Unaudited condensed consolidated interim income statement for the six months ended 30 June 2012

£ million	Notes	Six months ended 30 June 2012	Six months ended 30 June 2011	+/(-)%	Constant Currency[1] +/(-)%	Year ended 31 December 2011
Billings		21,650.6	21,392.0	1.2	2.8	44,791.8
Revenue	6	4,971.6	4,713.0	5.5	6.8	10,021.8
Direct costs		(403.8)	(360.2)	(12.1)	(14.8)	(783.3)
Gross profit		4,567.8	4,352.8	4.9	6.1	9,238.5
Operating costs	4	(4,112.4)	(3,921.6)	(4.9)	(5.8)	(8,046.3)
Operating profit		455.4	431.2	5.6	9.3	1,192.2
Share of results of associates	4	28.0	24.5	14.3	20.2	66.1
Profit before interest and taxation		483.4	455.7	6.1	9.9	1,258.3
Finance income	5	42.9	44.9	(4.5)	1.8	97.3
Finance costs	5	(146.1)	(145.8)	(0.2)	(0.1)	(297.2)
Revaluation of financial instruments	5	(22.5)	(20.5)	(9.8)	(9.8)	(50.0)
Profit before taxation		357.7	334.3	7.0	13.4	1,008.4
Taxation	7	(50.9)	(71.5)	28.8	24.8	(91.9)
Profit for the period		306.8	262.8	16.7	23.9	916.5
Attributable to:						
Equity holders of the parent		277.8	230.7	20.4	28.0	840.1
Non-controlling interests		29.0	32.1	9.7	5.4	76.4
		306.8	262.8	16.7	23.9	916.5
Headline PBIT	6,19	570.0	517.9	10.1	13.5	1,429.0
Headline PBIT margin	6,19	11.5%	11.0%			14.3%
Headline PBT	19	466.8	417.0	11.9	17.1	1,229.1
Earnings per share[2]						
Basic earnings per ordinary share	9	22.3p	18.5p	20.5	28.1	67.6p
Diluted earnings per ordinary share	9	21.6p	18.1p	19.3	26.1	64.5p

[1] The basis for calculating the constant currency percentage changes shown above and in the notes to this appendix are described in the glossary attached to this appendix.

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

Unaudited condensed consolidated interim statement of comprehensive income for the six months ended 30 June 2012

£ million	Six months ended 30 June 2012	Six months ended 30 June 2011	Year ended 31 December 2011
Profit for the period	306.8	262.8	916.5
Exchange adjustments on foreign currency net investments	(165.8)	57.8	(256.3)
Gain/(loss) on revaluation of available for sale investments	25.7	(0.5)	11.3
Actuarial loss on defined benefit pension plans	-	-	(72.0)
Deferred tax on defined benefit pension plans	-	-	0.1
Other comprehensive (loss)/income relating to the period	(140.1)	57.3	(316.9)
Total comprehensive income relating to the period	166.7	320.1	599.6
Attributable to:			
Equity holders of the parent	139.7	290.5	529.5
Non-controlling interests	27.0	29.6	70.1
	166.7	320.1	599.6

Unaudited condensed consolidated interim cash flow statement for the six months ended 30 June 2012

£ million	Notes	Six months ended 30 June 2012	Six months ended 30 June 2011	Year ended 31 December 2011
Net cash (outflow)/inflow from operating activities	10	(136.5)	(490.0)	665.2
Investing activities				
Acquisitions and disposals	10	(136.9)	(181.8)	(469.8)
Purchase of property, plant and equipment		(97.2)	(92.9)	(216.1)
Purchase of other intangible assets (including capitalised computer software)		(19.0)	(13.7)	(37.1)
Proceeds on disposal of property, plant and equipment		5.3	7.3	13.2
Net cash outflow from investing activities		(247.8)	(281.1)	(709.8)
Financing activities				
Share option proceeds		37.4	23.5	28.8
Cash consideration for non-controlling interests	10	(3.3)	(46.9)	(62.6)
Share repurchases and buybacks	10	(66.2)	(98.5)	(182.2)
Net increase in borrowings	10	7.6	291.0	301.4
Financing and share issue costs		(0.4)	(1.0)	(11.9)
Equity dividends paid		-	-	(218.4)
Dividends paid to non-controlling interests in subsidiary undertakings		(24.8)	(28.7)	(62.2)
Net cash (outflow)/inflow from financing activities		(49.7)	139.4	(207.1)
Net decrease in cash and cash equivalents		(434.0)	(631.7)	(251.7)
Translation differences		(22.5)	9.1	(29.9)
Cash and cash equivalents at beginning of period		1,428.2	1,709.8	1,709.8
Cash and cash equivalents at end of period	10	971.7	1,087.2	1,428.2

Reconciliation of net cash flow to movement in net debt:				
Net decrease in cash and cash equivalents		(434.0)	(631.7)	(251.7)
Cash inflow from increase in debt financing		(7.3)	(290.0)	(289.5)
Debt acquired		-	(17.5)	(17.5)
Other movements		(0.1)	(0.1)	(16.4)
Translation differences		44.9	(51.4)	(1.3)
Movement of net debt in the period		(396.5)	(990.7)	(576.4)
Net debt at beginning of period		(2,464.8)	(1,888.4)	(1,888.4)
Net debt at end of period	11	(2,861.3)	(2,879.1)	(2,464.8)

Unaudited condensed consolidated interim balance sheet as at 30 June 2012

£ million	Notes	30 June 2012	30 June 2011	31 December 2011
Non-current assets				
Intangible assets:				
Goodwill	12	9,385.8	9,338.5	9,430.8
Other	13	1,767.5	1,915.1	1,859.9
Property, plant and equipment		717.2	707.4	728.3
Interests in associates and joint ventures		838.7	775.3	801.3
Other investments		212.8	199.5	190.8
Deferred tax assets		84.9	79.8	86.0
Trade and other receivables	14	331.9	333.6	309.1
		13,338.8	13,349.2	13,406.2
Current assets				
Inventory and work in progress		410.4	483.0	333.9
Corporate income tax recoverable		82.0	83.3	88.5
Trade and other receivables	14	8,533.7	8,908.2	8,919.7
Cash and short-term deposits		1,350.6	1,768.8	1,946.6
		10,376.7	11,243.3	11,288.7
Current liabilities				
Trade and other payables	15	(10,265.6)	(10,883.0)	(11,165.5)
Corporate income tax payable		(66.2)	(75.8)	(113.4)
Bank overdrafts and loans		(397.8)	(690.6)	(518.4)
		(10,729.6)	(11,649.4)	(11,797.3)
Net current liabilities		(352.9)	(406.1)	(508.6)
Total assets less current liabilities		12,985.9	12,943.1	12,897.6
Non-current liabilities				
Bonds and bank loans		(3,814.1)	(3,957.3)	(3,893.0)
Trade and other payables	16	(638.4)	(442.6)	(553.1)
Corporate income tax payable		(383.2)	(508.9)	(379.5)
Deferred tax liabilities		(671.3)	(730.9)	(741.4)
Provisions for post-employment benefits		(277.4)	(241.5)	(282.3)
Provisions for liabilities and charges		(144.8)	(152.9)	(154.0)
		(5,929.2)	(6,034.1)	(6,003.3)
Net assets		7,056.7	6,909.0	6,894.3
Equity				
Called-up share capital	17	126.7	126.6	126.6
Share premium account		142.4	77.5	105.7
Shares to be issued		2.2	2.9	2.4
Other reserves		(4,336.1)	(3,909.2)	(4,197.3)
Own shares		(173.1)	(161.1)	(177.6)
Retained earnings		11,058.8	10,557.6	10,803.5
Equity share owners' funds		6,820.9	6,694.3	6,663.3
Non-controlling interests		235.8	214.7	231.0
Total equity		7,056.7	6,909.0	6,894.3

Unaudited condensed consolidated interim statement of changes in equity for the six months ended 30 June 2012

£ million	Called-up share capital	Share premium account	Shares to be issued	Other reserves	Own shares	Retained earnings	Total equity share owners' funds	Non-controlling interests	Total
Balance at 1 January 2011	**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**
Ordinary shares issued	0.2	7.4	(0.5)	0.4	-	-	7.5	-	7.5
Share cancellations	(0.5)	-	-	0.5	-	(30.4)	(30.4)	-	(30.4)
Treasury share additions	-	-	-	-	(10.6)	-	(10.6)	-	(10.6)
Exchange adjustments on foreign currency net investments	-	-	-	(310.3)	-	-	(310.3)	(3.8)	(314.1)
Net profit for the period	-	-	-	-	-	609.4	609.4	44.3	653.7
Dividends paid	-	-	-	-	-	(218.4)	(218.4)	(33.5)	(251.9)
Scrip dividend	0.3	20.8	-	-	-	(21.1)	-	-	-
Non-cash share-based incentive plans (including stock options)	-	-	-	-	-	40.6	40.6	-	40.6
Tax adjustment on share-based payments	-	-	-	-	-	(11.7)	(11.7)	-	(11.7)
Net movement in own shares held by ESOP Trusts	-	-	-	-	(5.9)	(36.8)	(42.7)	-	(42.7)
Actuarial loss on defined benefit plans	-	-	-	-	-	(72.0)	(72.0)	-	(72.0)
Deferred tax on defined benefit plans	-	-	-	-	-	0.1	0.1	-	0.1
Gain on revaluation of available for sale investments	-	-	-	11.8	-	-	11.8	-	11.8
Recognition/remeasurement of financial instruments	-	-	-	9.5	-	0.9	10.4	-	10.4
Acquisition of subsidiaries[1]	-	-	-	-	-	(14.7)	(14.7)	9.3	(5.4)
Balance at 31 December 2011	**126.6**	**105.7**	**2.4**	**(4,197.3)**	**(177.6)**	**10,803.5**	**6,663.3**	**231.0**	**6,894.3**
Ordinary shares issued	0.7	36.7	(0.2)	0.1	-	-	37.3	-	37.3
Share cancellations	(0.6)	-	-	0.6	-	(45.9)	(45.9)	-	(45.9)
Treasury share allocations	-	-	-	-	1.0	(1.0)	-	-	-
Exchange adjustments on foreign currency net investments	-	-	-	(163.8)	-	-	(163.8)	(2.0)	(165.8)
Net profit for the period	-	-	-	-	-	277.8	277.8	29.0	306.8
Dividends paid	-	-	-	-	-	-	-	(24.8)	(24.8)
Non-cash share-based incentive plans (including stock options)	-	-	-	-	-	43.5	43.5	-	43.5
Tax adjustment on share-based payments	-	-	-	-	-	8.9	8.9	-	8.9
Net movement in own shares held by ESOP Trusts	-	-	-	-	3.5	(23.8)	(20.3)	-	(20.3)
Gain on revaluation of available for sale investments	-	-	-	25.7	-	-	25.7	-	25.7
Recognition/remeasurement of financial instruments	-	-	-	(1.4)	-	(1.5)	(2.9)	-	(2.9)
Acquisition of subsidiaries[1]	-	-	-	-	-	(2.7)	(2.7)	2.6	(0.1)
Balance at 30 June 2012	**126.7**	**142.4**	**2.2**	**(4,336.1)**	**(173.1)**	**11,058.8**	**6,820.9**	**235.8**	**7,056.7**

Total comprehensive income relating to the period ended 30 June 2012 was £166.7 million (period ended 30 June 2011: £320.1 million; year ended 31 December 2011: £599.6 million).

[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.

Notes to the unaudited condensed consolidated interim financial statements

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 issued by the International Accounting Standards Board (IASB), IAS 34 Interim Financial Reporting and with the accounting policies of the Group which were set out on pages 145 to 151 of the 2011 Annual Report and Accounts. No changes have been made to the Group's accounting policies in the period ended 30 June 2012.

Statutory Information and Independent Review

The unaudited condensed consolidated interim financial statements for the six months to 30 June 2012 and 30 June 2011 do not constitute statutory accounts. The financial information for the year ended 31 December 2011 does not constitute statutory accounts. The statutory accounts for the year ended 31 December 2011 have been delivered to the Jersey Registrar 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 38.

The announcement of the interim results was approved by the board of directors on 30 August 2012.

3. Currency conversion

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

The 2012 unaudited condensed consolidated interim income statement is prepared using, among other currencies, average exchange rates of US$1.5774 to the pound (period ended 30 June 2011: US$1.6158; year ended 31 December 2011: US$1.6032) and €1.2156 to the pound (period ended 30 June 2011: €1.1525; year ended 31 December 2011: €1.1526). The unaudited condensed consolidated balance sheet as at 30 June 2012 has been prepared using the exchange rates on that day of US$1.5682 to the pound (30 June 2011: US$1.6067; 31 December 2011: US$1.5509) and €1.2396 to the pound (30 June 2011: €1.1071; 31 December 2011: €1.1967).

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

4. Operating costs and share of results of associates

£ million	Six months ended 30 June 2012	Six months ended 30 June 2011	Year ended 31 December 2011
Staff costs	3,039.4	2,860.0	5,872.5
Establishment costs	342.7	330.4	674.1
Other operating costs	730.3	731.2	1,499.7
Total operating costs	4,112.4	3,921.6	8,046.3

Other operating costs include:

£ million	Six months ended 30 June 2012	Six months ended 30 June 2011	Year ended 31 December 2011
Amortisation and impairment of acquired intangible assets	82.3	83.3	172.0
Goodwill impairment	-	-	-
Losses/(gains) on disposal of investments	3.3	2.7	(0.4)
Gains on re-measurement of equity interest on acquisition of controlling interest	(3.5)	(25.4)	(31.6)
Investment write-downs	4.6	0.9	32.8

Share of results of associates include:

£ million	Six months ended 30 June 2012	Six months ended 30 June 2011	Year ended 31 December 2011
Share of profit before interest and taxation	42.8	40.4	99.9
Share of exceptional gains/(losses)	0.1	(0.7)	2.1
Share of interest and non-controlling interests	(0.9)	(1.7)	(2.5)
Share of taxation	(14.0)	(13.5)	(33.4)
	28.0	24.5	66.1

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

5. Finance income, finance costs and revaluation of financial instruments

Finance income includes:

£ million	Six months ended 30 June 2012	Six months ended 30 June 2011	Year ended 31 December 2011
Expected return on pension plan assets	15.0	16.5	32.6
Income from available for sale investments	0.1	0.2	0.6
Interest income	27.8	28.2	64.1
	42.9	44.9	97.3

Finance costs include:

£ million	Six months ended 30 June 2012	Six months ended 30 June 2011	Year Ended 31 December 2011
Interest on pension plan liabilities	20.3	22.1	43.8
Interest on other long-term employee benefits	0.9	0.7	1.8
Interest payable and similar charges	124.9	123.0	251.6
	146.1	145.8	297.2

Revaluation of financial instruments include:

£ million	Six months ended 30 June 2012	Six months ended 30 June 2011	Year ended 31 December 2011
Movements in fair value of treasury instruments	(11.4)	(5.3)	(12.7)
Revaluation of put options over non-controlling interests	(6.1)	(15.2)	(30.9)
Revaluation of payments due to vendors (earnout agreements)	(5.0)	-	(6.4)
	(22.5)	(20.5)	(50.0)

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

6. Segmental analysis

Reported contributions by operating sector were as follows:

£ million	Six months ended 30 June 2012	Six months ended 30 June 2011	Year ended 31 December 2011
Revenue			
Advertising and Media Investment Management	2,044.2	1,927.1	4,157.2
Consumer Insight	1,191.3	1,177.3	2,458.0
Public Relations & Public Affairs	458.6	429.4	885.4
Branding & Identity, Healthcare and Specialist Communications	1,277.5	1,179.2	2,521.2
	4,971.6	4,713.0	10,021.8
Headline PBIT[1]			
Advertising and Media Investment Management	283.3	236.1	667.9
Consumer Insight	83.8	88.7	258.7
Public Relations & Public Affairs	62.0	66.7	142.9
Branding & Identity, Healthcare and Specialist Communications	140.9	126.4	359.5
	570.0	517.9	1,429.0
Headline PBIT margin			
Advertising and Media Investment Management	13.9%	12.3%	16.1%
Consumer Insight	7.0%	7.5%	10.5%
Public Relations & Public Affairs	13.5%	15.5%	16.1%
Branding & Identity, Healthcare and Specialist Communications	11.0%	10.7%	14.3%
	11.5%	11.0%	14.3%
Total assets			
Advertising and Media Investment Management	11,619.6	12,092.6	12,075.9
Consumer Insight	3,442.3	3,753.3	3,525.3
Public Relations & Public Affairs	1,822.3	1,728.6	1,825.0
Branding & Identity, Healthcare and Specialist Communications	5,313.8	5,086.1	5,147.6
Segment assets	22,198.0	22,660.6	22,573.8
Unallocated corporate assets[2]	1,517.5	1,931.9	2,121.1
	23,715.5	24,592.5	24,694.9

[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.

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

6. Segmental analysis (continued)

Reported contributions by geographical area were as follows:

£ million	Six months ended 30 June 2012	Six months ended 30 June 2011	Year ended 31 December 2011
Revenue			
United Kingdom	591.4	560.2	1,183.5
North America[2]	1,747.8	1,645.4	3,388.2
Western Continental Europe[3]	1,186.4	1,174.9	2,505.1
Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe	1,446.0	1,332.5	2,945.0
	4,971.6	4,713.0	10,021.8
Headline PBIT[1]			
United Kingdom	72.7	73.5	165.3
North America[2]	239.3	209.2	525.6
Western Continental Europe[3]	95.5	94.2	284.0
Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe	162.5	141.0	454.1
	570.0	517.9	1,429.0
Headline PBIT margin			
United Kingdom	12.3%	13.1%	14.0%
North America[2]	13.7%	12.7%	15.5%
Western Continental Europe[3]	8.0%	8.0%	11.3%
Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe	11.2%	10.6%	15.4%
	11.5%	11.0%	14.3%

[1] Headline PBIT is defined in note 19.

[2] North America includes the US with revenue of £1,631.3 million (period ended 30 June 2011: £1,530.3 million; year ended 31 December 2011: £3,149.9 million) and headline PBIT of £227.3 million (period ended 30 June 2011: £194.3 million; year ended 31 December 2011: £490.2 million).

[3] Western Continental Europe includes Ireland with revenue of £18.4 million (period ended 30 June 2011: £19.7 million; year ended 31 December 2011: £40.3 million) and headline PBIT of £0.1 million (period ended 30 June 2011: £0.6 million; year ended 31 December 2011: £1.1 million).

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

7. Taxation

The tax rate on headline PBT[1] was 22.0% (30 June 2011: 22.0%; 31 December 2011: 22.0%). This excludes the impact of the net deferred tax credit in relation to the amortisation of acquired intangible assets and other goodwill items and, in 2011, the exceptional release of prior year tax provisions. The tax rate on reported PBT was 14.2% (30 June 2011: 21.4%; 31 December 2011: 9.1%).

The tax rate on reported PBT was lower than the tax rate on headline PBT due to deferred tax credits related to the accounting for acquired intangible assets with definite lives.

The tax charge comprises:

£ million	Six months ended 30 June 2012	Six months ended 30 June 2011	Year ended 31 December 2011
Current tax			
Current year	112.2	96.8	310.3
Prior years	(5.0)	(4.3)	(47.7)
Exceptional release of prior year provisions	-	-	(106.1)
Total current tax	107.2	92.5	156.5
Deferred tax			
Current year	(4.3)	(0.6)	4.5
Net credit in relation to the amortisation of acquired intangible assets and other goodwill items	(52.0)	(20.4)	(72.4)
	(56.3)	(21.0)	(67.9)
Prior years	-	-	3.3
Total deferred tax	(56.3)	(21.0)	(64.6)
Tax charge	50.9	71.5	91.9

[1] Headline PBT is defined in note 19.

8. Ordinary dividends

The Board has recommended a first interim dividend of 8.80p (2011: 7.46p) per ordinary share. This is expected to be paid on 12 November 2012 to share owners on the register at 12 October 2012.

The Board recommended a second interim dividend of 17.14p per ordinary share in respect of 2011. This was paid on 9 July 2012.

Following share owner approval at the Company's General Meeting in 2011, 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.

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

9. Earnings per share

Basic EPS

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

	Six months ended 30 June 2012	Six months ended 30 June 2011	+/(-)%	Constant Currency +/(-)%	Year ended 31 December 2011
Reported earnings[1] (£ million)	277.8	230.7			840.1
Headline earnings (£ million) (note 19)	334.9	293.0			882.3
Headline earnings (including exceptional tax credit) (£ million) (note 19)	334.9	293.0			988.4
Average shares used in basic EPS calculation (million)	1,243.4	1,244.2			1,242.7
Reported EPS	22.3p	18.5p	20.5	28.1	67.6p
Headline EPS	26.9p	23.5p	14.5	19.9	71.0p
Headline EPS (including exceptional tax credit)	26.9p	23.5p	14.5	19.9	79.5p

Diluted EPS

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

	Six months ended 30 June 2012	Six months ended 30 June 2011	+/(-)%	Constant Currency +/(-)%	Year ended 31 December 2011
Diluted reported earnings (£ million)	290.7	243.6			866.2
Diluted headline earnings (£ million)	347.8	305.9			908.4
Diluted headline earnings (including exceptional tax credit) (£ million)	347.8	305.9			1,014.5
Shares used in diluted EPS calculation (million)	1,347.4	1,344.0			1,342.2
Diluted reported EPS	21.6p	18.1p	19.3	26.1	64.5p
Diluted headline EPS	25.8p	22.8p	13.2	18.6	67.7p
Diluted headline EPS (including exceptional tax credit)	25.8p	22.8p	13.2	18.6	75.6p

Diluted EPS has been calculated based on the reported and headline earnings amounts above. On 19 May 2009 the Group issued £450 million 5.75% convertible bonds due in 2014. For the six months ended 30 June 2012 these convertible bonds were dilutive and earnings were consequently increased by £12.9 million (period ended 30 June 2011: £12.9 million; year ended 31 December 2011: £26.1 million) for the purpose of the calculation of diluted earnings.

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

million	Six months ended 30 June 2012	Six months ended 30 June 2011	Year ended 31 December 2011
Average shares used in basic EPS calculation	1,243.4	1,244.2	1,242.7
Dilutive share options outstanding	5.1	6.4	4.5
Other potentially issuable shares	22.4	16.9	18.5
£450 million 5.75% convertible bonds	76.5	76.5	76.5
Shares used in diluted EPS calculation	1,347.4	1,344.0	1,342.2

At 30 June 2012 there were 1,267,287,222 ordinary shares in issue.

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

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

10. Analysis of cash flows

The following tables analyse the items included within the main cash flow headings on page 15:

Net cash (outflow)/inflow from operating activities:

£ million	Six months ended 30 June 2012	Six months ended 30 June 2011	Year ended 31 December 2011
Profit for the period	306.8	262.8	916.5
Taxation	50.9	71.5	91.9
Revaluation of financial instruments	22.5	20.5	50.0
Finance costs	146.1	145.8	297.2
Finance income	(42.9)	(44.9)	(97.3)
Share of results of associates	(28.0)	(24.5)	(66.1)
Operating profit	455.4	431.2	1,192.2
Adjustments for:			
Non-cash share-based incentive plans (including share options)	43.5	38.2	78.8
Depreciation of property, plant and equipment	93.1	89.1	185.8
Amortisation and impairment of acquired intangible assets	82.3	83.3	172.0
Amortisation of other intangible assets	18.4	12.5	25.7
Investment write-downs	4.6	0.9	32.8
Losses/(gains) on disposal of investments	3.3	2.7	(0.4)
Gains on re-measurement of equity interest on acquisition of controlling interest	(3.5)	(25.4)	(31.6)
Losses/(gains) on sale of property, plant and equipment	0.3	(1.0)	(0.9)
Operating cash flow before movements in working capital and provisions	697.4	631.5	1,654.4
Movements in working capital and provisions[1]	(609.7)	(911.8)	(620.9)
Cash generated by operations	87.7	(280.3)	1,033.5
Corporation and overseas tax paid	(143.0)	(126.5)	(247.9)
Interest and similar charges paid	(137.1)	(132.2)	(241.4)
Interest received	30.5	24.9	63.2
Investment income	0.1	0.2	0.6
Dividends from associates	25.3	23.9	57.2
	(136.5)	(490.0)	665.2

Acquisitions and disposals:

£ million	Six months ended 30 June 2012	Six months ended 30 June 2011	Year ended 31 December 2011
Initial cash consideration	(65.2)	(163.7)	(352.3)
Cash and cash equivalents acquired (net)	1.9	64.5	98.8
Earnout payments	(48.8)	(53.0)	(150.0)
Loan note redemptions	(1.0)	(0.8)	(0.8)
Purchase of other investments (including associates)	(35.9)	(31.4)	(68.1)
Proceeds on disposal of investments	12.1	2.6	2.6
Acquisitions and disposals	(136.9)	(181.8)	(469.8)
Cash consideration for non-controlling interests	(3.3)	(46.9)	(62.6)
Net acquisition payments and investments	(140.2)	(228.7)	(532.4)

[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.

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

10. Analysis of cash flows (continued)

Share repurchases and buybacks:

£ million	Six months ended 30 June 2012	Six months ended 30 June 2011	Year ended 31 December 2011
Purchase of own shares by ESOP Trusts	(20.3)	(63.8)	(106.5)
Share cancellations	(45.9)	(15.5)	(45.9)
Shares purchased into treasury	-	(19.2)	(29.8)
	(66.2)	(98.5)	(182.2)

Net increase in borrowings:

£ million	Six months ended 30 June 2012	Six months ended 30 June 2011	Year ended 31 December 2011
Increase in drawings on bank loans	7.6	300.0	-
Repayment of debt acquired	-	(9.0)	(18.1)
Proceeds from issue of $500 million bonds	-	-	319.5
	7.6	291.0	301.4

Cash and cash equivalents:

£ million	Six months ended 30 June 2012	Six months ended 30 June 2011	Year ended 31 December 2011
Cash at bank and in hand	1,248.8	1,679.5	1,833.5
Short-term bank deposits	101.8	89.3	113.1
Overdrafts[1]	(378.9)	(681.6)	(518.4)
	971.7	1,087.2	1,428.2

11. Net debt

£ million	30 June 2012	30 June 2011	31 December 2011
Cash and short-term deposits	1,350.6	1,768.8	1,946.6
Bank overdrafts and loans due within one year	(397.8)	(690.6)	(518.4)
Bonds and bank loans due after one year	(3,814.1)	(3,957.3)	(3,893.0)
	(2,861.3)	(2,879.1)	(2,464.8)

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

12. Goodwill and acquisitions

Goodwill in relation to subsidiary undertakings decreased by £45.0 million (30 June 2011: increased by £232.2 million) in the period. This movement includes both goodwill arising on acquisitions completed in the period and adjustments to goodwill relating to acquisitions completed in prior years, net of the effect of currency translation. Goodwill in relation to associate undertakings decreased by £1.1 million (30 June 2011: £14.2 million) in the period.

Future anticipated payments to vendors in respect of both deferred and earnout obligations totalled £276.8 million (period ended 30 June 2011: £233.0 million; year ended 31 December 2011: £234.1 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 year was not material. There were no material acquisitions completed during the period. On 26 July 2012 the Company completed the acquisition of the assets of AKQA Holdings, Inc, the world's leading independent and most awarded digital agency. The contribution to revenue and operating profit of AKQA will not be material. There were no other material acquisitions completed between 30 June 2012 and the date the interim financial statements were approved.

13. Other intangible assets

The following are included in other intangibles:

£ million	30 June 2012	30 June 2011	31 December 2011
Brands with an indefinite useful life	1,017.0	1,049.2	1,036.4
Acquired intangibles	668.1	787.6	741.4
Other (including capitalised computer software)	82.4	78.3	82.1
	1,767.5	1,915.1	1,859.9

14. Trade and other receivables

Amounts falling due within one year:

£ million	30 June 2012	30 June 2011	31 December 2011
Trade receivables	5,586.0	6,015.3	6,305.1
VAT and sales taxes recoverable	63.6	84.3	76.2
Prepayments and accrued income[1]	2,363.8	2,274.7	2,044.0
Other debtors[1]	520.3	533.9	494.4
	8,533.7	8,908.2	8,919.7

[1] Comparative figures have been restated to be consistent with current year presentation.

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

14. Trade and other receivables (continued)

Amounts falling due after more than one year:

£ million	30 June 2012	30 June 2011	31 December 2011
Prepayments and accrued income	2.7	2.8	2.4
Other debtors	153.8	134.8	121.8
Fair value of derivatives	175.4	196.0	184.9
	331.9	333.6	309.1

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

£ million	30 June 2012	30 June 2011	31 December 2011
Trade payables	6,777.7	7,115.2	7,292.7
Deferred income	968.1	1,036.6	1,002.3
Payments due to vendors (earnout agreements)	56.4	170.2	96.8
Liabilities in respect of put option agreements with vendors	78.4	80.0	79.2
Other creditors and accruals	2,385.0	2,481.0	2,694.5
	10,265.6	10,883.0	11,165.5

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

£ million	30 June 2012	30 June 2011	31 December 2011
Payments due to vendors (earnout agreements)	220.4	62.8	137.3
Liabilities in respect of put option agreements with vendors	90.6	92.9	89.1
Fair value of derivatives	150.0	104.6	139.9
Other creditors and accruals	177.4	182.3	186.8
	638.4	442.6	553.1

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

£ million	30 June 2012	30 June 2011	31 December 2011
Within one year	56.4	170.2	96.8
Between 1 and 2 years	37.9	31.5	31.6
Between 2 and 3 years	39.8	15.8	25.2
Between 3 and 4 years	35.2	6.1	18.6
Between 4 and 5 years	61.3	8.9	28.9
Over 5 years	46.2	0.5	33.0
	276.8	233.0	234.1

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

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

The following table sets out the movements of deferred and earnout related obligations during the period:

£ million	Six months ended 30 June 2012	Six months ended 30 June 2011	Year ended 31 December 2011
At the beginning of the period	234.1	275.3	275.3
Earnouts paid	(48.8)	(53.0)	(150.0)
New acquisitions	75.5	24.3	80.4
Revision of estimates taken to goodwill	15.5	(11.6)	25.9
Revaluation of payments due to vendors (note 5)	5.0	-	6.4
Exchange adjustments	(4.5)	(2.0)	(3.9)
At the end of the period	276.8	233.0	234.1

The Group does not consider there to be any material contingent liabilities as at 30 June 2012.

17. Issued share capital – movement in the period

Number of equity ordinary shares (million)	Six months ended 30 June 2012	Six months ended 30 June 2011	Year ended 31 December 2011
At the beginning of the period	1,266.4	1,264.4	1,264.4
Exercise of share options	6.5	4.2	5.9
Share cancellations	(5.6)	(2.1)	(7.0)
Scrip dividend	-	-	3.1
At the end of the period	1,267.3	1,266.5	1,266.4

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.

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

19. Non-GAAP measures of performance

Reconciliation of profit before interest and taxation to headline PBIT for the six months ended 30 June 2012:

£ million	Six months ended 30 June 2012	Six months ended 30 June 2011	Year ended 31 December 2011
Profit before interest and taxation	483.4	455.7	1,258.3
Amortisation and impairment of acquired intangible assets	82.3	83.3	172.0
Losses/(gains) on disposal of investments	3.3	2.7	(0.4)
Gains on re-measurement of equity interest on acquisition of controlling interest	(3.5)	(25.4)	(31.6)
Investment write-downs	4.6	0.9	32.8
Share of exceptional (gains)/losses of associates	(0.1)	0.7	(2.1)
Headline PBIT	570.0	517.9	1,429.0
Finance income	42.9	44.9	97.3
Finance costs	(146.1)	(145.8)	(297.2)
	(103.2)	(100.9)	(199.9)
Interest cover on headline PBIT	5.5 times	5.1 times	7.1 times

Calculation of headline EBITDA:

£ million	Six months ended 30 June 2012	Six months ended 30 June 2011	Year ended 31 December 2011
Headline PBIT (as above)	570.0	517.9	1,429.0
Depreciation of property, plant and equipment	93.1	89.1	185.8
Amortisation of other intangible assets	18.4	12.5	25.7
Headline EBITDA	681.5	619.5	1,640.5

Notes to the unaudited condensed consolidated interim financial statements (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 2012:

£ million	Six months ended 30 June 2012	Six months ended 30 June 2011	Year ended 31 December 2011
Profit before taxation	357.7	334.3	1,008.4
Amortisation and impairment of acquired intangible assets	82.3	83.3	172.0
Losses/(gains) on disposal of investments	3.3	2.7	(0.4)
Gains on re-measurement of equity interest on acquisition of controlling interest	(3.5)	(25.4)	(31.6)
Investment write-downs	4.6	0.9	32.8
Share of exceptional (gains)/losses of associates	(0.1)	0.7	(2.1)
Revaluation of financial instruments	22.5	20.5	50.0
Headline PBT	466.8	417.0	1,229.1
Taxation (excluding exceptional release of prior year tax provisions and net deferred tax credit in relation to the amortisation of acquired intangible assets and other goodwill items)	(102.9)	(91.9)	(270.4)
Non-controlling interests	(29.0)	(32.1)	(76.4)
Headline earnings	334.9	293.0	882.3
Exceptional release of prior year tax provisions	-	-	106.1
Headline earnings (including exceptional tax credit)	334.9	293.0	988.4
Headline earnings	334.9	293.0	882.3
Ordinary dividends[1]	111.5	92.2	239.5
Dividend cover on headline earnings	3.0 times	3.2 times	3.7 times

Headline PBIT margins before and after share of results of associates:

£ million	Margin	Six months ended 30 June 2012	Margin	Six months ended 30 June 2011
Revenue		4,971.6		4,713.0
Headline PBIT	11.5%	570.0	11.0%	517.9
Share of results of associates (excluding exceptional gains/losses)		27.9		25.2
Headline PBIT excluding share of results of associates	10.9%	542.1	10.5%	492.7

[1] For the six months ended 30 June 2012, ordinary dividends represent an estimate of the 2012 first interim dividend expected to be paid to share owners in November 2012, based on the number of shares in issue at 30 June 2012. The corresponding figure for the six months ended 30 June 2011 represents the 2011 interim dividend paid in November 2011.

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

19. Non-GAAP measures of performance (continued)

Reconciliation of free cash flow for the six months ended 30 June 2012:

£ million	Six months ended 30 June 2012	Six months ended 30 June 2011	Year ended 31 December 2011
Cash generated by operations	87.7	(280.3)	1,033.5
Plus:			
Interest received	30.5	24.9	63.2
Investment income	0.1	0.2	0.6
Dividends received from associates	25.3	23.9	57.2
Share option proceeds	37.4	23.5	28.8
Proceeds on disposal of property, plant and equipment	5.3	7.3	13.2
Movements in working capital and provisions	609.7	911.8	620.9
Less:			
Interest and similar charges paid	(137.1)	(132.2)	(241.4)
Purchase of property, plant and equipment	(97.2)	(92.9)	(216.1)
Purchase of other intangible assets (including capitalised computer software)	(19.0)	(13.7)	(37.1)
Corporation and overseas tax paid	(143.0)	(126.5)	(247.9)
Dividends paid to non-controlling interests in subsidiary undertakings	(24.8)	(28.7)	(62.2)
Free cash flow	374.9	317.3	1,012.7

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 2012, the Group has access to £4.8 billion of committed bank facilities with maturity dates spread over the years 2012 to 2021 as illustrated below:

£ million				Maturity by year				
		2012	**2013**	**2014**	**2015**	**2016**	**2017**	**2018+**
US bond $812m (4.75% '21)	**518.0**							518.0
£ bonds £200m (6.375% '20)	**200.0**							200.0
£ bonds £400m (6.0% '17)	**400.0**						400.0	
Bank revolver ($1,050m and £375m)	**1,044.6**					1,044.6		
Eurobonds €750m (6.625% '16)	**605.0**					605.0		
Eurobonds €500m (5.25% '15)	**403.4**				403.4			
£450m convertible bonds (5.75% '14)	**450.0**			450.0				
US bond $600m (8.0% '14)	**382.6**			382.6				
US bond $369m (5.875% '14)	**235.1**			235.1				
Eurobonds €600m (4.375% '13)	**484.0**		484.0					
TNS private placements $55m	**35.1**	19.1		16.0				
Total committed facilities available	**4,757.8**	**19.1**	**484.0**	**1,083.7**	**403.4**	**1,649.6**	**400.0**	**718.0**
Drawn down facilities at 30 June 2012	3,799.6	19.1	484.0	1,083.7	403.4	691.4	400.0	718.0
Undrawn committed credit facilities	958.2							
Drawn down facilities at 30 June 2012	3,799.6							
Net cash at 30 June 2012	(971.7)							
Other adjustments	33.4							
Net debt at 30 June 2012	2,861.3							

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 financial market risks, in particular risks from movements in interest and foreign exchange rates.

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 2011 Annual Report and Accounts and in the opinion of the Board remain relevant for the remaining six months of the year.

21. Principal risks and uncertainties

The directors have considered the principal risks and uncertainties affecting the Group for the second half of 2012 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 2011. 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 110 to 114 of the published 2011 Annual Report and Accounts. Pages 5 and 6 of the Group's Form 20-F for the year ended 31 December 2011 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.

Sustainability Issues

- 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.
- 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 (including the Eurozone) 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.

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

Regulatory/Legal

- The Group may be subject to regulations restricting its activities.
- The Group may be exposed to liabilities from allegations that certain of its clients' advertising claims may be false or misleading or that its clients' products may be defective.
- 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 United States federal or state securities laws may not be enforceable in the United States or in England and Wales or in Jersey.

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 30 August 2012.

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 2012 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 2012 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
30 August 2012

Appendix 2: Interim results for the six months ended 30 June 2012 in reportable US Dollars[1]

Unaudited illustrative condensed consolidated interim income statement for the six months ended 30 June 2012

$ million	Six months ended 30 June 2012	Six months ended 30 June 2011	+/(-)%	Year ended 31 December 2011
Billings	34,166.1	34,599.1	(1.3)	71,749.2
Revenue	7,843.6	7,621.7	2.9	16,053.4
Direct costs	(637.1)	(582.5)	(9.4)	(1,253.7)
Gross profit	7,206.5	7,039.2	2.4	14,799.7
Operating costs	(6,486.8)	(6,338.6)	(2.3)	(12,896.3)
Operating profit	719.7	700.6	2.7	1,903.4
Share of results of associates	44.2	39.8	11.1	105.8
Profit before interest and taxation	763.9	740.4	3.2	2,009.2
Finance income	67.6	72.6	(6.9)	155.3
Finance costs	(230.3)	(235.6)	2.2	(475.9)
Revaluation of financial instruments	(35.2)	(33.3)	(5.7)	(79.2)
Profit before taxation	566.0	544.1	4.0	1,609.4
Taxation	(81.3)	(115.8)	29.8	(151.1)
Profit for the period	484.7	428.3	13.2	1,458.3
Attributable to:				
Equity holders of the parent	438.8	376.3	16.6	1,335.7
Non-controlling interests	45.9	52.0	11.7	122.6
	484.7	428.3	13.2	1,458.3
Headline PBIT	900.4	840.9	7.1	2,281.5
Headline PBIT margin	11.5%	11.0%		14.2%
Headline PBT	737.7	677.9	8.8	1,960.9
Reported earnings per share[2]				
Basic earnings per ordinary share	35.3¢	30.2¢	16.9	107.5¢
Diluted earnings per ordinary share	34.1¢	29.5¢	15.6	102.6¢
Headline earnings per share[2]				
Basic earnings per ordinary share	42.5¢	38.3¢	11.0	112.7¢
Diluted earnings per ordinary share	40.7¢	37.0¢	10.0	107.5¢
Headline earnings per share (including exceptional tax credit)[2]				
Basic earnings per ordinary share	42.5¢	38.3¢	11.0	126.4¢
Diluted earnings per ordinary share	40.7¢	37.0¢	10.0	120.2¢

[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$1.5774 to the pound for the period ended 30 June 2012 (period ended 30 June 2011: US$1.6158; year ended 31 December 2011: US$1.6032).

[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.

Appendix 3: Interim results for the six months ended 30 June 2012 in reportable Euros[1]

Unaudited illustrative condensed consolidated interim income statement for the six months ended 30 June 2012

€ million	Six months ended 30 June 2012	Six months ended 30 June 2011	+/(-)%	Year ended 31 December 2011
Billings	26,340.7	24,610.3	7.0	51,632.1
Revenue	6,049.1	5,423.9	11.5	11,553.8
Direct costs	(491.8)	(414.5)	(18.6)	(903.6)
Gross profit	5,557.3	5,009.4	10.9	10,650.2
Operating costs	(5,000.1)	(4,518.3)	(10.7)	(9,276.1)
Operating profit	557.2	491.1	13.5	1,374.1
Share of results of associates	34.2	28.0	22.1	76.1
Profit before interest and taxation	591.4	519.1	13.9	1,450.2
Finance income	52.4	51.4	1.9	112.3
Finance costs	(177.8)	(167.7)	(6.0)	(342.7)
Revaluation of financial instruments	(28.0)	(23.1)	(21.2)	(58.0)
Profit before taxation	438.0	379.7	15.4	1,161.8
Taxation	(61.8)	(81.9)	24.5	(102.6)
Profit for the period	376.2	297.8	26.3	1,059.2
Attributable to:				
Equity holders of the parent	340.8	261.1	30.5	971.5
Non-controlling interests	35.4	36.7	3.5	87.7
	376.2	297.8	26.3	1,059.2
Headline PBIT	696.8	591.3	17.8	1,648.1
Headline PBIT margin	11.5%	10.9%		14.3%
Headline PBT	571.4	475.0	20.3	1,417.7
Reported earnings per share[2]				
Basic earnings per ordinary share	27.4¢	21.0¢	30.5	78.2¢
Diluted earnings per ordinary share	26.5¢	20.5¢	29.3	74.6¢
Headline earnings per share[2]				
Basic earnings per ordinary share	33.1¢	26.8¢	23.5	82.2¢
Diluted earnings per ordinary share	31.7¢	25.9¢	22.4	78.4¢
Headline earnings per share (including exceptional tax credit)[2]				
Basic earnings per ordinary share	33.1¢	26.8¢	23.5	92.1¢
Diluted earnings per ordinary share	31.7¢	25.9¢	22.4	87.5¢

[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 €1.2156 to the pound for the period ended 30 June 2012 (period ended 30 June 2011: €1.1525; year ended 31 December 2011: €1.1526).

[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.

Average net debt

Average net debt is calculated as the average daily net 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 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 2012 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 exceptional release of prior year tax provisions and 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.