016	-----	0.8%	-----	-----
	June 2016	-0.6%	1.0%	-----	-----

US 2015 Total Ex Directories/Direct Mail, Incl. Political and Olympic

		Forecast Source			
Global Internet 2017	Dec 2014	2.7%	3.8%	3.9%	2.9%
	Feb/March 2015	2.7%	3.7%	-----	-----
	June / Aug 2015	1.6%	3.7%	3.2%	3.1%
	Sept 2015	2.2%	3.7%	-----	-----
	Dec 2015	2.0%	3.6%	1.8%	1.9%
	March 2016	-----	3.6%	-----	-----
	June 2016	2.5%	3.6%	-----	2.8%
US Internet 2015	Dec 2014	15.5%	18.2%	17.0%	13.2%
	Feb/March 2015	19.1%	18.2%	-----	-----
	June / Aug 2015	16.6%	18.2%	16.2%	14.7%
	Sept 2015	15.8%	18.2%	-----	-----
	Dec 2015	19.5%	18.2%	11.2%	16.5%
	March 2016	-----	18.2%	-----	-----
	June 2016	20.0%	18.2%	-----	19.0%

US Internet 2016	Dec 2014	13.7%	14.6%	-----	10.7%
	Feb/March 2015	14.8%	14.6%	-----	-----
	June / Aug 2015	14.9%	14.8%	9.0%	12.1%
	Sept 2015	15.1%	15.6%	-----	-----
	Dec 2015	14.6%	15.6%	7.8%	14.0%
	March 2016	-----	15.6%	-----	-----
	June 2016	14.4%	15.6%	-----	17.1%
US Internet 2017	March 2016	-----	13.5%	-----	-----
	June 2016	12.3%	13.5%	-----	11.8%
US Television 2015, Incl. Political and Olympic	Dec 2014	-1.4%	0.3%	1.2%	-3.1%
	Feb/March 2015	-2.9%	-0.2%	-----	-----
	June / Aug 2015	-3.5%	0.0%	0.0%	-2.7%
	Sept 2015	-5.1%	-0.3%	-----	-----
	Dec 2015	-4.1%	-0.4%	0.0%	-3.1%
	March 2016	-----	-0.4%	-----	-----
	June 2016	-3.5%	-0.4%	-----	-3.1%

Advertising Growth Rate Forecast Comparisons		Forecast Source			
US Television 2016, Incl. Political and Olympic	June / Aug 2015	6.3%	1.6%	2.0%	6.6%
	Sept 2015	4.5%	1.6%	-----	-----
	Dec 2015	4.5%	0.6%	2.3%	6.6%
	March 2016	-----	0.9%	-----	-----
	June 2016	7.0%	1.4%	-----	7.3%
US Television 2017, Incl. Political and Olympic	March 2016	-----	-1.0%	-----	-----
	June 2016	-5.0%	-0.3%	-----	-3.0%

Source – Pivotal Research Group

R3 Brought New Tools to China - This quarter, we announced an exclusive partnership with Bomoda, a data technology leader, to help bring more transparency and insights into China's e-commerce and social landscape. Through advanced machine learning, we are now able to track actual sales on Taobao and TMall, as well as forecasted sales on JD.com and a range of other e-commerce sites. This is the only tool in China linking Weibo, WeChat, Taobao, JD and KOL measurement into a single source tool. For all those in China, it means now you really can move what you can measure.

You can read more on the partnership [here](#).

Holding Company Earnings

Q2 of 2016 saw largely positive results for most of the Holding Groups, with each one showing a revenue increase over Q2 of last year. Most groups that had some regional decline saw strong growth in other regions to offset, keeping performance steady as we head into Q3.



Publicis Groupe (PA:PUB) - Publicis management was expecting a slow-down in Q2 of this year, due to the loss of business last year. The headline organic growth rate was above expectations, with margins that were stable year-over-year. Strong growth in Europe offset a slight decline in North America, where the losses of last year had a very serious impact on the US. Management expressed the better-than-expected performance came from new business and the expansion of relationships with existing clients.

Headline operating margins were stable. Notably, restructuring charges were included within the reported headline operating margin. Excluding those costs, reported margins would have expanded by 40bps. Management indicated it continues to expect to achieve the low end of its 200-400bps margin improvement goal (i.e. closer to 17.3% rather than 19.3%) for 2018.

Publicis Groupe Financial Statement (€m)

	2016 Q2	2015 Q2	CHANGE %
Revenue	2,462	2,439	0.9%
Stock Price	€ 60.53	€ 66.32	-8.7%

Publicis Groupe Revenue by Region (€m)

	2016 Q2	2015 Q2	REPORTED GROWTH	ORGANIC GROWTH
Europe	718	681	5.4%	7.3%
North America	1,319	1,323	-0.3%	-0.1%
Asia Pacific	273	265	3.0%	5.5%
Latin America	81	101	-19.8%	4.8%
Middle East Africa	71	69	2.9%	-1.5%
Total	2,462	2,439	0.9%	2.7%



Interpublic (NYSE:IPG) - IPG reported another decent quarter on the top-line, featuring organic growth of +3.7% and as-reported growth of +2.2%. The second quarter operating margin was 11.7%, an increase of 20 bps from the prior-year period, and operating income growth increased to \$224.8 million.

Regional trends were soft outside of the Americas, as the United States grew organically by +4.6% and Latin America grew by +15.9%. However, the UK was +1.2% – where Brexit was not yet a factor – continental Europe was +0.5% and APAC was -3.2%, impacted by the absence of pass-through revenues included in the previous year. European trends were a notable contrast with commentary provided earlier in the day from Publicis around the health of that region during the quarter. For IPG, Italy and Spain were positive, offset by declines in Germany and France.

Per Michael I. Roth, Interpublic's Chairman and CEO, the management was pleased to report another quarter of solid revenue and profit increases that position them to achieve their financial objectives. Despite increased macro uncertainty, the tone of the business remained sound. The management therefore continued to believe that they will deliver at the high end of their original 3% to 4% organic growth target for the full year, as well as expand operating margin by 50 basis points or better.

Interpublic Financial Statement (\$m)

	2016 Q2	2015 Q2	CHANGE %
Revenue	1,917.9	1,876.1	2.2%
Operating Expenses	1,693.1	1,660.3	2.0%
Operating Income	224.8	215.8	4.2%
Operating Margin	11.7%	11.5%	
Net Income	160.1	123.8	29.3%
Stock Price	\$23.10	\$19.27	19.9%

Interpublic Revenue by Region (\$m)

	2016 Q2	2015 Q2
Consolidated	100%	100%
Domestic	61%	59%
International	39%	41%

OmnicomGroup

Omnicom (NYSE:OMC) - Omnicom's worldwide revenue in the second quarter of 2016 increased 2.1% to \$3,884.9 million from \$3,805.3 million in the second quarter of 2015. The components of the change in revenue included an increase in revenue from organic growth of 3.4%, an increase in revenue from acquisitions, net of dispositions of 0.3% and a decrease in revenue from the negative impact of foreign exchange rates of 1.6% when compared to the second quarter of 2015.

Across the regional markets, organic revenue growth in the second quarter of 2016 was 3.2% in North America, 3.3% in the United Kingdom, 4.3% in the Euro Markets and Other Europe, 4.5% in Asia Pacific and 1.7% in Latin America, while organic revenue declined by 1.2% in the Middle East and Africa when compared to the same quarter of 2015.

The change in organic revenue in the second quarter of 2016 as compared to the second quarter of 2015 in our four fundamental disciplines was as follows: advertising increased 7.7%, public relations increased 0.1% and specialty communications increased 4.4%, while CRM decreased 2.7%

Omnicom Financial Statement (\$m)

	2016 Q2	2015 Q2	CHANGE %
Revenue	3,884.9	3,805.3	2.1%
Operating Expenses	3,323.1	3,266.7	1.7%
Operating Income	561.8	538.6	4.3%
Operating Margin	14.5%	14.2%	2.2%
Net Income	351.9	342.7	2.7%
Stock Price	\$81.49	\$69.49	17.3%

Omnicom Revenue by Region (\$m)

	2016 Q2	2015 Q2	CHANGE %
AMERICAS			
North America	2,329.7	2,281.5	2.1%
Latin America	98.9	82.6	19.7%
EMEA			
Europe	993.8	978.8	1.5%
Africa and Mid East	62.3	67.9	-8.2%
ASIA PACIFIC	400.2	394.5	1.4%

WPP

WPP (LSE:WPP, NASDAQ:WPPGY) - On July 14, WPP announced that its wholly-owned operating company, Grey Group, the global marketing communications network, had acquired a majority stake in Easycom Group, a social marketing agency in China.

Founded in Shanghai in 2006, Easycom employs more than 40 people and specializes in key opinion leader (KOL) management, social content creation and campaign management, social to offline (S2O) event activation, media relations and crisis management. Clients include L'Oréal, LVMH, Philips, Diageo, Boehringer-Ingelheim, Kiehl's, Coty and China Merchants Bank.

WPP will release its Q2 result on August 24, so we estimate Q2 16 YoY organic net sales growth here. We believe strength in the US and further improvement in Western Europe and the UK will be the main drivers.

WPP Financial Statement (£m)

	2016 Q2 (ESTIMATED)	2015 Q2	Q2 CHANGE%
Revenue	3,156.8	3,056.0	3.30%
Net Sales	2,708.5	2,622.0	3.30%
Stock Price	2016 Q2	2015 Q2	Q2 CHANGE%
- LSE	£1,552.00	£1,426.00	8.84%
- Nasdaq	\$104.52	\$112.72	-7.3%

WPP Net Sales by Region - Q1 2016 (£m)

	2016 Q1	2015 Q1	CHANGE %
North America	1,019	915	11.37%
United Kingdom	375	350	7.14%
W Cont. Europe	508	462	9.96%
AP, LA, AME, CEE	714	692	3.18%
Total Group	2,616	2,419	8.14%



HAVAS (PA:HAV) - Havas Group's revenue in Q2 was €581 million, reaching a total of €1.09 billion for the first half of 2016. Revenue in Q2 represented a reported growth of 2.8% and organic growth of 3.4%. Operating income increased 7% when compared with the same period last year, reaching €137m. Across APAC and Africa Q2 revenue was \$46m, reaching €84m for the first half of the year.

Yannick Bolloré, Havas CEO, described growth in the APAC region as "robust." Across the APAC and Africa regions, organic growth (which excludes the impact of foreign currency and acquisitions) was 6.7% in the first half of the year - well above the group's global growth of 3%. In Q2, organic growth was 8.9% in the combined regions.

Havas Financial Statement (€m)

	2016 Q2	2015 Q2	CHANGE %	ORGANIC GROWTH
Revenue	581	565	2.8%	3.4%
Stock Price	€ 6.97	€ 7.48	-6.8%	

Havas Revenue by Region (€m)

	2016 Q2	2015 Q2	CHANGE %	ORGANIC GROWTH
Europe	301	280	7.5%	3.4%
North America	196	197	-0.5%	0.3%
APAC & Africa	46	44	4.5%	8.9%
LATAM	38	44	-13.6%	2.6%
Total Group	581	565	2.8%	2.7%

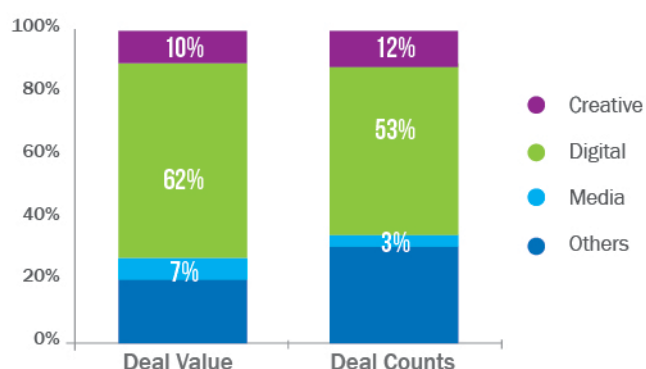
90 days of M&A

The second quarter of Holding Company M&A activity saw 19 deals worth nearly \$2.4 billion. The leading three conglomerates all hail from China, with the Q1 leader, Nantong Metal Forging Group, falling to third place with the rapid rise of Keda Group and Miteno. IBM, the world's largest digital agency, has dropped out of the top five in this round of tracking, making no new acquisitions since their first quarter buying spree. See the full list of wins below.

2016 HOLDING COMPANY M&A LEAGUE Global / Q2 2016

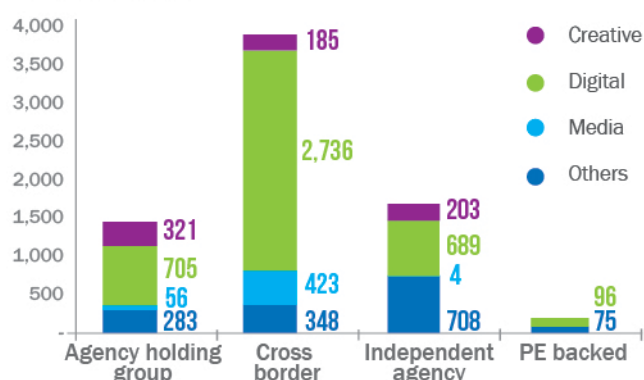
RANK THIS MONTH	RANK LAST MONTH	HOLDING GROUP	RECENT ACQUISITIONS	TOTAL SALES VALUE (US\$M)	NUMBER OF DEALS
1	-	Miteno	BBHI	900	1
2	1	Keda Group	itrax, ASEA, Beijing Zhiyue Internet, Data 100	491	4
3	2	Nantong Metal Forging Group	All Ways Advertising, Wezonet, Run Ad	371	3
4	-	Telenor	Tapad	360	1
5	3	WPP	Woven Digital, All Def Digital, TNS ICAP, Effect PR, dBOD, Potato, CMI, Viscira, Analytics Quotient	269	20
6	5	Dentsu	Search Factory, Scorch, VeryStar, Digital Republic, Liveposter, Merdeka LHS	254	18
7	-	Nielsen	Pointlogic, Repucom	252	2
8	4	IBM	Aperto, Resource/Ammirati, ecx.io	245	3
9	-	Sky Dragon Group	QDZZ, UniqueAd	170	2
10	-	Gannett	ReachLocal	158	1
11	6	Ningbo Cixing	Hangzhou Duoyile Tech, Hangzhou Youtou Tech	150	2
12	-	Spearhead	Smaato	148	1
13	-	MDC Partners	Focused Communications, Forsman & Bodenfors, Higher Ground Communications	144	3
14	7	Merkle	Comet Global Consulting, DBG	140	2
15	8	TIK Films	Adwo	125	1
				4,178	64

SHARE OF DEAL VALUE AND COUNTS BY TARGET AGENCY TYPE



SHARE OF DEAL VALUE BY TARGET TYPE BY ACQUIRER

*Values in USD Million



New Business League

R3 continue to track 7,000 new business wins annually across more than 300 agencies. See the latest results below.

Ogilvy still leads the Creative table, with more than 300 wins across six continents. The two fastest movers this month were McGarryBowen, with Clorox and JC Penney wins a standout, followed by Saatchi & Saatchi, who led the Publicis Groupe effort for Walmart. Amongst media agencies, PHD's global VW win and others kept them at number one, with GroupM's IKEA win (shared with Dentsu Aegis) helping them move up a spot.

2016 CREATIVE AGENCIES NEW BUSINESS LEAGUE Global /Q2 2016

RANK THIS MONTH	RANK LAST MONTH	AGENCY	RECENT WINS	ESTIMATED YTD WIN REVENUE (USD \$ M)	RECENT LOSSES	ESTIMATED YTD WIN REVENUE (USD \$ M)	NUMBER OF WINS
1	1	Ogilvy	Motorola Global, GSK(Expert Marketing) Global, Coca-Cola(Social Media) ASEAN region	118.8	Expedia Europe	96.3	322
2	11	McGarryBowen	United Airlines Global, Clorox Global, JC Penney US	93.0	Staples US	88.0	12
3	5	McCann WorldGroup	Reckitt Benckiser (Lysol/Dettol) Global, GSK(Expert Marketing) Global, Staples US	69.3	Pandora US	67.7	261
4	13	Saatchi & Saatchi	GSK Global, Wal-Mart - Asda UK, Wal-Mart US, Mondelez (Gum and Candy) Japan	73.7	Club Med Global	64.0	55
5	2	Mullen Lowe	USAA US, Union Investment Germany, Fox+ y Fox Play LATAM	43.6	Subway Brazil	43.1	47
6	3	Anomaly	Beats by Dr. Dre Global, Campbell Soups Brands US, Cancer Research UK	38.2		38.2	5
7	4	VML	Wendy's US, H&R Block(Social Media) US, Lipton Brisk US	37.0		37.0	5
8	8	DDB	Time Warner US, Jeep North America, Free Mobile France	62.6	Clorox Global	30.8	178
9	6	TBWA	Unitymedia Germany, Direct Assurance(Digital) France, McDonald's Argentina	45.6	MillerCoors US	30.0	65
10	7	GSD&M	Dodge US, Blue Bunny US	26.0		26.0	2
11	9	FCB	Clorox Global, Npower UK, Whirlpool LATAM, Independent Media Group South Africa	34.1	Vonage US	25.5	23
12	10	Y&R	Premier League UK, Chanel UK, Lombard Odier UK Project, Edgars South Africa	29.8	Famous Footwear US	23.6	91
13	12	Isobar	Panasonic(Digital) India	19.1		19.1	108
14	14	Cheil Worldwide	Logitech India, Coca-Cola India Project, Fox Life India	18.0	Pfizer Korea	17.5	67
15	15	Droga5	Glenmorangie Global, Pizza Hut US, Rustlers UK	22.4	Motorola Global	16.9	5
16	16	CP+B	Vonage US, Betstars UK, Hershey US, Jose Cuervo US, Diageo Brazil Project	15.8		15.8	7
17	18	Dentsu	LTA Singapore, Paty & Vienísima (BRF) Argentina, LEXUS China Project	16.3	Cremica India	14.5	89
18	17	BBH	Ray-Ban Global, Macy's US, Uber UK, CreditExpert UK	24.3	Newell Rubbermaid US	14.2	7
19	-	Grey Group	GSK Global, Weber BBQ Global, Nomad Foods Europe	26.5	Olive Garden US	11.9	11
20	19=	Talent Marcel	Claro mobile Brazil	10.0		10.0	1
						690.1	1,361

2016 MEDIA AGENCIES NEW BUSINESS LEAGUE

Global / Q2 2016

RANK THIS MONTH	RANK LAST MONTH	AGENCY	RECENT WINS	ESTIMATED YTD WIN REVENUE (USD \$ M)	RECENT LOSSES	ESTIMATED OVERALL YTD REVENUE (USD \$ M)	NUMBER OF WINS
1	1	PHD	Volkswagen Global, Carnival Corpora- tion US&UK, Norpharma Denmark	172.4	Greenstone Australia	170.3	109
2	3	GroupM	Target US, Westpac Australia, IKEA (Media Buying) Global	50.8	UrbanClap India	49.9	3
3	4	Havas Media	Swarovski Global, Tracfone US, Staples UK	49.2	Vivil Germany	45.5	119
4	2	OMD	Verisure Europe, Ancestry.com US, Leon's Furniture Canada	60.1	Paddy Power Betfair UK/Ireland	43.0	186
5	5	Zenith	21st Century Fox US, Nomad Food Europe, Klook APAC(7 Markets)	50.5	Swarovski Global	38.3	67
6	18	Horizon Media	LG Electronics US, Star Ratings Aus- tralia Project	22.8		22.8	3
7	8	Vizeum	21st Century Fox US, E.on UK, Reckitt Benckiser Thailand	21.8	Viacom UK	21.1	47
8	6	Initiative	Reckitt Benckiser Germany & Asia(6 markets), Gov of Netherlands, Gobi- erno Chile	25.6	Vympelkom Russia	20.6	78
9	7	Assembly	21st Century Fox US, E*Trade US, SodaStream US	19.3		19.3	4
10	10	Dentsu Media	Calzedonia Russia, Japan National Tourism Organisation Malaysia	13.7	Bridgestone India	13.1	119
11	-	Dentsu Aegis Media	IKEA (Media Buying) Global	12.5		12.5	1
12	11	Carat	Kellogg's Europe, The Post Office UK, BRF Argentina	32.6	Wal-Mart - Asda UK	12.3	207
13	16	Universal McCann	Tourism Australia Global, Go Pro France&Mexico, H&M France	29.8	Malaysia Airlines Global	6.0	68
14	12	Optimedia Blue 449	Intu Shopping Centres UK, Walmart Asda UK	5.7	Perfetti Van Melle Vietnam	5.6	2
15	15	MEC	Pernod-Ricard Germany, Monsanto UK, island2island Australia	9.9	LegalZoom US	5.3	82
16	13	Maxus	Huawei(Planning) UK, Church & Dwight US, Jet.com US, Weber BBQ UK	7.0	Linax Matkasse Sweden	5.3	21
17	14	Exterior Media	TfL UK	5.0		5.0	1
18	17	Solve	Radisson US, American Standard US	2.7		2.7	2
19	19	Dat Viet VAC Media	Vinamilk(Buying) Vietnam, Masan (Buying) Vietnam, Gia Vien Vietnam Project	1.8		1.8	3
20	23	Atomic 212	Origin Energy Australia, Tabcorp(Pro- grammatic Buying) Australia	1.5		1.5	2
						501.7	1,124

HOLDING COMPANY NEW BUSINESS LEAGUE

Some major changes this quarter with both Omnicom and Dentsu moving ahead of WPP for the first time, due to some major account losses for GroupM. MDC continue to over perform, winning an additional 3.9% of revenue this year already.

2016 NEW BUSINESS LEAGUE HOLDING GROUP RANKING Global / Q2 2016

RANK THIS MONTH	RANK LAST MONTH	HOLDING GROUP	ESTIMATED CREATIVE YTD REVENUE (USD \$M)	ESTIMATED MEDIA (USD \$M)	ESTIMATED OVERALL YTD REVENUE (USD \$M)	AS % OF 2015 REVENUE	NO.OF WINS
1	2	Omnicom	102.1	211.3	313.4	2.1%	568
2	5	Dentsu	127.8	58.7	186.5	2.8%	590
3	1	WPP	199.6	-33.8	165.8	0.9%	962
4	3	Interpublic	108.5	26.6	135.1	1.8%	507
5	7	Publicis Groupe	86.2	18.3	104.5	1.0%	489
6	4	MDC	33.0	19.3	52.3	3.9%	28
7	6	Havas	4.1	46.0	50.0	2.0%	137
					1,008	1.6%	3,281

CMOs on the Move



KYLE ANDREW

EXECUTIVE VP & CMO, AMERICAN EAGLE OUTFITTERS

Kyle joins American Eagle from Kate Spade, where she served as Senior VP, brand director for Kate Spade Saturday, and previously as the head of global brand marketing. Prior to Kate Spade, she held the positions of SVP, marketing for Kenneth Cole Productions, and VP of Gap Marketing.



ASHLEY SARGENT PRICE

SVP CREATIVE DIRECTOR, ABERCROMBIE & FITCH AND HOLLISTER

Abercrombie snagged the long-time J.Crew marketer to help lead a turnaround for each of their brands (Abercrombie & Fitch, Hollister Co., and Abercrombie Kids) and in-house photo studio. She joins the fashion house after eight years with J. Crew as SVP Brand Creative. Price began her career in 2003 at teenage fashion brand, Delia's.



LINDA BOFF

CMO, GE

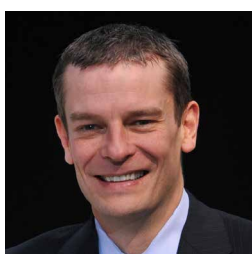
Boff's promotion to CMO comes three weeks after former CMO, Beth Comstock, was promoted to vice chair of business innovations. Boff was formerly GE's executive director of global brand marketing and has been with the company since 2003. Prior to that, she was CMO at NBC's iVillage.



FREDERIQUE COVINGTON

CMO, Visa

Frederique is taking on the SVP and CMO role for Visa, ending a two and a half year run at Twitter. She will report to Visa's newly appointed executive vice president & global CMO, Lynn Biggar. Covington's previous roles include CMO APAC at Microsoft.



MATT VANDKYE

VP Marketing Europe, Ford

Matt VanDyke, Lincoln's top marketing and sales executive, is leaving the brand to become the VP of marketing for Ford Europe. VanDyke has been the director of global Lincoln marketing, sales and service since 2012. Prior to that role, he was the Director, US marketing communications/ global fixed marketing for Ford.



SCOTT USITALO

CMO, KIMBERLY-CLARK

Scott was most recently the President, North American Family Care at Kimberly-Clark, and is a 24-year veteran of P&G. His appointment as CMO succeeds Clive Sirkin, who left last year for Kellogg. He will report to the President, Global Brands and Innovation, Tony Palmer.



JONATHAN POTTER

CMO, BOSTON BEER CO.

Boston Beer Co., the maker of Sam Adams, has created the role of CMO to oversee planning and execution of brand development, marketing and advertising initiatives. The role will be taken over by former Moët Hennessy marketer, Jonathan Potter. He most recently served as managing director for Moët's Chandon brand division, and previously was the CMO and EVP, brands.



JACKIE WOODWARD

CMO, KRISPY KREME

Ms. Woodward is leaving her post of VP of Global Media for General Mills after two years to become the CMO of Krispy Kreme. Her previous roles include the VP of media and marketing services at Miller Coors and the VP of global marketing at McDonald's.



ANDREW CLARKE

CHIEF MARKETING AND CUSTOMER OFFICER, MARS

After 10 years as CMO, Bruce McColl is retiring from his role at Mars. In his place, Andrew Clarke will assume the newly created role of chief marketing and customer officer. A 15 year Mars veteran, Clarke's previous roles with the company include Regional President LATAM, Managing Director – Care & Treats, Mars Petcare Europe and General Manager, Mars Ireland.



SONIA SYNGAL

GLOBAL PRESIDENT, OLD NAVY

Sonia Syngal, formerly the EVP of global supply chain and product operations at Gap Inc., has been promoted to Global President at Old Navy, effective immediately. The promotion comes seven months after losing its president to Ralph Lauren, and its CMO, Ivan Wicksteed in March of this year. Syngal has been with the company for 12 years, most recently managing Gap's sourcing and logistics for all five of its brands.



COLIN MITCHELL

GLOBAL VP MCDONALD'S BRAND, MCDONALD'S

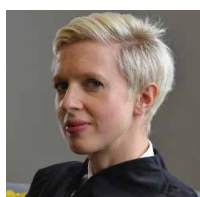
McDonald's is naming Ogilvy's Colin Mitchell to the new position of global VP, McDonald's Brand, where he will report to global CMO, Silvia Lagnado. Mitchell has been with O&M since 1999, where he was most recently global head of strategic planning. In this new role at McDonald's, Mitchell will be responsible for the company's brand vision and positioning.

Agency People Movement



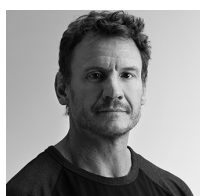
CHRIS MACDONALD - President North America, McCann Worldgroup

Macdonald, formerly the president of McCann's New York Office, will continue to run NY in his new role, while also leading the North America group that includes Casanova//McCann, McCann Detroit, twofifteenmccann San Francisco, McCann Minneapolis and MacLaren McCann Canada. His prior roles include CEO of McCann London, managing partner with RKCR/Y&R, associate director at Lowe Howard-Spink and head of account management at Publicis.



SARAH WATSON - Global Chief Strategy Officer, BBH

BBH recently promoted Sarah Watson from chief strategy officer of BBH NY to the global chief strategy officer. She originally joined the agency in 2001 as the head of international planning and briefly left in 2009 to serve as head of planning at DDB UK. She returned to BBH New York in 2011. In her new role, she will report to global CEO, Neil Munn.



NICK LAW - Vice Chairman, R/GA

Law was promoted into this newly created position from his current role as R/GA's global chief creative officer. He joined the agency over 15 years ago as a chief creative officer, and has worked with clients such as Nike, Samsung, Google, J&J, Beats by Dre and more. This new role will be more focused on the agency's business strategy and overall vision.



SAMI THESSMAN - Chief Creative Officer, Wunderman

Wunderman recently poached their new CCO Sami Thessman from Havas, where he served as executive creative director for the past year. Before joining Havas, he was the global executive creative director at both TBWA\Hong Kong and TBWA\Digital Arts Network\Helsinki. In his new role at Wunderman, he will lead accounts including United Airlines, Coke, E*TRADE and Isle of Capri.



BRUNO BERTELLI - Global Chief Creative Officer, Publicis Worldwide

Publicis has promoted Bruno Bertelli to the newly created position of global chief creative officer. Most recently, he served as Publicis Worldwide Western Europe executive creative director and the CEO of its Italian branch. Previous agency roles include several years as a creative director at JWT.



JOHN HARRIS - President & CEO, Worldwide Partners Inc (WPI)

Harris comes to WPI as a 15-year veteran of Omnicom, previously serving as president of TBWA\Karsh\Hagan Advertising and SVP of The Integer Group. He has led accounts for such clients as Coors, P&G, McDonald's and TD Ameritrade. Harris replaces Al Moffat, who recently left the position after eleven years.



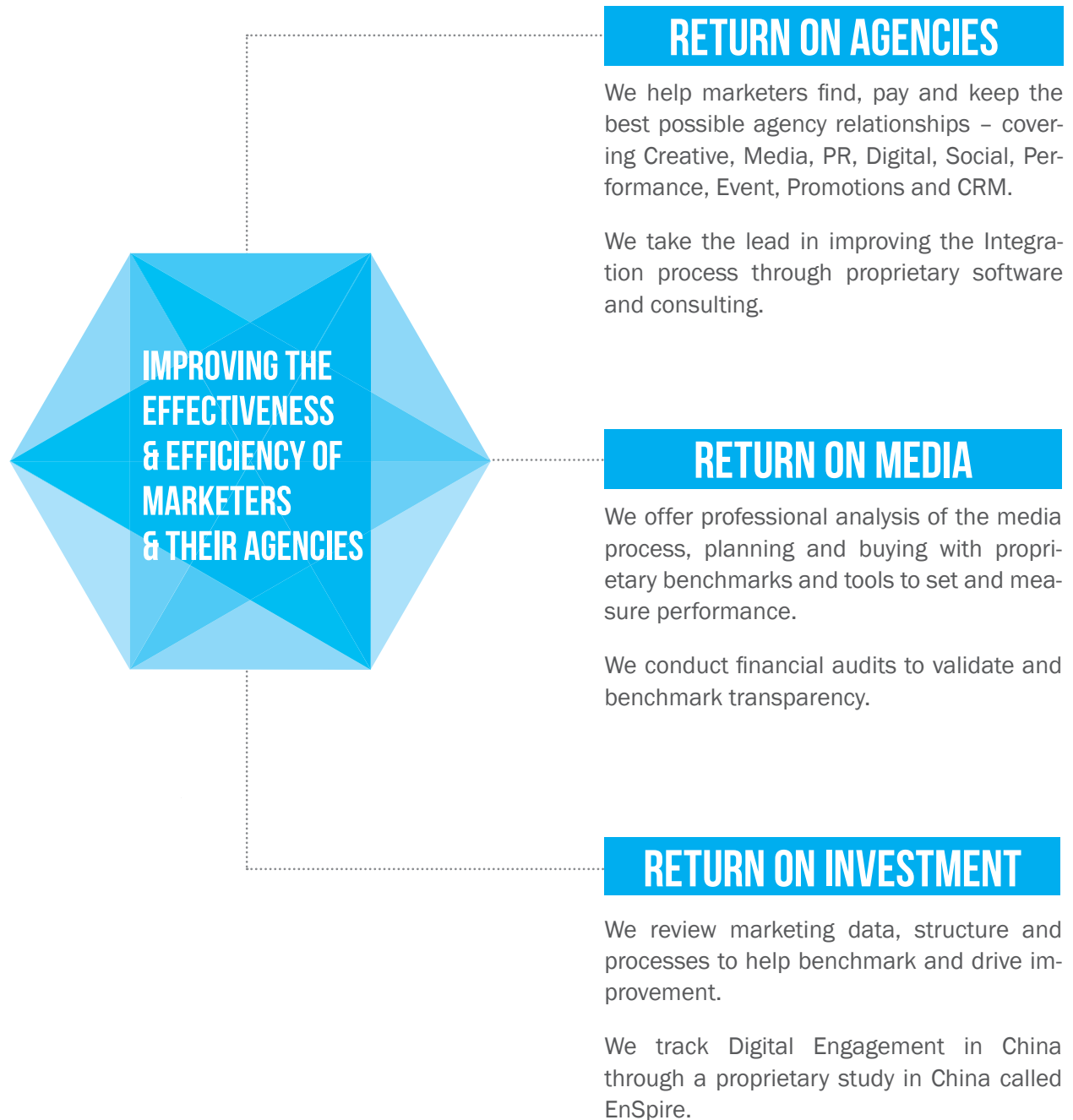
GEOFF COTTRILL - President Boston HQ, MullenLowe

Cottrill comes to MullenLowe from his previous role as the CMO for Converse, a position that he left in February of this year. He has spent the entirety of his career on the client side at big name brands including Coca-Cola, Starbucks, and P&G. In this new role, he will report to MullenLowe US CEO, Lee Newman.



ERIK VERVROEGEN - Global Head of Art & Executive Creative Director, TBWA

Vervroegen joins TBWA from his role at Publicis Worldwide CCO where he oversaw the creative across Europe, Asia and Latin America. His prior roles include executive director at Goodby, Silverstein and Partner and multiple previous stints at TBWA. In his new role he will report to TBWA Worldwide's Global Creative President, Chris Garbutt.



Contact us

North America

New York

57 W 57th Street 4th floor
New York, NY 10019
USA
T +1 646 416 8088

Latin America

Sao Paulo

Europe

London

Madrid

Asia Pacific

Beijing

A 1801, Chaowai SOHO,
No.6 B Chaowai Street,
Chaoyang District,
Beijing 100020, China
T +8610 5900 4733
F +8610 5900 4732

Shanghai

Room 4203,
United Plaza,
1468 Nan Jing Road West,
Shanghai, 200040, China
T +8621 6212 2310
F +8621 6212 2327

Hong Kong

23/F, One Island East
18 Westlands Road
HongKong.
T +852 3750 7980

Singapore

69A Tras Street,
Singapore 079008
T +65 6221 1245
F +65 6221 1120

Ho Chi Minh City

Floor 3, 25A Mai Thi Luu
Street, Da Kao Ward,
District 1, HCM City, Vietnam
T +84 08 6290 3336

Social Media

 www.rthree.com
Website

 weibo.com/r3china
Weibo

 twitter.com/R3WW
Twitter

 facebook.com/r3worldwide
Facebook

 linkedin.com/company/r3
LinkedIn





New York

London

Shanghai

São Paulo

Singapore

Beijing
