Appendix I

WPP GROUP PLC

Interim results for the six months ended 30 June 2004

Unaudited consolidated interim profit and loss account for the six months ended 30 June 2004

	Notes	Six months ended 30 June 2004	Six months ended 30 June 2003		Constant Currency[3]	Year ended 31 December 2003
		£m	£m	+/(-)%	+/(-)%	£m
Turnover (gross billings)		9,155.2	8,639.2	6.0	13.3	18,621.3
Cost of sales		(7,129.6)	(6,728.4)	(6.0)	(13.3)	(14,515.3)
Revenue	4	2,025.6	1,910.8	6.0	13.3	4,106.0
Direct costs		(104.7)	(110.1)	4.9	0.8	(237.1)
Gross profit		1,920.9	1,800.7	6.7	14.2	3,868.9
Operating costs excluding goodwill amortisation and impairment		(1,677.0)	(1,582.4)	(6.0)	(13.3)	(3,375.9)
Goodwill amortisation and impairment - subsidiaries	10	(49.3)	(43.5)	(13.3)	(13.3)	(77.7)
Operating costs		(1,726.3)	(1,625.9)	(6.2)	(13.3)	(3,453.6)
Operating profit		194.6	174.8	11.3	22.5	415.3
Income from associates		20.8	15.8	31.6	34.5	40.5
Goodwill amortisation and impairment - associates		(1.7)	-			(34.3)
Profit on ordinary activities before interest, taxation and amounts written off fixed asset investments		213.7	190.6	12.1	22.6	421.5
Amounts written off fixed asset investments	10	(2.0)	-			-
Net interest payable and similar charges on net borrowings		(30.0)	(31.2)	3.8	(0.7)	(60.1)
Net interest charges on defined benefit pension schemes		(5.4)	(5.8)	6.9	(3.0)	(11.5)
Net interest payable and similar charges		(35.4)	(37.0)	4.3	(1.1)	(71.6)
Profit on ordinary activities before taxation		176.3	153.6	14.8	26.5	349.9
Taxation on profit on ordinary activities	5	(60.6)	(51.7)	(17.2)	(19.6)	(122.1)
Profit on ordinary activities after taxation		115.7	101.9	13.5	30.4	227.8
Minority interests		(9.8)	(6.7)	(46.3)	(52.8)	(19.4)
Profit attributable to ordinary share owners		105.9	95.2	11.1	28.7	208.4
Ordinary dividends	6	(29.4)	(24.5)	20.0	20.0	(76.8)
Retained profit for the period		76.5	70.7	8.2	32.3	131.6
Headline PBIT [1]	4	264.7	234.1	13.1	21.5	533.5
Headline PBIT [1] margin		**13.1%**	**12.3%**			**13.0%**
Headline PBT [1]		234.7	202.9	15.7	24.8	473.4
Headline earnings per share [2]						
Basic earnings per ordinary share	7	14.5p	13.0p	11.5	22.8	29.8p
Diluted earnings per ordinary share	7	14.1p	12.8p	10.2	20.7	29.0p
Standard earnings per share						
Basic earnings per ordinary share	7	9.4p	8.6p	9.3	26.0	18.7p
Diluted earnings per ordinary share	7	9.1p	8.5p	7.1	24.4	18.2p

[1] Headline PBIT: Profit on ordinary activities before interest, taxation, goodwill amortisation and impairment and amounts written off fixed asset investments.
Headline PBT: Profit on ordinary activities before taxation, goodwill amortisation and impairment, amounts written off fixed asset investments and net interest charges on defined benefit pension schemes. The calculations of Headline PBIT and Headline PBT are presented in Appendix IV.
[2] Headline earnings per ordinary share excludes goodwill amortisation and impairment**,** amounts written off fixed asset investments and net interest charges on defined benefit pension schemes. The calculation of Headline earnings is presented in Appendix IV.
[3] Constant currency is defined in Appendix IV.

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Unaudited consolidated summary interim cash flow statement for the six months ended 30 June 2004

	Notes	Six months ended 30 June 2004	Six months ended 30 June 2003 Restated[1]	Year ended 31 December 2003 Restated[1]
		£m	£m	£m
Operating profit		194.6	174.8	415.3
Depreciation		47.9	53.0	127.5
Goodwill amortisation and impairment charges - subsidiaries		49.3	43.5	77.7
Movements in working capital and provisions		(373.1)	(321.2)	321.5
Net cash (outflow)/inflow from operating activities		**(81.3)**	**(49.9)**	**942.0**
Dividends received from associates		9.5	6.0	15.6
Returns on investments and servicing of finance		(49.8)	(47.7)	(38.3)
United Kingdom and overseas tax paid		(48.1)	(43.0)	(93.6)
Capital expenditure and financial investment	8	(28.4)	(29.6)	(85.2)
Acquisitions and disposals	8	(144.3)	(323.9)	(344.5)
Equity dividends paid		-	-	(67.0)
Net cash (outflow)/inflow before management of liquid resources and financing		**(342.4)**	**(488.1)**	**329.0**
Management of liquid resources		188.4	118.8	(211.4)
Net cash inflow from financing	8	59.6	205.0	116.8
(Decrease)/increase in cash and overdrafts for the period		**(94.4)**	**(164.3)**	**234.4**
Translation difference		(17.8)	11.4	(19.3)
Balance of cash and overdrafts at beginning of period		716.0	500.9	500.9
Balance of cash and overdrafts at end of period		**603.8**	**348.0**	**716.0**
Reconciliation of net cash flow to movement in net debt:				
(Decrease)/increase in cash and overdrafts for the period		**(94.4)**	**(164.3)**	**234.4**
Cash (inflow)/outflow from increase in liquid resources		(188.4)	(118.8)	211.4
Cash inflow from increase in debt financing		(122.6)	(125.1)	(24.3)
Other movements		(4.0)	(6.5)	(9.4)
Translation difference		31.1	(15.6)	(50.9)
Movement of net debt in the period		**(378.3)**	**(430.3)**	**361.2**
Net debt at beginning of period		(361.5)	(722.7)	(722.7)
Net debt at end of period	9	**(739.8)**	**(1,153.0)**	**(361.5)**

[1] Restated on implementation of UITF 38 (Accounting for ESOP Trusts).

Unaudited consolidated statement of total recognised gains and losses for the period ended 30 June 2004

	Six months ended 30 June 2004	Six months ended 30 June 2003	Year ended 31 December 2003
	£m	£m	£m
Profit for the period	105.9	95.2	208.4
Exchange adjustments on foreign currency net investments	31.1	2.7	74.8
Actuarial loss on defined benefit pension schemes in accordance with FRS17 (Retirement Benefits)	-	-	14.0
Deferred tax on defined benefit pension schemes	-	-	10.0
Total recognised gains and losses relating to the period	137.0	97.9	307.2
Prior year adjustment on implementation of UITF 38 (Accounting for ESOP Trusts)	(28.1)		
Total gains and losses recognised since last annual report	108.9		

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Unaudited consolidated interim balance sheet as at 30 June 2004

	Notes	30 June 2004	30 June 2003 Restated[1]	31 December 2003 Restated[1]
		£m	£m	£m
Fixed assets				
Intangible assets:				
Corporate brands		950.0	950.0	950.0
Goodwill	10	4,826.2	4,441.7	4,710.3
Tangible assets		331.9	354.4	344.6
Investments	10	365.9	547.7	381.5
		6,474.0	6,293.8	6,386.4
Current assets				
Stocks and work in progress		314.2	371.8	269.6
Debtors		2,433.5	2,306.9	2,394.5
Trade debtors within working capital facility:				
Gross debts		605.3	379.3	507.5
Non-returnable proceeds		(275.6)	(211.8)	(280.4)
		329.7	167.5	227.1
Current asset investments (short-term bank and escrow deposits)		213.4	71.6	401.8
Cash at bank and in hand		804.4	690.1	1,018.1
		4,095.2	3,607.9	4,311.1
Creditors: amounts falling due within one year	11	(4,562.6)	(4,316.7)	(4,948.6)
Net current liabilities		(467.4)	(708.8)	(637.5)
Total assets less current liabilities		6,006.6	5,585.0	5,748.9
Creditors: amounts falling due after more than one year (including convertible bonds)	12	(1,908.9)	(1,734.2)	(1,691.1)
Provisions for liabilities and charges		(128.1)	(126.0)	(137.2)
Net assets excluding pension provision		3,969.6	3,724.8	3,920.6
Pension provision		(188.9)	(184.8)	(188.9)
Net assets including pension provision		3,780.7	3,540.0	3,731.7
Capital and reserves				
Called up share capital		117.9	117.8	118.7
Share premium account		968.6	939.4	955.3
Shares to be issued		118.0	166.4	130.0
Merger reserve		2,928.4	2,891.8	2,921.0
Other reserves		(146.7)	(253.0)	(178.9)
Own shares[2]		(305.3)	(307.9)	(307.8)
Profit and loss account		56.5	(53.0)	45.3
Equity share owners' funds	14	3,737.4	3,501.5	3,683.6
Minority interests		43.3	38.5	48.1
Total capital employed		3,780.7	3,540.0	3,731.7

[1] Restated on implementation of UITF 38 (Accounting for ESOP Trusts).
2 Investments in own shares held by the ESOP Trusts.

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Notes to the unaudited consolidated interim financial statements (Notes 1-15)

1. Basis of accounting

The unaudited consolidated interim financial statements are prepared under the historical cost convention.

2. Accounting policies

The unaudited consolidated interim financial statements comply with relevant accounting standards and have been prepared using the accounting policies set out on pages 112 to 114 of the Group's 2003 Annual Report and Accounts. No changes have been made to the accounting policies since this time other than the adoption of UITF 38 (Accounting for ESOP Trusts).

UITF 38 requires the classification of the cost of shares held by the Group's ESOP trusts as a deduction from share owners' funds; previously these were shown within fixed asset investments. Additionally, UITF 38 has changed the method of calculating the charge to the profit and loss account arising from certain of the Group's incentive plans, satisfied by the award of shares in the Group from one of the ESOPs. Previously, this charge was based on the cash cost to the Group of acquiring these shares in the open market, to be subsequently delivered to individuals on satisfactory completion of the performance criteria relating to the award. Under UITF 38, this charge should be based upon the fair value of the shares at grant date.

Following the implementation of UITF 38, the Group has restated its balance sheet and cash flow statement for preceding periods. There was no material impact on the profit and loss account for the six months ended 30 June 2003 or the year ended 31 December 2003.

The policies set out in the 2003 Annual Report and Accounts are in accordance with applicable accounting standards in the United Kingdom (UK GAAP).

Statutory Information and Independent Review

The interim financial statements for the six months to 30 June 2004 and 2003 do not constitute statutory accounts. The statutory accounts for the year ended 31 December 2003 received an unqualified auditors' report and have been filed with the Registrar of Companies. The interim financial statements are unaudited but have been reviewed by the auditors and their report is set out on page 22.

The announcement of the interim results was approved by the board of directors on 19 August 2004.

3. Currency conversion

The 2004 unaudited consolidated interim profit and loss account is prepared using, among other currencies, an average exchange rate of US$1.8229 to the pound (period ended 30 June 2003: US$1.6118; year ended 31 December 2003: US$1.6356). The unaudited consolidated interim balance sheet as at 30 June 2004 has been prepared using the exchange rate on that day of US$1.8144 to the pound (30 June 2003: US$1.6528; 31 December 2003: US$1.7833).

The unaudited consolidated interim profit and loss account and balance sheet are presented in euros in Appendix II for illustrative purposes. The unaudited consolidated interim profit and loss account has been prepared using an average exchange rate of €1.4846 to the pound (period ended 30 June 2003: €1.4591; year ended 31 December 2003: €1.4450). The unaudited consolidated interim balance sheet at 30 June 2004 has been prepared using the exchange rate on that day of €1.4911 to the pound (30 June 2003: €1.4393; 31 December 2003: €1.4198). This translation should not be construed as a representation that the pound sterling amounts actually represent, or could be converted into euros at the rates indicated.

The basis for calculating the constant currency percentage changes, shown on the face of the consolidated interim profit and loss account, is presented in Appendix IV.

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Notes to the unaudited consolidated interim financial statements (continued)

4. Segmental analysis

Reported contributions by geographical area were as follows:

	Six months ended 30 June 2004	Six months ended 30 June 2003	Year ended 31 December 2003
	£m	£m	£m
Revenue			
United Kingdom	343.4	306.5	664.9
United States	778.2	786.4	1,608.5
Continental Europe	524.3	496.8	1,079.4
Canada, Asia Pacific, Latin America, Africa & Middle East	379.7	321.1	753.2
	2,025.6	1,910.8	4,106.0
Headline PBIT[1]			
United Kingdom	31.2	31.4	71.8
United States	134.1	123.8	240.7
Continental Europe	57.0	49.2	121.8
Canada, Asia Pacific, Latin America, Africa & Middle East	42.4	29.7	99.2
	264.7	234.1	533.5

Reported contributions by operating sector were as follows:

	Six months ended 30 June 2004	Six months ended 30 June 2003	Year ended 31 December 2003
	£m	£m	£m
Revenue			
Advertising and Media investment management[2]	936.7	875.6	1,911.1
Information, insight and consultancy	336.4	334.0	703.6
Public relations and public affairs[2]	221.6	224.1	451.0
Branding and identity, Healthcare and Specialist communications	530.9	477.1	1,040.3
	2,025.6	1,910.8	4,106.0
Headline PBIT[1]			
Advertising and Media investment management[2]	138.3	125.3	291.9
Information, insight and consultancy	27.9	23.8	50.0
Public relations and public affairs[2]	33.4	29.1	58.6
Branding and identity, Healthcare and Specialist communications	65.1	55.9	133.0
	264.7	234.1	533.5

[1] Headline PBIT: Profit on ordinary activities before interest, taxation, goodwill amortisation and impairment and amounts written off fixed asset investments. The calculation of Headline PBIT is presented in Appendix IV.

[2] In 2004 certain of the Group's public relations and public affairs businesses, which were historically included in Advertising and Media investment management, have been moved to Public relations and public affairs. As a result the comparative figures for both Advertising and Media investment management and Public relations and public affairs have been restated to reflect this change.

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Notes to the unaudited consolidated interim financial statements (continued)

5. Taxation

The Group tax rate on Headline PBT[1] is 25.8% (30 June 2003: 25.5% and 31 December 2003: 25.8%). The tax charge comprises:

	Six months ended 30 June 2004	Six months ended 30 June 2003	Year ended 31 December 2003
	£m	£m	£m
Total current tax	52.3	45.4	116.2
Total deferred tax	-	-	(8.7)
Share of associates tax	8.3	6.3	14.6
Total tax on profits	60.6	51.7	122.1

[1] Headline PBT: Profit on ordinary activities before taxation, goodwill amortisation and impairment**,** amounts written off fixed asset investments and net interest charges on defined benefit pension schemes. The calculation of Headline PBT is presented in Appendix IV.

6. Ordinary dividends

The Board has recommended an interim dividend of 2.50p (2003: 2.08p) per ordinary share. This is expected to be paid on 15 November 2004 to share owners on the register at 15 October 2004.

	Six months ended 30 June 2004	Six months ended 30 June 2003	Year ended 31 December 2003
Ordinary dividend per share -			
interim	2.50p	2.08p	2.08p
final	-	-	4.40p
	2.50p	2.08p	6.48p
Ordinary dividend per ADR[1] -			
interim	4.56¢	16.8¢	17.0¢
final	-	-	36.0¢
	4.56¢	16.8¢	53.0¢

[1] These figures have been translated for convenience purposes only, using the profit and loss exchange rates shown in note 3. This translation should not be construed as a representation that the pound sterling amounts actually represent, or could be converted into, US dollars at the rates indicated.

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Notes to the unaudited consolidated interim financial statements (continued)

7. Earnings per share

Basic and diluted earnings per share have been calculated in accordance with FRS14 "Earnings per Share".

Headline basic earnings per share have been calculated using earnings of £164.3 million (period ended 30 June 2003: £144.5 million; year ended 31 December 2003: £331.9 million), and adjusted for goodwill amortisation and impairment, amounts written off fixed asset investments and net interest charges on defined benefit pension schemes of £58.4 million (period ended 30 June 2003: £49.3 million; year ended 31 December 2003: £123.5 million). The weighted average number of shares in issue used was 1,132,052,831 shares (period ended 30 June 2003: 1,108,373,801; year ended 31 December 2003: 1,115,319,576 shares).

Headline diluted earnings per share have been calculated using earnings of £164.3 million (period ended 30 June 2003: £144.5 million; year ended 31 December 2003: £331.9 million) and adjusted for goodwill amortisation and impairment, amounts written off fixed asset investments and net interest charges on defined benefit pension schemes of £58.4 million (period ended 30 June 2003: £49.3 million; year ended 31 December 2003: £123.5 million). The weighted average number of shares in issue used was 1,179,213,730 shares (period ended 30 June 2003: 1,125,489,621; year ended 31 December 2003: 1,145,014,508 shares. This takes into account potentially issuable ordinary shares arising from the exercise of employee share options, certain incentive schemes and convertible debt where these are expected to dilute earnings. For the six month period ended 30 June 2004, the $287.5 million convertible loan note was dilutive and earnings were consequently adjusted by £1.4 million, whereas the £450 million convertible bond was accretive to earnings and therefore excluded from the calculation. For the six month period ended 30 June 2003 and the year ended 31 December 2003, both the $287.5 million convertible loan note and the £450 million convertible bond were accretive to earnings and therefore excluded from the calculation.

Standard basic earnings per share have been calculated using earnings of £105.9 million (period ended 30 June 2003: £95.2 million; year ended 31 December 2003: £208.4 million) and weighted average shares in issue during the period of 1,132,052,831 shares (period ended 30 June 2003: 1,108,373,801 shares; year ended 31 December 2003: 1,115,319,576 shares).

Standard diluted earnings per share have been calculated using earnings of £105.9 million (period ended 30 June 2003: £95.2 million; year ended 31 December 2003: £208.4 million). The weighted average number of shares used was 1,179,213,730 shares (period ended 30 June 2003: 1,125,489,621 shares; year ended 31 December 2003: 1,145,014,508 shares). This takes into account potentially issuable ordinary shares arising from the exercise of employee share options, certain incentive schemes and convertible debt where these are expected to dilute earnings. For the six month period ended 30 June 2004, the $287.5 million convertible loan note was dilutive and earnings were consequently adjusted by £1.4 million, whereas the £450 million convertible bond was accretive to earnings and therefore excluded from the calculation. For the six month period ended 30 June 2003 and the year ended 31 December 2003, both the $287.5 million convertible loan note and the £450 million convertible bond were accretive to earnings and therefore excluded from the calculation.

At 30 June 2004 there were 1,178,806,111 ordinary shares in issue.

Earnings per ADR	**Six months ended 30 June 2004**	**Six months ended 30 June 2003**		**Constant Currency[2]**	**Year ended 31 December 2003**
Headline earnings per ADR [1,2]			+/(-)%	+/(-)%	
Basic earnings per ADR	$1.32	$1.05	25.7	22.8	$2.43
Diluted earnings per ADR	$1.28	$1.03	24.3	20.7	$2.37
Standard earnings per ADR [1]					
Basic earnings per ADR	$0.85	$0.69	23.2	26.0	$1.53
Diluted earnings per ADR	$0.83	$0.69	20.3	24.4	$1.49

[1] These figures have been translated for convenience purposes only, using the profit and loss exchange rates shown in note 3. This translation should not be construed as a representation that the pound sterling amounts actually represent, or could be converted into, US dollars at the rates indicated.

[2] Headline earnings and constant currency are defined in Appendix IV.

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Notes to the unaudited consolidated financial statements (continued)

8. Analysis of non-operating cash flows

The following tables analyse the items included within the main cash flow headings on page 10:

	Six months ended 30 June 2004	Six months ended 30 June 2003 Restated[1]	Year ended 31 December 2003 Restated[1]
	£m	£m	£m
Capital expenditure and financial investment			
Purchase of tangible fixed assets	(31.7)	(32.9)	(93.9)
Proceeds from sale of tangible fixed assets	3.3	3.3	8.7
	(28.4)	(29.6)	(85.2)
Acquisition and disposals			
Cash consideration for acquisition of Cordiant	-	(176.6)	(207.9)
Proceeds from disposal of interest in Zenith Optimedia Group	-	-	75.0
Net cash acquired - Cordiant	-	-	37.8
Initial cash consideration for other acquisitions	(40.7)	(47.2)	(70.1)
Earnout payments	(65.6)	(45.4)	(56.2)
Loan note redemptions	(14.8)	(6.5)	(38.7)
Net cash acquired – other acquisitions	(12.5)	0.6	5.3
Purchases of other investments (including associates)	(10.7)	(51.0)	(100.7)
Proceeds from disposal of other investments (including associates)	-	2.2	11.0
	(144.3)	(323.9)	(344.5)
Net cash inflow from financing			
Proceeds from issue of $650 million 10 year bond	358.2	-	-
Repayment of €350 million bond	(230.5)	-	-
(Reduction)/increase in drawings on bank loans	(1.1)	125.5	25.0
Financing and share issue costs	(4.3)	(2.7)	(3.4)
Share placement	-	100.2	100.2
Proceeds from other issue of shares	8.5	5.0	18.1
Share cancellations (including brokerage fees)	(67.6)	(20.2)	(20.2)
Purchase of own shares by ESOP Trusts	(3.6)	(2.8)	(2.9)
	59.6	205.0	116.8

[1] Restated on implementation of UITF 38 (Accounting for ESOP Trusts).

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Notes to the unaudited consolidated interim financial statements (continued)

9. Net debt

	30 June 2004	30 June 2003	31 December 2003
	£m	£m	£m
Cash at bank and in hand	804.4	690.1	1,018.1
Current asset investments	213.4	71.6	401.8
Bank loans and overdrafts due within one year (note 11)	(361.8)	(590.9)	(552.4)
Corporate bond and loans due after one year (note 12)	(1,395.8)	(1,323.8)	(1,229.0)
Net debt	**(739.8)**	**(1,153.0)**	**(361.5)**

During the period, the Group completed the issue of $650 million of 5.875% coupon bonds due June 2014. Proceeds from the issue were used to assist in the repayment of the €350 million bond in June with the balance intended to be used to repay the Young & Rubicam convertible bond due in January 2005.

Current asset investments represent cash on deposit with a maturity of greater than 24 hours.

There are no investor put options on any outstanding debt instruments.

10. Goodwill and acquisitions

During the period, the Group charged £25.0 million (30 June 2003: £16.5 million; 31 December 2003: £33.0 million) of goodwill amortisation and £26.0 million (30 June 2003: £27.0 million; 31 December 2003: £79.0 million) of goodwill impairment to the profit and loss account, a total of £51.0 million (30 June 2003: £43.5 million; 31 December 2003: £112.0 million).

The impairment charge relates to a number of under-performing businesses in the Public relations and public affairs, Information, insight and consultancy, and Branding and identity, Healthcare and Specialist communications sectors. The impact of the current economic climate 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 the year end.

In addition the Group charged £2.0 million of fixed asset investment write offs (30 June 2003: £Nil; 31 December 2003: £Nil) to the profit and loss account following a re-assessment of the carrying value of the Group’s non core minority investments.

The directors continue to assess the useful life of goodwill arising on acquisitions. Goodwill of £822.5 million is subject to amortisation over periods of between 10 and 20 years.

Goodwill in relation to subsidiary undertakings increased by £115.9 million in the period. Other than amortisation and impairment this includes both goodwill arising on acquisitions completed in the period and also adjustments to goodwill relating to acquisitions completed in prior periods. Goodwill in relation to associate undertakings decreased by £7.5 million in the period, principally due to a reclassification from goodwill in associate companies to goodwill in subsidiary undertakings arising on acquisitions.

Acquisitions do not have a significant impact on the Group’s results for the six months to 30 June 2004.

Future anticipated payments to vendors in respect of both deferred and earnout obligations totalled £246.3 million (period ended 30 June 2003: £201.3 million; year ended 31 December 2003: £215.7 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.

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Notes to the unaudited consolidated interim financial statements (continued)

11. Creditors: amounts falling due within one year

The following are included in creditors falling due within one year:

	30 June 2004	30 June 2003 Restated[1]	31 December 2003 Restated[1]
	£m	£m	£m
Bank loans and overdrafts	361.8	590.9	552.4
Trade creditors	2,542.3	2,335.4	2,733.3
Corporate income tax payable	32.5	35.5	29.5
Dividend proposed	81.7	66.9	52.2
Deferred income	417.5	346.4	391.9
Payments due to vendors	82.4	65.1	81.6
Loan notes due to vendors	19.4	37.9	13.9
Other creditors and accruals	1,025.0	838.6	1,093.8
	4,562.6	4,316.7	4,948.6

[1] Restated on implementation of UITF 38 (Accounting for ESOP Trusts).

Overdraft balances included within bank loans and overdrafts amount to £200.6 million (30 June 2003: £342.1 million; 31 December 2003: £302.1 million).

12. Creditors: amounts falling due after more than one year

The following are included in creditors falling due after more than one year:

	30 June 2004	30 June 2003	31 December 2003
	£m	£m	£m
Corporate and convertible bonds and bank loans	1,395.8	1,323.8	1,229.0
Corporate income tax payable	281.2	214.7	268.7
Payments due to vendors	163.9	136.2	134.1
Other creditors and accruals	68.0	59.5	59.3
	1,908.9	1,734.2	1,691.1

The following table sets out the directors' best estimates of future deferred and earnout related obligations:

	30 June 2004	30 June 2003	31 December 2003
	£m	£m	£m
Within one year	82.4	65.1	81.6
Between 1 and 2 years	78.6	60.7	60.9
Between 2 and 3 years	50.3	31.2	32.4
Between 3 and 4 years	29.4	28.0	37.0
Between 4 and 5 years	3.9	14.5	3.8
Over 5 years	1.7	1.8	-
	246.3	201.3	215.7

WPP GROUP PLC

Notes to the unaudited consolidated interim financial statements (continued)

12. Creditors: amounts falling due after more than one year (continued)

The corporate and convertible bonds, bank loans and overdrafts included within short and long term creditors fall due for repayment as follows:

	30 June 2004	30 June 2003	31 December 2003
	£m	£m	£m
Within one year	361.8	590.9	552.4
Between 1 and 2 years	110.0	170.9	273.1
Between 2 and 3 years	441.5	120.6	-
Between 3 and 4 years	434.7	521.6	443.4
Between 4 and 5 years	55.0	450.4	512.5
Over 5 years	354.6	60.3	-
	1,757.6	1,914.7	1,781.4

13. Contingent liabilities in respect of option agreements

WPP has entered into agreements with certain share owners of partially owned subsidiaries and associate companies to acquire additional equity interests. These agreements typically contain options requiring WPP to purchase their shares at specified times up to 2009 on the basis of average earnings both before and after the exercise of the option.

All arrangements contain clauses that cap the maximum amount payable by WPP. The table below shows the illustrative amounts that would be payable by WPP in respect of these options, on the basis of the relevant companies' current financial performance, if all the options had been exercised at 30 June 2004.

	Currently Exercisable	Not Currently Exercisable	Total
	£m	£m	£m
Subsidiaries	12.4	23.5	35.9
Associates	4.3	0.5	4.8
Total	16.7	24.0	40.7

WPP GROUP PLC

Notes to the unaudited consolidated interim financial statements (continued)

14. Reconciliation of movements in consolidated share owners' funds

	Six months ended 30 June 2004	Six months ended 30 June 2003 Restated[1]	Year ended 31 December 2003 Restated[1]
	£m	£m	£m
Profit for the period	105.9	95.2	208.4
Ordinary dividends payable	(29.4)	(24.5)	(76.8)
	76.5	70.7	131.6
Exchange adjustments on foreign currency net investments	31.1	2.7	74.8
Ordinary shares issued in respect of acquisitions	-	5.7	16.9
Share placement	-	100.2	100.2
Share issue costs and brokerage fees charged to share premium account or reserves	(0.3)	(2.2)	(2.8)
Other share issues	8.5	5.0	18.1
Share cancellations	(67.5)	(20.2)	(20.2)
Adjustments to pre-1998 goodwill written off to reserves	3.0	-	1.3
Actuarial loss on defined benefit schemes	-	-	14.0
Deferred tax on defined benefit pension schemes	-	-	10.0
Net disposals of own shares by ESOP Trusts	2.5	4.3	4.4
Net additions to equity share owners' funds	53.8	166.2	348.3
Opening equity share owners' funds	3,683.6	3,335.3	3,335.3
Closing equity share owners' funds	3,737.4	3,501.5	3,683.6

[1] Restated on implementation of UITF 38 (Accounting for ESOP Trusts).

15. International Financial Reporting Standards ('IFRS')

From 2005 onwards, all listed companies in the European Union, including WPP, will be required to prepare their consolidated financial statements in accordance with IFRS. We have commenced a significant project to manage the transition from UK GAAP to IFRS and are currently in the process of interpreting the accounting standards that will apply from 2005 onwards, setting the Group's future accounting policies in accordance with IFRS and identifying the detailed accounting and disclosure requirements that may necessitate changes to our financial information systems. As this project is still ongoing, we are not, as yet, in a position to quantify the full effect of the differences between IFRS and UK GAAP on the Group's results or financial position. However, based on our work to date, we consider that significant differences will arise in the following areas:

Goodwill

Generally, the carrying amount of goodwill recognised under UK GAAP on past acquisitions will not be revisited under IFRS. However, in comparison to UK GAAP, where an element of the Group's goodwill is currently amortised over its useful life, under IFRS all goodwill will be subject to an annual impairment review.

WPP GROUP PLC

Notes to the unaudited consolidated interim financial statements (continued)

15. International Financial Reporting Standards ('IFRS') (continued)

Retirement benefits

Under IFRS, the method of accounting for retirement benefits is broadly similar to that under FRS 17 "Retirement Benefits". However, whereas FRS 17 requires actuarial gains and losses be taken directly to equity through the statement of total recognised gains and losses, current IFRS has no equivalent equity statement and these gains and losses may be required to be recognised in the income statement.

Convertible bonds

Under UK GAAP, convertible debt is reported as a liability unless conversion actually occurs, and no gain or loss is recognised on conversion. IFRS classification of compound instruments is performed according to the substance of the contractual arrangements and consequently, the Group's compound instruments will be split into liability and equity elements on the basis of their initial fair values. The profit and loss account charge for the finance cost will be spread evenly over the term of the bonds so that at redemption the liability equals the redemption value. The main difference to UK GAAP is that the initial recognition of the liability may be for a lower value and consequently the finance cost over the period may be higher.

Stock options & other share based payments

Under current UK GAAP, where the Group grants share options at a strike price equal to or greater than the market price on the date of the grant, no compensation expense is recognised. Under IFRS, the fair value of share options and other share based payments will be recognised in the profit and loss account, using a fair value option pricing model.

Associates

The approach to classification of investments is similar under IFRS and UK GAAP, but there is a difference on the application of what constitutes influence. Both UK GAAP and IFRS adopt the concept of significant influence, but IFRS stresses the power to influence, while UK GAAP stresses the actual exercise of influence. This may affect the classification of the Group's associates and subsidiaries in certain cases. Moreover, IFRS suspends equity accounting for associate losses when the carrying value is nil and further losses are only accrued if the investor has a legal or constructive obligation for the losses.

Derivatives and hedge accounting

Under UK GAAP, the derivative financial instruments that the Group uses to manage its currency and interest rate exposures are not recognised until the hedged transaction has itself been recognised in the financial statements. Under IFRS, derivatives are recognised as assets and liabilities stated at their fair values and changes in their fair values are recognised in the income statement. However, in certain circumstances, "hedge accounting" can be used to mitigate fluctuations in earnings.

INDEPENDENT REVIEW REPORT TO WPP GROUP PLC

Introduction

We have been instructed by the company to review the financial information for the six months ended 30 June 2004 which comprises the consolidated profit and loss account, the consolidated balance sheet, the consolidated cash flow statement, the consolidated statement of total recognised gains and losses, the reconciliation of movements in consolidated share owners' funds and the related notes 1 - 14. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the company in accordance with Bulletin 1999/4 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 conclusions we have formed.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the Listing Rules of the Financial Services Authority which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reason for them, are disclosed.

Review work performed

We conducted our review in accordance with the guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with United Kingdom auditing standards and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2004.

Deloitte & Touche LLP
Chartered Accountants
London

19 August 2004

Appendix II

WPP GROUP PLC

Unaudited consolidated interim profit & loss account for the six months ended 30 June 2004
Presented in Euros for illustrative purposes only[3]

	Six months ended 30 June 2004	Six months ended 30 June 2003	Year ended 31 December 2003
	€m	€m	€m
Turnover (gross billings)	13,591.8	12,605.4	26,907.8
Costs of sales	(10,584.6)	(9,817.4)	(20,974.6)
Revenue	3,007.2	2,788.0	5,933.2
Direct costs	(155.4)	(160.6)	(342.6)
Gross Profit	2,851.8	2,627.4	5,590.6
Operating costs excluding goodwill amortisation and impairment	(2,489.7)	(2,308.9)	(4,878.2)
Goodwill amortisation and impairment - subsidiaries	(73.2)	(63.5)	(112.3)
Operating costs	(2,562.9)	(2,372.4)	(4,990.5)
Operating profit	288.9	255.0	600.1
Income from associates	30.9	23.1	58.5
Goodwill amortisation and impairment - associates	(2.5)	-	(49.5)
Profit on ordinary activities before interest, taxation and amounts written off fixed asset investments	317.3	278.1	609.1
Amounts written off fixed asset investments	(3.0)	-	-
Net interest payable and similar charges on net borrowings	(44.6)	(45.5)	(86.9)
Net interest charges on defined benefit pension schemes	(8.0)	(8.5)	(16.6)
Net interest payable and similar charges	(52.6)	(54.0)	(103.5)
Profit on ordinary activities before taxation	261.7	224.1	505.6
Taxation on profit on ordinary activities	(90.0)	(75.4)	(176.4)
Profit on ordinary activities after taxation	171.7	148.7	329.2
Minority interests	(14.5)	(9.8)	(28.0)
Profit attributable to ordinary share owners	157.2	138.9	301.2
Ordinary dividends	(43.6)	(35.7)	(111.0)
Retained profit for the period	113.6	103.2	190.2
Headline PBIT [1]	393.0	341.6	770.9
Headline PBIT [1] margin	**13.1%**	**12.3%**	**13.0%**
Headline PBT [1]	348.4	296.1	684.1
Headline earnings per share [2]			
Basic earnings per ordinary share	21.5¢	19.0¢	43.1¢
Diluted earnings per ordinary share	20.9¢	18.7¢	41.9¢
Standard earnings per share			
Basic earnings per ordinary share	14.0¢	12.5¢	27.0¢
Diluted earnings per ordinary share	13.5¢	12.4¢	26.3¢

[1] Headline PBIT: Profit on ordinary activities before interest, taxation, goodwill amortisation and impairment and amounts written off fixed asset investments.
Headline PBT: Profit on ordinary activities before taxation, goodwill amortisation and impairment, amounts written off fixed asset investments and net interest charges on defined benefit pension schemes. The calculations of Headline PBIT and Headline PBT are presented in Appendix IV.
[2] Headline earnings per ordinary share excludes goodwill amortisation and impairment**,** amounts written off fixed asset investments and net interest charges on defined benefit pension schemes. The calculation of Headline earnings is presented in Appendix IV.
[3] These figures have been translated for convenience purposes only, using the profit and loss exchange rates shown in Note 3.

WPP GROUP PLC

Unaudited consolidated interim balance sheet as at 30 June 2004
Presented in Euros for illustrative purposes only[1]

	30 June 2004	30 June 2003 Restated[2]	31 December 2003 Restated[2]
	€m	€m	€m
Fixed assets			
Intangible assets:			
Corporate brands	1,416.6	1,367.4	1,348.8
Goodwill	7,196.3	6,392.9	6,687.7
Tangible assets	494.9	510.1	489.2
Investments	545.6	788.3	541.7
	9,653.4	9,058.7	9,067.4
Current assets			
Stocks and work in progress	468.5	535.1	382.8
Debtors	3,628.6	3,320.3	3,399.7
Trade debtors within working capital facility:			
Gross debts	902.6	545.9	720.5
Non-returnable proceeds	(410.9)	(304.8)	(398.1)
	491.7	241.1	322.4
Current asset investments (short-term bank and escrow deposits)	318.2	103.1	570.5
Cash at bank and in hand	1,199.4	993.3	1,445.5
	6,106.4	5,192.9	6,120.9
Creditors: amounts falling due within one year	(6,803.3)	(6,213.1)	(7,026.0)
Net current liabilities	(696.9)	(1,020.2)	(905.1)
Total assets less current liabilities	8,956.5	8,038.5	8,162.3
Creditors: amounts falling due after more than one year (including convertible bonds)	(2,846.4)	(2,496.0)	(2,401.0)
Provisions for liabilities and charges	(191.0)	(181.4)	(194.8)
Net assets excluding pension provision	5,919.1	5,361.1	5,566.5
Pension provision	(281.7)	(266.0)	(268.2)
Net assets including pension provision	5,637.4	5,095.1	5,298.3
Capital and reserves			
Called up share capital	175.8	169.5	168.5
Share premium account	1,444.3	1,352.1	1,356.4
Shares to be issued	175.9	239.5	184.6
Merger reserve	4,366.5	4,162.2	4,147.2
Other reserves	(218.7)	(364.1)	(254.0)
Own shares[3]	(455.2)	(443.2)	(437.0)
Profit and loss account	84.2	(76.3)	64.3
Equity share owners' funds	5,572.8	5,039.7	5,230.0
Minority interests	64.6	55.4	68.3
Total capital employed	5,637.4	5,095.1	5,298.3

[1] These figures have been translated for convenience purposes only, using the rates of exchange shown in Note 3.
[2] Restated on implementation of UITF 38 (Accounting for ESOP Trusts).
[3] Investments in own shares held by the ESOP Trusts.

Appendix III

WPP GROUP PLC

To present the impact of US transitional guidelines on the expensing of share options, for illustrative purposes only
Unaudited pro forma consolidated interim profit and loss account for the six months ended 30 June 2004

	Six months ended 30 June 2004	Six months ended 30 June 2003	Year ended 31 December 2003
	£m	£m	£m
Turnover (gross billings)	9,155.2	8,639.2	18,621.3
Cost of sales	(7,129.6)	(6,728.4)	(14,515.3)
Revenue	2,025.6	1,910.8	4,106.0
Direct costs	(104.7)	(110.1)	(237.1)
Gross Profit	1,920.9	1,800.7	3,868.9
Operating costs excluding goodwill amortisation and impairment	(1,677.0)	(1,582.4)	(3,375.9)
Fair value of share options	(11.2)	(6.3)	(13.9)
Goodwill amortisation and impairment - subsidiaries	(49.3)	(43.5)	(77.7)
Operating costs	(1,737.5)	(1,632.2)	(3,467.5)
Operating profit	183.4	168.5	401.4
Income from associates	20.8	15.8	40.5
Goodwill amortisation and impairment - associates	(1.7)	-	(34.3)
Profit on ordinary activities before interest, taxation and amounts written off fixed asset investments	202.5	184.3	407.6
Amounts written off fixed asset investments	(2.0)	-	-
Net interest payable and similar charges on net borrowings	(30.0)	(31.2)	(60.1)
Net interest charges on defined benefit pension schemes	(5.4)	(5.8)	(11.5)
Net interest payable and similar charges	(35.4)	(37.0)	(71.6)
Profit on ordinary activities before taxation	165.1	147.3	336.0
Taxation on profit on ordinary activities	(59.3)	(51.0)	(120.6)
Profit on ordinary activities after taxation	105.8	96.3	215.4
Minority interests	(9.8)	(6.7)	(19.4)
Profit attributable to ordinary share owners	96.0	89.6	196.0
Ordinary dividends	(29.4)	(24.5)	(76.8)
Retained profit for the period	66.6	65.1	119.2
Headline PBIT [1]	253.5	227.8	519.6
Headline PBIT [1] **margin**	**12.5%**	**11.9%**	**12.7%**
Headline PBT [1]	223.5	196.6	459.5
Headline earnings per share [2]			
Basic earnings per ordinary share	13.6p	12.5p	28.6p
Diluted earnings per ordinary share	13.2p	12.3p	27.9p
Standard earnings per share			
Basic earnings per ordinary share	8.5p	8.1p	17.6p
Diluted earnings per ordinary share	8.3p	8.0p	17.1p
Headline earnings per ADR [2,3]			
Basic earnings per ADR	$1.24	$1.01	$2.34
Diluted earnings per ADR	$1.20	$0.99	$2.28
Standard earnings per ADR [3]			
Basic earnings per ADR	$0.77	$0.65	$1.44
Diluted earnings per ADR	$0.76	$0.64	$1.40

[1] Headline PBIT: Profit on ordinary activities before interest, taxation, goodwill amortisation and impairment and amounts written off fixed asset investments.
Headline PBT: Profit on ordinary activities before taxation, goodwill amortisation and impairment, amounts written off fixed asset investments and net interest charges on defined benefit pension schemes. The calculations of Headline PBIT and Headline PBT are presented in Appendix IV.

[2] Headline earnings per ordinary share excludes goodwill amortisation and impairment**,** amounts written off fixed asset investments and net interest charges on defined benefit pension schemes. The calculation of Headline earnings is presented in Appendix IV.

[3] These figures have been translated for convenience purposes only, using the profit and loss exchange rates shown in Note 3.

Appendix III (continued)

WPP GROUP PLC

Share options – illustrative charge

Appendix III illustrates the impact on WPP were it to adopt an approach to expensing the weighted average fair value of options consistent with current United States transitional guidelines under the prospective adoption method contained within FAS 148, adopting a Black Scholes valuation model. This would give rise to a charge to operating profit of £11.2 million (4.8% of Headline PBT) for the six months ended 30 June 2004, £6.3 million (3.1% of Headline PBT) for the six months ended 30 June 2003, and £13.9 million (2.9% of Headline PBT) for the year ended 31 December 2003, in respect of executive share options granted since 1 January 2002.

On a proforma basis, had WPP adopted a policy of charging the weighted average fair value of options to the profit and loss account over the vesting period of each options grant, adopting a Black Scholes basis of valuation, then the resulting charge to operating profit would be £14.7 million (6.3% of Headline PBT) for the six months ended 30 June 2004, and £13.3 million (6.6% of Headline PBT) for the six months ended 30 June 2003, and £23.8 million (5.0% of Headline PBT) for the year ended 31 December 2003.

The following assumptions have been made in determining the fair value of options granted in the year:

UK Risk-free rate	3.91%
US Risk-free rate	2.55%
Expected life	48 months
Expected volatility	45%
Dividend yield	1.2%

Appendix IV

WPP GROUP PLC

Reconciliation of profit on ordinary activities before interest, taxation and amounts written off fixed asset investments to Headline PBIT for the six months ended 30 June 2004

	Six months ended 30 June 2004	Six months ended 30 June 2003	Year ended 31 December 2003
	£m	£m	£m
Profit on ordinary activities before interest, taxation and amounts written off fixed asset investments	**213.7**	**190.6**	**421.5**
Goodwill amortisation and impairment	51.0	43.5	112.0
Headline PBIT	**264.7**	**234.1**	**533.5**
Net interest payable and similar charges	35.4	37.0	71.6
Interest cover on Headline PBIT	**7.5 times**	**6.3 times**	**7.5 times**

	Six months ended 30 June 2004	Six months ended 30 June 2003	Year ended 31 December 2003
	£m	£m	£m
Interest cover (excluding FRS17 interest) on Headline PBIT			
Headline PBIT	264.7	234.1	533.5
Net interest payable and similar charges on net borrowings	30.0	31.2	60.1
Interest cover (excluding FRS17 interest) on Headline PBIT	**8.8 times**	**7.5 times**	**8.9 times**

Reconciliation of profit on ordinary activities before taxation to Headline PBT and Headline earnings for the six months ended 30 June 2004

	Six months ended 30 June 2004	Six months ended 30 June 2003	Year ended 31 December 2003
	£m	£m	£m
Profit on ordinary activities before taxation	**176.3**	**153.6**	**349.9**
Goodwill amortisation and impairment	51.0	43.5	112.0
Amounts written off fixed asset investments	2.0	-	-
Net interest charges on defined benefit pension schemes	5.4	5.8	11.5
Headline PBT	**234.7**	**202.9**	**473.4**
Taxation on profit on ordinary activities	(60.6)	(51.7)	(122.1)
Minority interests	(9.8)	(6.7)	(19.4)
Headline earnings	**164.3**	**144.5**	**331.9**
Ordinary dividends	29.4	24.5	76.8
Dividend cover on Headline earnings	**5.6 times**	**5.9 times**	**4.3 times**

WPP GROUP PLC

Segmental margin analysis
for the six months ended 30 June 2004

Reported margins by geographical area were as follows:

	Revenue	Headline PBIT[1]	Margin (%)
	£m	£m	
United Kingdom	343.4	31.2	9.1%
United States	778.2	134.1	17.2%
Continental Europe	524.3	57.0	10.9%
Canada, Asia Pacific, Latin America, Africa & Middle East	379.7	42.4	11.2%
	2,025.6	264.7	13.1%

Reported margins by operating sector were as follows:

	Revenue	Headline PBIT[1]	Margin (%)
	£m	£m	
Advertising and Media investment management	936.7	138.3	14.8%
Information, insight and consultancy	336.4	27.9	8.3%
Public relations and public affairs	221.6	33.4	15.1%
Branding and identity, Healthcare and Specialist communications	530.9	65.1	12.3%
	2,025.6	264.7	13.1%

Reported margins before and after income from associates were as follows:

	Margin (%)	Six months ended 30 June 2004	Margin (%)	Six months ended 30 June 2003
		£m		£m
Revenue		2,025.6		1,910.8
Headline PBIT	**13.1%**	264.7	12.3%	234.1
Income from associates		20.8		15.8
Headline PBIT excluding income from associates	**12.0%**	**243.9**	11.4%	218.3

[1] Headline PBIT: Profit on ordinary activities before interest, taxation, goodwill amortisation and impairment and amounts written off fixed asset investments. The calculation of Headline PBIT is presented above.

WPP GROUP PLC

Reconciliation of free cash flow for the six months ended 30 June 2004

	Six months ended 30 June 2004	Six months ended 30 June 2003	Year ended 31 December 2003
	£m	£m	£m
Operating profit	**194.6**	**174.8**	**415.3**
Add back:			
Depreciation and amortisation, including impairment	97.2	96.5	205.2
Plus:			
Dividends received from associates	9.5	6.0	15.6
Proceeds from the issue of shares[1]	8.5	5.0	18.1
Proceeds from sale of tangible fixed assets	3.3	3.3	8.7
Proceeds from disposal of investments[2]	-	2.2	11.0
Less:			
Purchase of tangible fixed assets	(31.7)	(32.9)	(93.9)
UK and overseas tax paid	(48.1)	(43.0)	(93.6)
Returns on investments and servicing of finance	(49.8)	(47.7)	(38.3)
Free Cash Flow	**183.5**	**164.2**	**448.1**

[1] Excludes £100.2 million of proceeds from share placement in June 2003.
[2] Excludes proceeds from disposal of interest in Zenith Optimedia Group in August 2003.

WPP GROUP 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.

Constant currency

The Group uses US dollar-based, constant currency models to measure performance. These are calculated by applying constant 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 PBIT before equity income and depreciation (including dividends received from associates, proceeds from the issue of shares, and proceeds from disposal of tangible fixed assets and investments), less tax paid, returns on investments and servicing of finance and the purchase of tangible fixed assets.

Headline PBIT

Profit on ordinary activities before interest, taxation, goodwill amortisation and impairment and amounts written off fixed asset investments.

Headline PBT

Profit on ordinary activities before taxation, goodwill amortisation and impairment, amounts written off fixed asset investments and net interest charges on defined benefit pension schemes.

Headline earnings

Headline PBT less taxation on profit on ordinary activities and minority interests.

Operating margin

Headline PBIT as a percentage of revenue.

Pro forma ('like for like')

Pro forma comparisons are calculated as follows: current year actual results (which include acquisitions from the relevant date of completion) are compared with prior year 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.