

M&C SAATCHI PLC

INTERIM RESULTS

**SIX MONTHS TO
30 JUNE 2007**

25 September 2007

M&C Saatchi plc, the international marketing communications group, today announces its results for the six months ended 30 June 2007.

Headline financial results

- Revenue (gross profit) up 8% to £37.3m (2006: £34.7m)
- Operating profit up 61% to £2.8m (2006: £1.8m)
- Profit before Tax up 59% to £3.9m (2006: £2.4m)
- Profit after tax and minority interest up 122% to £1.9m (2006: £0.9m)
- Earnings per share up 124% to 3.50p (2006: 1.56p)
- Interim dividend increased by 13% to 0.87p. (2006: 0.77p)

Reported results

- Revenue (gross profit) up 8% to £37.3m (2006: £34.7m)
- Operating profit up 61% to £2.8m (2006: £1.8m)
- Profit before Tax up 64% to £3.3m (2006: £2.0m)
- Profit after tax and minority interest up 194% to £1.4m (2006: £0.5m)
- Earnings per share up 198% to 2.53p (2006: 0.85p)

The headline results exclude the impact of the fair value adjustment to the minority shareholder put options liabilities of £0.5m (2006: £0.4m) and the amortisation of intangible assets of £17k (2006: £Nil). A further reconciliation is included in note 4 to the financial statements.

Commenting on the results, David Kershaw the Chief Executive said:

“The results for the period show significant progress for the Group. Trading has been strong. The UK businesses continue to show good growth. The Asia and Australia region had a tougher half but we are pleased that both the US and European businesses are moving into profit. Strategically we have been active with the acquisitions of Clear with offices in London, Amsterdam and New York, and Zapping in Madrid. We have increased our interest in Walker Media. These acquisitions have extended our international reach and moved us further into higher margin disciplines. The outlook for the rest of the year remains in line with expectations.”

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Summary of results

These results show a strong performance for the first six months with revenue growth of 7.7%, operating profit growth of 60.7% and headline earnings per share growth of 124.4% (the headline earnings exclude the fair value adjustment to minority shareholder put options liabilities and the write off of intangible assets).

This encouraging year-on-year performance reflects the continued strength of our UK business, the improvement in the results coming from the USA following its reorganisation and the end of the investment phase in Europe. The Asia and Australia region had a challenging first six months following account losses in 2006.

Key to the significant improvement in the headline earnings is the elimination of the losses previously incurred in the USA and the end of the investment in start-up and development costs in Europe.

The business in the USA has now been reorganised with our presence in New York reduced to only that required to service key clients eliminating the significant losses incurred in 2006. In the first six months of 2007 the USA contributed £0.06m to Group PBT (2006: £(0.24)m).

The last part of our planned expansion into continental Europe was completed when we acquired an initial 25% of Spanish Agency Zapping Publicidad (Zapping) in March (the results are included within the associate line). We now have a presence in Paris, Berlin and Madrid and all three are performing well.

Financial review

Revenue grew by 9.1% on a constant currency basis (reported 7.7%) with strong growth from the UK, America and Europe. Revenue from the Asia and Australia region declined by 5.8% (constant currencies).

Operating profit increased by 60.7%. The significant increase is due to the continued growth in the UK but more importantly due to the reversal of losses in both America and Europe, as they both exit investment phases. The cumulative turnaround represents a contribution to Group operating profit of £1.3m.

The operating margin increased to 7.6% (2006: 5.1%).

The share of associates now includes the Group's share of results from Play London Ltd in the UK and from March, Zapping in Spain.

Net interest increased by 44.6% to £1.0m (2006: £0.7m).

The Group headline tax rate improved to 31.7% (2006: 47.2%) due to the elimination of the significant non deductible losses incurred in 2006.

The profit attributable to minorities increased by 75.8% to £0.8m (2006: £0.4m). This increase was mainly driven by the very strong performance of Walker Media. (On the 3rd July 2007 the Group acquired an additional significant proportion of the remaining minority (19.5% out of 25%).

The headline profit after tax (attributable to equity holders) increased by 121.8% and the headline EPS by 124.4% to 3.50p (2006: 1.56p). A reduction in the average number of shares in 2007 (due to a share buy back in October 2006) is the reason for the EPS growth exceeding the headline PAT growth.

The closing cash balance at the end of June was £25.8m a reduction of £5.5m over the period from 31 December 2006. Cash inflow from normal activities was £1.7m. The significant cash outflows were dividend payments £2.5m, the investment in Zapping £1.5m, and a reduction in the contribution from working capital of £3.2m.

On the 3rd July 2007 we acquired an additional 19.5% of the share capital of Walker Media for £8.8m in cash and 1.9m new shares. On the 5th July 2007 we acquired all the issued share capital in Clear Ideas Ltd (Clear) for an initial consideration of £13.6m in cash and 3.4m new shares. These acquisitions have been funded in part from internal funds and from a £13m credit facility provided by RBS.

Operating review

Strategy

At the time of the float in July 2004 we made clear our ambitions to grow M&C Saatchi into a global network. Subsequently we have declared our intention to extend into higher margin and higher growth disciplines. This year is an important one in realising both these goals.

We have a strong network of businesses across the world. This year, our businesses in Continental Europe are forecast to exit the investment phase and will make a profit contribution to the Group. Our business in the US has stabilised with the focus of operations now based in LA. Trading in Asia and Australia has been tougher, but will be a key management focus in the second half. We now have a very compelling global client offering which is bolstering our new business position.

Our strategy to move the business into attractive growth markets and higher margin categories has progressed well in the first half. We have purchased an additional 19.5% of Walker Media which takes our ownership to 94.5% and further strengthens our position in this profitable marketplace. Additionally, we announced the acquisition of Clear, which takes us into the attractive brand consultancy market in the UK, US and Europe, an acquisition which will be earnings enhancing in the first year of ownership.

UK

Revenue in the UK grew by 8.6%, driven by an excellent performance from Walker Media and good new business wins elsewhere in the UK.

Reported operating margins declined by 0.8pts to 14.0% (2006: 14.8%), as a result of a reduction in the recharge of central costs to other parts of the Group and an increase in the cost of the LTIP scheme.

Key new accounts in UK advertising are Jamesons, which extends our relationship with Pernod Ricard, Porsche, Abercrombie & Kent, Vodafone, CRM and additional assignments from Heinz.

Walker Media continues to go from strength to strength under Phil Georgiadis' chairmanship winning new business from Ladbrokes and Eurostar-St Pancras. Additionally revenue growth has been driven by winning digital work from current clients. Walker-i now accounts for 20% the Walker Media business.

The integration of Clear, the brand consultancy business we acquired in July 2007, is progressing very well. Clear is playing a crucial role in moving our business into attractive higher margin business streams.

Europe

The turnaround in the financial contribution from the European business is significant. Revenue has increased to £2.1m (2006: £0.5m) and contribution to the Group's PBT has increased by £1.1m to £0.1m (2006: £(1.0)m).

As reported, we acquired an initial 25% stake in Zapping (based in Madrid) in March. We will acquire a further 26% in 2008 and 25% in 2009. The acquisition of Zapping means that the Group now has a presence in the major markets in Continental Europe. Also at an end is the significant investment in start up and development costs incurred in 2005 and 2006.

Our French office (M&C Saatchi GAD) continued its excellent progress with very significant new business wins from Pages Jaunes and Jamesons. They have also opened a corporate PR business (Me&US) with foundation clients Veolia, EADS, Ecole Polytechnique.

In July 2006 we acquired the majority of a small German agency based in Berlin, therefore the 2007 interim results include a contribution for the first time. They have had a positive first six months with important wins from the Green Party of Germany and Coca Cola.

Asia and Australia

The first six months of 2006 has been difficult principally as a result of the loss of IAG last year.

Revenue declined by 5.8% using constant currencies (7.9% at reported rates). The operating loss increased to £(0.4)m (2006: £(0.1)m). We have started taking actions to refocus and reorganise the business, and early signs such as an account win from Abu Dhabi tourism and from Westfield, are encouraging.

After encouraging starts both Singapore and Thailand encountered tough trading.

Conversely Malaysia and New Zealand performed well in the first half, and the outlook for these businesses is positive.

America

The reorganisation of the US operation is now complete, with the business run out of LA. We incurred reorganisation costs of £(0.3)m in the first quarter but the business delivered a positive contribution to operating profit of £0.1m (2006: £(0.2)m). Revenue increased by 35.6% using constant currencies (23.2% at reported rates).

The office in LA continues to perform well with revenues up by 40% following a good new business performance in the second half of 2006. Further activity in New York will be managed on a break even-basis.

Outlook

It is encouraging that both our European and North American businesses have moved into profit in the first half of the year. Additionally, the prospects for our UK businesses are good, particularly in the higher margin businesses of Clear and Walker Media. Whilst Asia and Australia has had setbacks, we are currently undertaking an intensive review to re-energise the business.

The outlook for the rest of the year remains in line with current expectations and we are confident of further significant progress in 2008.

This report comments on the unaudited consolidated income statement of M&C Saatchi plc (the "Group") for the six months to 30 June 2007 compared with the restated unaudited consolidated income statement for the same period in 2006. The report also comments on the numbers before the impact of fair value adjustments to minority shareholder put option liabilities and amortisation of intangible assets (headline numbers).

The income statements for the six month period to 30 June 2006 and twelve months to 31 December 2006 are the restated results under IFRS. Explanations of the material restatements have been published prior to these results and can be found at www.mcsaatchiplc.com.

M&C SAATCHI PLC
UNAUDITED CONSOLIDATED INCOME STATEMENT
AT 30 JUNE 2007

		Six months ended 30 June 2007	Six months ended 30 June 2006 as restated	Year ended 31 December 2006 as restated
	Note	£'000	£'000	£'000
Turnover (billings)	4	182,791	150,256	369,490
Revenue	4	37,309	34,655	75,877
Operating costs				
- ordinary		(34,108)	(32,711)	(69,217)
- share based payments		(379)	(188)	(422)
Total operating costs		(34,487)	(32,899)	(69,639)
Operating profit	4	2,822	1,756	6,238
Share of results of associates	5	54	2	5
Finance income		964	676	1,540
Finance costs	6	(508)	(398)	(9,003)
Profit / (loss) before taxation	4	3,332	2,036	(1,220)
Taxation on profits	7	(1,215)	(1,142)	(2,852)
Profit / (loss) for the financial period		2,117	894	(4,072)
Attributable to:				
Equity holders of the Group	12	1,356	461	(5,220)
Minority interests		761	433	1,148
		2,117	894	(4,072)
Earnings / (loss) per share	9			
Basic		2.53p	0.85p	(9.73)p
Diluted		2.50p	0.84p	(9.73)p
Headline results				
Operating profit	4	2,822	1,756	6,258
Profit before tax	4	3,850	2,420	7,770
Headline earnings per share	9			
Basic		3.50p	1.56p	7.02p
Diluted		3.45p	1.55p	6.93p

M&C SAATCHI PLC
UNAUDITED CONSOLIDATED BALANCE SHEET
AT 30 JUNE 2007

	Notes	30 June 2007 £'000	30 June 2006 as restated £'000	31 December 2006 as restated £'000
Non current assets				
Intangible assets	13	15,486	14,715	15,357
Plant and equipment		3,541	3,275	3,531
Investments in associates		1,646	-	-
Deferred tax assets		628	408	722
Other non current assets		518	368	460
		21,819	18,766	20,070
Current assets				
Work in progress		2,737	1,759	2,416
Trade and other receivables		38,232	40,555	45,904
Current tax assets		421	98	88
Cash and cash equivalents		25,820	23,742	31,284
		67,210	66,154	79,692
Current liabilities				
Trade and other payables		(52,577)	(50,815)	(63,430)
Current tax liabilities		(537)	(815)	(1,036)
Provisions for put options		(16,828)	(6,821)	(11,077)
		(69,942)	(58,451)	(75,543)
Net current (liabilities) / assets		(2,732)	7,703	4,149
Total assets less current liabilities		19,087	26,469	24,219
Non current liabilities				
Other non current liabilities		(488)	(587)	(670)
Deferred tax liabilities		(150)	(182)	(141)
Employment benefit provisions		(506)	(274)	(221)
Provisions for put options		(8,196)	(6,782)	(11,211)
		(9,340)	(7,825)	(12,243)
Net assets	4	9,747	18,644	11,976
Capital & reserves				
Capital	11	24,301	24,916	24,124
Other reserves	11	(14,853)	(12,765)	(12,844)
Retained (loss) / earnings	12	(410)	5,553	(466)
Total shareholders' equity		9,038	17,704	10,814
Minority interest in equity		709	940	1,162
Total equity		9,747	18,644	11,976

M&C SAATCHI PLC
UNAUDITED CONSOLIDATED CASH FLOW STATEMENT
SIX MONTHS ENDED 30 JUNE 2007

		Six months ended 30 June 2007	Six months ended 30 June 2006 as restated	Year ended 31 December 2006 as restated
	Notes	£'000	£'000	£'000
Cash generated from operations	15	589	6,220	18,716
Tax paid		(2,245)	(1,123)	(3,408)
Net cash flow from operating activities		(1,656)	5,097	15,308
Interest earned from cash held by trading entities		707	446	1,085
Acquisitions and disposals	16	(1,542)	-	(635)
Proceeds from sale of plant and equipment		20	-	16
Purchase of plant and equipment		(738)	(771)	(1,707)
Purchase of capitalised software		-	(9)	-
Net cash from investing activities		(1,553)	(334)	(1,241)
Dividends paid		(1,300)	(965)	(1,377)
Minority dividend paid		(1,209)	(468)	(1,004)
Purchase of own shares		-	-	(792)
Issue of own shares		3	-	-
Repayment of finance leases		(22)	(55)	(108)
Repayment of bank loans		(6)	-	-
Interest received on centrally held cash		257	230	455
Interest paid		(5)	(9)	(20)
Interest on finance leases		(3)	(5)	(13)
Net cash from financing activities		(2,285)	(1,272)	(2,859)
Net (decrease) / increase in cash and cash equivalents		(5,494)	3,491	11,208
Cash and cash equivalents at the beginning of the period		31,284	20,457	20,457
Effect of exchange rate changes		30	(206)	(381)
Cash and cash equivalents at the end of the period		25,820	23,742	31,284

M&C SAATCHI PLC
NOTES TO THE INTERIM STATEMENTS
SIX MONTHS ENDED 30 JUNE 2007

1. Basis of preparation

The Company is a public limited company incorporated and domiciled in the UK. The address of its registered office is 36 Golden Square, London W1F 9EE.

The Company has its primary listing on the AiM market of the London Stock Exchange. This condensed consolidated half-yearly financial information was approved for issue on 24 September 2007.

The financial information included in this report does not constitute statutory accounts as defined in section 240 of the Companies Act 1985, and is unaudited. The comparative figures for the year ended 31 December 2006 do not constitute the Group's statutory accounts for that financial year. Those accounts, which were prepared under UK GAAP, have been reported on by the Company's auditors and delivered to the Registrar of Companies. The auditor's report on those statutory accounts was unqualified, did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and did not contain a statement under section 237(2) or (3) of the Companies Act 1985.

2. Basis of preparation

This condensed consolidated half-yearly financial information for the half-year ended 30 June 2007 has been prepared in accordance with the AiM Rules for companies. The half-yearly condensed consolidated financial report should be read in conjunction with the annual financial statements for the year ended 31 December 2006 and statement on the impact of IFRS on the financial statements issued on 21 September 2007.

The unaudited financial information presented in this document has been prepared on the basis of the expected accounting policies which the Group will comply with in the accounts to 31 December 2007 and on the basis of all International Financial Reporting Standards ('IFRS'), including International Accounting Standards ('IAS') and interpretations issued by the International Accounting Standards Board ('IASB') and its committees, as adopted by the EU. These are subject to ongoing amendment by the IASB and subsequent endorsement by the European Commission and are therefore subject to possible change. As a result, information contained within this release will require updating for any subsequent amendment to IFRS required for first time adoption or those new standards that the Group may elect to adopt early.

3. Accounting policies

The accounting policies adopted are consistent with those set out in the statement on the impact of IFRS on financial statements issued on 21 September 2007.

M&C SAATCHI PLC
NOTES TO THE INTERIM STATEMENTS
SIX MONTHS ENDED 30 JUNE 2007

4. Segment information

Segmental analysis is provided by reference to the geographical origin of business. The directors believe that the underlying performance of the reported geographical segments is more clearly understood by reporting their performance before amortisation and put option charges. A reconciliation to IFRS GAAP reported operating profit and profit before tax is provided in each case.

	Six months ended 30 June 2007 £'000	Six months ended 30 June 2006 £'000	Year ended 31 December 2006 £'000
Turnover (billings)			
UK	151,580	118,339	306,291
Asia and Australia	21,929	27,202	51,995
America	4,761	3,341	6,802
Europe	4,521	1,374	4,402
	182,791	150,256	369,490
Revenue			
UK	22,014	20,279	44,336
Asia and Australia	11,306	12,281	25,638
America	1,917	1,555	3,632
Europe	2,072	540	2,271
	37,309	34,655	75,877
Headline operating profit / (loss)			
UK	3,077	3,007	6,307
Asia and Australia	(360)	(57)	1,496
America	58	(239)	(261)
Europe	47	(955)	(1,284)
	2,822	1,756	6,258
Reconciliation to IFRS GAAP reported operating profit and loss			
Amortisation of intangible assets			
Europe	-	-	(20)
Reported operating profit	2,822	1,756	6,238

M&C SAATCHI PLC
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SIX MONTHS ENDED 30 JUNE 2007

4. Segment information (continued)

	Six months ended 30 June 2007 £'000	Six months ended 30 June 2006 £'000	Year ended 31 December 2006 £'000
Headline profit / (loss) before tax			
UK	3,972	3,620	7,767
Asia and Australia	(348)	(3)	1,558
America	61	(235)	(254)
Europe	165	(962)	(1,301)
	3,850	2,420	7,770
Reconciliation to IFRS GAAP reported profit before tax			
Fair value adjustments to minority shareholder put option liabilities			
UK	(501)	(384)	(8,970)
Amortisation of intangible assets			
Europe	(17)	-	(20)
Reported profit before tax	3,332	2,036	(1,220)
Net assets / (liabilities)			
UK	12,218	21,391	14,097
Asia and Australia	2,698	2,616	3,095
America	(3,177)	(3,377)	(3,032)
Europe	(1,992)	(1,986)	(2,184)
	9,747	18,644	11,976

M&C SAATCHI PLC
NOTES TO THE INTERIM STATEMENTS
SIX MONTHS ENDED 30 JUNE 2007

5. Share of results of associates

	Six months ended 30 June 2007 £'000	Six months ended 30 June 2006 £'000	Year ended 31 December 2006 £'000
Share of result from associates			
Share of profit before taxation	132	2	7
Amortisation recognised on acquisition of associate	(17)	-	-
Share of taxation	(61)	-	(2)
Total	54	2	5

6. Finance costs

	Six months ended 30 June 2007 £'000	Six months ended 30 June 2006 £'000	Year ended 31 December 2006 £'000
Finance costs			
Bank interest chargeable	(7)	(14)	(33)
Fair value adjustments to minority shareholder put option liabilities	(501)	(384)	(8,970)
Total	(508)	(398)	(9,003)

7. Taxation

The effective annual tax rate for the period to 30 June 2007 is 36.5% (30 June 2006 56.1%).

The headline average annual tax rate used for the period to 30 June 2007 is 31.7% (the estimated headline tax rate for the first-half to 30 June 2006 was 47.2%). This decrease is mainly due to a reduction in entities reporting tax losses with no associated tax credit.

The difference between the headline and statutory tax rates is caused by a difference in the profit before tax as neither the impact of fair value adjustments to minority shareholder put option liabilities or amortisation of intangible assets has any effect on the tax charge.

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8. Dividends

A dividend of £1,300k was paid in June 2007. The dividend relates to the period to 31 December 2006.

In addition, the directors propose an interim dividend of 0.87 pence per share (2006: 0.77 pence per share) payable on 24 October 2007 to shareholders who are on the register at 5 October 2007. This interim dividend, amounting to £513k (2006: £412k) has not been recognised as a liability in this half-yearly financial report.

9. Earnings per share

	Six months ended 30 June 2007	Six months ended 30 June 2006	Year ended 31 December 2006
Reported earnings / (loss) per share			
Basic	2.53p	0.85p	(9.73)p
Diluted	2.50p	0.84p	(9.73)p
Diluted			
Profit / (loss) for the period, attributable to equity shareholders	1,356	461	(5,220)
Weighted average number of shares	54,244,749	54,644,954	54,347,216
Earnings / (loss) per share	2.50p	0.84p	(9.73)p*
Basic			
Profit / (loss) for the period, attributable to equity shareholders	1,356	461	(5,220)
Weighted average number of shares	53,576,549	54,206,799	53,677,484
Earnings / (loss) per share	2.53p	0.85p	(9.73)p

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Headline earnings per share

Basic	3.50p	1.56p	7.02p
Diluted	3.45p	1.55p	6.93p

Diluted

Headline retained earnings	1,874	845	3,770
Weighted average number of shares	54,244,749	54,644,954	54,347,216
Earnings per share	3.45p	1.55p	6.93p

Basic

Profit / (loss) for the period, attributable to equity shareholders	1,356	461	(5,220)
Fair value adjustments to minority shareholder put option liabilities	501	384	8,970
Amortisation of intangibles	17	-	20
Headline profit, for the period attributable to equity shareholders	1,874	845	3,770
Weighted average number of shares	53,576,549	54,206,799	53,677,484
Earnings per share	3.50p	1.56p	7.02p

* Diluted loss per share is reported equal to the basic loss per share. Diluted loss per share is not reported as it is arithmetically greater than the basic loss per share figure.

10. Cash and cash equivalents

	Six months ended 30 June 2007 £'000	Six months ended 30 June 2006 £'000	Year ended 31 December 2006 £'000
Cash and cash equivalents			
Cash held in hand and at bank	25,820	23,742	31,312
Overdraft	-	-	(28)
	25,820	23,742	31,284

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11. Capital and other reserves

	Six months ended 30 June 2007 £'000	Six months ended 30 June 2006 £'000	Year ended 31 December 2006 £'000
Capital			
Ordinary share capital	543	542	542
Share premium	9,794	9,618	9,618
Merger reserve	14,756	14,756	14,756
Treasury reserve	(792)	-	(792)
Total	24,301	24,916	24,124
Other reserves			
Share option reserve	1,002	718	845
Put option reserve	(15,595)	(13,219)	(13,318)
Foreign exchange reserve	(260)	(264)	(371)
Total	(14,853)	(12,765)	(12,844)

12. Consolidated statement of changes in equity

Note	Capital £000s	Other reserves £000s	Retained earnings £000s	Total £000s
Balance at 31 December 2006	24,124	(12,844)	(466)	10,814
Currency translation differences	-	111	-	111
Profit for the period	-	-	1,356	1,356
Total recognised income and expenses	-	111	1,356	1,467
Issue of shares	177	-	-	177
Non cash share based incentive plans	-	190	-	190
New put options issued	-	(2,310)	-	(2,310)
Dividends	-	-	(1,300)	(1,300)
Balance at 30 June 2007	24,301	(14,853)	(410)	9,038

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13. Intangibles

	Six months ended 30 June 2007 £'000	Six months ended 30 June 2006 £'000	Year ended 31 December 2006 £'000
Goodwill	15,394	14,627	15,270
Other intangibles	92	88	87
Intanibles	15,486	14,715	15,357

Other intangibles consist entirely of capitalised software costs.

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14. Acquisition of associate

On the 8 March 2007 the Group acquired 25% of Zapping Publicidad, S.A and its group of companies, a Spanish marketing services group, with a commitment to acquire a further 50% over the next three years.

Purchase consideration	£000
Cash paid	1,349
Direct costs relating to the acquisition	193
Total purchase consideration	1,542
Intangible assets acquired	88
Net assets acquired	35
Goodwill	1,419

The goodwill is attributable to the company's award winning creative talent.

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15. Cash generated from operations

	Six months ended 30 June 2007 £'000	Six months ended 30 June 2006 £'000	Year ended 31 December 2006 £'000
Revenue	37,309	34,655	75,877
Operating expenses	(34,487)	(32,899)	(69,639)
Operating Profit	2,822	1,756	6,238
Adjustments for:			
Depreciation of plant and equipment	759	578	1,212
Losses on sale of plant and equipment	9	1	5
Amortisation of intangible assets	-	-	20
Non-cash share based incentive plans	190	119	213
Operating cash flow before movements in working capital and provisions	3,780	2,454	7,688
(Increase)/decrease in work in progress	(309)	1,403	712
Decrease in trade and other receivables	7,864	9,255	3,434
(Decrease) / increase in trade and other payables	(10,850)	(7,044)	6,416
Increase in provisions	104	152	466
Net cash inflow from operating activities	589	6,220	18,716

16. Cash consumed by acquisitions

Acquisitions	£'000	£'000	£'000
Initial cash consideration	-	-	(749)
Cash and cash equivalents acquired	-	-	114
Purchase of associate (Zapping, Spain)	(1,542)	-	-
Total	(1,542)	-	(635)

M&C SAATCHI PLC
NOTES TO THE INTERIM STATEMENTS
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17. Capital Commitments

The only significant capital commitment is our agreement to acquire a further 50% of Zapping Publicidad, S.A and its group over the next three years.

18. Events occurring post balance sheet date

On the 3 July 2007 we acquired an additional 19.5% of the issued ordinary shares of Walker Media Holdings Limited (Walker Media) for an initial consideration of £11.8 million. The consideration will be adjusted following the determination of the consolidated profit for Walker Media for the financial year ending 31 December 2007. After the acquisition M&C Saatchi will hold 94.5% of the total issued share capital of Walker Media.

On the 5 July 2007 we acquired 100% of the total issued share capital of Clear Ideas Limited (Clear) for an initial consideration of £18.4 million. There is an earn out based on Clear's results to 31 March 2011.