

2003 revenue¹ by geography %

North America	42
UK	16
Continental Europe	25
Asia Pacific, Latin America, Africa & Middle East	17

2003 Headline PBIT^{1,2} by geography %

North America	48
UK	14
Continental Europe	21
Asia Pacific, Latin America, Africa & Middle East	17

2003 revenue¹ by sector %

Advertising and Media investment management	47
Information, insight & consultancy	17
Public relations & public affairs	11
Branding & identity, Healthcare and Specialist communications	25

2003 Headline PBIT^{1,2} by sector %

Advertising and Media investment management	55
Information, insight & consultancy	9
Public relations & public affairs	11
Branding & identity, Healthcare and Specialist communications	25

Notes

¹ Percentages are calculated on a constant currency basis. See definition on page 143.

² Headline PBIT: Profit on ordinary activities before interest, taxation, goodwill amortisation and impairment, fixed asset gains and write-downs. The calculation of Headline PBIT is set out in note 28 of the financial statements.

Letter to share owners

Dear Share Owner

Our eighteenth year was a good one. All the key measures were better. Revenues were up over 5% to £4.1 billion. Operating margin was up 0.7 of a margin point from 12.3% to 13.0%. Headline PBIT – that is before interest, tax, goodwill amortisation and impairment, fixed asset gains and investment write-downs (what a mouthful!) – was up over 11% to £534 million. Headline profit before tax was up over 18% to £473 million. Profit before tax was up over 70% to almost £350 million. Diluted headline earnings per share were up over 16% to 29.0p and reported diluted earnings per share were up over 136% to 18.2p. Most importantly, total share owner return improved significantly, with the share price rising by almost 16% to 548.5p over the year, and dividends rising by 20% to 6.48p.

These results reflected the end of the recession in the US, continued growth in Asia Pacific, the Middle East and Central and Eastern Europe, and recovery in Latin America. The one weak spot was Western Europe. Our operations in Advertising, Media investment management, Information, insight & consultancy, Branding & identity, Healthcare and Specialist communications all improved as a result, whilst Public relations & public affairs showed limited revenue growth. The results also reflected improved productivity, with like-for-like revenues up almost 1% and average