

Glossary of terms

The Group

Aegis Group plc and its subsidiaries.

Aegis Media

The media communications division of Aegis Group plc.

Synovate

The market research division of Aegis Group plc.

Billings

The annualised value of media purchased and/or managed on behalf of clients, before agency discounts.

Turnover

Represents amounts invoiced for media handled by the Group on behalf of clients, together with fees invoiced for media and research services provided.

Revenue

The value of media and research fees and commission earned by the Group.

Gross profit

Media and research income after deduction of all direct costs.

Gross margin

Gross profit stated as a percentage of turnover.

Operating profit

Gross profit less operating expenses.

Operating margin

Operating profit stated as a percentage of revenue.

Net new business

The annualised value of media billings gained less the annualised value of media billings lost.

Reported growth

Reported growth represents the year on year growth including the effect of new businesses acquired or disposed of during the year and movements in exchange rates.

Organic growth

Organic growth represents year on year growth after adjusting for the effect of businesses acquired or disposed of since the beginning of the prior year.

Constant currency results

Constant currency results are calculated by restating prior year local currency amounts using current year exchange rates.

Underlying results

Underlying operating profit, underlying profit before interest and tax, underlying profit before tax, and underlying profit after tax are operating profit, profit before interest and tax, profit before tax, and profit after tax respectively, stated before those items of financial performance that the Group believes should be separately disclosed to assist in the understanding of the underlying performance achieved by the Group and its businesses ('adjusting items'). Such adjusting items are material by nature or amount in the opinion of the directors and may include impairment charges and other exceptional items which are material by nature or amount in the opinion of the directors, including profits and losses on disposals of investments, amortisation of purchased intangible assets, unrealised gains and losses on non-hedge derivative financial instruments, fair value gains and losses on liabilities in respect of put option agreements, and any related tax thereon, as appropriate.

Adjusting items may also include specific tax items such as the benefit arising on the reduction of certain tax liabilities in a particular half-year period and deferred tax liabilities for tax deductions taken in respect of goodwill, where a deferred tax liability is recognised even if such a liability would only unwind on the eventual sale or impairment of the business in question.

Adjusting items are classified as operating, non-operating and financing according to the nature of the underlying income or expense.

Goodwill

The difference between the fair value of purchase consideration of a business as a whole and the aggregate fair value of its separable net assets.

Minority interests

Partial ownership of subsidiary undertakings by external shareholders.

Emerging markets

Emerging markets comprise Latin America, Central and Eastern Europe, Asia-Pacific (with the exception of Australia, New Zealand and Japan) and the Middle East and Africa.