WPP PLC

Interim results for the six months ended 30 June 2010

Unaudited condensed consolidated interim income statement for the six months ended 30 June 2010

	Notes	Six months ended 30 June 2010	Six months ended 30 June 2009		Constant Currency[1]	Year ended 31 December 2009
		£m	£m	+/(-)%	+/(-)%	£m
Billings		20,333.1	18,742.0	8.5	7.3	37,919.4
Revenue	6	4,440.9	4,288.7	3.5	2.7	8,684.3
Direct costs		(361.0)	(333.6)	(8.2)	(6.4)	(703.6)
Gross profit		4,079.9	3,955.1	3.2	2.4	7,980.7
Operating costs	4	(3,739.7)	(3,756.4)	0.4	0.9	(7,219.0)
Operating profit		340.2	198.7	71.2	64.5	761.7
Share of results of associates	4	22.3	19.8	12.6	(4.6)	57.0
Profit before interest and taxation		362.5	218.5	65.9	57.9	818.7
Finance income	5	39.3	107.5	(63.4)	(66.3)	150.4
Finance costs	5	(138.4)	(197.5)	29.9	30.4	(355.4)
Revaluation of financial instruments	5	(19.5)	50.8	-	-	48.9
Profit before taxation		243.9	179.3	36.0	23.3	662.6
Taxation	7	(61.3)	(41.0)	(49.5)	(40.3)	(155.7)
Profit for the period		182.6	138.3	32.0	18.2	506.9
Attributable to:						
Equity holders of the parent		150.8	108.4	39.1	21.9	437.7
Non-controlling interests		31.8	29.9	(6.4)	(4.3)	69.2
		182.6	138.3	32.0	18.2	506.9
Headline PBIT	6,19	455.3	342.2	33.1	27.9	1,017.2
Headline PBIT margin	6,19	10.3%	8.0%			11.7%
Headline PBT	19	356.2	252.2	41.2	32.8	812.2
Earnings per share[2]						
Basic earnings per ordinary share	9	12.3p	8.9p	38.2	21.7	35.9p
Diluted earnings per ordinary share	9	12.0p	8.8p	36.4	20.1	35.3p

[1] The basis for calculating the constant currency percentage change shown above is described in the glossary attached to this appendix.
[2] The calculations of the Group's earnings per share and headline earnings per share are set out in note 9.

WPP PLC

Unaudited condensed consolidated interim statement of comprehensive income for the six months ended 30 June 2010

	Six months ended 30 June 2010	Six months ended 30 June 2009	Year ended 31 December 2009
	£m	£m	£m
Profit for the period	182.6	138.3	506.9
Exchange adjustments on foreign currency net investments	113.5	(852.9)	(155.6)
Loss on revaluation of available for sale investments	(17.3)	(17.8)	(13.5)
Actuarial loss on defined benefit pension schemes	-	-	(7.2)
Deferred tax charge on defined benefit pension schemes	-	-	(4.4)
Other comprehensive income relating to the period	96.2	(870.7)	(180.7)
Total comprehensive income relating to the period	278.8	(732.4)	326.2
Attributable to:			
Equity holders of the parent	239.7	(743.0)	270.4
Non-controlling interests	39.1	10.6	55.8
	278.8	(732.4)	326.2

WPP PLC

Unaudited condensed consolidated interim cash flow statement for the six months ended 30 June 2010

	Notes	Six months ended 30 June 2010	Six months ended 30 June 2009[1]	Year ended 31 December 2009[1]
		£m	£m	£m
Net cash (outflow)/inflow from operating activities	10	(159.7)	(191.4)	818.8
Investing activities				
Acquisitions and disposals	10	(77.5)	(77.3)	(118.4)
Purchases of property, plant and equipment		(79.9)	(113.0)	(222.9)
Purchases of other intangible assets (incl. capitalised computer software)		(9.9)	(16.1)	(30.4)
Proceeds on disposal of property, plant and equipment		1.5	2.1	9.2
Net cash outflow from investing activities		(165.8)	(204.3)	(362.5)
Financing activities				
Share option proceeds		9.3	0.1	4.1
Cash consideration for non-controlling interests	10	(12.4)	(15.7)	(26.4)
Share repurchases and buybacks	10	(28.6)	(9.5)	(9.5)
Net increase/(decrease) in borrowings	10	432.0	107.7	(426.3)
Financing and share issue costs		(1.1)	(27.8)	(18.8)
Equity dividends paid		(126.6)	-	(189.8)
Dividends paid to non-controlling interests in subsidiary undertakings		(33.3)	(31.3)	(63.0)
Net cash inflow/(outflow) from financing activities		239.3	23.5	(729.7)
Net decrease in cash and cash equivalents		(86.2)	(372.2)	(273.4)
Translation differences		92.2	(228.0)	(98.7)
Cash and cash equivalents at beginning of period		946.0	1,318.1	1,318.1
Cash and cash equivalents at end of period	10	952.0	717.9	946.0
Reconciliation of net cash flow to movement in net debt:				
Net decrease in cash and cash equivalents		(86.2)	(372.2)	(273.4)
Cash (inflow)/outflow from (increase)/decrease in debt financing		(430.9)	(79.9)	445.1
Other movements		(22.8)	46.1	35.1
Translation difference		151.5	26.9	220.4
Movement of net debt in the period		(388.4)	(379.1)	427.2
Net debt at beginning of period		(2,640.4)	(3,067.6)	(3,067.6)
Net debt at end of period	11	(3,028.8)	(3,446.7)	(2,640.4)

[1] 2009 comparatives have been restated to include cash consideration for non-controlling interests in financing activities rather than investing activities.

WPP PLC

Unaudited condensed consolidated interim balance sheet as at 30 June 2010

	Notes	30 June 2010	30 June 2009	31 December 2009
		£m	£m	£m
Non-current assets				
Intangible assets:				
Goodwill	12	8,940.7	8,371.6	8,697.5
Other	13	1,950.5	2,007.9	2,000.7
Property, plant and equipment		691.1	643.6	680.5
Interests in associates		763.9	656.2	729.3
Other investments		262.6	273.4	294.6
Deferred tax assets		67.5	65.6	67.5
Trade and other receivables	14	295.8	247.4	286.1
		12,972.1	12,265.7	12,756.2
Current assets				
Inventory and work in progress		435.4	346.5	306.7
Corporate income tax recoverable		74.1	63.1	73.0
Trade and other receivables	14	8,210.3	6,662.6	7,548.9
Cash and short-term deposits		1,103.6	1,098.2	1,666.7
		9,823.4	8,170.4	9,595.3
Current liabilities				
Trade and other payables	15	(10,178.9)	(8,499.2)	(9,774.0)
Corporate income tax payable		(66.4)	(54.4)	(71.6)
Bank overdrafts and loans		(151.6)	(381.7)	(720.7)
		(10,396.9)	(8,935.3)	(10,566.3)
Net current liabilities		(573.5)	(764.9)	(971.0)
Total assets less current liabilities		12,398.6	11,500.8	11,785.2
Non-current liabilities				
Bonds and bank loans		(3,980.8)	(4,163.2)	(3,586.4)
Trade and other payables	16	(487.8)	(453.4)	(423.3)
Corporate income tax payable		(497.9)	(471.0)	(485.5)
Deferred tax liabilities		(791.1)	(817.0)	(809.6)
Provision for post-employment benefits		(258.1)	(245.0)	(251.8)
Provisions for liabilities and charges		(171.2)	(133.6)	(152.9)
		(6,186.9)	(6,283.2)	(5,709.5)
Net assets		6,211.7	5,217.6	6,075.7
Equity				
Called-up share capital		125.8	125.5	125.6
Share premium account		21.7	8.8	12.6
Shares to be issued		3.9	6.8	5.5
Other reserves		(3,949.0)	(4,735.3)	(4,044.9)
Own shares		(145.5)	(170.2)	(154.0)
Retained earnings		9,965.3	9,811.5	9,949.2
Equity share owners' funds		6,022.2	5,047.1	5,894.0
Non-controlling interests		189.5	170.5	181.7
Total equity		6,211.7	5,217.6	6,075.7

WPP PLC

Unaudited condensed consolidated interim statement of changes in equity for the six months ended 30 June 2010

	Ordinary share capital	Share premium account	Shares to be issued	Other reserves	Own shares	Retained earnings	Total equity share owners' funds	Non-controlling interests	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Balance at 1 January 2009	125.5	8.6	8.7	(3,888.3)	(189.8)	9,697.5	5,762.2	197.6	5,959.8
Ordinary shares issued	-	0.2	(0.4)	0.1	-	0.1	-	-	-
Exchange adjustments on foreign currency net investments	-	-	-	(833.6)	-	-	(833.6)	(19.3)	(852.9)
Net profit for the period	-	-	-	-	-	108.4	108.4	29.9	138.3
Dividends paid	-	-	-	-	-	-	-	(31.3)	(31.3)
Non-cash share-based incentive plans (including stock options)	-	-	-	-	-	31.1	31.1	-	31.1
Treasury shares additions	-	-	-	-	(9.5)	-	(9.5)	-	(9.5)
Transfer from goodwill	-	-	(1.5)	-	-	-	(1.5)	-	(1.5)
Net movement in own shares held by ESOP Trusts	-	-	-	-	29.1	(29.1)	-	-	-
Loss on revaluation of available for sale investments	-	-	-	(17.8)	-	-	(17.8)	-	(17.8)
Equity component of convertible bonds (net of deferred tax)	-	-	-	44.5	-	-	44.5	-	44.5
Recognition/remeasurement of financial instruments	-	-	-	(40.2)	-	3.5	(36.7)	-	(36.7)
Acquisition of subsidiaries	-	-	-	-	-	-	-	(6.4)	(6.4)
Balance at 30 June 2009	125.5	8.8	6.8	(4,735.3)	(170.2)	9,811.5	5,047.1	170.5	5,217.6
Ordinary shares issued	0.1	3.8	(1.3)	0.7	-	0.2	3.5	-	3.5
Exchange adjustments on foreign currency net investments	-	-	-	691.4	-	-	691.4	5.9	697.3
Net profit for the period	-	-	-	-	-	329.3	329.3	39.3	368.6
Dividends paid	-	-	-	-	-	(189.8)	(189.8)	(31.7)	(221.5)
Non-cash share-based incentive plans (including stock options)	-	-	-	-	-	23.8	23.8	-	23.8
Net movement in own shares held by ESOP Trusts	-	-	-	-	16.2	(16.2)	-	-	-
Actuarial loss on defined benefit schemes	-	-	-	-	-	(7.2)	(7.2)	-	(7.2)
Deferred tax on defined benefit pension schemes	-	-	-	-	-	(4.4)	(4.4)	-	(4.4)
Gain on revaluation of available for sale investments	-	-	-	4.3	-	-	4.3	-	4.3
Equity component of convertible bonds (net of deferred tax)	-	-	-	(9.8)	-	-	(9.8)	-	(9.8)
Recognition/remeasurement of financial instruments	-	-	-	3.8	-	2.0	5.8	-	5.8
Acquisition of subsidiaries	-	-	-	-	-	-	-	(2.3)	(2.3)
Balance at 31 December 2009	125.6	12.6	5.5	(4,044.9)	(154.0)	9,949.2	5,894.0	181.7	6,075.7
Ordinary shares issued	0.2	9.1	(1.6)	0.6	-	0.8	9.1	-	9.1
Exchange adjustments on foreign currency net investments	-	-	-	106.2	-	-	106.2	7.3	113.5
Net profit for the period	-	-	-	-	-	150.8	150.8	31.8	182.6
Dividends paid	-	-	-	-	-	(126.6)	(126.6)	(33.3)	(159.9)
Non-cash share-based incentive plans (including stock options)	-	-	-	-	-	34.7	34.7	-	34.7
Treasury shares allocations	-	-	-	-	1.0	(1.0)	-	-	-
Net movement in own shares held by ESOP Trusts	-	-	-	-	7.5	(36.1)	(28.6)	-	(28.6)
Loss on revaluation of available for sale investments	-	-	-	(17.3)	-	-	(17.3)	-	(17.3)
Recognition/remeasurement of financial instruments	-	-	-	6.4	-	1.8	8.2	-	8.2
Acquisition of subsidiaries	-	-	-	-	-	(8.3)	(8.3)	2.0	(6.3)
Balance at 30 June 2010	125.8	21.7	3.9	(3,949.0)	(145.5)	9,965.3	6,022.2	189.5	6,211.7

Total comprehensive income relating to the period ended 30 June 2010 was £278.8 million (period ended 30 June 2009: loss of £732.4 million; year ended 31 December 2009: £326.2 million)

WPP PLC

Notes to the unaudited condensed consolidated interim financial statements (Notes 1 - 21)

1. Basis of accounting

The unaudited condensed consolidated interim financial statements are prepared under the historical cost convention, except for the revaluation of certain financial instruments as disclosed in our accounting policies.

2. Accounting policies

The unaudited condensed consolidated interim financial statements comply with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) as adopted by the European Union and as issued by the International Accounting Standards Board (IASB), IAS 34 Interim Financial Reporting and with the accounting policies of the Group which were set out on pages 145 to 151 of the 2009 Annual Report and Accounts. No changes have been made to the Group's accounting policies in the period to 30 June 2010 other than the adoption of IFRS 3 (revised) Business Combinations and IAS 27 (revised) Consolidated and Separate Financial Statements.

The main impact of these revised standards on the unaudited condensed consolidated interim financial statements for the period ended 30 June 2010 was as follows:

- In the period to 30 June 2010, acquisition-related costs have been recognised as an operating cost in the income statement whereas previously they were capitalised. Prior periods have not been restated as this change in accounting is required to be applied prospectively from 1 January 2010;
- The term ''minority interest'' has been changed to ''non-controlling interest'';
- Equity interests held prior to control being obtained are re-measured to fair value at the acquisition date, with any resulting gain or loss recognised in the income statement. The Group excludes such gains or losses from headline profits;
- Changes in ownership interest in a subsidiary that does not result in a change of control are treated as transactions among equity holders and are reported within equity shareowners' funds. No gain or loss is recognised on such transactions and goodwill is not re-measured; and
- Cash consideration for non-controlling interests is classified as a financing activity rather than an investing activity in the cash flow statement. Prior periods have been restated accordingly as this change in disclosure is required to be applied retrospectively.

Statutory Information and Independent Review

The unaudited condensed consolidated interim financial statements for the six months to 30 June 2010 and 30 June 2009 do not constitute statutory accounts. The financial information for the year ended 31 December 2009 does not constitute statutory accounts. The statutory accounts for the year ended 31 December 2009 have been delivered to the Jersey Registrar of Companies and received an unqualified auditors' report. The interim financial statements are unaudited but have been reviewed by the auditors and their report is set out on page 35.

The announcement of the interim results was approved by the board of directors on 24 August 2010.

WPP PLC

Notes to the unaudited condensed consolidated interim financial statements (Notes 1 - 21) (continued)

3. Currency conversion

The reporting currency of the Group is the pound sterling and the unaudited condensed consolidated interim financial statements have been prepared on this basis.

The 2010 unaudited condensed consolidated interim income statement is prepared using, among other currencies, average exchange rates of US$1.5257 to the pound (period ended 30 June 2009: US$1.4933; year ended 31 December 2009: US$1.5667) and €1.1505 to the pound (period ended 30 June 2009: €1.1195; year ended 31 December 2009: €1.1233). The unaudited condensed consolidated interim balance sheet as at 30 June 2010 has been prepared using the exchange rates on that day of US$1.4963 to the pound (30 June 2009: US$1.6463; 31 December 2009: US$1.6148) and €1.2206 to the pound (30 June 2009: €1.1720; 31 December 2009: €1.1269).

The basis for calculating the constant currency percentage changes, shown on the face of the unaudited condensed consolidated interim income statement, is described in the glossary attached to this appendix.

4. Operating costs and share of results of associates

Operating costs include:

	Six months ended 30 June 2010	Six months ended 30 June 2009	Year ended 31 December 2009
	£m	£m	£m
Amortisation and impairment of acquired intangible assets	87.0	88.1	172.6
Goodwill impairment	10.0	40.0	44.3
Gains on disposal of investments	(6.8)	(8.4)	(31.1)
Investment write-downs	2.2	4.3	11.1
Staff costs	2,684.1	2,662.5	5,117.0
Other operating costs	963.2	969.9	1,905.1
	3,739.7	3,756.4	7,219.0

The goodwill impairment charge of £10.0 million (30 June 2009: £40.0 million of which £22.2 million related to associates) relates to a number of under-performing businesses in the Group. In certain markets, the impact of current local economic conditions and trading circumstances on these businesses is sufficiently severe to indicate an impairment to the carrying value of goodwill. The directors will reassess the need for any further impairment write-downs at year end.

Share of results of associates include:

	Six months ended 30 June 2010	Six months ended 30 June 2009	Year ended 31 December 2009
	£m	£m	£m
Share of profit before interest and taxation	38.7	30.5	86.3
Share of exceptional (losses)/gains	(0.4)	0.3	(1.6)
Share of interest and non-controlling interests	(1.3)	(0.4)	(0.7)
Share of taxation	(14.7)	(10.6)	(27.0)
	22.3	19.8	57.0

WPP PLC

Notes to the unaudited condensed consolidated interim financial statements (Notes 1 - 21) (continued)

5. Finance income and finance costs

Finance income includes:

	Six months ended 30 June 2010	Six months ended 30 June 2009	Year ended 31 December 2009
	£m	£m	£m
Expected return on pension scheme assets	15.5	15.4	28.7
Income from available for sale investments	5.7	5.0	10.2
Interest income	18.1	87.1	111.5
	39.3	107.5	150.4

Finance costs include:

	Six months ended 30 June 2010	Six months ended 30 June 2009	Year ended 31 December 2009
	£m	£m	£m
Interest on pension scheme liabilities	23.0	23.4	46.1
Interest on other long-term employee benefits	0.7	0.6	1.3
Interest payable and similar charges	114.7	173.5	308.0
	138.4	197.5	355.4

Revaluation of financial instruments include:

	Six months ended 30 June 2010	Six months ended 30 June 2009	Year ended 31 December 2009
	£m	£m	£m
Movements in fair value of treasury instruments	0.3	14.4	8.4
Revaluations of put options over non-controlling interests	(19.8)	11.2	15.3
Gains on termination of hedge accounting on repayment of TNS debt	-	25.2	25.2
	(19.5)	50.8	48.9

WPP PLC

Notes to the unaudited condensed consolidated interim financial statements (Notes 1 - 21) (continued)

6. Segmental analysis

Reported contributions by operating sector were as follows:

	Six months ended 30 June 2010	Six months ended 30 June 2009[1]	Year ended 31 December 2009[1]
	£m	£m	£m
Revenue			
Advertising and Media Investment Management	1,746.2	1,672.7	3,420.5
Consumer Insight	1,162.5	1,123.8	2,297.1
Public Relations & Public Affairs	417.0	403.4	795.7
Branding & Identity, Healthcare and Specialist Communications	1,115.2	1,088.8	2,171.0
	4,440.9	4,288.7	8,684.3
Headline PBIT[2]			
Advertising and Media Investment Management	205.6	167.2	472.8
Consumer Insight	83.7	68.6	196.9
Public Relations & Public Affairs	61.6	46.6	122.1
Branding & Identity, Healthcare and Specialist Communications	104.4	59.8	225.4
	455.3	342.2	1,017.2
Headline PBIT margin	**%**	**%**	**%**
Advertising and Media Investment Management	11.8	10.0	13.8
Consumer Insight	7.2	6.1	8.6
Public Relations & Public Affairs	14.8	11.6	15.3
Branding & Identity, Healthcare and Specialist Communications	9.4	5.5	10.4
	10.3	8.0	11.7
Total assets			
Advertising and Media Investment Management	11,098.4	9,805.2	10,539.1
Consumer Insight	3,814.1	3,528.0	3,714.6
Public Relations & Public Affairs	1,711.6	1,526.6	1,579.7
Branding & Identity, Healthcare and Specialist Communications	4,926.2	4,349.4	4,710.9
Segment assets	21,550.3	19,209.2	20,544.3
Unallocated corporate assets[3]	1,245.2	1,226.9	1,807.2
	22,795.5	20,436.1	22,351.5

[1]2009 comparatives have been restated to reflect the transfer of certain revenues of RMG from Branding & Identity, Healthcare and Specialist Communications to Advertising and Media Investment Management. PBIT and asset comparatives have not been restated as the impact was insignificant.
[2]Headline PBIT is defined in note 19.
[3]Unallocated corporate assets are corporate income tax recoverable, deferred tax assets and cash and short-term deposits.

WPP PLC

Notes to the unaudited condensed consolidated interim financial statements (Notes 1 - 21) (continued)

6. Segmental analysis (continued)

Reported contributions by geographical area were as follows:

	Six months ended 30 June 2010	Six months ended 30 June 2009	Year ended 31 December 2009
	£m	£m	£m
Revenue			
United Kingdom	523.1	509.3	1,029.0
North America[2]	1,608.4	1,542.2	3,010.0
Western Continental Europe[3]	1,120.9	1,131.3	2,327.8
Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe	1,188.5	1,105.9	2,317.5
	4,440.9	4,288.7	8,684.3
Headline PBIT[1]			
United Kingdom	57.7	50.1	131.5
North America[2]	195.7	148.0	397.9
Western Continental Europe[3]	85.1	61.1	193.4
Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe	116.8	83.0	294.4
	455.3	342.2	1,017.2
Headline PBIT margin	**%**	**%**	**%**
United Kingdom	11.0	9.8	12.8
North America[2]	12.2	9.6	13.2
Western Continental Europe[3]	7.6	5.4	8.3
Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe	9.8	7.5	12.7
	10.3	8.0	11.7

[1] Headline PBIT is defined in note 19.
[2] North America includes the US with revenue of £1,511.0 million (period ended 30 June 2009: £1,454.6 million; year ended 31 December 2009: £2,835.8 million) and headline PBIT of £181.9 million (period ended 30 June 2009: £137.5 million; year ended 31 December 2009: £370.9 million).
[3] Western Continental Europe includes Ireland with revenue of £18.2 million (period ended 30 June 2009: £21.4 million; year ended 31 December 2009: £43.4 million) and headline PBIT of £0.5 million (period ended 30 June 2009: £1.2 million; year ended 31 December 2009: £3.9 million).

WPP PLC

Notes to the unaudited condensed consolidated interim financial statements (Notes 1 - 21) (continued)

7. Taxation

The Group tax rate on headline PBT[1], excluding the impact of the net deferred tax credit in relation to the amortisation of acquired intangible assets and other goodwill items was 23.9% (30 June 2009: 24.8% and 31 December 2009: 23.8%). The Group tax rate on reported PBT was 25.1% (30 June 2009: 22.9% and 31 December 2009: 23.5%).

The tax charge comprises:

	Six months ended 30 June 2010	Six months ended 30 June 2009	Year ended 31 December 2009
	£m	£m	£m
Current tax			
Current year	88.3	56.2	209.8
Prior years	(2.5)	5.7	(1.7)
Total current tax	85.8	61.9	208.1
Deferred tax			
(Credit)/charge for the year	(0.6)	0.6	(15.1)
Net credit in relation to the amortisation of acquired intangible assets and other goodwill items	(23.9)	(21.5)	(37.3)
Total deferred tax	(24.5)	(20.9)	(52.4)
Tax charge	61.3	41.0	155.7

[1] Headline PBT is defined in note 19.

8. Ordinary dividends

The Board has recommended a first interim dividend of 5.97p (2009: 5.19p) per ordinary share. This is expected to be paid on 8 November 2010 to share owners on the register at 8 October 2010.

The Board recommended a second interim dividend of 10.28p per ordinary share in respect of 2009. This was paid on 1 April 2010.

WPP PLC

Notes to the unaudited condensed consolidated interim financial statements (Notes 1 - 21) (continued)

9. Earnings per share

Basic EPS

The calculation of basic reported and headline EPS is as follows:

	Six months ended 30 June 2010	Six months ended 30 June 2009	+/(-)%	Constant Currency +/(-)%	Year ended 31 December 2009
Reported earnings[1] (£m)	150.8	108.4			437.7
Headline earnings (£m) (note 19)	239.2	159.8			550.0
Average shares used in basic EPS calculation (m)	1,222.9	1,220.9			1,218.7
Reported EPS	12.3p	8.9p	38.2	21.7	35.9p
Headline EPS	19.6p	13.1p	49.6	38.7	45.1p

[1] Reported earnings is equivalent to profit for the period attributable to equity holders of the parent.

Diluted EPS

The calculation of diluted reported and headline EPS is set out below:

	Six months ended 30 June 2010	Six months ended 30 June 2009	+/(-)%	Constant Currency +/(-)%	Year ended 31 December 2009
Diluted reported earnings (£m)	150.8	108.4			437.7
Diluted headline earnings (£m)	239.2	159.8			550.0
Shares used in diluted EPS calculation (m)	1,254.1	1,235.6			1,238.2
Diluted reported EPS	12.0p	8.8p	36.4	20.1	35.3p
Diluted headline EPS	19.1p	12.9p	48.1	36.8	44.4p

Diluted EPS has been calculated based on the reported and headline earnings amounts above. On 19 May 2009 the Group issued £450 million 5.75% convertible bonds due in 2014. For the six months ended 30 June 2010, these convertible bonds were accretive to earnings and therefore excluded from the calculation of diluted earnings.

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

	Six months ended 30 June 2010	Six months ended 30 June 2009	Year ended 31 December 2009
	m	m	m
Average shares used in basic EPS calculation	1,222.9	1,220.9	1,218.7
Dilutive share options outstanding	6.8	1.6	2.1
Other potentially issuable shares	24.4	13.1	17.4
Shares used in diluted EPS calculation	1,254.1	1,235.6	1,238.2

At 30 June 2010 there were 1,258,183,857 ordinary shares in issue.

WPP PLC

Notes to the unaudited condensed consolidated interim financial statements (Notes 1 - 21) (continued)

10. Analysis of cash flows

The following tables analyse the items included within the main cash flow headings on page 12:

Net cash (outflow)/inflow from operating activities:

	Six months ended 30 June 2010	Six months ended 30 June 2009	Year ended 31 December 2009
	£m	£m	£m
Profit for the period	182.6	138.3	506.9
Taxation	61.3	41.0	155.7
Revaluation of financial instruments	19.5	(50.8)	(48.9)
Finance costs	138.4	197.5	355.4
Finance income	(39.3)	(107.5)	(150.4)
Share of results of associates	(22.3)	(19.8)	(57.0)
Operating profit	340.2	198.7	761.7
Adjustments for:			
Non-cash share-based incentive plans (including share options)	34.7	31.1	54.9
Depreciation of property, plant and equipment	93.0	97.3	195.3
Goodwill impairment	10.0	40.0	44.3
Amortisation and impairment of acquired intangible assets	87.0	88.1	172.6
Amortisation of other intangible assets	12.5	16.2	30.5
Gains on disposal of investments	(6.8)	(8.4)	(31.1)
Investment write-downs	2.2	4.3	11.1
Losses on sale of property, plant and equipment	0.3	0.1	0.4
Operating cash flow before movements in working capital and provisions	573.1	467.4	1,239.7
Movements in working capital and provisions[1]	(555.7)	(481.9)	(102.1)
Cash generated by operations	17.4	(14.5)	1,137.6
Corporation and overseas tax paid	(95.7)	(94.9)	(216.6)
Interest and similar charges paid	(134.1)	(200.7)	(248.7)
Interest received	27.1	96.2	99.6
Investment income	1.0	0.4	1.4
Dividends from associates	24.6	22.1	45.5
	(159.7)	(191.4)	818.8

[1] The Group typically experiences an outflow of working capital in the first half of the financial year and an inflow in the second half. This is primarily due to the seasonal nature of working capital flows associated with its media buying activities on behalf of clients.

WPP PLC

Notes to the unaudited condensed consolidated interim financial statements (Notes 1 – 21) (continued)

10. Analysis of cash flows (continued)

Acquisitions and disposals:

	Six months ended 30 June 2010	Six months ended 30 June 2009	Year ended 31 December 2009
	£m	£m	£m
Initial cash consideration	(5.3)	(12.4)	(35.4)
Cash and cash equivalents acquired (net)	0.4	0.9	1.3
Earnout payments	(71.2)	(37.8)	(81.5)
Loan note redemptions	(4.0)	-	-
Purchase of other investments (including associates)	(11.4)	(36.7)	(53.3)
Proceeds on disposal of investments	14.0	8.7	50.5
Acquisitions and disposals	(77.5)	(77.3)	(118.4)
Cash consideration for non-controlling interests	(12.4)	(15.7)	(26.4)
Net acquisition payments and investments	(89.9)	(93.0)	(144.8)

Share repurchases and buybacks:

	Six months ended 30 June 2010	Six months ended 30 June 2009	Year ended 31 December 2009
	£m	£m	£m
Purchase of own shares by ESOP trust	(28.6)	-	-
Shares purchased into treasury	-	(9.5)	(9.5)
	(28.6)	(9.5)	(9.5)

Net increase in borrowings:

	Six months ended 30 June 2010	Six months ended 30 June 2009	Year ended 31 December 2009
	£m	£m	£m
Increase/(decrease) in drawings on bank loans	432.0	(534.0)	(1,068.0)
Proceeds from issue of £450 million 5.75% convertible bonds due May 2014	-	450.0	450.0
Proceeds from issue of $600 million 8.0% bonds due September 2014	-	367.4	367.4
Repayment of TNS debt	-	(175.7)	(175.7)
	432.0	107.7	(426.3)

Cash and cash equivalents:

	Six months ended 30 June 2010	Six months ended 30 June 2009	Year ended 31 December 2009
	£m	£m	£m
Cash at bank and in hand	1,005.8	1,026.9	1,570.5
Short-term bank deposits	97.8	71.3	96.2
Overdrafts[1]	(151.6)	(380.3)	(720.7)
	952.0	717.9	946.0

[1] Bank overdrafts are included in cash and cash equivalents because they form an integral part of the Group's cash management.

WPP PLC

Notes to the unaudited condensed consolidated interim financial statements (Notes 1 - 21) (continued)

11. Net debt

	30 June 2010	30 June 2009	31 December 2009
	£m	£m	£m
Cash and short-term deposits	1,103.6	1,098.2	1,666.7
Bank overdrafts and loans due within one year	(151.6)	(381.7)	(720.7)
Bonds and bank loans due after one year	(3,980.8)	(4,163.2)	(3,586.4)
Net debt	(3,028.8)	(3,446.7)	(2,640.4)

12. Goodwill and acquisitions

Goodwill in relation to subsidiary undertakings increased by £243.2 million (30 June 2009: decrease of £721.6 million) in the period. This movement includes both additional goodwill arising on acquisitions completed in the period and adjustments to goodwill relating to acquisitions completed in prior years, net of impairment charges and the effect of currency translation. Goodwill in relation to associate undertakings increased by £14.6 million (30 June 2009: decrease of £34.1 million) in the period.

Future anticipated payments to vendors in respect of both deferred and earnout obligations totalled £232.6 million (period ended 30 June 2009: £280.2 million; year ended 31 December 2009: £262.2 million). Earnouts are based on the directors' best estimates of future obligations, which are dependent on the future performance of the interests acquired and assume the operating companies improve profits in line with directors' estimates.

The contribution to revenue and operating profit of acquisitions completed in the period was not material. There were no material acquisitions completed during the period or between 30 June 2010 and the date the interim financial statements have been approved.

13. Other intangible assets

The following are included in other intangibles:

	30 June 2010	30 June 2009	31 December 2009
	£m	£m	£m
Brands with an indefinite useful life	1,056.1	974.9	1,013.2
Acquired intangibles	833.7	967.7	920.7
Other (including capitalised computer software)	60.7	65.3	66.8
	1,950.5	2,007.9	2,000.7

WPP PLC

Notes to the unaudited condensed consolidated interim financial statements (Notes 1 - 21) (continued)

14. Trade and other receivables

Amounts falling due within one year:

	30 June 2010	30 June 2009	31 December 2009
	£m	£m	£m
Trade receivables	5,553.2	4,527.3	5,301.1
VAT and sales taxes recoverable	76.9	70.3	81.6
Other debtors	746.6	620.3	738.5
Prepayments and accrued income	1,833.6	1,444.7	1,427.7
	8,210.3	6,662.6	7,548.9

Amounts falling due after more than one year:

	30 June 2010	30 June 2009	31 December 2009
	£m	£m	£m
Other debtors	102.8	85.9	97.5
Fair value of derivatives	187.8	154.8	182.8
Prepayments and accrued income	5.2	6.7	5.8
	295.8	247.4	286.1

WPP PLC

Notes to the unaudited condensed consolidated interim financial statements (Notes 1 - 21) (continued)

15. Trade and other payables: amounts falling due within one year

The following are included in trade and other payables falling due within one year:

	30 June 2010	30 June 2009	31 December 2009
	£m	£m	£m
Trade payables	6,696.3	5,628.1	6,432.7
Deferred income	919.4	706.3	910.9
Payments due to vendors	123.1	115.9	121.6
Liabilities in respect of put option agreements with vendors	134.5	103.5	108.3
Other creditors and accruals	2,305.6	1,945.4	2,200.5
	10,178.9	8,499.2	9,774.0

16. Trade and other payables: amounts falling due after more than one year

The following are included in trade and other payables falling due after more than one year:

	30 June 2010	30 June 2009	31 December 2009
	£m	£m	£m
Payments due to vendors	109.5	164.3	140.6
Liabilities in respect of put option agreements with vendors	42.4	64.1	59.9
Fair value of derivatives	174.5	68.7	82.9
Other creditors and accruals	161.4	156.3	139.9
	487.8	453.4	423.3

The following table sets out payments due to vendors, comprising deferred consideration and the directors' best estimates of future earnout related obligations:

	30 June 2010	30 June 2009	31 December 2009
	£m	£m	£m
Within one year	123.1	115.9	121.6
Between 1 and 2 years	82.5	85.1	93.6
Between 2 and 3 years	17.9	57.1	39.5
Between 3 and 4 years	4.8	19.6	5.1
Between 4 and 5 years	1.8	2.0	2.4
Over 5 years	2.5	0.5	-
	232.6	280.2	262.2

The Group does not consider there to be any material contingent liabilities as at 30 June 2010.

WPP PLC

Notes to the unaudited condensed consolidated interim financial statements (Notes 1 - 21) (continued)

17. Issued share capital - movement in the period

	Six months ended 30 June 2010	Six months ended 30 June 2009	Year ended 31 December 2009
Number of equity ordinary shares	m	m	m
At the beginning of the period	1,256.5	1,255.3	1,255.3
Exercise of share options	1.7	0.1	1.2
At the end of the period	1,258.2	1,255.4	1,256.5

18. Related party transactions

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

WPP PLC

Notes to the unaudited condensed consolidated interim financial statements (Notes 1 - 21) (continued)

19. Non-GAAP measures of performance

Reconciliation of profit before interest and taxation to headline PBIT for the six months ended 30 June 2010

	Six months ended 30 June 2010	Six months ended 30 June 2009	Year ended 31 December 2009
	£m	£m	£m
Profit before interest and taxation	362.5	218.5	818.7
Amortisation and impairment of acquired intangible assets	87.0	88.1	172.6
Goodwill impairment	10.0	40.0	44.3
Gains on disposal of investments	(6.8)	(8.4)	(31.1)
Investment write-downs	2.2	4.3	11.1
Share of exceptional losses/(gains) of associates	0.4	(0.3)	1.6
Headline PBIT / Headline operating profit	455.3	342.2	1,017.2
Finance income	39.3	107.5	150.4
Finance costs	(138.4)	(197.5)	(355.4)
	(99.1)	(90.0)	(205.0)
Interest cover on headline PBIT	4.6 times	3.8 times	5.0 times

Calculation of headline EBITDA

	Six months ended 30 June 2010	Six months ended 30 June 2009	Year ended 31 December 2009
	£m	£m	£m
Headline PBIT (as above)	455.3	342.2	1,017.2
Depreciation of property, plant and equipment	93.0	97.3	195.3
Amortisation of other intangible assets	12.5	16.2	30.5
Headline EBITDA	560.8	455.7	1,243.0

WPP PLC

Notes to the unaudited condensed consolidated interim financial statements (Notes 1 - 21) (continued)

19. Non-GAAP measures of performance (continued)

Reconciliation of profit before taxation to headline PBT and headline earnings for the six months ended 30 June 2010

	Six months ended 30 June 2010	Six months ended 30 June 2009	Year ended 31 December 2009
	£m	£m	£m
Profit before taxation	243.9	179.3	662.6
Amortisation and impairment of acquired intangible assets	87.0	88.1	172.6
Goodwill impairment	10.0	40.0	44.3
Gains on disposal of investments	(6.8)	(8.4)	(31.1)
Investment write-downs	2.2	4.3	11.1
Share of exceptional losses/(gains) of associates	0.4	(0.3)	1.6
Revaluation of financial instruments	19.5	(50.8)	(48.9)
Headline PBT	356.2	252.2	812.2
Taxation (excluding net deferred tax credit in relation to the amortisation of acquired intangible assets and other goodwill items)	(85.2)	(62.5)	(193.0)
Non-controlling interests	(31.8)	(29.9)	(69.2)
Headline earnings	239.2	159.8	550.0
Ordinary dividends[1]	75.1	63.7	189.8
Dividend cover on headline earnings	3.2 times	2.5 times	2.9 times

[1] For the six months ended 30 June 2010, ordinary dividends represent an estimate of the 2010 first interim dividend expected to be paid to share owners in November 2010, based on the number of shares in issue at 30 June 2010. The corresponding figure for the six months ended 30 June 2009 represents the 2009 first interim dividend paid in November 2009.

Headline PBIT margins before and after share of results of associates

	Margin (%)	Six months ended 30 June 2010	Margin (%)	Six months ended 30 June 2009
		£m		£m
Revenue		4,440.9		4,288.7
Headline PBIT	10.3	455.3	8.0	342.2
Share of results of associates (excluding exceptional losses/gains)		22.7		19.5
Headline PBIT excluding share of results of associates	9.7	432.6	7.5	322.7

WPP PLC

Notes to the unaudited condensed consolidated interim financial statements (Notes 1 - 21) (continued)

19. Non-GAAP measures of performance (continued)

Reconciliation of free cash flow for the six months ended 30 June 2010

	Six months ended 30 June 2010	Six months ended 30 June 2009	Year ended 31 December 2009
	£m	£m	£m
Cash generated by operations	17.4	(14.5)	1,137.6
Plus:			
Interest received	27.1	96.2	99.6
Investment income	1.0	0.4	1.4
Dividends received from associates	24.6	22.1	45.5
Share option proceeds	9.3	0.1	4.1
Movements in working capital and provisions	555.7	481.9	102.1
Proceeds on disposals of property, plant and equipment	1.5	2.1	9.2
Less:			
Interest and similar charges paid	(134.1)	(200.7)	(248.7)
Purchases of property, plant and equipment	(79.9)	(113.0)	(222.9)
Purchases of other intangible assets (including capitalised computer software)	(9.9)	(16.1)	(30.4)
Corporation and overseas tax paid	(95.7)	(94.9)	(216.6)
Dividends paid to non-controlling interest in subsidiary undertakings	(33.3)	(31.3)	(63.0)
Free cash flow	283.7	132.3	617.9

WPP PLC

Notes to the unaudited condensed consolidated interim financial statements (Notes 1 - 21) (continued)

20. Going concern and liquidity risk

In considering going concern and liquidity risk, the directors have reviewed the Group's future cash requirements and earnings projections. The directors believe these forecasts have been prepared on a prudent basis and have also considered the impact of a range of potential changes to trading performance. The directors have concluded that the Group should be able to operate within its current facilities and comply with its banking covenants for the foreseeable future and therefore believe it is appropriate to prepare the financial statements of the Group on a going concern basis.

At 30 June 2010, the Group had access to £4.9 billion of committed funding with maturity dates spread over the years 2010 to 2020 as illustrated below.

						Maturity by year			
		2010	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017+**
	£m	£m	£m	£m	£m	£m	£m	£m	£m
£ bonds £200m (6.375% '20)	**200.0**								200.0
£ bonds £400m (6.0% '17)	**400.0**								400.0
Eurobonds €750m (6.625% '16)	**614.5**							614.5	
Eurobonds €500m (5.25% '15)	**409.6**						409.6		
£450m convertible bonds (5.75% '14)	**450.0**					450.0			
US bond $650m (5.875% '14)	**434.4**					434.4			
US bond $600m (8.0% '14)	**401.0**					401.0			
Eurobonds €600m (4.375% '13)	**491.6**				491.6				
Bank revolver $1,600m	**1,069.3**			1,069.3					
TNS acquisition revolver £400m*	**400.0**	200.0	200.0						
TNS private placements $55m	**36.8**			20.0		16.8			
Total committed facilities available	**4,907.2**	**200.0**	**200.0**	**1,089.3**	**491.6**	**1,302.2**	**409.6**	**614.5**	**600.0**
Drawn down facilities at 30 June 2010	3,929.7	-	-	511.8	491.6	1,302.2	409.6	614.5	600.0
Undrawn committed credit facilities	977.5								
Drawn down facilities at 30 June 2010	3,929.7								
Net cash at 30 June 2010	(952.0)								
Other adjustments	51.1								
Net debt at 30 June 2010	3,028.8								

*Facility reduced to £200m on 9 July 2010

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

Treasury management

The Group's treasury activities are principally concerned with monitoring of working capital, managing external and internal funding requirements and monitoring and managing the financial market risks, in particular interest rate and foreign exchange exposures.

The Group's risk management policies relating to foreign currency risk, interest rate risk, liquidity risk, capital risk and credit risk are presented in the notes to the consolidated financial statements of the 2009 Annual Report and Accounts and in the opinion of the Board remain relevant for the remaining six months of the year.

WPP PLC

Notes to the unaudited condensed consolidated interim financial statements (Notes 1 - 21) (continued)

21. Principal risks and uncertainties

The directors have considered the principal risks and uncertainties affecting the Group for the second half of 2010 and determined that these are unchanged from those presented in the Group's published Annual Report and Accounts and Form 20-F for the year ended 31 December 2009. The Annual Report and Accounts and Form 20-F are published in the Investor Relations section of the Group website (www.wpp.com) and are available from the Group on request.

WPP PLC has specific policies in place to ensure that risks are properly evaluated and managed at the appropriate level within the business. These are presented on pages 115 to 119 of the published 2009 Annual Report and Accounts. Pages 5 and 6 of the Group's Form 20-F for the year ended 31 December 2009 contain a detailed explanation of the risk factors identified by the Group and these are summarised below:

Clients

The Group competes for clients in a highly competitive industry and client loss may reduce market share and decrease profits.

The Group receives a significant portion of its revenues from a limited number of large clients and the loss of these clients could adversely impact the Group's prospects, business, financial condition and results of operations.

Corporate Responsibility

Breaches of privacy and data protection rules could have an adverse impact on the Group.

Risk to the Group's reputation from undertaking controversial client work.

Economic

The Group's businesses are subject to economic and political cycles. Many of the economies in which the Group operates have been under significant stress or in recession.

Financial

Currency exchange rate fluctuations could adversely impact the Group's consolidated results.

Changes to the Group's debt issue ratings by the rating agencies Moody's Investor Services and Standard and Poor's Rating Service may affect the Group's access to debt capital.

The Group may be unable to collect balances due from any client that files for bankruptcy or becomes insolvent.

Mergers & Acquisitions

The Group may be unsuccessful in evaluating material risks involved in completed and future acquisitions and may be unsuccessful in integrating any acquired operations with its existing businesses.

Goodwill and other acquired intangible assets recorded on the Group's balance sheet with respect to acquired companies may become impaired.

Operational

The Group operates in 107 countries and is exposed to the risks of doing business internationally.

People

The Group's performance could be adversely affected if it were unable to attract and retain key talent or had inadequate talent management and succession planning for key management roles.

WPP PLC

Notes to the unaudited condensed consolidated interim financial statements (Notes 1 - 21) (continued)

21. Principal risks and uncertainties (continued)

Regulatory/Legal

The Group may be subject to regulations restricting its activities.

The Group may be exposed to liabilities from allegations that certain of its clients’ advertising claims may be false or misleading or that its clients’ products may be defective.

Civil liabilities or judgments against the Company or its directors or officers based on U.S. federal or state securities laws may not be enforceable in the U.S. or in England and Wales or in Jersey.

WPP PLC

RESPONSIBILITY STATEMENT

We confirm that to the best of our knowledge:

a. the condensed set of financial statements has been prepared in accordance with IAS 34 ‘Interim Financial Reporting’;
b. the interim management report and note 21 includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
c. the interim management report and note 18 includes a fair review of the information required by DTR 4.2.8R (disclosure of related party transactions and changes therein).

Signed on behalf of the Board on 24 August 2010.

P W G Richardson
Group finance director

Independent review report to WPP plc

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2010 which comprises the condensed consolidated interim income statement, statement of comprehensive income, cash flow statement, balance sheet, statement of changes in equity and related notes 1 to 20. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Directors’ responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom’s Financial Services Authority.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting,” as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2010 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom’s Financial Services Authority.

Deloitte LLP
Chartered Accountants and Statutory Auditors
London, UK
24 August 2010

WPP PLC

Interim results for the six months ended 30 June 2010 in reportable US Dollars[1]

Unaudited illustrative condensed consolidated interim income statement for the six months ended 30 June 2010

	Six months ended 30 June 2010	Six months ended 30 June 2009		Year ended 31 December 2009
	$m	$m	+/(-)%	$m
Billings	30,904.4	27,989.6	10.4	59,388.7
Revenue	6,756.6	6,402.6	5.5	13,598.2
Direct costs	(548.5)	(498.2)	(10.1)	(1,103.8)
Gross profit	6,208.1	5,904.4	5.1	12,494.4
Operating costs	(5,703.5)	(5,605.6)	(1.7)	(11,275.6)
Operating profit	504.6	298.8	68.9	1,218.8
Share of results of associates	33.6	30.4	10.5	91.2
Profit before interest and taxation	538.2	329.2	63.5	1,310.0
Finance income	60.2	169.8	(64.5)	241.4
Finance costs	(211.5)	(302.8)	30.2	(562.3)
Revaluation of financial instruments	(28.9)	83.2	-	80.1
Profit before taxation	358.0	279.4	28.1	1,069.2
Taxation	(92.4)	(62.4)	(48.1)	(249.3)
Profit for the period	265.6	217.0	22.4	819.9
Attributable to:				
Equity holders of the parent	217.4	169.7	28.1	708.1
Non-controlling interests	48.2	47.3	(1.9)	111.8
	265.6	217.0	22.4	819.9
Headline PBIT	679.6	519.1	30.9	1,622.7
Headline PBIT margin	**10.1%**	**8.1%**		**11.9%**
Headline PBT	528.2	386.2	36.8	1,301.8
Reported earnings per share[2]				
Basic earnings per ordinary share	17.8¢	13.9¢	28.1	58.1¢
Diluted earnings per ordinary share	17.3¢	13.7¢	26.3	57.2¢
Headline earnings per share[2]				
Basic earnings per ordinary share	28.7¢	20.0¢	43.5	72.4¢
Diluted earnings per ordinary share	28.0¢	19.8¢	41.4	71.3¢

[1] The unaudited consolidated income statement above is presented in reportable US dollars for information purposes only and has been prepared assuming the US dollar is the reporting currency of the Group, whereby local currency results are translated into US dollars at actual monthly average exchange rates in the periods presented. Among other currencies, this includes an average exchange rate of US$1.5257 to the pound for the period ended 30 June 2010 (period ended 30 June 2009: US$1.4933; year ended 31 December 2009: US$1.5667).

[2] The basis of the calculations of the Group's earnings per share and headline earnings per share are set out in note 9 of Appendix 1.

WPP PLC

GLOSSARY AND BASIS OF PREPARATION

Average net debt
Average net debt is calculated as the average daily net bank borrowings of the Group, derived from the Group's automated banking system. Net debt at a period end is calculated as the sum of the net bank borrowings of the Group, derived from the cash ledgers and accounts in the balance sheet.

Billings and estimated net new billings
Billings comprise the gross amounts billed to clients in respect of commission-based/fee-based income together with the total of other fees earned. Net new billings represent the estimated annualised impact on billings of new business gained from both existing and new clients, net of existing client business lost. The estimated impact is based upon initial assessments of the clients' media budgets, which may not necessarily result in actual billings of the same amount.

Constant currency
The Group uses US dollar-based, constant currency models to measure performance. These are calculated by applying budgeted 2010 exchange rates to local currency reported results for the current and prior year. This gives a US dollar-denominated income statement and balance sheet which exclude any variances attributable to foreign exchange rate movements.

Free cash flow
Free cash flow is calculated as headline operating profit before non cash charges for share-based incentive plans, depreciation of property, plant and equipment and amortisation of other intangible assets, including dividends received from associates, interest received, investment income received, proceeds from the issue of shares, and proceeds from the disposal of property, plant and equipment, less corporation and overseas tax paid, interest and similar charges paid, dividends paid to non-controlling interests in subsidiary undertakings, purchases of property, plant and equipment and purchases of other intangible assets.

Gross margin/gross profit
The Group uses the terms gross margin and gross profit interchangeably. Headline gross margin margin is calculated as Headline PBIT (defined below) as a percentage of gross profit.

Headline earnings
Headline PBT less taxation (excluding net deferred tax credit in relation to the amortisation of acquired intangible assets and other goodwill items) and non-controlling interests.

Headline operating profit/Headline PBIT
Profit before finance income/costs and revaluation of financial instruments, taxation, investment gains/losses and write-downs, goodwill impairment and other goodwill write-downs, amortisation and impairment of acquired intangible assets and share of exceptional gains/losses of associates.

Headline PBT
Profit before taxation, investment gains/losses and write-downs, goodwill impairment and other goodwill write-downs, amortisation and impairment of acquired intangible assets, share of exceptional gains/losses of associates and gains/losses arising from the revaluation of financial instruments.

Operating margin
Headline operating profit as a percentage of revenue.

Pro forma ('like-for-like')
Pro forma comparisons are calculated as follows: current year, constant currency actual results (which include acquisitions from the relevant date of completion) are compared with prior year, constant currency actual results, adjusted to include the results of acquisitions for the commensurate period in the prior year. The Group uses the terms 'pro forma' and 'like-for-like' interchangeably.