

## Appendix IV

## WPP GROUP PLC

**Reconciliation of profit on ordinary activities before interest, taxation and fixed asset gains and write-downs to PBIT for the year ended 31 December 2004**

	2004	2003
	£m	£m
<b>Profit on ordinary activities before interest, taxation and fixed asset gains and write-downs</b>	<b>529.2</b>	<b>421.5</b>
Goodwill amortisation and impairment	78.5	112.0
<b>Headline PBIT</b>	<b>607.7</b>	<b>533.5</b>
Net interest payable and similar charges	70.7	71.6
<b>Interest cover on Headline PBIT</b>	<b>8.6 times</b>	<b>7.5 times</b>

	2004	2003
	£m	£m
<b>Interest cover (excluding FRS 17 interest) on Headline PBIT</b>		
Headline PBIT	607.7	533.5
Net interest payable and similar charges on net borrowings	61.2	60.1
<b>Interest cover (excluding FRS 17 interest) on Headline PBIT</b>	<b>9.9 times</b>	<b>8.9 times</b>

**Reconciliation of profit on ordinary activities before taxation to PBT and headline earnings for the year ended 31 December 2004**

	2004	2003
	£m	£m
<b>Profit on ordinary activities before taxation</b>	<b>456.5</b>	<b>349.9</b>
Goodwill amortisation and impairment	78.5	112.0
Profits on disposal of fixed assets	(3.0)	-
Amounts written off fixed asset investments	5.0	-
Net interest charges on defined benefit pension schemes	9.5	11.5
<b>Headline PBT</b>	<b>546.5</b>	<b>473.4</b>
Taxation on profit on ordinary activities	(140.2)	(122.1)
Minority interests	(24.0)	(19.4)
<b>Headline earnings</b>	<b>382.3</b>	<b>331.9</b>
Ordinary dividends	92.0	76.8
<b>Dividend cover on headline earnings</b>	<b>4.2 times</b>	<b>4.3 times</b>