

M&C SAATCHI PLC

INTERIM RESULTS

**SIX MONTHS ENDED
30 JUNE 2014**

11 September 2014

M&C Saatchi PLC

Interim results for the six months ended 30 June 2014

11 September 2014

Strong revenue momentum and earnings growth

Financial Highlights 2014

		Growth versus 2013
Revenue	£82.6m	+ 3% (2013: £80.1m)
Revenue in constant currencies	£8.0m	+ 11% + 17% (2013: £6.8m)
Operating Profit		
Profit Before Tax	£8.5m	+ 17% (2013: £7.3m)
Earnings	£5.1m	+ 23% (2013: £4.1m)
EPS	7.96p	+ 24% (2013: 6.41p)
Dividend	1.40p	+ 15% (2013: 1.21p)

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

Operational Highlights

- Successful first half with strong revenue momentum and earnings growth
- Global Network performed well:
 - UK: revenues up 17%, with CRM and mobile continuing to excel
 - Europe: like-for-like revenues up 14%
 - Middle East and Africa: like-for-like revenues up 11%
 - Asia and Australasia: like-for-like revenues down 3%
 - Americas: like-for-like revenues up 57%
- Continued investment in New York office
- Clear: profitability down off slightly lower revenues
- Strong balance sheet maintained with net cash of £9.6m
- Interim dividend increased 15% to 1.40p

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

"Our results for the first six months of 2014 showed continued revenue momentum and excellent earnings growth and give us confidence for a successful full year outcome.

"This success is based upon a combination of new business wins in our core operations and a growing contribution from our developing new businesses.

"Most of these have yet to reach their full potential and we are anticipating even better returns in 2015."

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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 and fair value gains and losses on liabilities caused by our put and call option agreements. Headline results have been restated to reflect the Discontinued Operation (note 2) so that it is shown as if Walker Media had always been discontinued. 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.

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 2014 compared with unaudited consolidated income statement for the same period in 2013.

SUMMARY OF RESULTS

The first six months of 2014 saw strong revenue momentum and earnings growth. Like-for-like revenues increased 11% and we returned a headline operating margin of 9.7%, up from 8.5% in 2013. The headline profit before tax advanced 17% to £8.5m and headline net earnings rose 23%.

UK

We posted an excellent revenue increase in the UK of 17%, with our CRM and mobile operations continuing to do well. We experienced a favourable run of account wins across our group of businesses in the first half, including Land Rover, John Lewis, Ballantine's, Foot Locker, FCA, NFA and Doodle, as well as winning the global account of Doewe Egberts. In April, we bolstered our digital capabilities by acquiring Lean Mean Fighting Machine, a highly respected and much awarded online agency. Following the successful exporting in recent years of our Mobile and Sport & Entertainment ventures to our overseas offices, we are now also rolling out internationally LIDA, our acclaimed CRM agency together with M&C Saatchi PR. In addition, we are also exploring a new business in content creation. As ever, we retained a careful watch on costs to support margins. This resulted in the headline operating margin holding at 16.8% (2013: 17.7%, both margins exclude the impact of Group recharges). The UK headline operating profit improved a positive 11% on 2013.

Europe

We made further notable progress in Europe with like-for-like revenues up 14%. Headline operating profit was up 17%, with a headline operating margin of 12%. Stockholm have maintained their impressive revenue momentum with a stream of good new business wins in the period. Both Germany and Italy again produced first-rate performances. The French economy remained sluggish but our agency had a positive new business run, winning McCain and Thomas Cook as well as a place on the EDF roster. Spain struggled in a difficult market but as an associate our investment there is just 25%.

Middle East and Africa

Like-for-like revenues in the Middle East and Africa were up 11%, with exceptional growth in both Cape Town and Johannesburg; key wins in the period came from Pepsico and Deloitte Consulting. Our unit to service the African market is working well, winning projects for Amstel in Cameroon and Guinness in Ghana. Abu Dhabi

continues to build revenues beyond Etihad and won projects from new clients. Overall this resulted in an excellent financial performance in the region with operating profit up 72% and headline operating margin up from 6.4% to 12.0%.

Asia and Australasia

In Asia and Australasia, like-for-like revenue decreased 3% in the period. Australian revenues were down without the account of David Jones in 2014, which was lost in the third quarter of last year. However, our Australian offices have had an outstanding new business run in the first half, winning IAG, Lexus, A2, Wotif and Cricket Australia, which we expect will make favourable contributions to the second half. Revenues were also impacted by a series of account losses in New Zealand, which meant we took the strategic decision to close the office. Otherwise, the relationship with our new associate in China, aeiou, is working well and they picked up some Microsoft business. Malaysia made an outstanding contribution, maintaining their excellent performance. In India, we replicated our Chinese investment acquiring 20% of February, a Delhi based agency. Singapore was appointed on an Asian regional basis for Jaguar and continues to win Government assignments. The headline regional operating margin was up two points from 9.9% to 11.9%, with operating profit down just 1%.

Americas

In the Americas our like-for-like revenues were up 57%. The first half saw further investment in New York where conversion of new business proved slow, which led us to implement a management restructure. We are now also looking at an associate investment to enhance our presence and accelerate growth. Our office in Los Angeles made notable progress, winning UGG's social media business across the US and the Sylvester Cancer Centre. We are still looking to upgrade our Sao Paulo presence, replicating the investment approach we took in China. Overall, the operating loss decreased from £580k to £458K.

Clear

Clear's like-for-like revenues decreased 3%. The Clear US operation performed well but both the UK and Australia experienced a slow second quarter with thinner new business pipelines. The UK is now focusing on building revenues through recruiting outstanding consultants with proven revenue track records. The UK operation has

also moved to be located alongside our other UK companies around Golden Square and will now look to work more closely with them. The operating profit fell 36% and the headline operating margin fell from 13.2% to 9.1%.

Outlook

Our results for the first six months of 2014 showed continued revenue momentum and excellent earnings growth and give us confidence for a successful full year outcome.

This success is based upon a combination of new business wins in our core operations and a growing contribution from our developing new businesses. Most of these have yet to reach their full potential and we are anticipating even better returns in 2015.

M&C SAATCHI PLC
UNAUDITED CONSOLIDATED INCOME STATEMENT
ENDED 30 JUNE 2014

Six months ended	Six months ended	Year ended 31 December 2013
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		30 June 2014	30 June 2013	
	Note	£000	£000	£000
BILLINGS		158,614	146,883	320,288
REVENUE	4	82,616	80,143	162,039
Operating costs		(74,980)	(73,668)	(149,282)
OPERATING PROFIT	4	7,636	6,475	12,757
Share of results of associates		573	7	163
Finance income	6	5,386	152	376
Finance costs	7	(193)	(4,873)	(15,852)
PROFIT BEFORE TAXATION	4	13,402	1,761	(2,556)
Taxation on profits	8	(2,331)	(2,327)	(4,207)
PROFIT AFTER TAXATION		11,071	(566)	(6,763)
Profit from discontinued operations, net of tax	8	-	1,864	10,093
PROFIT FOR THE FINANCIAL PERIOD		11,071	1,298	3,330
Profit attributable to:				
Equity shareholders of the Group	4	10,065	589	1,483
Non controlling interest		1,006	709	1,847
		11,071	1,298	3,330
EARNINGS PER SHARE	4			
Basic		15.76p	0.91p	2.24p
Diluted		14.89p	0.85p	2.11p

Reconciliation of the above numbers to the Headline numbers, discussed in the front of this report, can be found in note 4 page 17 to 19.

M&C SAATCHI PLC

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

ENDED 30 JUNE 2014

	Six months ended 30 June 2014 £000	Six months ended 30 June 2013 £000	Year ended 31 December 2013 £000

Profit for the period	11,071	1,298	3,330
Other comprehensive income:			
Exchange differences on translating foreign operations	(343)	(155)	(1,302)
Total other comprehensive income for the period net of tax	(343)	(155)	(1,302)
Total comprehensive income for the period	10,728	1,143	2,028
Total comprehensive income attributable to:			
Equity shareholders of the Group	9,722	434	181
Non controlling interests	1,006	709	1,847
	10,728	1,143	2,028

M&C SAATCHI PLC

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2014

	30 June 2014	30 June 2013	31 December 2013
	£000	£000	£000
NON CURRENT ASSETS			
Intangible assets	35,086	61,295	35,269
Investments in associates	13,619	759	13,099
Plant and equipment	7,575	8,116	7,310
Deferred tax assets	1,352	1,711	1,313
Other non current assets	5,540	4,656	5,316
	63,172	76,537	62,307
CURRENT ASSETS			
Trade and other receivables	65,932	82,224	61,478
Current tax assets	822	821	1,355
Cash and cash equivalents	20,056	23,927	33,702
	86,810	106,972	96,535
CURRENT LIABILITIES			
Bank overdraft	(111)	(113)	(115)
Trade and other payables	(63,069)	(93,621)	(64,004)
Current tax liabilities	(2,617)	(2,888)	(3,552)
Other financial liabilities	(14)	(75)	(20)

Deferred and contingent consideration	(215)	-	(420)
Minority shareholder put options liabilities	(12,862)	(11,328)	(21,844)
	(78,888)	(108,025)	(89,955)
NET CURRENT ASSETS / (LIABILITIES)	7,922	(1,053)	6,580
TOTAL ASSETS LESS CURRENT LIABILITIES	71,094	75,484	68,887
NON CURRENT LIABILITIES			
Deferred tax liabilities	(439)	(642)	(486)
Other financial liabilities	(10,349)	(3,849)	(356)
Minority shareholder put options liabilities	(14,361)	(15,227)	(16,325)
Other non current liabilities	(947)	(509)	(896)
	(26,096)	(20,227)	(18,063)
NET ASSETS	44,998	55,257	50,824

M&C SAATCHI PLC

UNAUDITED CONSOLIDATED BALANCE SHEET (CONTINUED)

AT 30 JUNE 2014

	30 June 2014	30 June 2013	31 December 2013
	£000	£000	£000
EQUITY			
Share capital	647	681	690
Share premium	16,402	16,037	16,402
Merger reserve	22,405	20,669	16,736
Treasury reserve	(792)	(792)	(792)
Minority interest put option reserve	(15,594)	(15,904)	(16,587)
Non controlling interest acquired	(2,540)	(1,532)	(1,532)
Foreign exchange reserve	201	1,691	544
Retained earnings	21,898	31,906	33,070
TOTAL SHAREHOLDERS FUNDS	42,627	52,756	48,531
NON CONTROLLING INTERESTS	2,371	2,501	2,293
TOTAL EQUITY	44,998	55,257	50,824

M&C SAATCHI PLC

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SIX MONTHS ENDED 30 JUNE 2014

	Share Capital £000	Share premium £000	Merger reserve £000	Treasury reserve £000	MI put option reserve £000	contr int acc
At 1 January 2013	641	14,625	20,669	(792)	(13,675)	(1,000)
Reserve movement for year ending 31 December 2013						
Acquisition	-	-	-	-	(1,661)	(1,661)
Disposals	-	-	(3,933)	-	-	(3,933)
Exercise of put options	5	1,281	-	-	447	(1,000)
Issue of shares to minorities	-	-	-	-	(484)	(484)
Exchange rate movements	-	-	-	-	-	-
Issue of minority put options	-	-	-	-	(1,214)	(1,214)
Option exercise	44	496	-	-	-	-
Share option charge	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Total transactions with owners	49	1,777	(3,933)	-	(2,912)	(4,019)
Total comprehensive income for the year	-	-	-	-	-	-
At 1 December 2014	690	16,402	16,736	(792)	(16,587)	(1,000)

M&C SAATCHI PLC

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

SIX MONTHS ENDED 30 JUNE 2014

	Share Capital £000	Share premium £000	Merger reserve £000	Treasury reserve £000	MI put option reserve £000	contr int acc
At 1 January 2014	690	16,402	16,736	(792)	(16,587)	(1,000)
Reserve movement for six months ending 30 June 2014						
Exercise of put options	20	-	5,669	-	1,008	(1,000)

Share buy back	(63)	-	-	-	-
Exchange rate movements	-	-	-	-	(15)
Share option charge	-	-	-	-	-
Total transactions with owners	(43)	-	5,669	-	993 (1,
Dividends	-	-	-	-	-
Total comprehensive income for year	-	-	-	-	-
At 30 June 2014	647	16,402	22,405	(792)	(15,594) (2,

M&C SAATCHI PLC

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED) SIX MONTHS ENDED 30 JUNE 2014

	Share Capital £000	Share premium £000	Merger reserve £000	Treasu- ry reserve £000	MI put option reserve £000	Non controlli ng interest acquired £000	Foreign exchan- ge reserve £000	Retaine- d earnings £000	Subtotal £000	Non controlli ng interest in equity £000	Total £000
At 1											
January		14,62	20,66		(13,67			31,37	53,60		56,18
2013	641	5	9	(792)	5)	(1,085)	1,846	3	2	2,584	6
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)	-

	Share Capital £000	Share premium £000	Merger reserve £000	Treasu- ry reserve £000	MI put option reserve £000	Non controlli- ng interest acquired £000	Foreign exchan- ge reserve £000	Retaine- d earnings £000	Subtotal £000	Non controlli- ng interest in equity £000	Total £000
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 comprehensi- ve 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 CASH FLOW STATEMENT SIX MONTHS ENDED 30 JUNE 2014

	Notes	Six months ended 30 June 2014 £000	Six months ended 30 June 2013 £000	Year Ended 31 December 2013 £000
Revenue		82,616	80,143	162,039
Operating cost		(74,980)	(73,668)	(149,282)
Operating Profit (continuing)		7,636	6,475	12,757
Adjustments for:				
Operating profit from discontinued operations		-	2,375	3,974
Depreciation of plant and equipment		1,065	1,240	2,233
Losses on sale of plant and equipment		137	38	23
Amortisation on acquired intangible assets		370	352	900

Amortisation of capitalised software intangible assets		59	76	143
Equity settled share based payment expenses		177	157	290
Operating cash flow before movements in working capital and provisions		9,444	10,713	20,320
Decrease / (increase) in trade and other receivables		(3,494)	15,449	5,464
Decrease in trade and other payables		(989)	(16,138)	(6,743)
Cash generated / (consumed) from operations		4,961	10,024	19,041
Tax paid		(3,066)	(3,333)	(5,080)
Net cash (out) / in flow from operating activities		1,895	6,691	13,961
Investing activities				
Acquisitions net of cash acquired	10	(1,374)	(1,106)	(3,101)
Disposal of discontinued operations, net of cash disposed of		-	-	15,082
Acquisition of investments		(224)	-	(800)
Proceeds from sale of plant and equipment		30	33	20
Purchase of plant and equipment		(1,504)	(1,893)	(2,771)
Purchase of capitalised software		(24)	(28)	(90)
Dividend from associates		82	39	73
Interest earned		31	204	473
Net cash consumed by investing activities		(2,983)	(2,751)	8,886
Net cash generated / (consumed) by operating and investing activities		(1,088)	3,940	22,847

	Notes	Six months ended 30 June 2014 £000	Six months ended 30 June 2013 £000	Year Ended 31 December 2013 £000
Net cash generated / (consumed) by operating and investing activities		(1,088)	3,940	22,847
Dividends paid to equity holders of the Company		-	-	(3,421)
Purchase of own shares		(21,477)	-	-
Dividends paid to non controlling interest		(909)	(1,469)	(2,544)
Subsidiaries' sale of own shares to minorities		-	-	1
Repayment of finance leases		(22)	(28)	(42)
Inception of bank loans		10,022	1,530	4,261
Repayment of bank loans		-	(2,130)	(8,200)
Interest paid		(187)	(158)	(321)

Net cash consumed from financing activities	(12,573)	(2,255)	(10,266)
Net increase / (decrease) in cash and cash equivalents	(13,661)	1,685	12,581
Cash and cash equivalents at the beginning of the period	33,587	22,248	22,248
Effect of exchange rate changes	19	(119)	(1,242)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	19,945	23,814	33,587

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 10 September 2014.

These results do not constitute the Group's statutory accounts. The information presented in relation to 31 December 2013 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 2013 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 2014 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 2013.

The annual financial statements for year ended 31 December 2013 treats Walker Media Limited, due to the disposal of 75.1% of its equity on 28 November 2013, as a discontinued operation. The comparative consolidated

half-yearly financial information for the half-year ended 30 June 2013 have been restated to reflect this discontinuance.

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 2013 and which will form the basis of the 2014 financial statements.

4. EARNINGS PER SHARE AND RECONCILIATION BETWEEN HEADLINE AND STATUTORY RESULTS

**Six months ended
30 June 2014**

	Reported results £000	Amortisation of acquired intangibles £000	Fair value adjustments to minority put option liabilities £000	Headline & Segmental results £000
REVENUE	82,616	-	-	82,616
OPERATING PROFIT	7,636	370	-	8,006
Share of results of associates	573	-	-	573
Finance income	5,386	-	(5,270)	116
Finance expense	(193)	-	-	(193)
PROFIT BEFORE TAXATION	13,402	370	(5,270)	8,502
Taxation	(2,331)	(78)	-	(2,409)
PROFIT AFTER TAXATION	11,071	292	(5,270)	6,093
Non controlling interest	(1,006)	-	-	(1,006)
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE GROUP	10,065	292	(5,270)	5,087
BASIC EARNINGS PER SHARE				

Weighted average number of shares (thousands)	63,882	63,882
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BASIC EPS	15.76p	7.96p
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DILUTED EARNINGS PER SHARE

Weighted average number of shares (thousands) as above	63,882	63,882
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Add

- UK growth shares	641	641
- Options	-	-
- LTIP	55	55
- 2012 LTIP	230	230
- New LTIP	2,322	2,322
- Dilutive put options	472	472
Total	67,602	67,602

DILUTED EARNINGS PER SHARE	14.89p	7.52p
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Six months ended 30 June 2013

	Reported results £000	Comparative half year of discontinued operation £000	Amortisation of acquired intangibles £000	Fair value adjustments to minority put option liabilities £000	Headline & Segmental results £000
REVENUE	80,143	-	-	-	80,143
OPERATING PROFIT	6,475		352	-	6,827
Share of results of associates	7	464	-	-	471
Finance income	152		-	-	152
Finance expense	(4,873)		-	4,698	(175)
PROFIT BEFORE TAXATION	1,761	464	352	4,698	7,275
Taxation	(2,327)	-	(84)	-	(2,411)
PROFIT AFTER TAXATION	(566)	464	268	4,698	4,864
Profit from discontinued operations, net of tax	1,864	(1,864)	-	-	-
PROFIT FOR THE FINANCIAL PERIOD	1,298	(1,400)	268	4,698	4,864
Non controlling interest	(709)	-	(16)	-	(725)
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE GROUP	589	(1,400)	252	4,698	4,139

BASIC EARNINGS PER SHARE

Weighted average number of shares (thousands)	64,581	64,581
BASIC EPS	0.91p	6.41p

DILUTED EARNINGS PER SHARE

Weighted average number of shares (thousands) as above	64,581	64,581
Add		
- UK growth shares	1,411	1,411
- Options	128	128
- LTIP	96	96
- New options	2,521	2,521
- 2012 LTIP	246	246
Total	68,983	68,983
DILUTED EARNINGS PER SHARE	0.85p	6.00p

Year ended 31 December 2013	Reported results £000	Comparative year of discontinued operation £000	Amortisation of acquired intangibles £000	Fair value adjustments to minority put option liabilities £000	Headline & segmental results £000
REVENUE	162,039	-	-	-	162,039
OPERATING PROFIT	12,757	-	900	-	13,657
Share of results of associates	163	758	-	-	921
Finance income	376	-	-	-	376
Finance cost	(15,852)	-	-	15,503	(349)
PROFIT BEFORE TAXATION	(2,556)	758	900	15,503	14,605
Taxation	(4,207)		(230)	-	(4,437)
PROFIT AFTER TAXATION	(6,763)	758	670	15,503	10,168
Profit from discontinued operations, net of tax	10,093	(10,093)	-	-	-
PROFIT FOR THE FINANCIAL PERIOD	3,330	(9,335)	670	15,503	10,168
Non controlling interests	(1,847)	-	(134)	-	(1,981)
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE GROUP	1,483	(9,335)	536	15,503	8,187
BASIC EARNINGS PER SHARE					

Weighted average number of shares (thousands)	66,094	-	-	-	66,094
BASIC EPS	2.24p	-	-	-	12.39p
DILUTED EARNINGS PER SHARE					
Weighted average number of shares (thousands) as above	66,094	-	-	-	66,094
Add					
- UK growth shares	631	-	-	-	631
- Options	128	-	-	-	128
- LTIP	102	-	-	-	102
- 2012 LTIP	230	-	-	-	230
- New LTIP	2,751	-	-	-	2,751
- Dilutive put options	359	-	-	-	359
Total	70,295	-	-	-	70,295
DILUTED EARNINGS PER SHARE	2.11p	-	-	-	11.65p

5. SEGMENTAL INFORMATION

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

Six months to 30 June 2014	UK	Europe	Middle East & Africa	Asia & Australasia	Americas	Clear	Total
	£000	£000	£000	£000	£000	£000	£000
Revenue	37,509	10,372	3,934	21,582	5,506	3,713	82,616
Operating profit excluding group costs	6,306	1,240	473	2,560	(458)	337	10,458
Group costs	(2,235)	(36)	-	(165)	(16)	-	(2,452)
Operating profit	4,071	1,204	473	2,395	(474)	337	8,006
Share of result of associate	430	(17)	-	160	-	-	573
Finance income and costs	(67)	(24)	9	19	(16)	2	(77)
Profit before taxation	4,434	1,163	482	2,574	(490)	339	8,502
Taxation	(854)	(355)	(124)	(826)	(119)	(131)	(2,409)
Profit for the period	3,580	808	358	1,748	(609)	208	6,093

Non controlling interest	(475)	(211)	(173)	(437)	308	(18)	(1,006)
Profit attributable to equity holders of the group	3,105	597	185	1,311	(301)	190	5,087
HEADLINE BASIC EPS	7.96p						

COSTS INCLUDED IN OPERATING PROFIT

	PROFIT						
Depreciation and amortisation of software	636	136	98	173	23	58	1,124
Share option charges	177	-	-	-	-	-	177
OFFICE LOCATION	London	Paris Berlin Madrid Geneva Milan Moscow Stockholm	Beirut Cape Town Johannesburg Abu Dhabi	Sydney Melbourne Auckland Wellington Kuala Lumpur New Delhi Mumbai Hong Kong Shanghai Tokyo Singapore	Los Angeles New York Sao Paulo	London New York Singapore Sydney	

Six months to 30 June 2013	UK	Europe	Middle East & Africa	Asia & Australasia	Americas	Clear	Total
	£000	£000	£000	£000	£000	£000	£000
Revenue	32,147	9,471	4,305	26,257	3,961	4,002	80,143
Operating profit excluding group costs	5,676	1,059	275	2,592	(580)	528	9,550
Group costs	(2,565)	(36)	-	(83)	(39)	-	(2,723)
Operating profit	3,111	1,023	275	2,509	(619)	528	6,827
Share of result of associate	465	6	-	-	-	-	471
Finance income and costs	(25)	(34)	12	37	(12)	(1)	(23)

Profit before taxation	3,551	995	287	2,546	(631)	527	7,275
Taxation	(772)	(383)	(192)	(894)	(31)	(139)	(2,411)
Profit for the period	2,779	612	95	1,652	(662)	388	4,864
Non controlling interest	(533)	(28)	(108)	(352)	306	(10)	(725)
Profit attributable to equity holders of the group	2,246	584	(13)	1,300	(356)	378	4,139
HEADLINE BASIC EPS							6.41p

COSTS INCLUDED IN OPERATING PROFIT

	PROFIT						
Depreciation and amortisation of software	643	136	120	271	65	81	1,316
Share option charges	157	-	-	-	-	-	157
OFFICE LOCATION	London	Paris Berlin Madrid Geneva Milan Moscow	Beirut Cape Town Johannesburg Abu Dhabi	Sydney Melbourne Auckland Wellington Kuala Lumpur New Delhi Mumbai Hong Kong Shanghai Tokyo Singapore	Los Angeles New York Sao Paulo	London New York Sydney	

Year ended 31 December 2013	UK	Europe	Middle East & Africa	Asia and Australasia	Americas	Clear	Total
	£000		£000	£000	£000	£000	£000
Revenue	68,147	19,424	8,055	48,299	10,502	7,612	162,039
Operating profit excluding group costs	11,054	1,902	376	4,438	(90)	919	18,599
Group costs	(4,546)	(71)	-	(234)	(91)	-	(4,942)

Operating profit	6,508	1,831	376	4,204	(181)	919	13,657
Share of results of associates	983	23	(152)	67	-	-	921
Finance income and cost	(45)	(55)	104	37	(19)	5	27
Profit before taxation	7,446	1,799	328	4,308	(200)	924	14,605
Taxation	(1,560)	(670)	(186)	(1,671)	(137)	(213)	(4,437)
Profit for the year	5,886	1,129	142	2,637	(337)	711	10,168
Non controlling interests	(1,232)	(208)	(214)	(811)	509	(25)	(1,981)
Profit attributable to equity holders of the group	4,654	921	(72)	1,826	172	686	8,187

HEADLINE BASIC EPS

12.39p

Costs included in operating profit:

Depreciation	(969)	(229)	(172)	(454)	(82)	(154)	(2,060)
Amortisation of software	(38)	(39)	(29)	(14)	(23)	-	(143)
Share option charges	(290)	-	-	-	-	-	(290)

OFFICE LOCATION

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

6. FINANCE INCOME

	Six months ended 30 June 2014 £000	Six months ended 30 June 2013 £000	Year ended 31 December 2013 £000
Bank interest receivable	99	131	173

Other interest receivable	17	21	203
Total finance income	116	152	376
Fair value adjustments to minority shareholder put option liabilities	5,270	-	-
Total	5,386	152	376

7. FINANCE COSTS

	Six months ended 30 June 2014 £000	Six months ended 30 June 2013 £000	Year ended 31 December 2013 £000
Finance costs			
Bank interest payable	(189)	(153)	(342)
Other interest payable	(4)	(22)	(7)
Total interest payable	(193)	(175)	(349)
Fair value adjustments to minority shareholder put option liabilities	-	(4,698)	(15,503)
Total	(193)	(4,873)	(15,852)

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 2014 is 28.3% (30 June 2013: 33.1%).

The decrease in the headline tax rate is due to reduced losses in subsidiaries that we are investing in and the reduced UK tax rate.

The estimated effective annual tax rate for the period to 30 June 2014 is 17.4% (30 June 2013: 132.1%).

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 2014 £000	Six months ended 30 June 2013 £000	Year ended 31 December 2013 £000
2012 final dividend 3.85p (2011: 3.50p)	-	-	2,596
2013 interim dividend 1.21p (2012: 1.10p)	-	-	825
	-	-	3,421

The directors propose an interim dividend of 1.40p per share (2013: 1.21p per share) payable on

14 November 2014 to shareholders who are on the register at 31 October 2014. This interim dividend, amounting to £932k (2013: £825k) has not been recognised as a liability in this half-yearly financial report.

10. CASH CONSUMED BY ACQUISITIONS

	Six months ended 30 June 2014 £000	Six months ended 30 June 2013 £000	Year ended 31 December 2013 £000
Acquisitions			
Initial cash consideration paid	(1,232)	(1,580)	(4,007)
Cash and cash equivalents acquired	(142)	474	906
	(1,374)	(1,106)	(3,101)

This information is provided by RNS
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