

Appendix IV

WPP GROUP PLC

Reconciliation of profit on ordinary activities before interest, taxation, fixed asset gains and write-downs to PBIT for the year ended 31 December 2003

	2003	2002
	£m	£m
Profit on ordinary activities before interest, taxation, fixed asset gains and write-downs	421.5	302.5
Goodwill amortisation and impairment	112.0	177.7
Headline PBIT	533.5	480.2
Net interest payable and similar charges	71.6	86.4
Interest cover on Headline PBIT	7.5 times	5.6 times

	2003	2002
	£m	£m
Interest cover (excluding FRS17 interest) on Headline PBIT		
Headline PBIT	533.5	480.2
Net interest payable and similar charges on net borrowings	60.1	79.6
Interest cover (excluding FRS17 interest) on Headline PBIT	8.9 times	6.0 times

Reconciliation of profit on ordinary activities before taxation to PBT and headline earnings for the year ended 31 December 2003

	2003	2002
	£m	£m
Profit on ordinary activities before taxation	349.9	205.4
Goodwill amortisation and impairment	112.0	177.7
Profits on disposal of fixed assets	-	(9.2)
Amounts written off fixed asset investments	-	19.9
Net interest charges on defined benefit pension schemes	11.5	6.8
Headline PBT	473.4	400.6
Taxation on profit on ordinary activities	(122.1)	(103.4)
Minority interests	(19.4)	(14.0)
Headline earnings	331.9	283.2
Ordinary dividends	76.8	62.5
Dividend cover on headline earnings	4.3 times	4.5 times