

M&C SAATCHI PLC

INTERIM RESULTS

SIX MONTHS ENDED
30 JUNE 2013

18 September 2013

M&C Saatchi PLC
Interim Results for the six months ended 30 June 2013

18 September 2013

Strong results, with good revenue momentum and earnings growth

Financial Highlights 2013		Growth versus 2012
Revenue	£87.1m	+ 5% (2012: £82.8m)
Underlying Operating Profit	£10.6m	+ 13% (2012: £9.4m)
Operating Profit	£9.2m	+ 6% (2012: £8.7m)
Profit Before Tax	£9.3m	+ 6% (2012: £8.7m)
Earnings	£5.5m	+ 11% (2012: £5.0m)
EPS	8.58p	+ 8% (2012: 7.95p)
Dividend	1.21p	+10% (2012: 1.10p)

The highlights are headline results, see note on next page for definition.

Operational Highlights

- Successful first half with good revenue momentum and earnings growth
- Global Network performed well:
 - UK: revenues up 8%, with CRM and mobile doing well
 - Europe: like-for-like revenues up 21%
 - Asia and Australasia: like-for-like revenues down 3%, largely as a result of Chinese revenues now going through new associate aeiou
 - Middle East and Africa: like-for-like revenues up 54%
 - Americas: like-for-like revenues up 24%
- Continued investment in new offices – Abu Dhabi, New York and Stockholm
- Clear: profitability restored following restructuring of cost base. Strong new business pipeline in place and good momentum in the business
- Strong balance sheet maintained with net cash of £20m
- Interim dividend increased 10% to 1.21p

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

“M&C Saatchi has continued to make good headway over the first six months of 2013. This stems from new business wins and flourishing new businesses.

“We delivered good earnings growth, whilst maintaining investment across our new offices.

“Looking ahead, we are confident that we will continue to make progress in 2013 and beyond. The strategy continues to deliver.”

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Notes to Editors

Headline results

The term headline is not a defined term in IFRS. The items that are excluded from headline results are the amortisation or impairment of intangible assets (including goodwill, but excluding software) acquired in business combinations, changes to contingent and deferred consideration taken to the income statement; impairment of investment in associate; and fair value gains and losses on liabilities caused by our put and call option agreements. See note 4 for a reconciliation of non-headline to headline results.

Like-for-like

The like-for-like revenue comparisons referred to in this report are stated after excluding the impact of foreign currency movements.

Underlying Operating Profit

This is headline operating profit excluding the new office investment in Abu Dhabi, New York and Stockholm during the period.

Periods compared

This report comments on the unaudited consolidated income statement of M&C Saatchi plc (the “Group”) for the six months to 30 June 2013 compared with unaudited consolidated income statement for the same period in 2012.

SUMMARY OF RESULTS

The first six months of 2013 saw a good performance with revenue momentum and earnings growth. Like-for-like revenues increased 5% and we returned a double digit headline operating margin of 10.6%, whilst continuing to invest in three new offices (Abu Dhabi, New York and Stockholm). The headline profit before tax advanced 6% to £9.3m and headline net earnings rose an impressive 11%.

UK

We experienced a positive revenue increase in the UK of 8%, with our CRM and mobile businesses doing well. We also had a favourable run of account wins across our group of businesses, including Adidas, Club Med, HMG Cyber Security, Land Rover and Unipart, as well as winning the RBS and Boots digital businesses. In July, M&C Saatchi won the chemical company BASF's international corporate advertising account. This was led by the UK and Germany, who will co-ordinate a fully integrated corporate campaign across key markets including North America, Brazil, Asia Pacific and Europe. As ever, we maintain a close watch on costs as well as margins. This resulted in the headline operating margin holding at 20.6% (2012: 20.7%, both margins exclude the impact of Group recharges). The UK headline operating profit improved 7% on 2012.

Europe

Despite the economic backdrop, we made considerable progress in Europe with like-for-like revenues up 21%. Headline operating profit was down 5%, with some investment drag from Stockholm. Stockholm has started exceptionally well, winning their first six pitches and developing an impressive client list that includes Carlsberg, Google, H&M, LG and Oxfam. Germany and Italy both excelled in the six months. The French economy was fragile, with little new business on the advertising front but our agency continued to benefit from digital and PR contributions. Spain struggled in a very challenging market but, as an associate, our investment there is just 25%.

Middle East and Africa

We made excellent progress in both Cape Town and Johannesburg. Revenues were up 54% from £2.8m to £4.3m and key wins in the period were Heineken and the City of Cape Town. The region's operating profit was down 17%, as a result of further investment in Abu Dhabi. We have added new management in Abu Dhabi, who we are confident will add revenues beyond our founding client Etihad.

Asia and Australasia

In Asia and Australasia, like-for-like revenue decreased 3% in the six months with our Chinese revenues now going through our new Shanghai associate aeio. More importantly, the losses from China and New Zealand have been arrested, which meant the region's operating profit was up 38% and the operating margin rose to just under 10%. The aeio merger has been very positive in upgrading our Chinese presence and reputation. New Zealand won the Ministry of Justice, which combined with a reduced cost base, means they too are no longer losing money. Australia had a steady first half in an increasingly challenging market. Following the loss of David Jones at the end of July, significant savings to their cost base have been made. Malaysia put in another excellent performance, which included winning 1Malaysia. Japan and India were both profitable, albeit on a relatively small-scale. Our Singapore office, which opened in February 2012, is already profitable after a year which is a great achievement. Their wins have included Government work, in particular the Ministry of Health.

Americas

In the Americas our revenues were up 24%. We continue to invest in New York, which is already proving a valuable office for the network's global pitches. The New York team have been establishing key relationships and are already working with General Electric, Pernod Ricard and Reckitt Benckiser. They continue to build their reputation, which is resulting in a growing new business pipeline. Further good progress was made in Los Angeles and Sao Paulo, which both continued to win new business.

Clear

After a difficult 2012, a rejuvenated and restructured Clear is back on track with a leaner cost base and a strong united management team. Operating profits increased 8% and margins were up nearly 5% to 13%. A clarified offer is being well received and has led to new business wins including Mitchells & Butlers, Dr Oetker, AMP and WWF as well as pharmaceutical projects from Reckitt Benckiser and Bristol-Myers Squibb. Clear's new business pipeline is also much healthier, aided by their Brand Desire research and a newly-formed Advisory Board.

Outlook

M&C Saatchi has continued to make good headway over the first six months of 2013. This stems from new business wins and flourishing new businesses.

We delivered good earnings growth, whilst maintaining investment across our new offices.

Looking ahead, we are confident that we will continue to make progress in 2013 and beyond. The strategy continues to deliver.

M&C SAATCHI PLC
UNAUDITED CONSOLIDATED INCOME STATEMENT
ENDED 30 JUNE 2013

		Six months ended 30 June 2013	Six months ended 30 June 2012	Year ended 31 December 2012
	Note	£000	£000	£000
BILLINGS		255,039	240,330	502,738
REVENUE	4	87,138	82,846	169,486
Operating costs		(78,288)	(74,494)	(153,731)
OPERATING PROFIT	4	8,850	8,352	15,755
Share of results of associates		7	13	91
Impairment of associate		-	-	(1,552)
Finance income	6	216	196	422
Finance costs	7	(4,873)	(2,593)	(4,835)
PROFIT BEFORE TAXATION	4	4,200	5,968	9,881
Taxation on profits	8	(2,902)	(2,542)	(5,357)
PROFIT FOR THE FINANCIAL PERIOD		1,298	3,426	4,524
Profit attributable to:				
Equity shareholders of the Group	4	589	2,345	2,463
Non controlling interest		709	1,081	2,061
		1,298	3,426	4,524
EARNINGS PER SHARE	4			
Basic		0.91p	3.73p	3.89p
Diluted		0.85p	3.63p	3.59p

M&C SAATCHI PLC
UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
ENDED 30 JUNE 2013

	Six months ended 30 June 2013	Six months ended 30 June 2012	Year ended 31 December 2012
	£000	£000	£000
Profit for the period	1,298	3,426	4,524
Other comprehensive income:			
Exchange differences on translating foreign operations before tax	(155)	(384)	(518)
Tax expense	-	(40)	56
Other comprehensive income for the period net of tax	(155)	(424)	(462)
Total comprehensive income for the period	1,143	3,002	4,062
Total comprehensive income attributable to:			
Equity shareholders of the Group	434	1,921	2,001
Non controlling interests	709	1,081	2,061
	1,143	3,002	4,062

M&C SAATCHI PLC
UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2013

	30 June 2013	30 June 2012	31 December 2012
	£000	£000	£000
NON CURRENT ASSETS			
Intangible assets	61,295	61,414	60,540
Investments in associates	759	2,226	756
Plant and equipment	8,116	7,033	7,237
Deferred tax assets	1,711	1,419	1,612
Other non current assets	4,656	5,562	5,041
	76,537	77,654	75,186
CURRENT ASSETS			
Trade and other receivables	82,224	73,027	95,248
Current tax assets	821	539	881
Cash and cash equivalents	23,927	18,066	22,332
	106,972	91,632	118,461
CURRENT LIABILITIES			
Bank overdraft	(113)	-	(84)
Trade and other payables	(93,621)	(84,175)	(106,872)
Current tax liabilities	(2,888)	(2,138)	(3,809)
Other financial liabilities	(75)	(108)	(131)
Minority shareholder put options liabilities	(11,328)	(1,936)	(2,549)
	(108,025)	(88,357)	(113,445)
NET CURRENT (LIABILITIES) / ASSETS	(1,053)	3,275	5,016
TOTAL ASSETS LESS CURRENT LIABILITIES	75,484	80,929	80,202
NON CURRENT LIABILITIES			
Deferred tax liabilities	(642)	(918)	(669)
Other financial liabilities	(3,849)	(3,712)	(4,322)
Minority shareholder put options liabilities	(15,227)	(17,595)	(17,933)
Other non current liabilities	(509)	(411)	(1,092)
	(20,227)	(22,636)	(24,016)
NET ASSETS	55,257	58,293	56,186

M&C SAATCHI PLC
UNAUDITED CONSOLIDATED BALANCE SHEET (CONTINUED)
AT 30 JUNE 2013

	30 June 2013	30 June 2012	31 December 2012
	£000	£000	£000
EQUITY			
Share capital	681	637	641
Share premium	16,037	14,126	14,625
Merger reserve	20,669	21,194	20,669
Treasury reserve	(792)	(792)	(792)
Minority interest put option reserve	(15,904)	(14,305)	(13,675)
Non controlling interest acquired	(1,532)	(359)	(1,085)
Foreign exchange reserve	1,691	1,884	1,846
Retained earnings	31,906	33,243	31,373
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE GROUP	52,756	55,628	53,602
NON CONTROLLING INTERESTS	2,501	2,665	2,584
TOTAL EQUITY	55,257	58,293	56,186

M&C SAATCHI PLC
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
SIX MONTHS ENDED 30 JUNE 2013

	Share Capital £000	Share premium £000	Merger reserve £000	Treasury reserve £000	MI put option reserve £000	Non controlling interest acquired £000	Foreign exchange reserves £000	Retained earnings £000	Subtotal £000	Non controlling interest in equity £000	Total £000
At 1 January 2012	635	13,832	21,194	(792)	(14,305)	(297)	2,308	30,808	53,383	2,663	56,046
Reserve movement for year ending 31 December 2012											
Acquisition	–	–	–	–	–	–	–	–	–	71	71
Acquired non controlling interest	1	115	–	–	73	(120)	–	–	69	(18)	51
Issues of shares to minorities	–	–	–	–	–	–	–	(11)	(11)	26	15
Impairment of New Zealand	–	–	(525)	–	–	–	–	525	–	–	–
Subsidiary share buyback of own equity from a non controlling interest	–	–	–	–	–	(668)	–	–	(668)	(632)	(1,300)
Exchange rate movements	–	–	–	–	–	–	–	–	–	(61)	(61)
Issue of minority put options	–	–	–	–	(480)	–	–	–	(480)	–	(480)
Cancellation of minority put options	–	–	–	–	1,037	–	–	329	1,366	–	1,366
Option exercise	5	678	–	–	–	–	–	(686)	(3)	–	(3)
Share option charge	–	–	–	–	–	–	–	855	855	–	855
Dividends	–	–	–	–	–	–	–	(2,910)	(2,910)	(1,526)	(4,436)
Total transactions with owners	6	793	(525)	–	630	(788)	–	(1,898)	(1,782)	(2,140)	(3,922)
Total comprehensive income for the year	–	–	–	–	–	–	(462)	2,463	2,001	2,061	4,062
At 1 December 2012	641	14,625	20,669	(792)	(13,675)	(1,085)	1,846	31,373	53,602	2,584	56,186

	Share Capital £000	Share premium £000	Merger reserve £000	Treasury reserve £000	MI put option reserve £000	Non controlling interest acquired £000	Foreign exchange reserves £000	Retained earnings £000	Subtotal £000	Non controlling interest in equity £000	Total £000
At 1 January 2013	641	14,625	20,669	(792)	(13,675)	(1,085)	1,846	31,373	53,602	2,584	56,186
Reserve movement for six months ending 30 June 2013											
Acquisitions	–	–	–	–	(986)	–	–	–	(986)	208	(778)
Issue of shares to minorities	–	–	–	–	(367)	–	–	–	(367)	101	(266)
Acquired non controlling interest	–	–	–	–	–	–	–	–	–	(108)	(108)
Sale shares to minorities	–	–	–	–	(1,323)	–	–	(203)	(1,526)	607	(919)
Exchange rate movements	–	–	–	–	–	–	–	–	–	25	25
Options exercise	35	131	–	–	–	–	–	(10)	156	(156)	–
Non Controlling interest acquired	5	1,281	–	–	447	(447)	–	–	1,286	–	1,286
Share option charge	–	–	–	–	–	–	–	157	157	–	157
Total transactions with owners	40	1,412	–	–	(2,229)	(447)	–	(56)	(1,280)	677	(603)
Dividends	–	–	–	–	–	–	–	–	–	(1,469)	(1,469)
Total comprehensive income for year	–	–	–	–	–	–	(155)	589	434	709	1,143
At 30 June 2013	681	16,037	20,669	(792)	(15,904)	(1,532)	1,691	31,906	52,756	2,501	55,257

M&C SAATCHI PLC
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
SIX MONTHS ENDED 30 JUNE 2013

	Share Capital £000	Share premium £000	Merger reserve £000	Treasury reserve £000	MI put option reserve £000	Non controlling interest acquired £000	Foreign exchange reserves £000	Retained earnings £000	Subtotal £000	Non controlling interest in equity £000	Total £000
At 1 January 2012	635	13,832	21,194	(792)	(14,305)	(297)	2,308	30,808	53,383	2,663	56,046
Reserve movement for six months ending 30 June 2013											
Issue of shares to minorities	–	–	–	–	–	–	–	–	–	11	11
Exchange rate movements	–	–	–	–	–	–	–	–	–	(2)	(2)
Options exercise	2	294	–	–	–	–	–	(296)	–	–	–
Non Controlling interest acquired	–	–	–	–	–	(62)	–	–	(62)	–	(62)
Share option charge	–	–	–	–	–	–	–	386	386	–	386
Total transactions with owners	2	294	–	–	–	(62)	–	90	324	9	333
Dividends	–	–	–	–	–	–	–	–	–	(1,088)	(1,088)
Total comprehensive income for year	–	–	–	–	–	–	(424)	2,345	1,921	1,081	3,002
At 30 June 2012	637	14,126	21,194	(792)	(14,305)	(359)	1,884	33,243	55,628	2,665	58,293

M&C SAATCHI PLC
UNAUDITED CONSOLIDATED CASH FLOW STATEMENT
SIX MONTHS ENDED 30 JUNE 2013

	Notes	Six months ended 30 June 2013 £000	Six months ended 30 June 2012 £000	Year Ended 31 December 2012 £000
Revenue		87,138	82,846	169,486
Operating cost		(78,288)	(74,494)	(153,731)
Operating Profit		8,850	8,352	15,755
Adjustments for:				
Depreciation of plant and equipment		1,240	1,114	2,289
Losses on sale of plant and equipment		38	-	99
Losses on sale of software intangibles		-		35
Amortisation on acquired intangible assets		352	303	705
Impairment of Goodwill		-	-	608
Amortisation of capitalised software intangible assets		76	69	141
Non-cash share based incentive plans		157	378	855
Operating cash flow before movements in working capital and provisions		10,713	10,216	20,487
Decrease / (increase) in trade and other receivables		15,449	15,212	(5,717)
Decrease in trade and other payables		(16,138)	(19,671)	4,194
Cash generated / (consumed) from operations		10,024	5,757	18,964
Tax paid		(3,333)	(2,247)	(5,178)
Net cash (out) / in flow from operating activities		6,691	3,510	13,786
Investing activities				
Acquisitions net of cash acquired	10	(1,106)	(1,720)	(3,199)
Proceeds from sale of plant and equipment		33	-	28
Purchase of plant and equipment		(1,893)	(1,142)	(2,652)
Purchase of capitalised software		(28)	(95)	(163)
Dividend from associates		39	-	-
Interest earned		204	196	422
Net cash consumed by investing activities		(2,751)	(2,761)	(5,564)
Net cash generated / (consumed) by operating and investing activities		3,940	749	8,222

	Notes	Six months ended 30 June 2013 £000	Six months ended 30 June 2012 £000	Year Ended 31 December 2012 £000
Net cash generated / (consumed by operating and investing activities		3,940	749	8,222
Dividends paid to equity holders of the Company		–	–	(2,910)
Dividends paid to non controlling interest		(1,469)	(1,088)	(1,526)
Subsidiaries' sale of own shares to minorities		–	11	30
Repayment of finance leases		(28)	(41)	(214)
Inception of bank loans		1,530	1,186	5,416
Repayment of bank loans		(2,130)	(1,272)	(4,755)
Interest paid		(158)	(154)	(390)
Net cash consumed from financing activities		(2,255)	(1,358)	(4,349)
Net increase / (decrease) in cash and cash equivalents		1,685	(609)	3,873
Cash and cash equivalents at the beginning of the period		22,248	18,779	18,779
Effect of exchange rate changes		(119)	(104)	(404)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		23,814	18,066	22,248

M&C SAATCHI PLC**UNAUDITED NOTES TO THE INTERIM STATEMENTS****SIX MONTHS ENDED 30 JUNE 2013****1. GENERAL INFORMATION**

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 consolidated half-yearly financial information was approved for issue on 17 September 2013.

These results do not constitute the Group's statutory accounts. The information presented in relation to 31 December 2012 is extracted from the statutory financial statements for the year then ended and which have been delivered to the Registrar of Companies. The auditor's report on the statutory financial statements for the year ended 31 December 2012 was unqualified, did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their report(s) and did not contain statements under Section 498 (2) or (3) of the Companies Act 2006.

2. BASIS OF PREPARATION

This consolidated half-yearly financial information for the half-year ended 30 June 2013 has been prepared in accordance with the AIM Rules for companies. The half-yearly consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2012.

3. ACCOUNTING POLICIES

The financial information in these interim results is that of the holding company and all of its subsidiaries (the Group). It has been prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards as adopted for use in the EU (IFRSs). The accounting policies applied by the Group in this financial information are the same as those applied by the Group in its financial statements for the year ended 31 December 2012 and which will form the basis of the 2013 financial statements.

M&C SAATCHI PLC**UNAUDITED NOTES TO THE INTERIM STATEMENTS****SIX MONTHS ENDED 30 JUNE 2013****4. EARNINGS PER SHARE AND RECONCILIATION BETWEEN HEADLINE AND STATUTORY RESULTS****Six months ended
30 June 2013**

	Reported results £000	Amortisation of acquired intangibles £000	Fair value adjustments to minority put option liabilities £000	Headline & Segmental results £000
REVENUE	87,138	-	-	87,138
OPERATING PROFIT	8,850	352	-	9,202
Share of results of associates	7	-	-	7
Finance income	216	-	-	216
Finance expense	(4,873)	-	4,698	(175)
PROFIT BEFORE TAXATION	4,200	352	4,698	9,250
Taxation	(2,902)	(84)	-	(2,986)
PROFIT AFTER TAXATION	1,298	268	4,698	6,264
Non controlling interest	(709)	(16)	-	(725)
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE GROUP	589	252	4,698	5,539

BASIC EARNINGS PER SHARE

Weighted average number of shares (thousands)	64,581	64,581
BASIC EPS	0.91p	8.58p

DILUTED EARNINGS PER SHARE

Weighted average number of shares (thousands) as above	64,581	64,581
Add		
- UK growth shares	1,411	1,411
- Float options	128	128
- Options	96	96
- New Options	2,521	2,521
- 2012 options LTIP	246	246
Total	68,983	68,983
DILUTED EARNINGS PER SHARE	0.85p	8.03p

M&C SAATCHI PLC**UNAUDITED NOTES TO THE INTERIM STATEMENTS
SIX MONTHS ENDED 30 JUNE 2013****Six months ended
30 June 2012**

	Reported results £000	Amortisation of acquired intangibles £000	Fair value adjustments to minority put option liabilities £000	Headline & Segmental results £000
REVENUE	82,846	-	-	82,846
OPERATING PROFIT	8,352	303	-	8,655
Share of results of associates	13	-	-	13
Finance income	196	-	-	196
Finance expense	(2,593)	-	2,438	(155)
PROFIT BEFORE TAXATION	5,968	303	2,438	8,709
Taxation	(2,542)	(81)	-	(2,623)
PROFIT AFTER TAXATION	3,426	222	2,438	6,086
Non controlling interest	(1,081)	-	-	(1,081)
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE GROUP	2,345	222	2,438	5,005
BASIC EARNINGS PER SHARE				
Weighted average number of shares (thousands)	62,930			62,930
BASIC EPS	3.73p			7.95p
DILUTED EARNINGS PER SHARE				
Weighted average number of shares (thousands) as above	62,930			62,930
Add				
- UK growth shares	1,620			1,620
- Float options	128			128
Total	64,678			64,678
DILUTED EARNINGS PER SHARE	3.63p			7.74p

M&C SAATCHI PLC**UNAUDITED NOTES TO THE INTERIM STATEMENTS****SIX MONTHS ENDED 30 JUNE 2013**

Year ended 31 December 2012	Reported results £000	Amortisation of acquired intangibles £000	Impairment of Goodwill £000	Impairment of associate £000	Fair value adjustments to minority put option liabilities £000	Headline & segmental results £000
REVENUE	169,486	–	–	–	–	169,486
OPERATING PROFIT	15,755	705	608	–	–	17,068
Share of results of associates	91	–	–	–	–	91
Impairment of associate	(1,552)	–	–	1,552	–	–
Finance income	422	–	–	–	–	422
Finance cost	(4,835)	–	–	–	4,436	(399)
PROFIT BEFORE TAXATION	9,881	705	608	1,552	4,436	17,182
Taxation	(5,357)	(185)	–	–	–	(5,542)
PROFIT FOR THE YEAR	4,524	520	608	1,552	4,436	11,640
Non controlling interests	(2,061)	(19)	–	–	–	(2,080)
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE GROUP	2,463	501	608	1,552	4,436	9,560
BASIC EARNINGS PER SHARE						
Weighted average number of shares (thousands)	63,317	–	–	–	–	63,317
BASIC EPS	3.89p	–	–	–	–	15.10p
DILUTED EARNINGS PER SHARE						
Weighted average number of shares (thousands) as above	63,317	–	–	–	–	63,317
Add						
- UK growth shares	1,581	–	–	–	–	1,581
- Options	128	–	–	–	–	128
- LTIP options 2012	111	–	–	–	–	111
- New LTIP	3,547	–	–	–	–	3,547
Total	68,684	–	–	–	–	68,684
DILUTED EARNINGS PER SHARE	3.59p	–	–	–	–	13.92p

M&C SAATCHI PLC**UNAUDITED NOTES TO THE INTERIM STATEMENTS****SIX MONTHS ENDED 30 JUNE 2013****5. SEGMENTAL INFORMATION**

This segmental information is reconciled to the statutory results in Note 4.

Six months to 30 June 2013	UK	Europe	Middle East & Africa	Asia & Australasia	Americas	Clear	Total
	£000	£000	£000	£000	£000	£000	£000
Revenue	39,142	9,471	4,305	26,257	3,961	4,002	87,138
Operating profit excluding group costs	8,051	1,059	275	2,592	(580)	528	11,925
Group costs	(2,565)	(36)	-	(83)	(39)	-	(2,723)
Operating profit	5,486	1,023	275	2,509	(619)	528	9,202
Share of result of associate	1	6	-	-	-	-	7
Finance income and costs	38	(35)	12	37	(12)	1	41
Profit before taxation	5,525	994	287	2,546	(631)	529	9,250
Taxation	(1,346)	(384)	(192)	(894)	(31)	(139)	(2,986)
Profit for the period	4,179	610	95	1,652	(662)	390	6,264
Non controlling interest	(533)	(28)	(108)	(352)	306	(10)	(725)
Profit attributable to equity holders of the group	3,646	582	(13)	1,300	(356)	380	5,539

HEADLINE BASIC EPS**8.58p****COSTS INCLUDED IN OPERATING PROFIT**

Depreciation and amortisation of software	644	136	119	270	65	82	1,316
Share option charges	157	-	-	-	-	-	157

**OFFICE
LOCATION**

London	Paris	Beirut	Sydney	Los Angeles	London
	Berlin	Cape Town	Melbourne	New York	New York
	Madrid	Johannesburg	Auckland	Sao Paulo	Singapore
	Geneva	Abu Dhabi	Wellington		Sydney
	Milan		Kuala Lumpur		
	Moscow		New Delhi		
	Stockholm		Mumbai		
			Hong Kong		
			Shanghai		
			Tokyo		
			Singapore		

M&C SAATCHI PLC**UNAUDITED NOTES TO THE INTERIM STATEMENTS****SIX MONTHS ENDED 30 JUNE 2013****Six months to
30 June 2012**

	UK £000	Europe £000	Middle East & Africa £000	Asia & Australasia £000	Americas £000	Clear £000	Total £000
Revenue	36,315	7,825	2,800	26,999	3,193	5,714	82,846
Operating profit excluding group costs	7,512	1,115	330	1,880	(445)	489	10,881
Group costs	(2,039)	(36)	-	(112)	(39)	-	(2,226)
Operating profit	5,473	1,079	330	1,768	(484)	489	8,655
Share of result of associate	75	(93)	31	-	-	-	13
Finance income and costs	46	(20)	3	34	(24)	2	41
Profit before taxation	5,594	966	364	1,802	(508)	491	8,709
Taxation	(1,315)	(386)	(108)	(768)	82	(128)	(2,623)
Profit for the period	4,279	580	256	1,034	(426)	363	6,086
Non controlling interest	(518)	(178)	(121)	(381)	116	1	(1,081)
Profit attributable to equity holders of the group	3,761	402	135	653	(310)	364	5,005

HEADLINE BASIC EPS**7.95p****COSTS INCLUDED IN OPERATING PROFIT**

Depreciation and amortisation of software	536	137	71	299	53	87	1,183
Share option charges	378	-	-	-	-	-	378

**OFFICE
LOCATION**

London	Paris	Beirut	Sydney	Los Angeles	London
	Berlin	Cape Town	Melbourne	New York	Amsterdam
	Madrid	Johannesburg	Auckland	Sao Paulo	New York
	Geneva	Abu Dhabi	Wellington		Hong Kong
	Milan		Kuala Lumpur		Singapore
	Moscow		New Delhi		Sydney
			Mumbai		
			Hong Kong		
			Shanghai		
			Tokyo		
			Singapore		

M&C SAATCHI PLC**UNAUDITED NOTES TO THE INTERIM STATEMENTS****SIX MONTHS ENDED 30 JUNE 2013**Year ended
31 December 2012

	UK	Europe	Middle East & Africa	Asia and Australasia	Americas	Clear	Total
	£000	£000	£000	£000	£000	£000	£000
Revenue	75,401	16,164	6,604	53,798	8,031	9,488	169,486
Operating profit excluding group costs	15,252	2,331	237	3,443	66	276	21,605
Group costs	(4,269)	(71)	–	(110)	(87)	–	(4,537)
Operating profit	10,983	2,260	237	3,333	(21)	276	17,068
Share of results of associates	77	(88)	102	–	–	–	91
Finance income and cost	75	(45)	15	14	(38)	2	23
Profit before taxation	11,135	2,127	354	3,347	(59)	278	17,182
Taxation	(2,956)	(743)	(167)	(1,566)	(52)	(58)	(5,542)
Profit for the year	8,179	1,384	187	1,781	(111)	220	11,640
Non controlling interests	(1,231)	(435)	(98)	(565)	255	(6)	(2,080)
Profit attributable to equity holders of the group	6,948	949	89	1,216	144	214	9,560

HEADLINE BASIC EPS

15.10p

Costs included in operating profit:

Depreciation	(1,118)	(250)	(144)	(527)	(79)	(171)	(2,289)
Amortisation of software	(1)	(30)	(25)	(61)	(24)	–	(141)
Share option charges	(855)	–	–	–	–	–	(855)

OFFICE LOCATION

London	Paris	Beirut	Sydney	Los	London
	Berlin	Cape	Melbourne	Angeles	Hong Kong
	Madrid	Town	Auckland	São Paulo	New York
	Geneva	Jo'burg	Wellington	New York	
	Milan	Abu Dhabi	New Delhi		Sydney
	Moscow		Mumbai		Singapore
	Stockholm		Kuala		
			Lumpur		
			Hong Kong		
			Beijing		
			Shanghai		
			Tokyo		
			Singapore		

M&C SAATCHI PLC**UNAUDITED NOTES TO THE INTERIM STATEMENTS****SIX MONTHS ENDED 30 JUNE 2013****6. FINANCE INCOME**

	Six months ended 30 June 2013 £000	Six months ended 30 June 2012 £000	Year ended 31 December 2012 £000
Bank interest receivable	134	174	398
Other interest receivable	82	22	24
Total finance income	216	196	422

7. FINANCE COSTS

	Six months ended 30 June 2013 £000	Six months ended 30 June 2012 £000	Year ended 31 December 2012 £000
Finance costs			
Bank interest payable	(153)	(134)	(390)
Other interest payable	(22)	(21)	(9)
Total interest payable	(175)	(155)	(399)
Fair value adjustments to minority shareholder put option liabilities	(4,698)	(2,438)	(4,436)
Total	(4,873)	(2,593)	(4,835)

M&C SAATCHI PLC**UNAUDITED NOTES TO THE INTERIM STATEMENTS****SIX MONTHS ENDED 30 JUNE 2013****8. TAXATION**

Income tax expenses are recognised based on management's estimate of the average annual headline income tax expected for the full financial year.

The estimated headline effective annual tax rate (excluding associates) used for the period to 30 June 2013 is 32.5% (30 June 2012: 30.2%).

The increase in the headline tax rate is due to losses in subsidiaries that we are investing in.

The estimated effective annual tax rate for the period to 30 June 2013 is 69.1% (30 June 2012: 42.6%).

The difference between the headline and statutory tax rates is caused by a difference in the profit before tax due to the impact of fair value adjustments to minority shareholder put option liabilities that have no effect on the tax charge.

9. DIVIDENDS

	Six months ended 30 June 2013 £000	Six months ended 30 June 2012 £000	Year ended 31 December 2012 £000
2011 final dividend 3.50p (2010: 3.03p)	-	-	2,213
2012 interim dividend 1.10p (2011: 1.00p)	-	-	697
	-	-	2,910

The directors propose an interim dividend of 1.21p per share (2012: 1.10p per share) payable on 15 November 2013 to shareholders who are on the register at 1 November 2013. This interim dividend, amounting to £824k (2012: £697k) has not been recognised as a liability in this half-yearly financial report.

M&C SAATCHI PLC**UNAUDITED NOTES TO THE INTERIM STATEMENTS****SIX MONTHS ENDED 30 JUNE 2013****10. CASH CONSUMED BY ACQUISITIONS**

	Six months ended 30 June 2013 £000	Six months ended 30 June 2012 £000	Year ended 31 December 2012 £000
Acquisitions			
Initial cash consideration paid	(1,580)	(1,743)	(3,206)
Cash and cash equivalents acquired	474	23	7
Total payments made in the period relating to acquisitions	(1,106)	(1,720)	(3,199)