WPP PLC

Interim results for the six months ended 30 June 2009

Unaudited condensed consolidated interim income statement for the six months ended 30 June 2009

	Notes	Six months ended 30 June 2009	Six months ended 30 June 2008		Constant Currency[1]	Year ended 31 December 2008
		£m	£m	+/(-)%	+/(-)%	£m
Billings		18,742.0	16,870.7	11.1	(5.6)	36,929.0
Revenue		4,288.7	3,339.1	28.4	8.6	7,476.9
Direct costs		(333.6)	(180.1)	(85.2)	(59.8)	(467.5)
Gross profit		3,955.1	3,159.0	25.2	5.7	7,009.4
Operating costs	4	(3,756.4)	(2,781.2)	(35.1)	(14.0)	(6,133.4)
Operating profit		198.7	377.8	(47.4)	(55.6)	876.0
Share of results of associates	4	19.8	20.7	(4.3)	(19.4)	46.0
Profit before interest and taxation		218.5	398.5	(45.2)	(53.7)	922.0
Finance income	5	132.7	70.1	89.3	68.6	169.6
Finance costs	5	(171.9)	(130.1)	(32.1)	(21.5)	(344.8)
Profit before taxation		179.3	338.5	(47.0)	(55.8)	746.8
Taxation	7	(41.0)	(101.2)	59.5	64.8	(232.9)
Profit for the period		138.3	237.3	(41.7)	(52.2)	513.9
Attributable to:						
Equity holders of the parent		108.4	208.2	(47.9)	(57.9)	439.1
Minority interests		29.9	29.1	(2.7)	9.3	74.8
		138.3	237.3	(41.7)	(52.2)	513.9
Headline PBIT	6,19	342.2	453.4	(24.5)	(35.1)	1,118.2
Headline PBIT margin	6,19	**8.0%**	**13.6%**			**15.0%**
Headline PBT	19	252.2	389.1	(35.2)	(45.1)	968.4
Earnings per share[2]						
Basic earnings per ordinary share	9	8.9p	18.2p	(51.1)	(60.5)	38.4p
Diluted earnings per ordinary share	9	8.8p	17.8p	(50.6)	(60.1)	37.6p

[1] The basis for calculating the constant currency percentage change shown above is 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.

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Unaudited condensed consolidated interim statement of comprehensive income for the six months ended 30 June 2009

	Six months ended 30 June 2009	Six months ended 30 June 2008	Year ended 31 December 2008
	£m	£m	£m
Profit for the period	138.3	237.3	513.9
Exchange adjustments on foreign currency net investments	(833.6)	282.2	1,379.2
(Loss)/gain on revaluation of available for sale investments	(17.8)	17.7	(51.3)
Actuarial loss on defined benefit pension schemes	-	-	(82.2)
Deferred tax credit on defined benefit pension schemes	-	-	0.7
Other comprehensive income relating to the period	(851.4)	299.9	1,246.4
Total comprehensive income relating to the period	(713.1)	537.2	1,760.3
Attributable to:			
Equity holders of the parent	(743.0)	508.1	1,685.5
Minority interests	29.9	29.1	74.8
	(713.1)	537.2	1,760.3

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Unaudited condensed consolidated interim cash flow statement for the six months ended 30 June 2009

	Notes	Six months ended 30 June 2009	Six months ended 30 June 2008	Year ended 31 December 2008
		£m	£m	£m
Net cash (outflow)/inflow from operating activities	10	**(191.4)**	**(165.4)**	**922.7**
Investing activities				
Acquisitions and disposals	10	(93.0)	(176.0)	(1,049.1)
Purchases of property, plant and equipment		(113.0)	(67.8)	(196.8)
Purchases of other intangible assets (incl. capitalised computer software)		(16.1)	(6.2)	(23.8)
Proceeds on disposal of property, plant and equipment		2.1	6.7	11.5
Net cash outflow from investing activities		**(220.0)**	**(243.3)**	**(1,258.2)**
Financing activities				
Share option proceeds		0.1	5.9	10.6
Share repurchases and buybacks	10	(9.5)	(112.2)	(105.3)
Net increase in borrowings	10	107.7	79.5	810.4
Financing and share issue costs		(27.8)	(4.3)	(19.4)
Equity dividends paid		-	-	(161.8)
Dividends paid to minority shareholders in subsidiary undertakings		(31.3)	(26.4)	(63.5)
Net cash inflow/(outflow) from financing activities		**39.2**	**(57.5)**	**471.0**
Net (decrease)/increase in cash and cash equivalents		**(372.2)**	**(466.2)**	**135.5**
Translation differences		(228.0)	34.7	120.3
Cash and cash equivalents at beginning of period		1,318.1	1,062.3	1,062.3
Cash and cash equivalents at end of period	10	**717.9**	**630.8**	**1,318.1**
Reconciliation of net cash flow to movement in net debt:				
Net (decrease)/increase in cash and cash equivalents		**(372.2)**	**(466.2)**	**135.5**
Cash inflow from increase in debt financing		(79.9)	(76.0)	(796.6)
Debt acquired		-	-	(577.8)
Other movements		46.1	28.3	(94.5)
Translation difference		26.9	(57.6)	(448.5)
Movement of net debt in the period		**(379.1)**	**(571.5)**	**(1,781.9)**
Net debt at beginning of period		(3,067.6)	(1,285.7)	(1,285.7)
Net debt at end of period	**11**	**(3,446.7)**	**(1,857.2)**	**(3,067.6)**

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Unaudited condensed consolidated interim balance sheet as at 30 June 2009

	Notes	30 June 2009	30 June 2008	31 December 2008
		£m	£m	£m
Non-current assets				
Intangible assets:				
Goodwill	12	8,371.6	6,422.9	9,093.2
Other	13	2,007.9	1,176.0	2,295.8
Property, plant and equipment		643.6	455.0	690.7
Interests in associates		656.2	570.0	714.3
Other investments		273.4	307.2	310.9
Deferred tax assets		65.6	44.3	65.6
Trade and other receivables	14	247.4	184.2	185.2
		12,265.7	9,159.6	13,355.7
Current assets				
Inventory and work in progress		346.5	375.5	343.9
Corporate income tax recoverable		63.1	29.0	53.1
Trade and other receivables	14	6,662.6	6,569.7	8,138.1
Cash and short-term deposits		1,098.2	1,276.9	2,572.5
		8,170.4	8,251.1	11,107.6
Current liabilities				
Trade and other payables	15	(8,499.2)	(8,139.9)	(10,407.7)
Corporate income tax payable		(54.4)	(73.0)	(87.8)
Bank overdrafts and loans		(381.7)	(771.0)	(1,640.8)
		(8,935.3)	(8,983.9)	(12,136.3)
Net current liabilities		(764.9)	(732.8)	(1,028.7)
Total assets less current liabilities		11,500.8	8,426.8	12,327.0
Non-current liabilities				
Bonds and bank loans		(4,163.2)	(2,363.1)	(3,999.3)
Trade and other payables	16	(453.4)	(540.1)	(553.9)
Corporate income tax payable		(471.0)	(347.3)	(489.0)
Deferred tax liabilities		(817.0)	(464.7)	(917.1)
Provision for post-employment benefits		(245.0)	(135.0)	(272.0)
Provisions for liabilities and charges		(133.6)	(113.7)	(135.9)
		(6,283.2)	(3,963.9)	(6,367.2)
Net assets		5,217.6	4,462.9	5,959.8
Equity				
Called-up share capital		125.5	117.4	125.5
Share premium account		8.8	109.8	8.6
Shares to be issued		6.8	3.2	8.7
Other reserves		(4,735.3)	(1,145.5)	(3,888.3)
Own shares		(170.2)	(214.4)	(189.8)
Retained earnings		9,811.5	5,454.3	9,697.5
Equity share owners' funds		5,047.1	4,324.8	5,762.2
Minority interests		170.5	138.1	197.6
Total Equity		5,217.6	4,462.9	5,959.8

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Unaudited condensed consolidated interim statement of changes in equity for the six months ended 30 June 2009

	Ordinary share capital	Share premium account	Shares to be issued	Other reserves	Own shares	Retained earnings	Total
	£m	£m	£m	£m	£m	£m	£m
Balance at 1 January 2008	119.2	103.9	5.3	(1,480.8)	(255.3)	5,482.1	3,974.4
Other ordinary shares issued	0.1	6.7	(2.1)	0.9	-	0.9	6.5
Share issue/cancellation costs	-	(0.8)	-	-	-	-	(0.8)
Share cancellations	(1.9)	-	-	1.9	-	(112.2)	(112.2)
Exchange adjustments on foreign currency net investments	-	-	-	282.2	-	-	282.2
Net profit for the period	-	-	-	-	-	208.2	208.2
Dividends paid	-	-	-	-	-	(103.8)	(103.8)
Non-cash share-based incentive plans (including stock options)	-	-	-	-	-	30.2	30.2
Tax adjustment of share-based payments	-	-	-	-	-	(6.9)	(6.9)
Net movement in own shares held by ESOP Trusts	-	-	-	-	40.9	(40.9)	-
Revaluation of other investments	-	-	-	17.7	-	-	17.7
Share purchases – close period commitments	-	-	-	64.8	-	(5.0)	59.8
Recognition/remeasurement of financial instruments	-	-	-	(32.2)	-	1.7	(30.5)
Balance at 30 June 2008	117.4	109.8	3.2	(1,145.5)	(214.4)	5,454.3	4,324.8
Reclassification due to Group reconstruction	-	3,780.6	-	(3,780.6)	-	-	-
Transfer of share premium to retained earnings as part of the scheme of arrangement	-	(4,143.1)	-	-	-	4,143.1	-
Ordinary shares issued in respect of acquisitions	8.0	259.7	2.8	-	-	-	270.5
Other ordinary shares issued	0.1	1.6	(0.7)	0.2	-	0.2	1.4
Share issue / cancellation costs	-	-	-	(4.8)	-	-	(4.8)
Exchange adjustments on foreign currency net investments	-	-	-	1,097.0	-	-	1,097.0
Net profit for the period	-	-	-	-	-	230.9	230.9
Transfer to goodwill	-	-	3.4	-	-	-	3.4
Dividends paid	-	-	-	-	-	(58.0)	(58.0)
Non-cash share-based incentive plans (including stock options)	-	-	-	-	-	32.1	32.1
Tax adjustment of share-based payments	-	-	-	-	-	(2.1)	(2.1)
Net movement in own shares held by ESOP Trusts	-	-	-	-	11.9	(15.5)	(3.6)
Treasury shares disposals	-	-	-	-	12.7	(5.8)	6.9
Actuarial loss on defined benefit schemes	-	-	-	-	-	(82.2)	(82.2)
Deferred tax on defined benefit pension schemes	-	-	-	-	-	0.7	0.7
Revaluation of other investments	-	-	-	(69.0)	-	-	(69.0)
Recognition/remeasurement of financial instruments	-	-	-	14.4	-	(0.2)	14.2
Balance at 31 December 2008	125.5	8.6	8.7	(3,888.3)	(189.8)	9,697.5	5,762.2
Other ordinary shares issued	-	0.2	(0.4)	0.1	-	0.1	-
Exchange adjustments on foreign currency net investments	-	-	-	(833.6)	-	-	(833.6)
Net profit for the period	-	-	-	-	-	108.4	108.4
Non-cash share-based incentive plans (including stock options)	-	-	-	-	-	31.1	31.1
Transfer from goodwill	-	-	(1.5)	-	-	-	(1.5)
Treasury shares additions	-	-	-	-	(9.5)	-	(9.5)
Revaluation of other investments	-	-	-	(17.8)	-	-	(17.8)
Net movement in own shares held by ESOP Trusts	-	-	-	-	29.1	(29.1)	-
Equity component of convertible bonds	-	-	-	44.5	-	-	44.5
Recognition/remeasurement of financial instruments	-	-	-	(40.2)	-	3.5	(36.7)
Balance at 30 June 2009	125.5	8.8	6.8	(4,735.3)	(170.2)	9,811.5	5,047.1

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

1. Basis of accounting

The unaudited condensed consolidated interim financial statements are prepared under the historical cost convention, except for the revaluation of certain financial instruments as disclosed in our accounting policies.

2. Accounting policies

The unaudited condensed consolidated interim financial statements comply with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) as adopted by the European Union and as issued by the International Accounting Standards Board (IASB), IAS 34 Interim Financial Reporting and with the accounting policies of the Group which were set out on pages 139 to 145 of the 2008 Annual Report and Accounts. No changes have been made to the Group's accounting policies in the period to 30 June 2009 other than the adoption of IAS 1 (revised) Presentation of Financial Statements, IAS 23 (revised) Borrowing Costs and IFRS 8 Operating Segments. IAS 1 (revised) Presentation of Financial Statements requires the presentation of a statement of changes in equity as a primary statement. As a result, a condensed consolidated interim statement of changes in equity has been included in the primary statements, showing changes in each component of equity for each period presented.

The Group also adopted IFRS 8 Operating Segments during the period. The directors have reviewed the business segments identified under the previous standard (IAS 14 Segmental Reporting) and consider these reported segments remain appropriate under IFRS 8. The adoption of IAS 23 (revised) Borrowing Costs had no material impact on the Group.

Statutory Information and Independent Review

The unaudited condensed consolidated interim financial statements for the six months to 30 June 2009 and 30 June 2008 do not constitute statutory accounts. The financial information for the year ended 31 December 2008 does not constitute statutory accounts. The statutory accounts for the year ended 31 December 2008 have been delivered to the Jersey Registrar of Companies and received an unqualified auditors' report. The interim financial statements are unaudited but have been reviewed by the auditors and their report is set out on page 34.

The announcement of the interim results was approved by the board of directors on 25 August 2009.

3. Currency conversion

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

The 2009 unaudited condensed consolidated interim income statement is prepared using, among other currencies, average exchange rates of US$1.4933 to the pound (period ended 30 June 2008: US$1.9743; year ended 31 December 2008: US$1.8524) and €1.1195 to the pound (period ended 30 June 2008: €1.2908; year ended 31 December 2008: €1.2584). The unaudited condensed consolidated interim balance sheet as at 30 June 2009 has been prepared using the exchange rates on that day of US$1.6463 to the pound (30 June 2008: US$1.9908; 31 December 2008: US$1.4575) and €1.1720 to the pound (30 June 2008: €1.2651; 31 December 2008: €1.0442).

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

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

4. Operating costs and share of results of associates

Operating costs include:

	Six months ended 30 June 2009	Six months ended 30 June 2008	Year ended 31 December 2008
	£m	£m	£m
Amortisation and impairment of acquired intangible assets	88.1	25.5	78.4
Goodwill impairment	40.0	20.0	84.1
Goodwill write-down relating to utilisation of pre-acquisition tax losses	-	0.7	1.5
Gains on disposal of investments	(8.4)	(3.6)	(3.4)
Write-downs of investments	4.3	12.3	30.5
Staff costs	2,662.5	2,000.5	4,351.8
Other operating costs	969.9	725.8	1,590.5
	3,756.4	2,781.2	6,133.4

The goodwill impairment charge of £40.0 million (30 June 2008: £20.0 million) relates to a number of under-performing businesses in the Group. In certain markets, the impact of current local economic conditions and trading circumstances 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 year end.

Share of results of associates include:

	Six months ended 30 June 2009	Six months ended 30 June 2008	Year ended 31 December 2008
	£m	£m	£m
Share of profit before interest and taxation	30.5	32.8	71.5
Share of exceptional gains/(losses)	0.3	-	(0.5)
Share of interest and minority interest	(0.4)	0.2	0.5
Share of taxation	(10.6)	(12.3)	(25.5)
	19.8	20.7	46.0

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

5. Finance income and finance costs

Finance income includes:

	Six months ended 30 June 2009	Six months ended 30 June 2008	Year ended 31 December 2008
	£m	£m	£m
Expected return on pension scheme assets	15.4	15.0	31.3
Income from available for sale investments	5.0	5.0	9.7
Interest income	87.1	50.1	128.6
Finance income (excluding gains on termination of hedge accounting on repayment of TNS debt)	107.5	70.1	169.6
Gains on termination of hedge accounting on repayment of TNS debt	25.2	-	-
	132.7	70.1	169.6

Finance costs include:

	Six months ended 30 June 2009	Six months ended 30 June 2008	Year ended 31 December 2008
	£m	£m	£m
Interest on pension scheme liabilities	23.4	18.5	38.9
Interest on other long-term employee benefits	0.6	0.8	1.6
Interest payable and similar charges	173.5	115.1	278.9
Finance charges (excluding revaluation of financial instruments and gains on swap terminations)	197.5	134.4	319.4
Revaluation of financial instruments accounted at fair value through profit or loss	(25.6)	(4.3)	25.4
	171.9	130.1	344.8

The following are included in the revaluation of financial instruments accounted at fair value through profit or loss shown above:

	Six months ended 30 June 2009	Six months ended 30 June 2008	Year ended 31 December 2008
	£m	£m	£m
Movements in fair value of treasury instruments	(14.4)	(17.2)	13.9
Revaluations of put options over minority interests	(11.2)	12.9	11.5
	(25.6)	(4.3)	25.4

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

6. Segmental analysis

Reported contributions by operating sector were as follows:

	Six months ended 30 June 2009	Six months ended 30 June 2008	Year ended 31 December 2008
	£m	£m	£m
Revenue			
Advertising and Media Investment Management	1,644.4	1,521.3	3,329.5
Consumer Insight[2]	1,123.8	486.5	1,301.8
Public Relations & Public Affairs	403.4	356.1	752.3
Branding & Identity, Healthcare and Specialist Communications	1,117.1	975.2	2,093.3
	4,288.7	3,339.1	7,476.9
Headline PBIT[1]			
Advertising and Media Investment Management	167.2	242.6	581.3
Consumer Insight[2]	68.6	49.3	147.6
Public Relations & Public Affairs	46.6	57.2	124.9
Branding & Identity, Healthcare and Specialist Communications	59.8	104.3	264.4
	342.2	453.4	1,118.2
Headline PBIT margin	**%**	**%**	**%**
Advertising and Media Investment Management	10.2	15.9	17.5
Consumer Insight[2]	6.1	10.1	11.3
Public Relations & Public Affairs	11.6	16.1	16.6
Branding & Identity, Healthcare and Specialist Communications	5.4	10.7	12.6
	8.0	13.6	15.0
Total assets			
Advertising and Media Investment Management	9,805.2	9,726.8	12,034.5
Consumer Insight[2]	3,528.0	1,124.0	3,830.0
Public Relations & Public Affairs	1,526.6	1,408.4	1,583.3
Branding & Identity, Healthcare and Specialist Communications	4,349.4	3,801.3	4,324.3
Segment assets	19,209.2	16,060.5	21,772.1
Unallocated corporate assets[3]	1,226.9	1,350.2	2,691.2
	20,436.1	17,410.7	24,463.3

[1] Headline PBIT is defined in note 19.
[2] Consumer Insight was previously reported as Information, Insight & Consultancy.
[3] Unallocated corporate assets are corporate income tax recoverable, deferred tax assets and cash and short-term deposits.

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

6. Segmental analysis (continued)

Reported contributions by geographical area were as follows:

	Six months ended 30 June 2009	Six months ended 30 June 2008	Year ended 31 December 2008
	£m	£m	£m
Revenue			
United Kingdom	509.3	450.2	954.2
North America[2]	1,542.2	1,189.7	2,603.2
Western Continental Europe[3,4]	1,131.3	832.4	1,879.1
Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe[4]	1,105.9	866.8	2,040.4
	4,288.7	3,339.1	7,476.9
Headline PBIT[1]			
United Kingdom	50.1	58.2	124.1
North America[2]	148.0	187.4	438.3
Western Continental Europe[3,4]	61.1	106.5	247.0
Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe[4]	83.0	101.3	308.8
	342.2	453.4	1,118.2
Headline PBIT margin	**%**	**%**	**%**
United Kingdom	9.8	12.9	13.0
North America[2]	9.6	15.8	16.8
Western Continental Europe[3,4]	5.4	12.8	13.1
Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe[4]	7.5	11.7	15.1
	8.0	13.6	15.0

[1] Headline PBIT is defined in note 19.
[2] North America includes the US with revenue of £1,454.6 million (period ended 30 June 2008: £1,114.6 million; year ended 31 December 2008: £2,444.7 million) and headline PBIT of £137.5 million (period ended 30 June 2008: £178.6 million; year ended 31 December 2008: £411.0 million).
[3] Western Continental Europe includes Ireland with revenue of £21.4 million (period ended 30 June 2008: £21.4 million; year ended 31 December 2008: £41.3 million) and headline PBIT of £1.2 million (period ended 30 June 2008: £4.2 million; year ended 31 December 2008: £8.0 million).
[4] The Group previously reported Continental Europe as a geographic segment. Western Continental Europe is now reported separately, with Central & Eastern Europe included with Asia Pacific, Latin America, Africa & Middle East. Comparative figures have been restated accordingly.

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

7. Taxation

The Group tax rate on Headline PBT[1], excluding the impact of the net deferred tax credit in relation to the amortisation of acquired intangible assets and other goodwill items was 24.8% (30 June 2008: 26.9% and 31 December 2008: 25.3%). The Group tax rate on Reported PBT was 22.9% (30 June 2008: 29.9% and 31 December 2008: 31.2%).

The tax charge comprises:

	Six months ended 30 June 2009	**Six months ended 30 June 2008**	**Year ended 31 December 2008**
	£m	£m	£m
Current tax			
Current year	56.2	91.7	217.7
Prior years	5.7	12.1	7.0
Total current tax	61.9	103.8	224.7
Deferred tax			
Charge for the year	0.6	1.0	20.6
Net credit in relation to the amortisation of acquired intangible assets and other goodwill items	(21.5)	(3.6)	(12.4)
Total deferred tax	(20.9)	(2.6)	8.2
Tax charge	41.0	101.2	232.9

[1] Headline PBT is defined in note 19.

8. Ordinary dividends

The Board has recommended a first interim dividend of 5.19p (2008: 5.19p) per ordinary share. This is expected to be paid on 9 November 2009 to share owners on the register at 9 October 2009.

The Board recommended a second interim dividend of 10.28p per ordinary share in respect of 2008. This was paid on 6 July 2009.

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

9. Earnings per share

Basic EPS

The calculation of basic Reported and Headline EPS is as follows:

	Six months ended 30 June 2009	Six months ended 30 June 2008	+/(-)%	Constant Currency +/(-)%	Year ended 31 December 2008
Reported earnings[1] (£m)	108.4	208.2			439.1
Headline earnings (£m) (note 19)	159.8	255.2			648.3
Average shares used in Basic EPS calculation (m)	1,220.9	1,144.0			1,143.4
Reported EPS	8.9p	18.2p	(51.1)	(60.5)	38.4p
Headline EPS	13.1p	22.3p	(41.3)	(51.6)	56.7p

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

Diluted EPS

The calculation of diluted Reported and Headline EPS is set out below:

	Six months ended 30 June 2009	Six months ended 30 June 2008	+/(-)%	Constant Currency +/(-)%	Year ended 31 December 2008
Diluted Reported earnings (£m)	108.4	208.7			439.9
Diluted Headline earnings (£m)	159.8	255.7			649.1
Shares used in diluted EPS calculation (m)	1,235.6	1,174.4			1,169.6
Diluted Reported EPS	8.8p	17.8p	(50.6)	(60.1)	37.6p
Diluted Headline EPS	12.9p	21.8p	(40.8)	(51.0)	55.5p

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 2009, these convertible bonds were accretive to earnings and therefore excluded from the calculation of diluted earnings.

A reconciliation between the shares used in calculating Basic and Diluted EPS is as follows:

	Six months ended 30 June 2009	Six months ended 30 June 2008	Year ended 31 December 2008
	m	m	m
Average shares used in Basic EPS calculation	1,220.9	1,144.0	1,143.4
Dilutive share options outstanding	1.6	7.0	2.9
Other potentially issuable shares	13.1	14.5	16.0
$150 million Grey convertible bond	-	8.9	7.3
Shares used in Diluted EPS calculation	1,235.6	1,174.4	1,169.6

At 30 June 2009 there were 1,255,405,058 ordinary shares in issue.

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

10. Analysis of cash flows

The following tables analyse the items included within the main cash flow headings on page 11:

Net cash (outflow)/inflow from operating activities:

	Six months ended 30 June 2009	Six months ended 30 June 2008	Year ended 31 December 2008
	£m	£m	£m
Profit for the period	138.3	237.3	513.9
Taxation	41.0	101.2	232.9
Finance costs	171.9	130.1	344.8
Finance income	(132.7)	(70.1)	(169.6)
Share of results of associates	(19.8)	(20.7)	(46.0)
Operating profit	198.7	377.8	876.0
Adjustments for:			
Non-cash share-based incentive plans (including share options)	31.1	30.2	62.3
Depreciation of property, plant and equipment	97.3	68.6	149.6
Goodwill impairment	40.0	20.0	84.1
Goodwill write-down relating to utilisation of pre-acquisition tax losses	-	0.7	1.5
Amortisation and impairment of acquired intangible assets	88.1	25.5	78.4
Amortisation of other intangible assets	16.2	9.9	23.4
Gains on disposal of investments	(8.4)	(3.6)	(3.4)
Write-downs of investments	4.3	12.3	30.5
Losses/(gains) on sale of property, plant and equipment	0.1	(0.1)	1.9
Operating cash flow before movements in working capital and provisions	**467.4**	**541.3**	**1,304.3**
Movements in working capital and provisions[1]	(481.9)	(572.5)	(109.3)
Cash generated by operations	**(14.5)**	**(31.2)**	**1,195.0**
Corporation and overseas tax paid	(94.9)	(84.1)	(182.5)
Interest and similar charges paid	(200.7)	(99.9)	(269.2)
Interest received	96.2	33.3	133.0
Investment income	0.4	1.7	1.8
Dividends from associates	22.1	14.8	44.6
	(191.4)	**(165.4)**	**922.7**

[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.

Acquisitions and disposals:

	Six months ended 30 June 2009	Six months ended 30 June 2008	Year ended 31 December 2008
	£m	£m	£m
Initial cash consideration	(28.1)	(94.1)	(891.9)
Cash/(overdraft) and cash equivalents acquired (net)	0.9	(9.9)	(6.1)
Earnout payments	(37.8)	(30.4)	(67.8)
Loan note redemptions	-	(2.6)	(2.6)
Purchase of other investments (including associates)	(36.7)	(42.8)	(91.7)
Proceeds on disposal of investments	8.7	3.8	11.0
	(93.0)	**(176.0)**	**(1,049.1)**

WPP PLC

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

10. Analysis of cash flows (continued)

Share repurchases and buybacks:

	Six months ended 30 June 2009	Six months ended 30 June 2008	Year ended 31 December 2008
	£m	£m	£m
Share cancellations (excluding brokerage fees)	-	(112.2)	(112.2)
Shares purchased into treasury	(9.5)	-	-
Proceeds on disposal of treasury shares	-	-	6.9
	(9.5)	**(112.2)**	**(105.3)**

Net increase in borrowings:

	Six months ended 30 June 2009	Six months ended 30 June 2008	Year ended 31 December 2008
	£m	£m	£m
(Decrease)/increase in drawings on bank loans	(534.0)	-	1,273.3
Proceeds from issue of £450 million 5.75% convertible bonds due May 2014	450.0	-	-
Proceeds from issue of $600 million 8.0% bonds due September 2014	367.4	-	-
Proceeds from issue of €750 million 6.625% bonds due May 2016	-	594.6	594.6
Repayment of €650 million 6.0% bonds	-	(515.1)	(515.1)
Repayment of $100 million 6.875% bonds	-	-	(50.5)
Repayment of $150 million 5.0% bonds	-	-	(96.2)
Repayment of TNS debt	(175.7)	-	(395.7)
	107.7	**79.5**	**810.4**

Cash and cash equivalents:

	Six months ended 30 June 2009	Six months ended 30 June 2008	Year ended 31 December 2008
	£m	£m	£m
Cash at bank and in hand	1,026.9	1,193.8	2,485.9
Short-term bank deposits	71.3	83.1	86.6
Overdrafts[1]	(380.3)	(646.1)	(1,254.4)
	717.9	**630.8**	**1,318.1**

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

WPP PLC

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

11. Net debt

	30 June 2009	30 June 2008	31 December 2008
	£m	£m	£m
Cash and short-term deposits	1,098.2	1,276.9	2,572.5
Bank overdrafts and loans due within one year	(381.7)	(771.0)	(1,640.8)
Bonds and bank loans due after one year	(4,163.2)	(2,363.1)	(3,999.3)
Net debt	**(3,446.7)**	**(1,857.2)**	**(3,067.6)**

12. Goodwill and acquisitions

Goodwill in relation to subsidiary undertakings decreased by £721.6 million (30 June 2008: increase of £351.2 million) in the period. This movement includes both additional goodwill arising on acquisitions completed in the period and adjustments to goodwill relating to acquisitions completed in prior years, net of impairment charges and the effect of currency translation. Goodwill in relation to associate undertakings decreased by £34.1 million (30 June 2008: increase of £29.6 million) in the period.

Future anticipated payments to vendors in respect of both deferred and earnout obligations totalled £280.2 million (period ended 30 June 2008: £313.8 million; year ended 31 December 2008: £376.0 million). Earnouts are based on the directors’ best estimates of future obligations, which are dependent on the future performance of the interests acquired and assume the operating companies improve profits in line with directors’ estimates.

The contribution to revenue and operating profit of acquisitions completed in the period was not material. There were no material acquisitions completed during the period or between 30 June 2009 and the date the interim financial statements have been approved.

13. Other intangible assets

The following are included in other intangibles:

	30 June 2009	30 June 2008	31 December 2008
	£m	£m	£m
Brands with an indefinite useful life	974.9	836.9	1,073.2
Acquired intangibles	967.7	300.1	1,155.9
Other (including capitalised computer software)	65.3	39.0	66.7
	2,007.9	**1,176.0**	**2,295.8**

WPP PLC

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

14. Trade and other receivables

Amounts falling due within one year:

	30 June 2009	30 June 2008	31 December 2008
	£m	£m	£m
Trade receivables	4,527.3	4,584.5	5,934.5
VAT and sales taxes recoverable	70.3	98.6	87.7
Other debtors	620.3	697.8	733.3
Prepayments and accrued income	1,444.7	1,188.8	1,382.6
	6,662.6	**6,569.7**	**8,138.1**

Amounts falling due after more than one year:

	30 June 2009	30 June 2008	31 December 2008
	£m	£m	£m
Other debtors	85.9	69.2	72.3
Fair value of derivatives	154.8	108.1	105.6
Prepayments and accrued income	6.7	6.9	7.3
	247.4	**184.2**	**185.2**

WPP PLC

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

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

The following are included in trade and other payables falling due within one year:

	30 June 2009	30 June 2008	31 December 2008
	£m	£m	£m
Trade payables	5,628.1	5,678.8	7,121.0
Deferred income	706.3	641.4	788.3
Payments due to vendors	115.9	62.0	89.8
Loan notes due to vendors	0.1	0.1	0.1
Liabilities in respect of put option agreements with vendors	103.5	70.9	67.5
Dividends payable	-	103.8	-
Other creditors and accruals	1,945.3	1,582.9	2,341.0
	8,499.2	8,139.9	10,407.7

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

The following are included in trade and other payables falling due after more than one year:

	30 June 2009	30 June 2008	31 December 2008
	£m	£m	£m
Payments due to vendors	164.3	251.8	286.2
Liabilities in respect of put option agreements with vendors	64.1	54.4	54.6
Fair value of derivatives	68.7	119.2	86.2
Other creditors and accruals	156.3	114.7	126.9
	453.4	540.1	553.9

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

	30 June 2009	30 June 2008	31 December 2008
	£m	£m	£m
Within one year	115.9	62.0	89.8
Between 1 and 2 years	85.1	77.5	128.0
Between 2 and 3 years	57.1	87.6	97.2
Between 3 and 4 years	19.6	61.5	53.4
Between 4 and 5 years	2.0	24.1	7.6
Over 5 years	0.5	1.1	-
	280.2	313.8	376.0

The Group does not consider there to be any material contingent liabilities as at 30 June 2009.

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

17. Issued share capital - movement in the period

	Six months ended 30 June 2009	Six months ended 30 June 2008	Year ended 31 December 2008
Number of equity ordinary shares	m	m	m
At the beginning of the period	1,255.3	1,191.5	1,191.5
Exercise of share options	0.1	1.6	2.1
Acquisitions	-	-	80.5
Share cancellations	-	(18.8)	(18.8)
At the end of the period	1,255.4	1,174.3	1,255.3

18. Related party transactions

From time to time the Group enters into transactions with its associate undertakings. These transactions were not material for any of the periods presented.

WPP PLC

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

19. Non-GAAP measures of performance

Reconciliation of profit before interest and taxation to Headline PBIT for the six months ended 30 June 2009

	Six months ended 30 June 2009	Six months ended 30 June 2008	Year ended 31 December 2008
	£m	£m	£m
Profit before interest and taxation	**218.5**	**398.5**	**922.0**
Amortisation and impairment of acquired intangible assets	88.1	25.5	78.4
Goodwill impairment	40.0	20.0	84.1
Goodwill write-down relating to utilisation of pre-acquisition tax losses	-	0.7	1.5
Gains on disposal of investments	(8.4)	(3.6)	(3.4)
Write-downs of investments	4.3	12.3	30.5
Share of exceptional (gains)/losses of associates	(0.3)	-	0.5
Costs of changes to corporate structure	-	-	4.6
Headline PBIT / Headline operating profit	**342.2**	**453.4**	**1,118.2**
Finance income (excluding gains on termination of hedge accounting on repayment of TNS debt)	107.5	70.1	169.6
Finance charges (excluding revaluation of financial instruments and gains on swap terminations)	(197.5)	(134.4)	(319.4)
	(90.0)	(64.3)	(149.8)
Interest cover on Headline PBIT	**3.8 times**	**7.1 times**	**7.5 times**

Calculation of Headline EBITDA

	Six months ended 30 June 2009	Six months ended 30 June 2008	Year ended 31 December 2008
	£m	£m	£m
Headline PBIT (as above)	342.2	453.4	1,118.2
Depreciation of property, plant and equipment	97.3	68.6	149.6
Amortisation of other intangible assets	16.2	9.9	23.4
Headline EBITDA	**455.7**	**531.9**	**1,291.2**

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

19. Non-GAAP measures of performance (continued)

Reconciliation of profit before taxation to Headline PBT and Headline earnings for the six months ended 30 June 2009

	Six months ended 30 June 2009	Six months ended 30 June 2008	Year ended 31 December 2008
	£m	£m	£m
Profit before taxation	**179.3**	**338.5**	**746.8**
Amortisation and impairment of acquired intangible assets	88.1	25.5	78.4
Goodwill impairment	40.0	20.0	84.1
Goodwill write-down relating to utilisation of pre-acquisition tax losses	-	0.7	1.5
Gains on disposal of investments	(8.4)	(3.6)	(3.4)
Write-downs of investments	4.3	12.3	30.5
Share of exceptional (gains)/losses of associates	(0.3)	-	0.5
Revaluation of financial instruments	(25.6)	(4.3)	25.4
Gains on termination of hedge accounting on repayment of TNS debt	(25.2)	-	-
Costs of changes to corporate structure	-	-	4.6
Headline PBT	**252.2**	**389.1**	**968.4**
Taxation (excluding net deferred tax credit in relation to the amortisation of acquired intangible assets and other goodwill items)	(62.5)	(104.8)	(245.3)
Minority interests	(29.9)	(29.1)	(74.8)
Headline earnings	**159.8**	**255.2**	**648.3**
Ordinary dividends[1]	65.2	58.7	161.8
Dividend cover on Headline earnings	**2.5 times**	**4.3 times**	**4.0 times**

[1] For the six months ended 30 June 2009, ordinary dividends represent an estimate of the 2009 first interim dividend expected to be paid to share owners in November 2009, based on the number of shares in issue at 30 June 2009. The corresponding figure for the six months ended 30 June 2008 represents the 2008 first interim dividend paid in November 2008.

Headline PBIT margins before and after share of results of associates

	Margin (%)	Six months ended 30 June 2009	Margin (%)	Six months ended 30 June 2008
		£m		£m
Revenue		**4,288.7**		3,339.1
Headline PBIT	**8.0**	**342.2**	13.6	453.4
Share of results of associates (excluding exceptional gains)		19.5		20.7
Headline PBIT excluding share of results of associates	**7.5**	**322.7**	13.0	432.7

WPP PLC

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

19. Non-GAAP measures of performance (continued)

Reconciliation of free cash flow for the six months ended 30 June 2009

	Six months ended 30 June 2009	Six months ended 30 June 2008	Year ended 31 December 2008
	£m	£m	£m
Cash generated by operations	**(14.5)**	**(31.2)**	**1,195.0**
Plus:			
Interest received	96.2	33.3	133.0
Investment income	0.4	1.7	1.8
Dividends received from associates	22.1	14.8	44.6
Issue of shares	0.1	5.9	10.6
Movements in working capital and provisions	481.9	572.5	109.3
Proceeds on disposal of property, plant and equipment	2.1	6.7	11.5
Proceeds on disposal of treasury shares	-	-	6.9
Less:			
Interest and similar charges paid	(200.7)	(99.9)	(269.2)
Purchases of property, plant and equipment	(113.0)	(67.8)	(196.8)
Purchases of other intangible assets (including capitalised computer software)	(16.1)	(6.2)	(23.8)
Corporation and overseas tax paid	(94.9)	(84.1)	(182.5)
Dividends paid to minority shareholders in subsidiary undertakings	(31.3)	(26.4)	(63.5)
Free Cash Flow	**132.3**	**319.3**	**776.9**

WPP PLC

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

20. Going concern and liquidity risk

In considering going concern and liquidity risk, the Directors have reviewed the Group's future cash requirements and earnings projections. The Directors believe these forecasts have been prepared on a prudent basis and have also considered the impact of a range of potential changes to trading performance. The Directors have concluded that the Group should be able to operate within its current facilities and comply with its banking covenants for the foreseeable future and therefore believe it is appropriate to prepare the financial statements of the Group on a going concern basis.

At 30 June 2009, the Group has access to £5.0 billion of committed funding with maturity dates spread over the years 2010 to 2020 as illustrated below.

		Maturity by year							
		2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016+**
	£m	£m	£m	£m	£m	£m	£m	£m	£m
£ bonds £200m (6.375% '20)	**200.0**								200.0
£ bonds £400m (6.0% '17)	**400.0**								400.0
Eurobonds €750m (6.625% '16)	**639.9**								639.9
Eurobonds €500m (5.25% '15)	**426.6**							426.6	
£450m convertible bonds (5.750% '14)	**450.0**						450.0		
US bond $650m (5.875% '14)	**394.8**						394.8		
US bond $600m (8.0% '14)	**364.5**						364.5		
Eurobonds €600m (4.375% '13)	**511.9**					511.9			
Bank revolver $1,600m	**972.0**				972.0				
TNS acquisition revolver £600m[1]	**600.0**	200.0	200.0	200.0					
TNS private placements $55m	**33.4**				18.2		15.2		
Total committed facilities available	**4,993.1**	**200.0**	**200.0**	**200.0**	**990.2**	**511.9**	**1,224.5**	**426.6**	**1,239.9**
Drawn down facilities at 30 June 2009	4,156.4	-	36.0	200.0	517.5	511.9	1,224.5	426.6	1,239.9
Undrawn committed credit facilities	836.7								
Drawn down facilities at 30 June 2009	4,156.4								
Net cash at 30 June 2009	(717.9)								
Other adjustments	8.2								
Net debt at 30 June 2009	3,446.7								

[1]£600m amortising facility reduced to £400m on 10 July 2009

The Group's borrowings are evenly distributed between fixed and floating rate debt. Given the strong cash generation of the business, its debt maturity profile and available facilities, the Directors believe the Group has sufficient liquidity to match its requirements for the foreseeable future.

Treasury management

The Group's treasury activities are principally concerned with monitoring of working capital, managing external and internal funding requirements and monitoring and managing the financial market risks, in particular interest rate and foreign exchange exposures.

The Group's risk management policies relating to foreign currency risk, interest rate risk, liquidity risk, capital risk and credit risk are presented in the notes to the consolidated financial statements of the 2008 Annual Report and Accounts and in the opinion of the Board remain relevant for the remaining six months of the year.

WPP PLC

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

21. Principal risks and uncertainties

The directors have considered the principal risks and uncertainties affecting the Group for the second half of 2009 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 2008. 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 113 to 115 of the published 2008 Annual Report and Accounts. Pages 4 to 8 of the Group's Form 20-F for the year ended 31 December 2008 contain a detailed explanation of the risk factors identified by the Group and these are summarised below:

a. The Group competes for clients in a highly competitive industry, which may reduce market share and decrease profits.

b. 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.

c. The Group may be unable to collect balances due from any client that files for bankruptcy or becomes insolvent.

d. A reduction in client spending and a slowdown in client payments could adversely affect the Group's working capital.

e. The Group is dependent on its employees and, like all service providers, is vulnerable to adverse consequences from the loss of key employees due to competition among providers of advertising and marketing services.

f. The Group is exposed to the risks of doing business internationally.

g. Currency exchange rate fluctuations could adversely affect the Group's consolidated results of operations.

h. The Group may have difficulty repatriating the earnings of its subsidiaries.

i. The Group is subject to recessionary economic cycles.

j. The Group may be unsuccessful in evaluating material risks involved in completed and future acquisitions.

k. The Group may be unsuccessful in integrating any acquired operations with its existing businesses.

l. Goodwill and other acquired intangible assets recorded on the Group's balance sheet with respect to acquired companies may become impaired.

m. The Group may be subject to certain regulations that could restrict the Group's activities.

n. Changes in tax laws or their application may adversely affect the Group's reported results.

WPP PLC

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

21. Principal risks and uncertainties (continued)

o. 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.

p. Civil liabilities or judgments against the Group or its directors or officers based on U.S. federal or state securities laws may not be enforceable in the U.S. or in England.

WPP PLC

RESPONSIBILITY STATEMENT

We confirm that to the best of our knowledge:

a. the condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting';
b. the interim management report and note 21 includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
c. the interim management report and note 18 includes a fair review of the information required by DTR 4.2.8R (disclosure of related party transactions and changes therein).

Signed on behalf of the Board on 25 August 2009.

P W G Richardson
Group finance director

INDEPENDENT REVIEW REPORT TO WPP PLC

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 2009 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 21. 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 2009 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 Auditors
London, UK
25 August 2009

WPP PLC

Interim results for the six months ended 30 June 2009 in reportable US Dollars[1]

Unaudited illustrative condensed consolidated interim income statement for the six months ended 30 June 2009

	Six months ended 30 June 2009	Six months ended 30 June 2008		Year ended 31 December 2008
	$m	$m	+/(-)%	$m
Billings	27,989.6	33,321.2	(16.0)	67,381.0
Revenue	6,402.6	6,594.7	(2.9)	13,598.4
Direct costs	(498.2)	(355.6)	(40.1)	(827.2)
Gross profit	5,904.4	6,239.1	(5.4)	12,771.2
Operating costs	(5,605.6)	(5,492.2)	(2.1)	(11,195.2)
Operating profit	298.8	746.9	(60.0)	1,576.0
Share of results of associates	30.4	40.8	(25.5)	83.7
Profit before interest and taxation	329.2	787.7	(58.2)	1,659.7
Finance income	207.4	138.7	49.5	316.9
Finance costs	(257.2)	(257.3)	0.1	(625.7)
Profit before taxation	279.4	669.1	(58.2)	1,350.9
Taxation	(62.4)	(200.0)	(68.8)	(416.7)
Profit for the period	217.0	469.1	(53.7)	934.2
Attributable to:				
Equity holders of the parent	169.7	411.7	(58.8)	803.5
Minority interests	47.3	57.4	17.6	130.7
	217.0	469.1	(53.7)	934.2
Headline PBIT	519.1	895.8	(42.1)	1,984.4
Headline PBIT margin	**8.1%**	**13.6%**		**14.6%**
Headline PBT	386.2	768.8	(49.8)	1,712.8
Reported earnings per share[2]				
Basic earnings per ordinary share	13.9¢	36.0¢	(61.4)	70.3¢
Diluted earnings per ordinary share	13.7¢	35.1¢	(61.0)	68.7¢
Headline earnings per share[2]				
Basic earnings per ordinary share	20.0¢	44.1¢	(54.6)	99.9¢
Diluted earnings per ordinary share	19.8¢	43.0¢	(54.0)	97.8¢

[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$1.4933 to the pound for the period ended 30 June 2009 (period ended 30 June 2008: US$1.9743; year ended 31 December 2008: US$1.8524).

[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.

WPP 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.

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 2009 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 minority shareholders 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 earnings
Headline PBT less taxation (excluding net deferred tax credit in relation to the amortisation of acquired intangible assets and other goodwill items) and minority interests.

Headline operating profit / Headline PBIT
Profit before finance income/costs, taxation, investment gains 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 costs incurred in 2008 in changing the corporate structure of the Group.

Headline PBT
Profit before taxation, investment gains and write-downs, goodwill impairment and other goodwill write-downs, amortisation and impairment of acquired intangible assets, share of exceptional gains/losses of associates, costs incurred in 2008 in changing the corporate structure of the Group, gains/losses arising from the revaluation of financial instruments and gains on termination of hedge accounting on repayment of TNS debt.

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.