WPP PLC

Interim results for the six months ended 30 June 2011

Unaudited condensed consolidated interim income statement for the six months ended 30 June 2011

	Notes	Six months ended 30 June 2011	Six months ended 30 June 2010		Constant Currency[1]	Year ended 31 December 2010
		£m	£m	+/(-)%	+/(-)%	£m
Billings		21,392.0	20,333.1	5.2	7.1	42,683.6
Revenue	6	4,713.0	4,440.9	6.1	8.1	9,331.0
Direct costs		(360.2)	(361.0)	0.2	(0.7)	(770.5)
Gross profit		4,352.8	4,079.9	6.7	8.8	8,560.5
Operating costs	4	(3,921.6)	(3,739.7)	(4.9)	(6.9)	(7,587.5)
Operating profit		431.2	340.2	26.7	30.0	973.0
Share of results of associates	4	24.5	22.3	9.9	8.8	55.2
Profit before interest and taxation		455.7	362.5	25.7	28.7	1,028.2
Finance income	5	44.9	39.3	14.2	20.7	81.7
Finance costs	5	(145.8)	(138.4)	(5.3)	(7.8)	(276.8)
Revaluation of financial instruments	5	(20.5)	(19.5)	(5.1)	(5.1)	18.2
Profit before taxation		334.3	243.9	37.1	41.7	851.3
Taxation	7	(71.5)	(61.3)	(16.6)	(17.4)	(190.3)
Profit for the period		262.8	182.6	43.9	50.2	661.0
Attributable to:						
Equity holders of the parent		230.7	150.8	53.0	60.5	586.0
Non-controlling interests		32.1	31.8	(0.9)	(3.8)	75.0
		262.8	182.6	43.9	50.2	661.0
Headline PBIT	6,19	517.9	455.3	13.7	15.9	1,228.7
Headline PBIT margin	6,19	11.0%	10.3%			13.2%
Headline PBT	19	417.0	356.2	17.1	19.6	1,033.6
Earnings per share[2]						
Basic earnings per ordinary share	9	18.5p	12.3p	50.4	57.8	47.5p
Diluted earnings per ordinary share	9	18.1p	12.0p	50.8	58.4	45.9p

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

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Unaudited condensed consolidated interim statement of comprehensive income for the six months ended 30 June 2011

	Six months ended 30 June 2011	Six months ended 30 June 2010	Year ended 31 December 2010
	£m	£m	£m
Profit for the period	262.8	182.6	661.0
Exchange adjustments on foreign currency net investments	57.8	113.5	156.3
Loss on revaluation of available for sale investments	(0.5)	(17.3)	(59.8)
Actuarial loss on defined benefit pension plans	-	-	(0.4)
Deferred tax credit on defined benefit pension plans	-	-	0.2
Other comprehensive income relating to the period	57.3	96.2	96.3
Total comprehensive income relating to the period	320.1	278.8	757.3
Attributable to:			
Equity holders of the parent	290.5	239.7	672.6
Non-controlling interests	29.6	39.1	84.7
	320.1	278.8	757.3

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Unaudited condensed consolidated interim cash flow statement for the six months ended 30 June 2011

	Notes	Six months ended 30 June 2011	Six months ended 30 June 2010	Year ended 31 December 2010
		£m	£m	£m
Net cash (outflow)/inflow from operating activities	10	(490.0)	(159.7)	1,361.2
Investing activities				
Acquisitions and disposals	10	(181.8)	(77.5)	(200.1)
Purchases of property, plant and equipment		(92.9)	(79.9)	(190.5)
Purchases of other intangible assets (including capitalised computer software)		(13.7)	(9.9)	(27.0)
Proceeds on disposal of property, plant and equipment		7.3	1.5	7.6
Net cash outflow from investing activities		(281.1)	(165.8)	(410.0)
Financing activities				
Share option proceeds		23.5	9.3	42.7
Cash consideration for non-controlling interests	10	(46.9)	(12.4)	(15.1)
Share repurchases and buybacks	10	(98.5)	(28.6)	(46.4)
Net increase in borrowings	10	291.0	432.0	19.8
Financing and share issue costs		(1.0)	(1.1)	(3.5)
Equity dividends paid		-	(126.6)	(200.4)
Dividends paid to non-controlling interests in subsidiary undertakings		(28.7)	(33.3)	(66.7)
Net cash inflow/(outflow) from financing activities		139.4	239.3	(269.6)
Net decrease in cash and cash equivalents		(631.7)	(86.2)	681.6
Translation differences		9.1	92.2	82.2
Cash and cash equivalents at beginning of period		1,709.8	946.0	946.0
Cash and cash equivalents at end of period	10	1,087.2	952.0	1,709.8
Reconciliation of net cash flow to movement in net debt:				
Net decrease in cash and cash equivalents		(631.7)	(86.2)	681.6
Cash inflow from increase in debt financing		(290.0)	(430.9)	(16.3)
Debt acquired		(17.5)	-	-
Other movements		(0.1)	(22.8)	(17.7)
Translation difference		(51.4)	151.5	104.4
Movement of net debt in the period		(990.7)	(388.4)	752.0
Net debt at beginning of period		(1,888.4)	(2,640.4)	(2,640.4)
Net debt at end of period	11	(2,879.1)	(3,028.8)	(1,888.4)

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Unaudited condensed consolidated interim balance sheet as at 30 June 2011

	Notes	30 June 2011	30 June 2010	31 December 2010
		£m	£m	£m
Non-current assets				
Intangible assets:				
Goodwill	12	9,338.5	8,940.7	9,106.3
Other	13	1,915.1	1,950.5	1,904.5
Property, plant and equipment		707.4	691.1	708.4
Interests in associates		775.3	763.9	792.1
Other investments		199.5	262.6	173.7
Deferred tax assets		79.8	67.5	79.1
Trade and other receivables	14	333.6	295.8	323.5
		13,349.2	12,972.1	13,087.6
Current assets				
Inventory and work in progress		483.0	435.4	366.0
Corporate income tax recoverable		83.3	74.1	82.9
Trade and other receivables	14	8,908.2	8,210.3	8,843.4
Cash and short-term deposits		1,768.8	1,103.6	1,965.2
		11,243.3	9,823.4	11,257.5
Current liabilities				
Trade and other payables	15	(10,883.0)	(10,178.9)	(11,703.6)
Corporate income tax payable		(75.8)	(66.4)	(115.8)
Bank overdrafts and loans		(690.6)	(151.6)	(255.4)
		(11,649.4)	(10,396.9)	(12,074.8)
Net current liabilities		(406.1)	(573.5)	(817.3)
Total assets less current liabilities		12,943.1	12,398.6	12,270.3
Non-current liabilities				
Bonds and bank loans		(3,957.3)	(3,980.8)	(3,598.2)
Trade and other payables	16	(442.6)	(487.8)	(388.6)
Corporate income tax payable		(508.9)	(497.9)	(481.8)
Deferred tax liabilities		(730.9)	(791.1)	(750.7)
Provision for post-employment benefits		(241.5)	(258.1)	(241.5)
Provisions for liabilities and charges		(152.9)	(171.2)	(161.6)
		(6,034.1)	(6,186.9)	(5,622.4)
Net assets		6,909.0	6,211.7	6,647.9
Equity				
Called-up share capital		126.6	125.8	126.4
Share premium account		77.5	21.7	54.5
Shares to be issued		2.9	3.9	3.1
Other reserves		(3,909.2)	(3,949.0)	(3,954.0)
Own shares		(161.1)	(145.5)	(144.8)
Retained earnings		10,557.6	9,965.3	10,361.4
Equity share owners' funds		6,694.3	6,022.2	6,446.6
Non-controlling interests		214.7	189.5	201.3
Total equity		6,909.0	6,211.7	6,647.9

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Unaudited condensed consolidated interim statement of changes in equity for the six months ended 30 June 2011

	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 2010	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 share 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[1]	-	-	-	-	-	(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
Ordinary shares issued	0.6	32.8	(0.8)	0.6	-	0.1	33.3	-	33.3
Exchange adjustments on foreign currency net investments	-	-	-	40.4	-	-	40.4	2.4	42.8
Net profit for the period	-	-	-	-	-	435.2	435.2	43.2	478.4
Dividends paid	-	-	-	-	-	(73.8)	(73.8)	(33.4)	(107.2)
Non-cash share-based incentive plans (including stock options)	-	-	-	-	-	35.7	35.7	-	35.7
Tax adjustment on share-based payments	-	-	-	-	-	21.1	21.1	-	21.1
Net movement in own shares held by ESOP Trusts	-	-	-	-	0.7	(18.5)	(17.8)	-	(17.8)
Actuarial loss on defined benefit plans	-	-	-	-	-	(0.4)	(0.4)	-	(0.4)
Deferred tax on defined benefit pension plans	-	-	-	-	-	0.2	0.2	-	0.2
Loss on revaluation of available for sale investments	-	-	-	(42.5)	-	-	(42.5)	-	(42.5)
Recognition/remeasurement of financial instruments	-	-	-	(3.5)	-	(0.9)	(4.4)	-	(4.4)
Acquisition of subsidiaries[1]	-	-	-	-	-	(2.6)	(2.6)	(0.4)	(3.0)
Balance at 31 December 2010	126.4	54.5	3.1	(3,954.0)	(144.8)	10,361.4	6,446.6	201.3	6,647.9
Ordinary shares issued	0.4	23.0	(0.2)	0.2	-	-	23.4	-	23.4
Share cancellations	(0.2)	-	-	0.2	-	(15.5)	(15.5)	-	(15.5)
Treasury share additions	-	-	-	-	(19.2)	-	(19.2)	-	(19.2)
Treasury share allocations	-	-	-	-	0.8	(0.8)	-	-	-
Exchange adjustments on foreign currency net investments	-	-	-	60.3	-	-	60.3	(2.5)	57.8
Net profit for the period	-	-	-	-	-	230.7	230.7	32.1	262.8
Dividends paid	-	-	-	-	-	-	-	(28.7)	(28.7)
Non-cash share-based incentive plans (including stock options)	-	-	-	-	-	38.2	38.2	-	38.2
Net movement in own shares held by ESOP Trusts	-	-	-	-	2.1	(65.9)	(63.8)	-	(63.8)
Loss on revaluation of available for sale investments	-	-	-	(0.5)	-	-	(0.5)	-	(0.5)
Recognition/remeasurement of financial instruments	-	-	-	(15.4)	-	32.9	17.5	-	17.5
Acquisition of subsidiaries[1]	-	-	-	-	-	(23.4)	(23.4)	12.5	(10.9)
Balance at 30 June 2011	126.6	77.5	2.9	(3,909.2)	(161.1)	10,557.6	6,694.3	214.7	6,909.0

[1] Acquisition of subsidiaries represents movements in retained earnings and non-controlling interests arising from increases in ownership of existing subsidiaries and recognition of non-controlling interests on new acquisitions.

Total comprehensive income relating to the period ended 30 June 2011 was £320.1 million (period ended 30 June 2010: £278.8 million; year ended 31 December 2010: £757.3 million).

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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 149 to 155 of the 2010 Annual Report and Accounts. No changes have been made to the Group's accounting policies in the period to 30 June 2011.

Statutory Information and Independent Review

The unaudited condensed consolidated interim financial statements for the six months to 30 June 2011 and 30 June 2010 do not constitute statutory accounts. The financial information for the year ended 31 December 2010 does not constitute statutory accounts. The statutory accounts for the year ended 31 December 2010 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 37.

The announcement of the interim results was approved by the board of directors on 24 August 2011.

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 2011 unaudited condensed consolidated interim income statement is prepared using, among other currencies, average exchange rates of US$1.6158 to the pound (period ended 30 June 2010: US$1.5257; year ended 31 December 2010: US$1.5461) and €1.1525 to the pound (period ended 30 June 2010: €1.1505; year ended 31 December 2010: €1.1664). The unaudited condensed consolidated interim balance sheet as at 30 June 2011 has been prepared using the exchange rates on that day of US$1.6067 to the pound (30 June 2010: US$1.4963; 31 December 2010: US$1.5591) and €1.1071 to the pound (30 June 2010: €1.2206; 31 December 2010: €1.1665).

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 the appendices.

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

4. Operating costs and share of results of associates

Operating costs include:

	Six months ended 30 June 2011	Six months ended 30 June 2010	Year ended 31 December 2010
	£m	£m	£m
Total staff costs	2,860.0	2,684.1	5,438.7
Establishment costs	330.4	331.1	659.2
Other operating costs	731.2	724.5	1,489.6
Total operating costs	3,921.6	3,739.7	7,587.5

Other operating costs include:

	Six months ended 30 June 2011	Six months ended 30 June 2010	Year ended 31 December 2010
	£m	£m	£m
Amortisation and impairment of acquired intangible assets	83.3	87.0	170.5
Goodwill impairment	-	10.0	10.0
Losses/(gains) on disposal of investments	2.7	0.7	(4.1)
Gains on re-measurement of equity interest on acquisition of controlling interest	(25.4)	(7.5)	(13.7)
Investment write-downs	0.9	2.2	37.5

There was no goodwill impairment charge for the six months ended 30 June 2011 (30 June 2010: £10.0 million). The directors will reassess the need for any impairment write-downs at year end.

Share of results of associates include:

	Six months ended 30 June 2011	Six months ended 30 June 2010	Year ended 31 December 2010
	£m	£m	£m
Share of profit before interest and taxation	40.4	38.7	86.0
Share of exceptional losses	(0.7)	(0.4)	(0.3)
Share of interest and non-controlling interests	(1.7)	(1.3)	(2.7)
Share of taxation	(13.5)	(14.7)	(27.8)
	24.5	22.3	55.2

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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 2011	Six months ended 30 June 2010	Year ended 31 December 2010
	£m	£m	£m
Expected return on pension plan assets	16.5	15.5	30.6
Income from available for sale investments	0.2	5.7	9.3
Interest income	28.2	18.1	41.8
	44.9	39.3	81.7

Finance costs include:

	Six months ended 30 June 2011	Six months ended 30 June 2010	Year ended 31 December 2010
	£m	£m	£m
Interest on pension plan liabilities	22.1	23.0	45.9
Interest on other long-term employee benefits	0.7	0.7	1.9
Interest payable and similar charges	123.0	114.7	229.0
	145.8	138.4	276.8

Revaluation of financial instruments include:

	Six months ended 30 June 2011	Six months ended 30 June 2010	Year ended 31 December 2010
	£m	£m	£m
Movements in fair value of treasury instruments	(5.3)	0.3	21.8
Revaluations of put options over non-controlling interests	(15.2)	(19.8)	(3.6)
	(20.5)	(19.5)	18.2

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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 2011	Six months ended 30 June 2010	Year ended 31 December 2010
	£m	£m	£m
Revenue			
Advertising and Media Investment Management	1,927.1	1,746.2	3,733.3
Consumer Insight	1,177.3	1,162.5	2,430.2
Public Relations & Public Affairs	429.4	417.0	844.5
Branding & Identity, Healthcare and Specialist Communications	1,179.2	1,115.2	2,323.0
	4,713.0	4,440.9	9,331.0
Headline PBIT[1]			
Advertising and Media Investment Management	236.1	205.6	573.0
Consumer Insight	88.7	83.7	234.8
Public Relations & Public Affairs	66.7	61.6	133.1
Branding & Identity, Healthcare and Specialist Communications	126.4	104.4	287.8
	517.9	455.3	1,228.7
Headline PBIT margin	%	%	%
Advertising and Media Investment Management	12.3	11.8	15.3
Consumer Insight	7.5	7.2	9.7
Public Relations & Public Affairs	15.5	14.8	15.8
Branding & Identity, Healthcare and Specialist Communications	10.7	9.4	12.4
	11.0	10.3	13.2
Total assets			
Advertising and Media Investment Management	12,092.6	11,098.4	11,795.7
Consumer Insight	3,753.3	3,814.1	3,691.2
Public Relations & Public Affairs	1,728.6	1,711.6	1,699.6
Branding & Identity, Healthcare and Specialist Communications	5,086.1	4,926.2	5,031.4
Segment assets	22,660.6	21,550.3	22,217.9
Unallocated corporate assets[2]	1,931.9	1,245.2	2,127.2
	24,592.5	22,795.5	24,345.1

[1] Headline PBIT is defined in note 19.
[2] Unallocated corporate assets are corporate income tax recoverable, deferred tax assets and cash and short-term deposits.

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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 2011	Six months ended 30 June 2010	Year ended 31 December 2010
	£m	£m	£m
Revenue			
United Kingdom	560.2	523.1	1,087.6
North America[2]	1,645.4	1,608.4	3,299.8
Western Continental Europe[3]	1,174.9	1,120.9	2,325.3
Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe	1,332.5	1,188.5	2,618.3
	4,713.0	4,440.9	9,331.0
Headline PBIT[1]			
United Kingdom	73.5	57.7	147.9
North America[2]	209.2	195.7	484.6
Western Continental Europe[3]	94.2	85.1	221.6
Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe	141.0	116.8	374.6
	517.9	455.3	1,228.7
Headline PBIT margin	%	%	%
United Kingdom	13.1	11.0	13.6
North America[2]	12.7	12.2	14.7
Western Continental Europe[3]	8.0	7.6	9.5
Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe	10.6	9.8	14.3
	11.0	10.3	13.2

[1] Headline PBIT is defined in note 19.
[2] North America includes the US with revenue of £1,530.3 million (period ended 30 June 2010: £1,511.0 million; year ended 31 December 2010: £3,097.9 million) and headline PBIT of £194.3 million (period ended 30 June 2010: £181.9 million; year ended 31 December 20010: £448.7 million).
[3] Western Continental Europe includes Ireland with revenue of £19.7 million (period ended 30 June 2010: £18.2 million; year ended 31 December 2010: £37.4 million) and headline PBIT of £0.6 million (period ended 30 June 2010: £0.5 million; year ended 31 December 2010: £2.0 million).

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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 22.0% (30 June 2010: 23.9% and 31 December 2010: 22.0%). The Group tax rate on reported PBT was 21.4% (30 June 2010: 25.1% and 31 December 2010: 22.4%).

The tax charge comprises:

	Six months ended 30 June 2011	Six months ended 30 June 2010	Year ended 31 December 2010
	£m	£m	£m
Current tax			
Current year	96.8	88.3	276.2
Prior years	(4.3)	(2.5)	(1.0)
Total current tax	92.5	85.8	275.2
Deferred tax			
Credit for the year	(0.6)	(0.6)	(47.4)
Net credit in relation to the amortisation of acquired intangible assets and other goodwill items	(20.4)	(23.9)	(37.5)
Total deferred tax	(21.0)	(24.5)	(84.9)
Tax charge	71.5	61.3	190.3

[1] Headline PBT is defined in note 19.

8. Ordinary dividends

The Board has recommended a first interim dividend of 7.46p (2010: 5.97p) per ordinary share. This is expected to be paid on 14 November 2011 to share owners on the register at 14 October 2011.

The Board recommended a second interim dividend of 11.82p per ordinary share in respect of 2010. This was paid on 4 July 2011.

Following share owner approval at the Company's General Meeting, the Board has put in place a Scrip Dividend Scheme which enables share owners to elect to receive new fully paid ordinary shares in the Company instead of cash dividends, this scheme commenced with the second interim dividend for 2010.

The Company continues to operate the Dividend Access Plan which allows share owners who have elected (or, by virtue of holding 100,000 or fewer shares, are deemed to have elected) to participate in the plan to receive cash dividends from a UK source without being subject to any Irish or UK withholding taxes.

The Scrip Dividend Scheme Circular and the rules of the Company's Dividend Access Plan are available to view on the Company's website www.wpp.com.

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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 2011	Six months ended 30 June 2010	+/(-)%	Constant Currency +/(-)%	Year ended 31 December 2010
Reported earnings[1] (£m)	230.7	150.8			586.0
Headline earnings (£m) (note 19)	293.0	239.2			730.8
Average shares used in basic EPS calculation (m)	1,244.2	1,222.9			1,233.1
Reported EPS	18.5p	12.3p	50.4	57.8	47.5p
Headline EPS	23.5p	19.6p	19.9	23.8	59.3p

[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 2011	Six months ended 30 June 2010	+/(-)%	Constant Currency +/(-)%	Year ended 31 December 2010
Diluted reported earnings (£m)	243.6	150.8			614.3
Diluted headline earnings (£m)	305.9	239.2			759.0
Shares used in diluted EPS calculation (m)	1,344.0	1,254.1			1,339.0
Diluted reported EPS	18.1p	12.0p	50.8	58.4	45.9p
Diluted headline EPS	22.8p	19.1p	19.4	22.8	56.7p

Diluted EPS has been calculated based on the reported and headline earnings amounts above. For the six months ended 30 June 2011, the £450 million convertible bonds were dilutive and earnings were consequently increased by £12.9 million for the purpose of the calculation of diluted earnings. 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 2011	Six months ended 30 June 2010	Year ended 31 December 2010
	m	m	m
Average shares used in basic EPS calculation	1,244.2	1,222.9	1,233.1
Dilutive share options outstanding	6.4	6.8	6.7
Other potentially issuable shares	16.9	24.4	22.7
£450 million 5.75% convertible bonds	76.5	-	76.5
Shares used in diluted EPS calculation	1,344.0	1,254.1	1,339.0

At 30 June 2011 there were 1,266,516,940 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 14:

Net cash (outflow)/inflow from operating activities:

	Six months ended 30 June 2011	Six months ended 30 June 2010	Year ended 31 December 2010
	£m	£m	£m
Profit for the period	262.8	182.6	661.0
Taxation	71.5	61.3	190.3
Revaluation of financial instruments	20.5	19.5	(18.2)
Finance costs	145.8	138.4	276.8
Finance income	(44.9)	(39.3)	(81.7)
Share of results of associates	(24.5)	(22.3)	(55.2)
Operating profit	431.2	340.2	973.0
Adjustments for:			
Non-cash share-based incentive plans (including share options)	38.2	34.7	70.4
Depreciation of property, plant and equipment	89.1	93.0	184.9
Goodwill impairment	-	10.0	10.0
Amortisation and impairment of acquired intangible assets	83.3	87.0	170.5
Amortisation of other intangible assets	12.5	12.5	25.4
Investment write-downs	0.9	2.2	37.5
Losses/(gains) on disposal of investments	2.7	0.7	(4.1)
Gains on re-measurement of equity interest on acquisition of controlling interest	(25.4)	(7.5)	(13.7)
(Gains)/losses on sale of property, plant and equipment	(1.0)	0.3	0.7
Operating cash flow before movements in working capital and provisions	631.5	573.1	1,454.6
Movements in working capital and provisions[1]	(911.8)	(555.7)	225.5
Cash generated by operations	(280.3)	17.4	1,680.1
Corporation and overseas tax paid	(126.5)	(95.7)	(207.4)
Interest and similar charges paid	(132.2)	(134.1)	(219.7)
Interest received	24.9	27.1	50.7
Investment income	0.2	1.0	4.2
Dividends from associates	23.9	24.6	53.3
	(490.0)	(159.7)	1,361.2

[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. Movements in working capital and provisions also include the effect of cash incentive payments paid in the period, but accrued in the prior year. An incremental outflow of £130.0 million occurred in the first half of 2011 compared with the first half of 2010.

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 2011	Six months ended 30 June 2010	Year ended 31 December 2010
	£m	£m	£m
Initial cash consideration	(163.7)	(5.3)	(138.6)
Cash and cash equivalents acquired (net)	64.5	0.4	57.0
Earnout payments	(53.0)	(71.2)	(113.3)
Loan note redemptions	(0.8)	(4.0)	(5.1)
Purchase of other investments (including associates)	(31.4)	(11.4)	(23.8)
Proceeds on disposal of investments	2.6	14.0	23.7
Acquisitions and disposals	(181.8)	(77.5)	(200.1)
Cash consideration for non-controlling interests	(46.9)	(12.4)	(15.1)
Net acquisition payments and investments	(228.7)	(89.9)	(215.2)

Share repurchases and buybacks:

	Six months ended 30 June 2011	Six months ended 30 June 2010	Year ended 31 December 2010
	£m	£m	£m
Purchase of own shares by ESOP trust	(63.8)	(28.6)	(46.4)
Share cancellations	(15.5)	-	-
Shares purchased into treasury	(19.2)	-	-
	(98.5)	(28.6)	(46.4)

Net increase in borrowings:

	Six months ended 30 June 2011	Six months ended 30 June 2010	Year ended 31 December 2010
	£m	£m	£m
Increase in drawings on bank loans	300.0	432.0	19.8
Repayment of debt acquired	(9.0)	-	-
	291.0	432.0	19.8

Cash and cash equivalents:

	Six months ended 30 June 2011	Six months ended 30 June 2010	Year ended 31 December 2010
	£m	£m	£m
Cash at bank and in hand	1,679.5	1,005.8	1,877.1
Short-term bank deposits	89.3	97.8	88.1
Overdrafts[1]	(681.6)	(151.6)	(255.4)
	1,087.2	952.0	1,709.8

[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 2011	30 June 2010	31 December 2010
	£m	£m	£m
Cash and short-term deposits	1,768.8	1,103.6	1,965.2
Bank overdrafts and loans due within one year	(690.6)	(151.6)	(255.4)
Bonds and bank loans due after one year	(3,957.3)	(3,980.8)	(3,598.2)
Net debt	(2,879.1)	(3,028.8)	(1,888.4)

12. Goodwill and acquisitions

Goodwill in relation to subsidiary undertakings increased by £232.2 million (30 June 2010: £243.2 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 decreased by £14.2 million (30 June 2010: increased by £14.6 million) in the period.

Future anticipated payments to vendors in respect of both deferred and earnout obligations totalled £233.0 million (period ended 30 June 2010: £232.6 million; year ended 31 December 2010: £275.3 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 2011 and the date the interim financial statements have been approved.

13. Other intangible assets

	30 June 2011	30 June 2010	31 December 2010
	£m	£m	£m
Brands with an indefinite useful life	1,049.2	1,056.1	1,053.7
Acquired intangibles	787.6	833.7	781.7
Other (including capitalised computer software)	78.3	60.7	69.1
	1,915.1	1,950.5	1,904.5

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 2011	30 June 2010	31 December 2010
	£m	£m	£m
Trade receivables	6,015.3	5,553.2	6,280.6
VAT and sales taxes recoverable	84.3	76.9	72.1
Prepayments and accrued income	2,007.3	1,833.6	1,620.5
Other debtors	801.3	746.6	870.2
	8,908.2	8,210.3	8,843.4

Amounts falling due after more than one year:

	30 June 2011	30 June 2010	31 December 2010
	£m	£m	£m
Prepayments and accrued income	2.8	5.2	5.6
Other debtors	134.8	102.8	123.2
Fair value of derivatives	196.0	187.8	194.7
	333.6	295.8	323.5

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

	30 June 2011	30 June 2010	31 December 2010
	£m	£m	£m
Trade payables	7,115.2	6,696.3	7,701.1
Deferred income	1,036.6	919.4	1,075.9
Payments due to vendors	170.2	123.1	207.4
Liabilities in respect of put option agreements with vendors	80.0	134.5	136.9
Other creditors and accruals	2,481.0	2,305.6	2,582.3
	10,883.0	10,178.9	11,703.6

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

	30 June 2011	30 June 2010	31 December 2010
	£m	£m	£m
Payments due to vendors	62.8	109.5	67.9
Liabilities in respect of put option agreements with vendors	92.9	42.4	34.1
Fair value of derivatives	104.6	174.5	129.4
Other creditors and accruals	182.3	161.4	157.2
	442.6	487.8	388.6

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

	30 June 2011	30 June 2010	31 December 2010
	£m	£m	£m
Within one year	170.2	123.1	207.4
Between 1 and 2 years	31.5	82.5	39.6
Between 2 and 3 years	15.8	17.9	12.1
Between 3 and 4 years	6.1	4.8	4.3
Between 4 and 5 years	8.9	1.8	4.1
Over 5 years	0.5	2.5	7.8
	233.0	232.6	275.3

The Group does not consider there to be any material contingent liabilities as at 30 June 2011.

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 2011	Six months ended 30 June 2010	Year ended 31 December 2010
Number of equity ordinary shares	m	m	m
At the beginning of the period	1,264.4	1,256.5	1,256.5
Exercise of share options	4.2	1.7	7.9
Share cancellations	(2.1)	-	-
At the end of the period	1,266.5	1,258.2	1,264.4

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 2011

	Six months ended 30 June 2011	Six months ended 30 June 2010	Year ended 31 December 2010
	£m	£m	£m
Profit before interest and taxation	455.7	362.5	1,028.2
Losses/(gains) on disposal of investments	2.7	0.7	(4.1)
Gains on re-measurement of equity interest on acquisition of controlling interest	(25.4)	(7.5)	(13.7)
Goodwill impairment	-	10.0	10.0
Amortisation and impairment of acquired intangible assets	83.3	87.0	170.5
Share of exceptional losses of associates	0.7	0.4	0.3
Investment write-downs	0.9	2.2	37.5
Headline PBIT / Headline operating profit	517.9	455.3	1,228.7
Finance income	44.9	39.3	81.7
Finance costs	(145.8)	(138.4)	(276.8)
	(100.9)	(99.1)	(195.1)
Interest cover on headline PBIT	5.1 times	4.6 times	6.3 times

Calculation of headline EBITDA

	Six months ended 30 June 2011	Six months ended 30 June 2010	Year ended 31 December 2010
	£m	£m	£m
Headline PBIT (as above)	517.9	455.3	1,228.7
Depreciation of property, plant and equipment	89.1	93.0	184.9
Amortisation of other intangible assets	12.5	12.5	25.4
Headline EBITDA	619.5	560.8	1,439.0

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 2011

	Six months ended 30 June 2011	Six months ended 30 June 2010	Year ended 31 December 2010
	£m	£m	£m
Profit before taxation	334.3	243.9	851.3
Losses/(gains) on disposal of investments	2.7	0.7	(4.1)
Gains on re-measurement of equity interest on acquisition of controlling interest	(25.4)	(7.5)	(13.7)
Goodwill impairment	-	10.0	10.0
Investment write-downs	0.9	2.2	37.5
Amortisation and impairment of acquired intangible assets	83.3	87.0	170.5
Share of exceptional losses of associates	0.7	0.4	0.3
Revaluation of financial instruments	20.5	19.5	(18.2)
Headline PBT	417.0	356.2	1,033.6
Taxation (excluding net deferred tax credit in relation to the amortisation of acquired intangible assets and other goodwill items)	(91.9)	(85.2)	(227.8)
Non-controlling interests	(32.1)	(31.8)	(75.0)
Headline earnings	293.0	239.2	730.8
Ordinary dividends[1]	94.5	73.8	200.4
Dividend cover on headline earnings	3.1 times	3.2 times	3.6 times

[1] For the six months ended 30 June 2011, ordinary dividends represent an estimate of the 2011 first interim dividend expected to be paid to share owners in November 2011, based on the number of shares in issue at 30 June 2011. The corresponding figure for the six months ended 30 June 2010 represents the 2010 first interim dividend paid in November 2010.

Headline PBIT margins before and after share of results of associates

	Margin (%)	Six months ended 30 June 2011	Margin (%)	Six months ended 30 June 2010
		£m		£m
Revenue		4,713.0		4,440.9
Headline PBIT	11.0	517.9	10.3	455.3
Share of results of associates (excluding exceptional losses)		25.2		22.7
Headline PBIT excluding share of results of associates	10.5	492.7	9.7	432.6

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 2011

	Six months ended 30 June 2011	Six months ended 30 June 2010	Year ended 31 December 2010
	£m	£m	£m
Cash generated by operations	(280.3)	17.4	1,680.1
Plus:			
Interest received	24.9	27.1	50.7
Investment income	0.2	1.0	4.2
Dividends from associates	23.9	24.6	53.3
Share option proceeds	23.5	9.3	42.7
Movements in working capital and provisions	911.8	555.7	(225.5)
Proceeds on disposals of property, plant and equipment	7.3	1.5	7.6
Less:			
Interest and similar charges paid	(132.2)	(134.1)	(219.7)
Purchases of property, plant and equipment	(92.9)	(79.9)	(190.5)
Purchases of other intangible assets (including capitalised computer software)	(13.7)	(9.9)	(27.0)
Corporation and overseas tax paid	(126.5)	(95.7)	(207.4)
Dividends paid to non-controlling interest in subsidiary undertakings	(28.7)	(33.3)	(66.7)
Free cash flow	317.3	283.7	901.8

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 2011, the Group had access to £4.7 billion of committed funding with maturity dates spread over the years 2011 to 2020 as illustrated below.

		Maturity by year						
		2011	**2012**	**2013**	**2014**	**2015**	**2016**	**2017+**
	£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)	**677.4**						677.4	
Eurobonds €500m (5.25% '15)	**451.6**					451.6		
£450m convertible bonds (5.75% '14)	**450.0**				450.0			
US bond $650m (5.875% '14)	**404.6**				404.6			
US bond $600m (8.0% '14)	**373.4**				373.4			
Eurobonds €600m (4.375% '13)	**542.0**			542.0				
Bank revolver $1,600m	**995.8**		995.8					
TNS acquisition revolver £200m*	**200.0**	200.0						
TNS private placements $55m	**34.2**		18.7		15.5			
Total committed facilities available	**4,729.0**	200.0	1,014.5	542.0	1,243.5	451.6	677.4	600.0
Drawn down facilities at 30 June 2011	3,914.3	-	399.8	542.0	1,243.5	451.6	677.4	600.0
Undrawn committed credit facilities	814.7							
Drawn down facilities at 30 June 2011	3,914.3							
Net cash at 30 June 2011	(1,087.2)							
Other adjustments	52.0							
Net debt at 30 June 2011	2,879.1							

*Facility terminated on 9 July 2011

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 2010 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 2011 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 2010. 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 118 to 122 of the published 2010 Annual Report and Accounts. Pages 5 and 6 of the Group's Form 20-F for the year ended 31 December 2010 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

The social and environmental impact of our work for clients.

Damage to WPP's reputation from undertaking controversial client work.

Marketing ethics, compliance with marketing standards, and increasing transparency about our marketing practices.

Compliance with privacy and data protection regulations.

Employment, including diversity and equal opportunities, business ethics, employee development, remuneration, communication and health and safety.

Climate change, including the emissions from energy used in our offices and during business travel.

Economic

The Group's businesses are subject to economic and political cycles. Many of the economies in which the Group operates have significant economic challenges.

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.

WPP PLC

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

21. Principal risks and uncertainties (continued)

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.

Regulatory/Legal

The Group may be subject to regulations affecting 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.

The Group operates in 107 countries and is subject to increased anti-corruption legislation and enforcement not only in the US and UK.

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 2011.

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 2011 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 2011 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 Auditor
London, UK
24 August 2011

WPP PLC

Interim results for the six months ended 30 June 2011 in reportable US Dollars[1]

Unaudited illustrative condensed consolidated interim income statement for the six months ended 30 June 2011

	Six months ended 30 June 2011	Six months ended 30 June 2010		Year ended 31 December 2010
	$m	$m	+/(-)%	$m
Billings	34,599.1	30,904.4	12.0	65,961.2
Revenue	7,621.7	6,756.6	12.8	14,416.2
Direct costs	(582.5)	(548.5)	(6.2)	(1,190.0)
Gross profit	7,039.2	6,208.1	13.4	13,226.2
Operating costs	(6,338.6)	(5,703.5)	(11.1)	(11,728.2)
Operating profit	700.6	504.6	38.8	1,498.0
Share of results of associates	39.8	33.6	18.5	85.3
Profit before interest and taxation	740.4	538.2	37.6	1,583.3
Finance income	72.6	60.2	20.6	126.0
Finance costs	(235.7)	(211.5)	(11.4)	(427.8)
Revaluation of financial instruments	(33.2)	(28.9)	(14.9)	30.1
Profit before taxation	544.1	358.0	52.0	1,311.6
Taxation	(115.8)	(92.4)	(25.3)	(294.4)
Profit for the period	428.3	265.6	61.3	1,017.2
Attributable to:				
Equity holders of the parent	376.3	217.4	73.1	901.0
Non-controlling interests	52.0	48.2	(7.9)	116.2
	428.3	265.6	61.3	1,017.2
Headline PBIT	840.9	679.6	23.7	1,893.3
Headline PBIT margin	**11.0%**	**10.1%**		**13.1%**
Headline PBT	677.9	528.2	28.3	1,591.5
Reported earnings per share[2]				
Basic earnings per ordinary share	30.2¢	17.8¢	69.7	73.1¢
Diluted earnings per ordinary share	29.5¢	17.3¢	70.5	70.6¢
Headline earnings per share[2]				
Basic earnings per ordinary share	38.3¢	28.7¢	33.4	91.1¢
Diluted earnings per ordinary share	37.0¢	28.0¢	32.1	87.1¢

[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$1.6158 to the pound for the period ended 30 June 2011 (period ended 30 June 2010: US$1.5257; year ended 31 December 2010: US$1.5461).
[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.

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Interim results for the six months ended 30 June 2011 in reportable Euros[1]

Unaudited illustrative condensed consolidated interim income statement for the six months ended 30 June 2011

	Six months ended 30 June 2011	Six months ended 30 June 2010		Year ended 31 December 2010
	€m	€m	+/(-)%	€m
Billings	24,610.3	23,435.1	5.0	49,778.7
Revenue	5,423.9	5,115.5	6.0	10,888.9
Direct costs	(414.5)	(415.7)	0.3	(898.9)
Gross profit	5,009.4	4,699.8	6.6	9,990.0
Operating costs	(4,518.3)	(4,304.4)	(5.0)	(8,850.1)
Operating profit	491.1	395.4	24.2	1,139.9
Share of results of associates	28.0	25.8	8.5	64.5
Profit before interest and taxation	519.1	421.2	23.2	1,204.4
Finance income	51.4	45.0	14.2	96.5
Finance costs	(167.7)	(158.9)	(5.5)	(324.0)
Revaluation of financial instruments	(23.1)	(23.6)	2.1	21.0
Profit before taxation	379.7	283.7	33.8	997.9
Taxation	(81.9)	(72.0)	(13.8)	(224.8)
Profit for the period	297.8	211.7	40.7	773.1
Attributable to:				
Equity holders of the parent	261.1	176.5	47.9	687.0
Non-controlling interests	36.7	35.2	(4.3)	86.1
	297.8	211.7	40.7	773.1
Headline PBIT	591.3	528.4	11.9	1,438.7
Headline PBIT margin	**10.9%**	**10.3%**		**13.2%**
Headline PBT	475.0	414.4	14.6	1,211.3
Reported earnings per share[2]				
Basic earnings per ordinary share	21.0¢	14.4¢	45.8	55.7¢
Diluted earnings per ordinary share	20.5¢	14.1¢	45.4	53.8¢
Headline earnings per share[2]				
Basic earnings per ordinary share	26.8¢	22.9¢	17.0	69.5¢
Diluted earnings per ordinary share	25.9¢	22.3¢	16.1	66.4¢

[1] The unaudited consolidated income statement above is presented in reportable Euros for information purposes only and has been prepared assuming the Euro is the reporting currency of the Group, whereby local currency results are translated into Euros at actual monthly average exchange rates in the periods presented. Among other currencies, this includes an average exchange rate of €1.1525 to the pound for the period ended 30 June 2011 (period ended 30 June 2010: €1.1505; year ended 31 December 2010: €1.1664).

[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.

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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 2011 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.