

## WPP GROUP PLC

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

## 18. Non-GAAP measures of performance

## Reconciliation of Headline PBIT and Headline PBT under IFRS to 2004 UK GAAP

	Margin (%)	Six months ended 30 June 2005 £m	Margin (%)	Six months ended 30 June 2004 £m
<b>Revenue</b>		<b>2,467.5</b>		<b>2,025.6</b>
<b>Headline PBIT (IFRS)</b>	12.1%	299.6	11.3%	228.1
Share-based payments (IFRS 2)	0.6%	13.5	0.6%	13.0
Accumulating compensated absences (IAS 19)	0.6%	15.0	0.8%	15.0
Accounting for associates (IAS 28)	0.4%	10.1	0.4%	8.6
		38.6		36.6
<b>Headline PBIT (2004 UK GAAP)</b>	13.7%	338.2	13.1%	264.7
<b>Headline PBT (IFRS)</b>		254.8		193.0
Adjustments to Headline PBIT (as above)		38.6		36.6
Additional interest on convertible debt (IAS 32)		7.1		-
Interest on associates (IAS 28)		-		(0.3)
<b>Headline PBT (2004 UK GAAP)</b>		300.5		229.3

Reconciliation of profit before interest and taxation to  
Headline PBIT for the six months ended 30 June 2005

	Six months ended 30 June 2005 £m	Six months ended 30 June 2004 £m	Year ended 31 December 2004 £m
<b>Profit before interest and taxation</b>	<b>266.3</b>	<b>195.1</b>	<b>505.0</b>
Profits on disposal of fixed asset investments	-	-	(3.0)
Amounts written off fixed asset investments	-	2.0	5.0
Goodwill impairment	20.5	26.0	40.6
Goodwill write-down relating to utilisation of pre-acquisition tax losses	1.0	5.0	12.6
Amortisation of acquired intangible assets	11.8	-	-
<b>Headline PBIT</b>	<b>299.6</b>	<b>228.1</b>	<b>560.2</b>
Investment income	24.8	20.0	56.4
Finance charges (excluding revaluation of financial instruments)	(69.6)	(55.1)	(127.0)
	(44.8)	(35.1)	(70.6)
<b>Interest cover on Headline PBIT<sup>1</sup></b>	<b>6.7 times</b>	<b>6.5 times</b>	<b>7.9 times</b>

<sup>1</sup>The finance charges for the six months ended 30 June 2005 of £69.9 million shown above include £7.1 million arising from the change in accounting for the Group's convertible bonds under IFRS. Interest cover on a comparable basis with prior periods would be 8.0 times.

## WPP GROUP PLC

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

## 18. Non-GAAP measures of performance (continued)

Reconciliation of profit before taxation  
to Headline PBT and Headline earnings for the six months ended 30 June 2005

	Six months ended 30 June 2005	Six months ended 30 June 2004	Year ended 31 December 2004
	£m	£m	£m
<b>Profit before taxation</b>	<b>221.5</b>	<b>160.0</b>	<b>434.4</b>
Profits on disposal of fixed assets	-	-	(3.0)
Amounts written off fixed asset investments	-	2.0	5.0
Goodwill impairment	20.5	26.0	40.6
Goodwill write-down relating to utilisation of pre-acquisition tax losses	1.0	5.0	12.6
Amortisation of acquired intangibles	11.8	-	-
Revaluation of financial instruments	-	-	-
<b>Headline PBT</b>	<b>254.8</b>	<b>193.0</b>	<b>489.6</b>
Taxation	(72.6)	(55.8)	(135.0)
Minority interests	(13.5)	(11.1)	(26.4)
<b>Headline earnings</b>	<b>168.7</b>	<b>126.1</b>	<b>328.2</b>
Ordinary dividends	62.6	52.2	81.6
<b>Dividend cover on Headline earnings</b>	<b>2.7 times</b>	<b>2.4 times</b>	<b>4.0 times</b>

## Reported margins before and after share of results of associates

	Margin (%)	Six months ended 30 June 2005 £m	Margin (%)	Six months ended 30 June 2004 £m
<b>Revenue</b>		2,467.5		2,025.6
<b>Headline PBIT</b>	<b>12.1%</b>	299.6	<b>11.3%</b>	228.1
Share of results of associates		13.7		12.2
<b>Headline PBIT excluding share of results of associates</b>	<b>11.6%</b>	<b>285.9</b>	<b>10.7%</b>	<b>215.9</b>