

FORM 10-Q
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

(Mark One)

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ending June 30, 1997

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-6686

THE INTERPUBLIC GROUP OF COMPANIES, INC.
(Exact name of registrant as specified in its charter)

Delaware 13-1024020
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

1271 Avenue of the Americas, New York, New York 10020
(Address of principal executive offices) (Zip Code)

(212) 399-8000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1)
has filed all reports required to be filed by
Section 13 or 15(d) of the Securities Exchange Act
of 1934 during the preceding 12 months (or for such
shorter period that the registrant was required to
file such reports), and (2) has been subject to
such filing requirements for the past 90 days. Yes
X . No .

Indicate the number of shares outstanding of each
of the issuer's classes of common stock, as of the
latest practicable date.

Common Stock outstanding at July 31, 1997:
124,546,711 shares.PAGE

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES

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PART I - FINANCIAL INFORMATION

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEET(Dollars in Thousands)
ASSETS

	JUNE 30, 1997	DECEMBER 31, 1996
Current Assets:		
Cash and cash equivalents (includes certificates of deposit: 1997-\$86,468; 1996-\$83,680)	\$ 405,677	\$ 468,526
Marketable securities, at cost which approximates market	41,734	35,408
Receivables (less allowance for doubtful accounts: 1997-\$22,468; 1996-\$33,301)	2,910,799	2,646,259
Expenditures billable to clients	207,636	130,185
Prepaid expenses and other current assets	92,990	73,081
Total current assets	3,658,836	3,353,459
Other Assets:		
Investment in unconsolidated affiliates	92,274	102,711
Deferred taxes on income	72,033	79,371
Other investments and miscellaneous assets	192,168	173,308
Total other assets	356,475	355,390
Fixed Assets, at cost:		
Land and buildings	87,063	82,332
Furniture and equipment	436,902	413,029
	523,965	495,361
Less accumulated depreciation	292,488	276,448
	231,477	218,913
Unamortized leasehold improvements	88,524	88,045
Total fixed assets	320,001	306,958
Intangible Assets (less accumulated amortization: 1997-\$202,134; 1996-\$186,189)		
	868,796	749,323
Total assets	\$5,204,108	\$4,765,130

See accompanying notes to consolidated financial statements.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(Dollars in Thousands Except Per Share Data)
LIABILITIES AND STOCKHOLDERS' EQUITY

	JUNE 30, 1997	DECEMBER 31, 1996*
Current Liabilities:		
Payable to banks	\$ 304,328	\$ 121,655
Accounts payable	2,876,331	2,626,695
Accrued expenses	279,361	317,157
Accrued income taxes	143,725	133,522
Total current liabilities	3,603,745	3,199,029
Noncurrent Liabilities:		
Long-term debt	234,080	231,760
Convertible subordinated debentures	116,626	115,192
Deferred compensation and reserve for termination liabilities	208,975	210,670
Accrued postretirement benefits	47,146	46,726
Other noncurrent liabilities	56,023	66,457
Minority interests in consolidated subsidiaries	27,087	23,281
Total noncurrent liabilities	689,937	694,086
Stockholders' Equity:		
Preferred Stock, no par value shares authorized: 20,000,000 shares issued: none		
Common Stock, \$.10 par value shares authorized: 225,000,000 shares issued:		
1997 - 138,206,192		
1996 - 136,410,542	13,820	13,641
Additional paid-in capital	483,772	465,945
Retained earnings	940,865	855,113
Adjustment for minimum pension liability	(12,979)	(12,979)
Cumulative translation adjustments	(124,211)	(82,978)
	1,301,267	1,238,742
Less:		
Treasury stock, at cost:		
1997 - 13,767,768 shares		
1996 - 14,712,143 shares	330,365	319,377
Unamortized expense of restricted stock grants	60,476	47,350
Total stockholders' equity	910,426	872,015
Total liabilities and stockholders' equity	\$5,204,108	\$4,765,130

See accompanying notes to consolidated financial statements.

* Restated to reflect three-for-two stock split payable July 15, 1997.

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THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT
THREE MONTHS ENDED JUNE 30

(Dollars in Thousands Except Per Share Data)

	1997	1996*
Revenue	\$ 788,621	\$ 631,585
Other income	23,692	43,760
Gross income	812,313	675,345
Costs and expenses:		
Operating expenses	634,105	521,568
Interest	11,216	9,665
Total costs and expenses	645,321	531,233
Income before provision for income taxes	166,992	144,112
Provision for income taxes:		
United States - federal	29,667	25,971
- state and local	8,906	5,714
Foreign	31,207	29,563
Total provision for income taxes	69,780	61,248
Income of consolidated companies	97,212	82,864
Loss applicable to minority interests	(7,218)	(3,017)
Equity in net income of unconsolidated affiliates	(230)	3,081
Net income	\$ 89,764	\$ 82,928
Weighted average number of common shares	123,758,720	119,659,136
Earnings per common and common equivalent share	\$.73	\$.69
Cash dividends per common share	\$.13	\$.11

See accompanying notes to consolidated financial statements.

* Restated to reflect three-for-two stock split payable July 15,1997.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT
SIX MONTHS ENDED JUNE 30

(Dollars in Thousands Except Per Share Data)

	1997	1996*
Revenue	\$ 1,372,018	\$ 1,123,793
Other income	37,533	57,711
Gross income	1,409,551	1,181,504
Costs and expenses:		
Operating expenses	1,182,117	987,677
Interest	21,483	19,190
Total costs and expenses	1,203,600	1,006,867
Income before provision for income taxes	205,951	174,637
Provision for income taxes:		
United States - federal	39,610	34,389
- state and local	11,145	7,798
Foreign	35,788	32,187
Total provision for income taxes	86,543	74,374
Income of consolidated companies	119,408	100,263
Loss applicable to minority interests	(10,573)	(4,845)
Equity in net income of unconsolidated affiliates	2,964	5,341
Net income	\$ 111,799	\$ 100,759
Weighted average number of common shares	122,849,766	119,306,021
Earnings per common and common equivalent share	\$.91	\$.84
Cash dividends per common share	\$.24	\$.22

See accompanying notes to consolidated financial statements.

* Restated to reflect three-for-two stock split payable July 15, 1997.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
SIX MONTHS ENDED JUNE 30
(Dollars in Thousands)

CASH FLOWS FROM OPERATING ACTIVITIES:	1997	1996
Net income	\$111,799	\$100,759
Adjustments to reconcile net income to cash provided by/(used in) operating activities:		
Depreciation and amortization of fixed assets	36,534	28,311
Amortization of intangible assets	15,944	13,366
Amortization of restricted stock awards	7,537	7,188
Equity in net income of unconsolidated affiliates	(2,964)	(5,341)
Income applicable to minority interests	10,573	4,845
Translation losses	483	1,100
Net gain from sale of investments	0	(8,100)
Other	(7,150)	(2,827)
Changes in assets and liabilities, net of acquisitions:		
Receivables	(170,393)	(95,395)
Expenditures billable to clients	(54,172)	(31,598)
Prepaid expenses and other assets	(13,819)	(11,067)
Accounts payable and other liabilities	20,014	68,929
Accrued income taxes	(6,953)	25,737
Deferred income taxes	1,229	(5,856)
Deferred compensation and reserve for termination allowances	(11,495)	(4,347)
Net cash (used in)/provided by operating activities	(62,833)	85,704
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisitions	(38,089)	(41,603)
Proceeds from sale of investments	199	37,578
Capital expenditures	(41,825)	(33,494)
Net purchases of marketable securities	(9,899)	(4,844)
Other investments and miscellaneous assets	(9,094)	(19,893)
Investments in unconsolidated affiliates	(4,473)	(6,278)
Net cash used in investing activities	(103,181)	(68,534)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase in short-term borrowings	185,352	33,061
Proceeds from long-term debt	3,024	25,000
Payments of long-term debt	(3,007)	(13,618)
Treasury stock acquired	(58,700)	(41,433)
Issuance of common stock	22,092	10,763
Cash dividends	(29,015)	(24,995)
Net cash provided by/(used in) financing activities	119,746	(11,222)
Effect of exchange rates on cash and cash equivalents	(16,581)	(8,498)
Decrease in cash and cash equivalents	(62,849)	(2,550)
Cash and cash equivalents at beginning of year	468,526	418,448
Cash and cash equivalents at end of period	\$405,677	\$415,898

See accompanying notes to consolidated financial statements.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Consolidated Financial Statements

- (a) In the opinion of management, the consolidated balance sheet as of June 30, 1997, the consolidated statements of income for the three months and six months ended June 30, 1997 and 1996 and the consolidated statement of cash flows for the six months ended June 30, 1997 and 1996, contain all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows at June 30, 1997 and for all periods presented.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been omitted. It is suggested that these consolidated financial statements be read in conjunction with the consolidated financial statements and notes thereto included in The Interpublic Group of Companies, Inc.'s (the "Company") December 31, 1996 annual report to stockholders.

- (b) Statement of Financial Accounting Standards (SFAS) No. 95 "Statement of Cash Flows" requires disclosures of specific cash payments and noncash investing and financing activities. The Company considers all highly liquid investments with a maturity of three months or less to be cash equivalents. Income tax cash payments were approximately \$38.1 million and \$37.9 million in the first six months of 1997 and 1996, respectively. Interest payments during the first six months of 1997 were approximately \$12.6 million. Interest payments during the comparable period of 1996 were approximately \$9.9 million.
- (c) In July 1997, a three-for-two stock split was effected by payment of a stock dividend. This split has been reflected retroactively in the accompanying consolidated financial statements.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
COMPUTATION OF EARNINGS PER SHARE

(Dollars in Thousands Except Per Share Data)

Primary	Three Months Ended 1997	June 30 1996*
Net income	\$ 89,764	\$ 82,928
Add:		
Dividends paid net of related income tax applicable to restricted stock	102	95
Net income, as adjusted	\$ 89,866	\$ 83,023
Weighted average number of common shares outstanding	119,724,822	115,905,189
Weighted average number of incremental shares in connection with restricted stock and assumed exercise of stock options	4,033,898	3,753,947
Total	123,758,720	119,659,136
Earnings per common and common equivalent share	\$.73	\$.69
Fully Diluted	Three Months Ended 1997	June 30 1996*
Net income	\$ 89,764	\$ 82,928
Add:		
After tax interest savings on assumed conversion of subordinated debentures	1,643	1,602
Dividends paid net of related income tax applicable to restricted stock	113	98
Net income, as adjusted	\$ 91,520	\$ 84,628
Weighted average number of common shares outstanding	119,724,822	115,905,189
Weighted average number of incremental shares in connection with restricted stock and assumed exercise of stock options	4,420,272	3,801,155
Assumed conversion of subordinated debentures	4,463,003	4,503,195
Total	128,608,097	124,209,539
Earnings per common and common equivalent share	\$.71	\$.68

* Restated to reflect three-for-two stock split payable July 15,1997.

Exhibit 11
THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
COMPUTATION OF EARNINGS PER SHARE
(Dollars in Thousands Except Per Share Data)

Primary	Six Months Ended 1997	June 30 1996*
Net income before effect of accounting change	\$ 111,799	\$ 100,759
Add:		
Dividends paid net of related income tax applicable to restricted stock	182	175
Net income, as adjusted	\$ 111,981	\$ 100,934
Weighted average number of common shares outstanding	119,065,151	115,698,875
Weighted average number of incremental shares in connection with restricted stock and assumed exercise of stock options	3,784,615	3,607,146
Total	122,849,766	119,306,021
Earnings per common and common equivalent share	\$.91	\$.84
	Six Months Ended 1997	June 30 1996*
Fully Diluted		
Net income before effect of accounting change	\$ 111,799	\$ 100,759
Add:		
After tax interest savings on assumed conversion of subordinated debentures	3,245	3,165
Dividends paid net of related income tax applicable to restricted stock	206	192
Net income, as adjusted	\$ 115,250	\$ 104,116
Weighted average number of common shares outstanding	119,065,151	115,698,875
Weighted average number of incremental shares in connection with restricted stock and assumed exercise of stock options	4,202,596	3,906,334
Assumed conversion of subordinated debentures	4,464,753	4,503,195
Total	127,732,500	124,108,404
Earnings per common and common equivalent share	\$.90	\$.84

* Restated to reflect three-for-two stock split payable July 15, 1997.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

LIQUIDITY AND CAPITAL RESOURCES

Working capital at June 30, 1997 was \$55.1 million, a decrease of \$99.3 million from December 31, 1996. The ratio of current assets to current liabilities remained relatively unchanged from December 31, 1996 at approximately 1.0 to 1.

Historically, cash flow from operations has been the primary source of working capital and management believes that it will continue to be in the future. The principal use of the Company's working capital is to provide for the operating needs of its advertising agencies, which include payments for space or time purchased from various media on behalf of its clients. The Company's practice is to bill and collect from its clients in sufficient time to pay the amounts due media. Other uses of working capital include the payment of cash dividends, acquisitions, capital expenditures and the reduction of long-term debt. In addition, during the first six months of 1997, the Company acquired 1,270,975 shares of its own stock for approximately \$58.7 million for the purposes of fulfilling the Company's obligations under its various compensation plans.

RESULTS OF OPERATIONS

Three Months Ended June 30, 1997 Compared to Three Months Ended June 30, 1996

Total revenue for the three months ended June 30, 1997 increased \$157.0 million, or 24.9%, to \$788.6 million compared to the same period in 1996. Domestic revenue increased \$110.9 million or 42.2% from 1996 levels. Foreign revenue increased \$46.1 million or 12.5% during the second quarter of 1997 compared to 1996. Other income decreased by \$20.1 million during the second quarter of 1997 compared to the same period in 1996 primarily due to the proceeds resulting from the sale of a portion of the Company's interest in the CKS Group, Inc. in 1996. The net gain was approximately \$8.1 million or \$.10 per share.

Operating expenses increased \$112.5 million or 21.6% during the three months ended June 30, 1997 compared to the same period in 1996. Interest expense increased 16.0% as compared to the same period in 1996.

Pretax income increased \$22.9 million or 15.9% during the three months ended June 30, 1997 compared to the same period in 1996.

The increase in total revenue, operating expenses, and pretax income is primarily due to acquired companies' results of operations and contributions from new business gains.

Net income for the three months ended June 30, 1997 had an unfavorable currency impact of \$2.9 million versus \$1.6 million for the same period in 1996.

The effective tax rate for the three months ended June 30, 1997 was 41.8%, as compared to 42.5% in 1996.

The difference between the effective and statutory rates is primarily due to foreign losses with no tax benefit, losses from translation of foreign currencies which provided no tax benefit, state and local taxes, foreign withholding taxes on dividends and nondeductible goodwill expense.

Six Months Ended June 30, 1997 Compared to Six Months Ended June 30, 1996

Total revenue for the six months ended June 30, 1997 increased \$248.2 million, or 22.1%, to \$1,372 million compared to the same period in 1996. Domestic revenue increased \$178.9 million or 39.1% from 1996 levels. Foreign revenue increased \$69.4 million or 10.4% during the first six months of 1997 compared to 1996. Other income decreased by \$20.2 million in the first six months of 1997 compared to the same period in 1996 primarily due to the proceeds resulting from the sale of a portion of the Company's interest in the CKS Group, Inc. in 1996. The net gain was approximately \$8.1 million or \$.10 per share.

Operating expenses increased \$194.4 million or 19.7% during the six months ended June 30, 1997 compared to the same period in 1996. Interest expense increased 11.9% during the six months ended June 30, 1997 as compared to the same six month period in 1996.

Pretax income increased \$31.3 million or 17.9% during the six months ended June 30, 1997 compared to the same period in 1996.

The increase in total revenue, operating expenses, and pretax income is primarily due to acquired companies' results of operations and contributions from new business gains.

Net income for the six months ended June 30, 1997 had an unfavorable currency impact of \$4.0 million versus \$1.9 million for the same period in 1996.

The effective tax rate for the six months ended June 30, 1997 was 42.0%, as compared to 42.6% in 1996.

PART II - OTHER INFORMATION

Item 2. Changes In Securities

Recent Sales In Unregistered Securities

(1) On April 14, 1997, the Registrant acquired three small companies in consideration for which it issued a total of 201,558 shares of Common Stock, par value \$.10 per share, to the former shareholders of the companies. The shares of Common Stock had a market value of \$11,000,000 on the date of issuance.

The shares of Common Stock were issued by the Registrant without registration in reliance on Rule 506 of Regulation D under the Securities Act of 1933, as amended (the "Securities Act"), based on the accredited investor status or sophistication of the former shareholders.

(2) On June 5, 1997, the Registrant acquired a company in consideration for which it issued a total of 386,137 shares of Common Stock, par value \$.10 per share, to the company's former shareholders. The shares of Common Stock had a market value of \$21,339,089 on the date of issuance.

The shares of Common Stock were issued by the Registrant without registration in reliance on Rule 506 of Regulation D under the Securities Act of 1933, as amended, based on the accredited investor status or sophistication of the company's former stockholders and their purchase representative.

Also, as part of the acquisition, existing stock options in the acquired company were converted into options to acquire 47,720 shares of the Registrant.

(3) On June 12, 1997, the Registrant acquired a company in consideration for which it issued a total of 390,036 shares of Common Stock to the company's former shareholders. The shares of Common Stock had a market value of \$23,100,000 on the date of issuance.

The shares of Common Stock were issued by the Registrant without registration in reliance on Rule 506 of Regulation D under the Securities Act, based on the accredited investor status of the company's former stockholders.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

- (a) This item is answered in respect of the Annual Meeting of Stockholders held on May 19, 1997.
- (b) No response is required to Paragraph (b) because (i) proxies for the meeting were solicited pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended; (ii) there was no solicitation in opposition to Management's nominees as listed in the proxy statement; and (iii) all such nominees were elected.
- (c) At the Annual Meeting, the following number of shares were cast with respect to each matter voted upon:

-- Proposal to approve Management's nominees for director as follows:

NOMINEE	FOR	WITHHELD	BROKER NONVOTES
Eugene P. Beard	63,008,573	640,995	0
Frank J. Borelli	63,003,548	646,020	0
Reginald K. Brack	63,004,082	645,486	0
Jill M. Considine	62,999,987	649,581	0
John J. Dooner, Jr.	63,008,654	640,914	0
Philip H. Geier, Jr.	62,759,816	889,752	0
Frank B. Lowe	62,751,556	898,012	0
Leif H. Olsen	63,000,457	649,111	0
Martin F. Puris	62,743,806	905,762	0
Allen Questrom	63,008,304	641,264	0
J. Phillip Samper	62,750,808	898,760	0

-- Proposal to increase the Company's authorized Common Stock to 225 million shares.

FOR	AGAINST	ABSTAIN	BROKER NONVOTES
59,084,070	4,139,029	426,469	0

-- Proposal to approve the Company's 1997 Performance Incentive Plan.

FOR	AGAINST	ABSTAIN	BROKER NONVOTES
45,381,853	12,588,752	545,335	5,133,628

-- Proposal to approve confirmation of independent accountants.

FOR	AGAINST	ABSTAIN	BROKER NONVOTES
63,186,957	64,595	398,016	0

-- Stockholder proposed resolution regarding implementation of the Mac Bride Principles with respect to the Company's subsidiary in Northern Ireland.

FOR	AGAINST	ABSTAIN	BROKER NONVOTES
5,835,590	45,817,940	4,517,948	7,478,090

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits

Exhibit 3(i) The Registrant's Restated Certificate of Incorporation, as amended.

Exhibit 10(a) 1997 Performance Incentive Plan.

Exhibit 10(b) Supplemental Agreement made as of March 12, 1997 between Interpublic and Eugene P. Beard.

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Exhibit 10(c) Note, dated June 16, 1997 and executed by Registrant in the principal amount of \$15,000,000 to the order of Wachovia Bank of Georgia, N.A.

Exhibit 11 Computation of Earnings Per Share.

Exhibit 27 Financial Data Schedule.

(b) Reports on Form 8-K

The following reports on Form 8-K were filed without financial statements during the quarter ended June 30, 1997:

- (1) Item 9 - Sale of Equity Securities Pursuant to Regulation S, dated April 3, 1997.
- (2) Item 9 - Sale of Equity Securities Pursuant to Regulation S, dated June 16, 1997.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE INTERPUBLIC GROUP OF COMPANIES, INC.
(Registrant)

Date: August 14, 1997 By /S/ Philip H. Geier, Jr.
Philip H. Geier, Jr.
Chairman of the Board
President and Chief Executive
Officer

Date: August 14, 1997 By /S/ Eugene P. Beard
Eugene P. Beard
Vice Chairman -
Finance and Operations

INDEX TO EXHIBITS

Exhibit No.	Description
Exhibit 3(i)	The Registrant's Restated Certificate of Incorporation, as amended.
Exhibit 10(a)	1997 Performance Incentive Plan.
Exhibit 10(b)	Supplemental Agreement made as of March 12, 1997 between Interpublic and Eugene P. Beard.
Exhibit 10(c)	Note, dated June 16, 1997 and executed by Registrant in the principal amount of \$15,000,000 to the order of Wachovia Bank of Georgia, N.A.
Exhibit 11	Computation of Earnings Per Share.
Exhibit 27	Financial Data Schedule.

RESTATED CERTIFICATE OF INCORPORATION
OF
THE INTERPUBLIC GROUP OF COMPANIES, INC.
Under Section 245 of the Delaware General Corporation Law

We, PAUL FOLEY, President, and J. DONALD McNAMARA, Secretary of THE INTERPUBLIC GROUP OF COMPANIES, INC., a corporation existing under the laws of the State of Delaware, do hereby certify under the seal of the said corporation as follows:

FIRST: The name of the Corporation is THE INTERPUBLIC GROUP OF COMPANIES, INC. The name under which it was formed was "McCann-Erickson Incorporated".

SECOND: The Certificate of Incorporation of the Corporation was filed with the Secretary of State, Dover, Delaware, on the 18th day of September, 1930.

THIRD: The amendments and the restatement of the Certificate of Incorporation have been duly adopted in accordance with the provisions of Sections 242 and 245 of the General Corporation Law of the State of Delaware by an affirmative vote of the holders of a majority of all outstanding shares entitled to vote at a meeting of shareholders, and by an affirmative vote of the holders of a majority of all outstanding shares of each class entitled to vote separately as a class, and the capital of the Corporation will not be reduced under or by reason of said amendment.

FOURTH: The text of the Certificate of Incorporation of said The Interpublic Group of Companies, Inc., as amended, is hereby restated as further amended by this Certificate, to read in full, as follows:

ARTICLE 1. The name of this Corporation is THE INTERPUBLIC GROUP OF COMPANIES, INC.

ARTICLE 2. The registered office of the Corporation is located at 306 South State Street in the City of Dover, in the County of Kent, in the State of Delaware. The name of its registered agent at said address is the UNITED STATES CORPORATION COMPANY.

ARTICLE 3. The nature of the business of the Corporation and the objects or purposes to be transacted, promoted or carried on by it, are:

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(a) To conduct a general advertising agency, public relations, sales promotion, product development, marketing counsel and market research business, to conduct research in and act as consultant and advisor in respect to all matters pertaining to advertising, marketing, merchandising and distribution of services, products and merchandise of every kind and description, and generally to transact all other business not forbidden by law, and to do every act and thing that may be necessary, proper, convenient or useful for the carrying on of such business.

(b) To render managerial, administrative and other services to persons, firms and corporations engaged in the advertising agency, public relations, sales promotion, product development, marketing counsel or market research business.

(c) To manufacture, buy, sell, create, produce, trade, distribute and otherwise deal in and with motion pictures, television films, slide films, video tapes, motion picture scenarios, stage plays, operas, dramas, ballets, musical comedies, books, animated cartoons, stories and news announcements, of every nature, kind and description.

(d) To undertake and transact all kinds of agency and brokerage business; to act as agent, broker,

attorney in fact, consignee, factor, selling agent, purchasing agent, exporting or importing agent or otherwise for any individual or individuals, association, partnership or corporation; to conduct manufacturing operations of all kinds; to engage in the business of distributors, commission merchants, exporters and importers; to transact a general mercantile business.

(e) To acquire, hold, use, sell, assign, lease, grant licenses in respect of, mortgage or otherwise dispose of letters patent of the United States or any foreign country, patent rights, licenses and privileges, inventions, improvements and processes, copyrights, trademarks and trade names, relating to or useful in connection with any business of the Corporation, its subsidiaries and affiliates, or its or their clients.

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(f) To purchase, lease, hold, own, use, improve, sell, convey, mortgage, pledge, exchange, transfer and otherwise acquire or dispose of and deal in real property, buildings, structures, works and improvements wherever situated, and any interests therein, of every kind, class and description.

(g) To manufacture, purchase, own, use, operate, improve, maintain, lease, mortgage, pledge, sell or otherwise acquire or dispose of and deal in machinery, equipment, fixtures, materials, tools, supplies and other personal property used in or in connection with any business of the Corporation, either for cash or for credit or for property, stocks or bonds or other consideration as the Board of Directors may determine.

(h) To make loans to any person, partnership, company or corporation, with or without security.

(i) To acquire by purchase, subscription or otherwise, and to receive, hold, own, guarantee, sell, assign, exchange, transfer, mortgage, pledge or otherwise dispose of or deal in and with any of the shares of the capital stock, or any voting trust certificates in respect of the shares of capital stock, script, warrants, rights, bonds, debentures, notes, trust receipts, and other securities, obligations, choses in action and evidences of indebtedness, book accounts or any other security interest or any other kind of interest, secured or unsecured, issued or created by, or belonging to or standing in the name of, any corporation, joint stock company, syndicate, association, firm, trust or person, public or private, or the government of the United States of America, or any foreign government, or any state, territory, province, municipality or other political subdivision or any governmental agency, and as owner thereof to possess and exercise all of the rights, powers and privileges of ownership, including the right to execute consents and vote thereon, and to do any and all acts and things necessary or advisable for the preservation, protection, improvement and enhancement in value thereof.

(j) To acquire, and pay for in cash, stock or bonds of the Corporation or otherwise, the goodwill, rights, assets and property, and to undertake or assume the whole or any part of the obligations or liabilities, of any person, firm, association or corporation.

(k) To cause to be formed, merged, consolidated or reorganized and to promote and aid in any way permitted by law the formation, merger, consolidation or reorganization of any corporation.

(l) To borrow or raise moneys for any of the purposes of the Corporation and, from time to time without limit as to amount, to draw, make, accept, endorse, execute and issue promissory notes, drafts, bills of exchange, warrants, bonds, debentures and other negotiable or non-negotiable instruments and evidences of indebtedness, and to secure the payment of any thereof and of the interest thereon by mortgage upon or pledge, conveyance or assignment in trust of the whole or any part of the property of the Corporation (including any security interests acquired by the Corporation to secure obligations owing to the Corporation), whether at the time owned or thereafter acquired, and to sell, pledge or otherwise dispose of such bonds or other obligations of the Corporation for its corporate purposes.

(m) To purchase, hold, sell and transfer the shares of its own capital stock; provided it shall not use its funds or property for the purchase of its own shares of capital stock when such use would cause any impairment of its capital except as otherwise permitted by law, and provided further that shares of its own capital stock belonging to it shall not be voted, directly and indirectly.

(n) To aid in any manner, any corporation, association, firm or individual, any of whose securities, evidences of indebtedness, obligations or stock are held by the Corporation directly or indirectly, or in which, or in the welfare of which, the Corporation shall have any interest, and to guarantee securities, evidences of indebtedness and obligations of other persons, firms, associations and corporations.

(o) To do any and all of the acts and things herein set forth, as principal, factor, agent, contractor, or otherwise, either alone or in company with others; and in general to carry on any other similar business which is incidental or conducive or convenient or proper to the attainment of the foregoing purposes or any of them, and which is not forbidden by law; and to exercise any and all powers which now or

hereafter may be lawful for the Corporation to exercise under the laws of the State of Delaware; to establish and maintain offices and agencies within and anywhere outside of the State of Delaware; and to exercise all or any of its corporate powers and rights in the State of Delaware and in any and all other States, territories, districts, colonies, possessions or dependencies of the United States of America and in any foreign countries.

The objects and purposes specified in the foregoing clauses shall be construed as both purposes and powers and shall, except where otherwise expressed, be in nowise limited or restricted by reference to, or inference from, the terms of any other clause in this Certificate of Incorporation, but shall be regarded as independent objects and purposes.

ARTICLE 4. The total number of shares of capital stock which the Corporation shall have authority to issue is Four Million (4,000,000) shares, all of which shall be Common Stock of the par value of Ten Cents (\$.10) per share. Without action by the stockholders, such shares may be issued by the Corporation from time to time for such consideration as may be fixed by the Board of Directors, provided that such consideration shall be not less than par value. Any and all shares so issued, the full consideration for which has been paid or delivered shall be deemed fully paid stock and shall not be liable to any further call or assessment thereon, and the holders of such shares shall not be liable for any further payment thereon. No holder of shares shall be entitled as a matter of right, preemptive or otherwise, to subscribe for, purchase or receive any shares of the stock of the Corporation of any class, now or hereafter authorized, or any options or warrants for such stock or securities convertible into or exchangeable for such stock, or any shares held in the treasury of the Corporation.

ARTICLE 5. The Corporation is to have perpetual existence.

ARTICLE 6. The private property of the stockholders shall not be subject to the payment of corporate debts to any extent whatever.

ARTICLE 7. The number of directors which shall constitute the whole board shall be fixed from time to time by the stockholders or the Board of Directors, but in no case shall the number be less than three.

ARTICLE 8. In addition to the powers and authority expressly conferred upon them by statute and by this certificate, the directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation; subject, nevertheless, to the provisions of the statutes of Delaware, of this Certificate of Incorporation, and to the By-Laws of the Corporation.

ARTICLE 9. In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized:

(a) To make, alter, amend and rescind the By-Laws of this Corporation, without any action on the part of the stockholders except as may be otherwise provided in the By-Laws.

(b) To fix and vary from time to time the amount to be maintained as surplus, the amount to be reserved as working capital and the amount to be reserved for other lawful purposes.

(c) To fix the times for the declaration and payment of dividends and the amount thereof, subject to the provisions of Article 4 hereof.

(d) To borrow or raise moneys for any of the purposes of the Corporation, to authorize and cause to be executed mortgages and liens without limit as to amount on the real and personal property of this Corporation or any part thereof, and to authorize the guaranty by the Corporation of securities, evidences of indebtedness and obligations of other persons, firms, associations and corporations.

(e) To sell, lease, exchange assign, transfer, convey or otherwise dispose of part of the property, assets and effects of this Corporation, less than substantially the whole thereof, on such terms and conditions as it shall deem advisable, without the assent of the stockholders.

(f) Pursuant to the affirmative vote of the holders of a majority of the capital stock issued and outstanding and entitled to vote thereon, to sell, lease, exchange, assign, transfer and convey or otherwise dispose of the whole or substantially the whole of the property, assets, effects and goodwill, of

this Corporation, including the corporate franchise, upon such terms and conditions as the Board of Directors shall deem expedient and for the best interests of this Corporation.

(g) To determine from time to time whether and to what extent and at what time and place and under what conditions and regulations the accounts and books of this Corporation, or any of them, shall be open to the inspection of the stockholders; and no stockholder shall have any right to inspect any account, book or document of this Corporation except as conferred by the laws of the State of Delaware or the By-Laws or as authorized by resolution of the stockholders or Board of Directors.

(h) To designate by resolution or resolutions one or more committees, such committees to consist of two or more directors each, which to the extent provided in said resolution or resolutions or in the By-Laws shall have and may exercise (except when the Board of Directors shall be in session) all or any of the powers of the Board of Directors in the management of the business and affairs of the Corporation, and have power to authorize the seal of this Corporation to be affixed to all papers which may require it.

Whether or not herein specifically enumerated, all powers of this Corporation, in so far as the same may be lawfully vested in the Board of Directors, are hereby conferred upon the Board of Directors. This Corporation may in its By-Laws confer powers upon its directors in addition to those granted by this certificate and in addition to the powers and authority expressly conferred upon them by statute.

ARTICLE 10. No contract or transaction between the Corporation and one or more of its directors or officers, or between the Corporation and any other corporation, partnership, association or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose, if:

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(a) The material facts as to his interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the board or committee in good faith authorizes the contract or transaction by a vote sufficient for such purpose without counting the vote of the interested director or directors; or

(b) The material facts as to his interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or

(c) The contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified by the Board of Directors, a committee thereof, or the stockholders.

Interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

ARTICLE 11. No person shall be liable to the Corporation for any loss or damage suffered by it on account of any action taken or omitted to be taken by him as a director or officer of the Corporation in good faith, if such person (a) exercised or used the same degree of diligence, care and skill as an ordinarily prudent man would have exercised or used under the circumstances in the conduct of his own affairs, or (b) took, or omitted to take, such action in reliance in good faith upon advice of counsel for the Corporation, or upon the books of account or other records of the Corporation, or upon reports made to the Corporation by any of its officers or by an independent certified public accountant or by an appraiser selected with reasonable care by the Board of Directors or by any committee designated by the Board of Directors.

ARTICLE 12. The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

IN WITNESS WHEREOF, we have signed this certificate and caused the corporate seal of the Corporation to be hereunto affixed this 6th day of May, 1974.

PAUL FOLEY
PAUL FOLEY
President

Attest:

J. DONALD McNAMARA
J. DONALD McNAMARA
Secretary

[Corporate Seal]

STATE OF NEW YORK }
 }ss.:
COUNTY OF NEW YORK}

BE IT REMEMBERED that on this 6th day of May, 1974, personally came before me MONROE S. SINGER, a Notary Public in and for the County and State aforesaid, PAUL FOLEY, party to the foregoing certificate, known to me personally to be such, and duly acknowledged the said certificate to be his act and deed, and that the facts therein stated are true.

GIVEN under my hand and seal of office the day and year aforesaid.

MONROE S. SINGER
MONROE S. SINGER
Notary Public

MONROE S. SINGER
Notary Public, State of New York
No. 31-9023080
Qualified in New York County
Commission Expires March 30, 1979

[Notarial Seal]

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CERTIFICATE OF AMENDMENT
OF
RESTATED CERTIFICATE OF INCORPORATION
OF
THE INTERPUBLIC GROUP OF COMPANIES, INC.
Under Section 242 of the Delaware General Corporation Law

We, PAUL FOLEY, President, and J. DONALD McNAMARA, Secretary of The Interpublic Group of Companies, Inc., a corporation existing under the laws of the State of Delaware, do hereby certify under the seal of the said Corporation as follows:

FIRST: The name of the Corporation is THE INTERPUBLIC GROUP OF COMPANIES, INC. The name under which it was formed was "McCann-Erickson Incorporated".

SECOND: The Certificate of Incorporation of the Corporation was filed with the Secretary of State, Dover, Delaware, on the 18th day of September, 1930. A Restated Certificate of Incorporation was filed with the Secretary of State, Dover, Delaware, on the 9th day of May, 1974.

THIRD: The amendment of the Restated Certificate of Incorporation has been duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware by an affirmative vote of the holders of a majority of all outstanding shares entitled to vote at a meeting of shareholders, and the capital of the Corporation will not be reduced under or by reason of said amendment.

FOURTH: The first sentence of Article 4 of the Restated Certificate of Incorporation is hereby amended by striking out the whole thereof as it now exists and inserting in lieu and stead thereof a new first sentence, reading in full as follows:

ARTICLE 4. The total number of shares of capital stock which the Corporation shall have authority to issue is Eight Million (8,000,000) shares, all of which shall be Common Stock of the par value of Ten Cents (\$.10) per share.

IN WITNESS WHEREOF, we have signed this Certificate and caused the corporate seal of the Corporation to be hereunto affixed this 12th day of May, 1976.

PAUL FOLEY
PAUL FOLEY
President

Attest:

J. DONALD McNAMARA
J. DONALD McNAMARA
Secretary
[Corporate Seal]
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CERTIFICATE OF AMENDMENT
OF
RESTATED CERTIFICATE OF INCORPORATION
OF
THE INTERPUBLIC GROUP OF COMPANIES, INC.
Under Section 242 of the Delaware General Corporation Law

We, PHILIP H. GEIER, JR., Chairman of the Board, and EDWIN A. KIERNAN, Jr., Secretary, of The Interpublic Group of Companies, Inc., a corporation existing under the laws of the State of Delaware, do hereby certify under the seal of the said Corporation as follows:

FIRST: The name of the Corporation is THE INTERPUBLIC GROUP OF COMPANIES, INC. The name under which it was formed was "McCann-Erickson Incorporated".

SECOND: The Certificate of Incorporation of the Corporation was filed with the Secretary of State, Dover, Delaware, on the 18th day of September, 1930. A Restated Certificate of Incorporation was filed with the Secretary of State, Dover, Delaware, on the 9th day of May, 1974 which was subsequently amended by a Certificate of Amendment of the Restated Certificate of Incorporation filed with the Secretary of State, Dover, Delaware on the 13th day of May, 1976.

THIRD: The amendment of the Restated Certificate of Incorporation has been duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware by an affirmative vote of the holders of a majority of all outstanding shares entitled to vote at a meeting of shareholders, and the capital of the Corporation will not be reduced under or by reason of said amendment.

FOURTH: The first sentence of Article 4 of the Restated Certificate of Incorporation, as amended, is hereby further amended by striking out the whole thereof as it now exists and inserting in lieu and stead thereof a new first sentence, reading in full as follows:

ARTICLE 4. The total number of shares of capital stock which the Corporation shall have authority to issue is Sixteen Million (16,000,000) shares, all of which shall be Common Stock of the par value of Ten Cents (\$.10) per share.

IN WITNESS WHEREOF, we have signed this Certificate and caused the corporate seal of the Corporation to be hereunto affixed this 17th day of May, 1983.

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PHILIP H. GEIER, JR.
PHILIP H. GEIER, JR.
Chairman of the Board

Attest:

EDWIN A. KIERNAN
EDWIN A. KIERNAN
Secretary
[Corporate Seal]
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CERTIFICATE OF AMENDMENT
OF
RESTATED CERTIFICATE OF INCORPORATION
OF
THE INTERPUBLIC GROUP OF COMPANIES, INC.
Under Section 242 of the Delaware General Corporation Law

We, PHILIP H. GEIER, JR., Chairman of the Board and President, and EDWIN A. KIERNAN, Jr., Secretary, of The Interpublic Group of Companies, Inc., a corporation existing under the laws of the State of Delaware, do hereby certify under the seal of the said Corporation as follows:

FIRST: The name of the Corporation is THE INTERPUBLIC GROUP OF COMPANIES, INC. The name under which it was formed was "McCann-Erickson Incorporated".

SECOND: The Certificate of Incorporation of the Corporation was filed with the Secretary of State, Dover, Delaware, on the 18th day of September, 1930. A Restated Certificate of Incorporation was filed with the Secretary of State, Dover, Delaware, on the 9th day of May, 1974 which was subsequently amended by Certificates of Amendment of the Restated Certificate of Incorporation filed with the Secretary of State, Dover, Delaware on the 13th day of May, 1976 and on the 17th day of May, 1983, respectively.

THIRD: The amendment of the Restated Certificate of Incorporation has been duly adopted in accordance with the provisions of Sections 242 of the General Corporation Law of the State of Delaware by an affirmative vote of the holders of a majority of all outstanding shares entitled to vote at a meeting of shareholders, and the capital of the Corporation will not be reduced under or by reason of said amendment.

FOURTH: The first sentence of Article 4 of the Restated Certificate of Incorporation, as amended, is hereby further amended by striking out the whole thereof as it now exists and inserting in lieu and stead thereof a new first sentence, reading in full as follows:

ARTICLE 4. The total number of shares of capital stock which the Corporation shall have authority to issue is Fifty Million (50,000,000) shares, all of which shall be Common Stock of the par value of Ten Cents (\$.10) per share.

IN WITNESS WHEREOF, we have signed this Certificate and caused the corporate seal of the Corporation to be hereunto affixed this 20th day of May, 1986.

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PHILIP H. GEIER, JR.
PHILIP H. GEIER, JR.
Chairman of the Board and
President

Attest:

EDWIN A. KIERNAN
EDWIN A. KIERNAN
Secretary
[Corporate Seal]
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CERTIFICATE OF AMENDMENT
OF
RESTATED CERTIFICATE OF INCORPORATION
OF
THE INTERPUBLIC GROUP OF COMPANIES, INC.
Under Section 242 of the Delaware General Corporation Law

We, EUGENE P. BEARD, Executive Vice President, and EDWIN A. KIERNAN, JR., Secretary, of The Interpublic Group of Companies, Inc., a corporation existing under the laws of the State of Delaware, do hereby certify under the seal of the said Corporation as follows:

FIRST: The name of the Corporation is THE INTERPUBLIC GROUP OF COMPANIES, INC. The name under which it was formed was "McCann-Erickson Incorporated".

SECOND: The Certificate of Incorporation of the Corporation was filed with the Secretary of State, Dover, Delaware, on the 18th day of September, 1930. A Restated Certificate of Incorporation was filed with the Secretary of State, Dover, Delaware, on the 9th day of May, 1974 which was subsequently amended by Certificates of Amendment of the Restated Certificate of Incorporation filed with the Secretary of State, Dover, Delaware on the 13th day of May, 1976, on the 17th day of May, 1983 and on the 20th day of May, 1986, respectively.

THIRD: This amendment of the Restated Certificate of Incorporation has been duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware by an affirmative vote of the holders of a majority of all outstanding shares entitled to vote at a meeting of shareholders, and the capital of the Corporation will not be reduced under or by reason of said amendment.

FOURTH: Article 4 of the Restated Certificate of Incorporation, as amended, is hereby further amended by striking out the whole thereof as it now exists and inserting in lieu and stead thereof a new Article 4, reading in full as follows:

ARTICLE 4: (a) The total number of shares of all classes of stock which the Company shall have the authority to issue is ninety-five million (95,000,000) shares consisting of seventy-five million (75,000,000) shares of Common Stock, par value Ten Cents (\$.10) per share, and twenty million (20,000,000) shares of Preferred Stock, without par value.

(b) The shares of authorized Common Stock shall be identical in all respects and have equal rights and privileges. Without action by the stockholders, such shares of Common Stock may be issued by the Company from time to time for such consideration as may be fixed by the Board of Directors, provided that such consideration shall not be less than par value. Any and all shares so issued, the full consideration for which has been paid or delivered shall be deemed fully paid stock and shall not be liable to any further call or assessment thereon, and the holders of such shares shall not be liable for any further payment thereon. No holder of shares of Common Stock shall be entitled as a matter of right, preemptive or otherwise, to subscribe for, purchase or receive any shares of the stock of the Company of any class, now or hereafter authorized, or any options or warrants for such stock or securities convertible into or exchangeable for such stock, or any shares held in the treasury of the Company.

(c) The Board of Directors shall have the authority to issue the shares of Preferred Stock from time to time on such terms and conditions as it may determine, and to divide the Preferred Stock into one or more classes or series and in connection with the creation of any such class or series to fix by the resolution or resolutions providing for the issue of shares thereof the designations, powers, preferences and relative, participating, optional, or other special rights of such class or series, and the qualifications, limitations, or restrictions thereof, to the full extent now or hereafter permitted by law. The number of authorized shares of Preferred Stock may be increased or decreased (but not below the number then outstanding) by the affirmative vote of the holders of a majority of the Common Stock, without a vote of the holders of the Preferred Stock, unless a vote of any such holders is required pursuant to the certificate or certificates establishing the series of Preferred Stock.

FIFTH: The existing Article 12 of the Restated Certificate of Incorporation is hereby renumbered as Article 13.

SIXTH: The Restated Certificate of Incorporation, as amended, is hereby further amended by inserting a new Article 12, reading in full as follows:

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Article 12. A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived any improper personal benefit. If the Delaware General Corporation Law is amended after approval by the stockholders of this Article to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law, as so amended. Any repeal or modification of this Article 12 by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

IN WITNESS WHEREOF, we have signed this Certificate and caused the corporate seal of the Corporation to be hereunto affixed this 19th day of May, 1988.

EUGENE P. BEARD
EUGENE P. BEARD
Executive Vice President

Attest:

EDWIN A. KIERNAN
EDWIN A. KIERNAN
Secretary
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CERTIFICATE OF AMENDMENT
OF
RESTATED CERTIFICATE OF INCORPORATION
OF
THE INTERPUBLIC GROUP OF COMPANIES, INC.
Under Section 242 of the Delaware General Corporation Law

We, PHILIP H. GEIER, JR., Chairman of the Board and President, and CHRISTOPHER RUDGE, Secretary, of The Interpublic Group of Companies, Inc., a corporation existing under the laws of the State of Delaware, do hereby certify under the seal of the said Corporation as follows:

FIRST: The name of the Corporation is THE INTERPUBLIC GROUP OF COMPANIES, INC. The name under which it was formed was "McCann-Erickson Incorporated".

SECOND: The Certificate of Incorporation of the Corporation was filed with the Secretary of State, Dover, Delaware, on the 18th day of September, 1930. A Restated Certificate of Incorporation was filed with the Secretary of State, Dover, Delaware, on the 9th day of May, 1974 and was subsequently amended by Certificates of Amendment of the Restated Certificate of Incorporation filed with the Secretary of State, Dover, Delaware on the 13th day of May, 1976, the 17th day of May, 1983, the 20th of May, 1986, and the 25th of May, 1988, respectively.

THIRD: This amendment of the Restated Certificate of Incorporation has been duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware by an affirmative vote of the holders of a majority of all outstanding shares entitled to vote at a meeting of shareholders, and the capital of the Corporation will not be reduced under or by reason of said amendment.

FOURTH: Article 4(a) of the Restated Certificate of Incorporation, as amended, is hereby further amended by striking out the whole thereof as it now exists and inserting in lieu and stead thereof a new Article 4(a), reading in full as follows:

ARTICLE 4(a) The total number of shares of all classes of stock which the Corporation shall have the authority to issue is one hundred twenty million (120,000,000) shares, consisting of one hundred million (100,000,000) shares of Common Stock, par value Ten Cents (\$.10) per share, and twenty million (20,000,000) shares of Preferred Stock, without par value.

IN WITNESS WHEREOF, we have signed this Certificate and caused the corporate seal of the Corporation to be hereunto affixed this 19th day of May, 1992.

[Corporate Seal]

PHILIP H. GEIER, JR.
PHILIP H. GEIER, JR.
Chairman of the Board and
President

Attest:

CHRISTOPHER RUDGE
CHRISTOPHER RUDGE
Secretary

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CERTIFICATE OF AMENDMENT
OF
RESTATED CERTIFICATE OF INCORPORATION
OF
THE INTERPUBLIC GROUP OF COMPANIES, INC.

Under Section 242 of the Delaware General Corporation Law

I, Christopher Rudge, Senior Vice President and Secretary of The Interpublic Group of Companies, Inc., a corporation existing under the laws of the State of Delaware, do hereby certify as follows:

FIRST: The name of the Corporation is The Interpublic Group of Companies, Inc. The name under which it was formed was "McCANN-ERICKSON INCORPORATED."

SECOND: The Certificate of Incorporation of the Corporation was filed with the Secretary of State, Dover, Delaware, on the 18th day of September, 1930. A Restated Certificate of Incorporation was filed with the Secretary of State, Dover, Delaware, on the 9th day of May, 1974 and was subsequently amended by Certificates of Amendment of the Restated Certificate of Incorporation filed with the Secretary of State, Dover, Delaware, on the 13th day of May, 1976, the 17th day of May, 1983, the 20th of May, 1986, the 25th of May, 1988 and the 19th of May, 1992, respectively.

THIRD: This amendment of the Restated Certificate of Incorporation has been duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware by an affirmative vote of the holders of a majority of all outstanding shares entitled to vote at a meeting of shareholders, and the capital of the Corporation will not be reduced under or by reason of said amendment.

FOURTH: Article 4(a) of the Restated Certificate of Incorporation, as amended, is hereby further amended by striking out the whole thereof as it now exists and inserting in lieu and stead thereof a new Article 4(a), reading in full as follows:

Article 4(a): The total number of shares of all classes of stock which the Corporation shall have the authority to issue is one hundred seventy million (170,000,000) shares, consisting of one hundred fifty million (150,000,000) shares of Common Stock, par value Ten Cents (\$.10) per share, and twenty million (20,000,000) shares of Preferred Stock, without par value.

IN WITNESS WHEREOF, I have signed this Certificate this 2nd day of June, 1995.

CHRISTOPHER RUDGE
CHRISTOPHER RUDGE
Senior Vice President and
Secretary

CERTIFICATE OF AMENDMENT
OF
RESTATED CERTIFICATE OF INCORPORATION
OF
THE INTERPUBLIC GROUP OF COMPANIES, INC.
Under Section 242 of the Delaware General Corporation Law

I, Nicholas J. Camera, Vice President and Secretary of The Interpublic Group of Companies, Inc., a corporation existing under the laws of the State of Delaware, do hereby certify as follows:

FIRST: The name of the Corporation is The Interpublic Group of Companies, Inc. The name under which it was formed was "McCann-Erickson Incorporated."

SECOND: The Certificate of Incorporation of the Corporation was filed with the Secretary of State, Dover, Delaware, on the 18th day of September, 1930. A Restated Certificate of Incorporation was filed with the Secretary of State, Dover, Delaware, on the 9th day of May, 1974 and was subsequently amended by Certificates of Amendment of the Restated Certificate of Incorporation filed with the Secretary of State, Dover, Delaware, on the 13th day of May, 1976, the 17th day of May, 1983, the 20th day of May, 1986, the 25th day of May, 1988, the 19th day of May, 1992 and the 6th day of June, 1995, respectively.

THIRD: This amendment of the Restated Certificate of Incorporation has been duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware by an affirmative vote of the holders of a majority of all outstanding shares entitled to vote at a meeting of shareholders, and the capital of the Corporation will not be reduced under or by reason of said amendment.

FOURTH: Article 4(a) of the Restated Certificate of Incorporation, as amended, is hereby further amended by striking out the whole thereof as it now exists and inserting in lieu and stead thereof a new Article 4(a), reading in full as follows:

Article 4(a): The total number of shares of all classes of stock which the Corporation shall have the authority to issue is two hundred forty-five million (245,000,000) shares, consisting of two hundred twenty-five million (225,000,000) shares of Common Stock, par value Ten Cents (\$.10) per share, and twenty million (20,000,000) shares of Preferred Stock, without par value.

IN WITNESS WHEREOF, I have signed this Certificate this 5th day of June, 1997.

NICHOLAS J. CAMERA
Vice President and Secretary

THE INTERPUBLIC GROUP OF COMPANIES, INC.
1997 PERFORMANCE INCENTIVE PLAN

Section 1. Purpose.

The purposes of the Plan are to promote the interests of the Company and its shareholders, and further align the interests of shareholders and Eligible Employees, by

- (a) attracting, retaining, and motivating outstanding individuals as Eligible Employees;
- (b) providing Eligible Employees with incentives tied to the achievement of business, financial, and strategic objectives of the Company and its Subsidiaries and Affiliates; and
- (c) providing Eligible Employees with equity-based incentives and subsequent equity ownership opportunities, including incentives and opportunities tied to the Company's Common Stock.

Section 2. Definitions.

Unless the context clearly indicates otherwise, the following terms, when used in the Plan in capitalized form, shall have the meanings set forth below:

"Affiliate" means any corporation or other entity (other than the Company or one of its Subsidiaries) in which the Company directly or indirectly owns at least forty percent (40%) of the combined voting power of all classes of stock of the entity or at least forty percent (40%) of the ownership interests in the entity.

"Award" means any grant or award under the Plan, as evidenced in a written document delivered to a Participant as provided in Section 14(a) hereof.
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"Board" means the Board of Directors of the Company.

"Change of Control" means the occurrence of any of the following events:

- (a) any person (within the meaning of Sections 13(d) and 14(d) of the Exchange Act), other than the Company or any of its Subsidiaries, becomes the beneficial owner (within the meaning of Rule 13d-3 under the Exchange Act) of thirty percent (30%) or more of the combined voting power of the Company's then outstanding voting securities; or
- (b) a tender offer or exchange offer (other than an offer by the Company), pursuant to which twenty percent (20%) or more of the then outstanding shares of Common Stock were purchased, expires; or
- (c) the stockholders of the Company approve an agreement to merge or consolidate with another corporation and the surviving corporation is neither the Company nor a corporation that was, prior to the merger or consolidation, a subsidiary of the Company; or
- (d) the stockholders approve an agreement (including a plan of liquidation) to sell or otherwise to dispose of all or substantially all of the Company's assets; or

(e) during any period of two consecutive years, individuals who, at the beginning of such period, constituted the Board cease for any reason to constitute at least a majority thereof, unless the election or the nomination for the election by the Company's stockholders of each new director was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of the period.

"Code" means the Internal Revenue Code of 1986, as amended.

"Committee" means the committee established by the Board pursuant to Section 3 hereof.

"Common Stock" means the Company's \$.10 par value common stock.

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"Company" means The Interpublic Group of Companies, Inc.

"Corporate Transaction" means any stock split, stock dividend, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination, exchange of shares, warrants or rights offering to purchase Common Stock at a price substantially below fair market value, or other similar event.

"Disability" means long-term disability as defined under the terms of the Company's applicable long-term disability plans or policies.

"Dividend Equivalent" means an Award, granted in accordance with the provisions of Section 12 hereof, that provides for payments equivalent in amount to the dividends on Shares.

"Eligible Employee" means any employee of the Company, its Subsidiaries, or its Affiliates determined by the Committee to be responsible for, or able to contribute to, the growth, profitability, and success of the Company. However, this term does not include directors who are not employees of such entities.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time.

"Executive Officer" means those persons who are officers of the Company within the meaning of Rule 16a-1(f) of the Exchange Act.

"Incentive Stock Option" or "ISO" means an Option intended to meet the requirements of Section 422 of the Code.

"Management Incentive Compensation Performance Award" or "MICP Award" means an Award granted under Section 10 hereof and payable wholly in cash, wholly in Shares, or partly in cash and partly in Shares in accordance with the terms of the Award.

"Nonstatutory Stock Option" means an Option that is not intended to be an Incentive Stock Option.

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"Option" means the right to purchase the number of Shares specified by the Committee, at a price and during a term fixed by the Committee in accordance with the Plan and subject to any other limitations and restrictions (required by law or otherwise) as the Plan and the Committee shall impose.

"Participant" means an Eligible Employee selected by the Committee to receive an Award under the Plan.

"Performance Period" means a period during which an Award of Performance Units is subject to forfeiture. The Performance Period that applies to an Award made to a Participant may overlap or coincide with the Performance Period that applies to another Award made to that Participant. The duration of a Performance Period shall not be less than one year.

"Performance Units" means any Award of a contractual right granted under Section 9 hereof to receive cash or Shares that becomes vested upon the attainment, in whole or in part, of performance objectives determined by the Committee.

"Phantom Shares" means an Award of a contractual right granted under Section 8 hereof to receive cash or Shares payable in accordance with the terms of the Award.

"Plan" means The Interpublic Group of Companies, Inc. 1997 Performance Incentive Plan, set forth herein, and as it may be amended from time to time.

"Plan Year" means the calendar year.

"Restricted Period" means a period during which an Award of Restricted Stock is subject to forfeiture. The Restricted Period that applies to an Award made to a Participant may overlap or coincide with the Restricted Period that applies to another Award made to that Participant. The duration of a Restricted Period shall not be less than one year; provided that a Restricted Period may terminate before the expiration of one year, pursuant to Section 13 hereof, in connection with the termination of the Participant's employment due to retirement, death, or Disability or, pursuant to Section 14(d) hereof, by reason of a Change of Control.

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"Restricted Stock" means any Award of Common Stock granted under Section 7 hereof that becomes vested and nonforfeitable upon the attainment, in whole or in part, of conditions established by the Committee.

"Shares" means shares of Common Stock.

"Stock Appreciation Right" means a contractual right granted under Section 6 hereof to receive cash, Shares, or a combination thereof.

"Subsidiary" means a subsidiary of the Company that meets the definition of a "subsidiary corporation" in Section 424(f) of the Code.

Section 3. Administration.

(a) The Committee. The Plan shall be administered by a committee (the "Committee") that satisfies the requirements of Rule 16b-3 under the Exchange Act. Members of the Committee shall be appointed by and shall serve at the pleasure of the Board. No member of the Committee shall be eligible to receive an Award under the Plan.

(b) Committee Powers. The Committee shall have and may exercise all of the powers granted to it by the provisions of the Plan. Subject to the express provisions and limitations of the Plan, the Committee may adopt such rules, regulations, and procedures as it deems advisable for the conduct of its affairs, and may appoint one of its members to be its chairman and any person, whether or not a member, to be its secretary or agent. The Committee shall have full authority to direct the proper officers of the Company to issue or transfer Shares pursuant to the issuance or exercise of an Award under the Plan.

(c) Committee Action. The Committee may act at a duly called meeting by the vote of a majority of its members or without a meeting by unanimous written consent. The decisions of the Committee shall be final and binding unless otherwise determined by the Board. Each member of the Committee and each member of the Board shall be without liability, to the fullest extent permitted by law, for any action taken or determination made in good faith in connection with the Plan.

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(d) Awards. Subject to the provisions of the Plan, the Committee shall have the authority to grant the following Awards:

- (a) Options,
- (b) Stock Appreciation Rights,
- (c) Restricted Stock,
- (d) Phantom Shares,
- (e) Performance Units,
- (f) Management Incentive Compensation Performance Awards,
- (g) Shares in Lieu of Cash, and
- (h) Dividend Equivalents.

(e) Participants. Subject to the provisions of the Plan, the Committee shall have the authority to designate the Eligible Employees who shall receive Awards and to determine the nature and size of the Award that an Eligible Employee shall receive.

(f) Delegation. If the Committee deems it advisable, the Committee may delegate its authority under this Section 3 to persons other than its members to the extent permitted by applicable law, except that no such delegation shall be permitted with respect to the participation in the Plan of persons who are subject to Section 16 of the Exchange Act. Any person to whom the Committee delegates its authority under this Section 3 may receive Awards only if the Awards are granted directly by the Committee without delegation.

Section 4. Maximum Amount Available for Awards.

(a) Basic Limitation. Subject to the provisions of subsections (b) through (f) of this Section 4, the maximum number of Shares in respect of which Awards may be granted in any Plan Year is 1.85% of the total number of Shares issued and outstanding on the first day of that Plan Year, including Shares held in the Company's treasury.

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(b) Additional Shares. In addition to the Shares authorized by Section 4(a) hereof, the following Shares may be the subject of Awards under the Plan:

(1) Carryovers. If the maximum number of Shares in respect of which Awards may be granted in any Plan Year pursuant to this Section 4 (the "Maximum Shares") exceeds the number of Shares in respect of which Awards are granted in that Plan Year (the "Covered Shares"), Shares equal to the excess of the Maximum Shares over the Covered Shares ("Unused Shares") shall be added to the Shares otherwise available for Awards in the immediately following Plan Year. Unused Shares may be carried over to each subsequent Plan Year in succession to the extent that Awards are not granted in respect of the Unused Shares.

(2) Surrender of Shares. If a Participant tenders, or has withheld, Shares in payment of all or part of the option price under an Option granted under the Plan, or in satisfaction of withholding tax obligations, the Shares tendered by the Participant or so withheld shall become available for Awards.

(3) Forfeiture of Shares. If Shares that are issued under the Plan are subsequently forfeited (or if an Award with respect to Shares is forfeited) in accordance with the terms of the Award, the forfeited Shares shall immediately become available for Awards.

(4) Payment of Cash in Lieu of Shares. To the extent that cash is paid pursuant to an Award in lieu of Shares, the Shares covered by the Award shall become available for Awards.

(5) MICP Awards. The Shares authorized by the preceding provisions of this Section 4 shall not be available for distribution under Section 10 hereof. However, in addition to the Shares available under the preceding provisions of this Section 4, the excess of (A) 600,000 Shares over (B) the number of Shares previously distributed under The Interpublic Group of Companies, Inc. Management Incentive Compensation Plan, as approved by the Company's shareholders on May 16, 1995, shall be authorized for distribution under Section 10 hereof.

(c) Aggregate Limitations on Restricted Stock and ISOs. Subject to the adjustment provisions of Section 4(f) hereof, not more than 25% of the Shares in respect of which Awards may be granted in any Plan Year (disregarding Shares that may be distributed pursuant to Section 4(b)(5) hereof) may be the subject of Awards of Restricted Stock, and no more than 200,000 Shares may be the subject of ISOs that are granted in any Plan Year.

(d) Individual Limitations on Options and Stock Appreciation Rights. Subject to the adjustment provisions in Section 4(f) hereof, an individual Participant may not receive, in any Plan Year, Options and Stock Appreciation Rights with respect to more than 250,000 Shares.

(e) Shares Available for Issuance. Shares of Common Stock may be made available from the authorized but unissued Shares or from Shares held in the Company's treasury and not reserved for some other purpose. If an Award is payable solely in cash, no Shares shall be deducted from the number of Shares available for issuance under this Section 4 by reason of that Award.

(f) Adjustment for Corporate Transactions. If the Committee determines that any Corporate Transaction affects the Common Stock such that an adjustment is required to preserve, or to prevent enlargement of, the benefits or potential benefits available under the Plan, the Committee may, in such manner as the Committee deems equitable, adjust any or all of

(1) the number and kind of shares that thereafter may be made the subject of Awards,

(2) the number and kinds of shares that are subject to outstanding Awards, and

(3) the grant, exercise, or conversion price with respect to any of the foregoing.

Any Shares received as a result of a Corporate Transaction affecting Restricted Stock shall have the same status, be subject to the same restrictions, and bear the same legend as the Restricted Stock with respect to which the Shares were issued. Additionally, the Committee may make provisions for a
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cash payment to a Participant or other person holding an outstanding Award. However, the number of shares subject to any Award shall always be a whole number.

Section 5. Stock Options.

(a) Grant. The Committee shall have the authority to grant both Incentive Stock Options and Nonstatutory Stock Options; provided that Incentive Stock Options may not be granted to any Eligible Employee who is not an employee of the Company or one of its Subsidiaries at the time of grant.

(b) Exercise Price. The Committee shall establish the exercise price at the time each Option is granted, which price shall not be less than 100% of the fair market value of the Shares subject to the Option on the date of grant.

(c) Exercise. Each Option shall be exercised at such times and subject to such terms and conditions as the Committee may specify in the applicable Award or thereafter; provided that unless the Option becomes vested earlier pursuant to Section 13 or 14(d) hereof, an Option may not be exercised in whole or in part during the twelve-month period commencing with the date on which the Option was granted. The Committee may impose such conditions on the exercise of Options as it determines to be appropriate, including, without limitation, conditions relating to the application of federal or state securities laws. No Shares shall be delivered pursuant to any exercise of an Option unless arrangements satisfactory to the Committee have been made to assure full payment of the exercise price therefor. Without limiting the generality of the foregoing, payment of the exercise price may be made in cash or, if and to the extent permitted by the Committee, by exchanging Shares owned, or the ownership of which is attested to, by the optionee (which are not the subject of any pledge or other security interest and which are fully vested), or by a combination of the foregoing, provided that the combined value of all cash and the fair market value of any Shares tendered to the Company, valued as of the date of such tender, is at least equal to the exercise price.

(d) Term. An Option shall be exercisable for a term determined by the Committee, which shall not be longer than ten years from the date on which the Option is granted.

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(e) Termination of Employment. An Option shall be exercisable following the termination of a Participant's employment to the extent determined pursuant to Sections 13 and 14(d) hereof, provided that

(1) If the Participant's employment terminates due to the Participant's retirement with the approval of the Company, the Participant (or, following the Participant's death, the Participant's beneficiary or personal representative) may exercise any Option held by the Participant at the time of such termination, to the extent such Option is vested in accordance with the terms of the Option and Sections 13 and 14(d) hereof, for a period of three years following such termination (but not after the date the Option otherwise expires).

(2) If the Participant's employment terminates due to the Participant's death or Disability, the Participant (or, following the Participant's death, the Participant's beneficiary or personal representative) may exercise any Option held by the Participant at the time of such termination, to the extent such Option is vested in accordance with the terms of the Option and Sections 13 and 14(d) hereof, for a period of one year following such termination (but not after the date the Option otherwise expires).

(3) If the Participant's employment terminates for any reason not described in Section 5(e)(1) or (2) hereof, the Participant (or, following the Participant's death, the Participant's beneficiary or personal representative) may exercise any Option held by the Participant at the time of such termination, to the extent such Option is vested in accordance with the terms of the Option and Sections 13 and 14(d) hereof, for a period of three months following such termination (but not after the date the Option otherwise expires).

Section 6. Stock Appreciation Rights.

(a) Grant. The Committee shall have the authority to grant Stock Appreciation Rights in tandem with an Option, in addition to an Option, or freestanding and unrelated to an Option. If a Stock Appreciation Right is granted in tandem

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with an Option, the Stock Appreciation Right and the related Option shall provide alternative rights, so that a Participant may not exercise both the Stock Appreciation Right and the Option with respect to a Share covered by both the Option and the related Stock Appreciation Right. Stock Appreciation Rights granted in tandem or in addition to an Option may be granted either at the same time as the Option or at a later time. Stock Appreciation Rights shall not be exercisable after the expiration of ten years from the date of grant and shall have a base price determined in the same manner as, and subject to the same conditions that apply with respect to, the exercise price for an Option under Section 5(b) hereof; provided that if a Stock Appreciation Right is granted in tandem with a previously granted Option, the base price for the Stock Appreciation Right may be equal to the exercise price for such Option.

(b) Exercise. Each Stock Appreciation Right shall be exercised at such times and subject to such terms and conditions as the Committee may specify in the applicable Award or thereafter; provided that unless the Stock Appreciation Right becomes vested earlier pursuant to Section 13 or 14(d) hereof, a Stock Appreciation Right may not be exercised in whole or in part during the twelve-month period commencing with the date on which the Stock Appreciation Right was granted. A Stock Appreciation Right shall entitle the Participant to receive from the Company an amount equal to the excess of the fair market value of a Share on the date of exercise of the Stock Appreciation Right over the base price thereof. Subject to Sections 13 and 14(d) hereof, the Committee shall determine the time or times at which or the event or events upon which a Stock Appreciation Right may be exercised in whole or in part, the method of exercise and whether such Stock Appreciation Right shall be settled in cash, Shares, or a combination of cash and Shares; provided that unless otherwise specified by the Committee at or after grant, a Stock Appreciation Right granted in tandem with an Option shall be exercisable at the same time or times as the related Option is exercisable.

(c) Termination of Employment. A Stock Appreciation Right shall be exercisable following the termination of a Participant's employment to the extent determined pursuant to Sections 13 and 14(d) hereof and for periods identical with those prescribed for Options under Section 5(e) hereof.

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Section 7. Restricted Stock.

(a) Grant. Each Share of Restricted Stock shall be subject to the following terms and conditions, and to such additional terms and conditions as the Committee shall deem appropriate; provided that none of these additional terms and conditions shall be more favorable to a Participant than the terms and conditions set forth herein.

(b) Rights of Participant. A Participant to whom Restricted Stock has been granted shall have absolute ownership of such shares, including the right to vote the same and to receive dividends thereon, subject to the terms, conditions, and restrictions described in the Plan and in the Award.

(c) Restrictions. Until the restrictions set forth in this subsection (c) shall lapse, Restricted Stock shall be subject to the following conditions:

(1) Restricted Stock shall not be sold, assigned, transferred, pledged, hypothecated, or otherwise disposed of; and

(2) if the Participant ceases to be an Employee for any reason, except as provided in Sections 13 and 14(d) hereof, any Restricted Stock that had been delivered to, or held in custody for, the Participant shall be returned to the Company forthwith, accompanied by any instrument of transfer requested by the Company, and all of the rights of the Participant with respect to such Shares shall immediately terminate without any payment of consideration by the Company.

(d) Lapse of Restrictions. Unless the Restricted Stock vests earlier pursuant to Section 13 or 14(d) hereof, the restrictions set forth in Section 7(c) hereof shall lapse at the end of the Restricted Period.

(e) Agreement by Participant Regarding Withholding Taxes. Each Participant who receives Restricted Stock shall agree that, subject to the provisions of Section 7(c) hereof:

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(1) no later than the date of the lapse of the restrictions set forth in Section 7(c) hereof (and any additional restrictions set forth in the Award of the Restricted Stock), the Participant will pay to the Company, or make arrangements satisfactory to the Committee regarding payment of, any taxes of any kind required by law to be withheld with respect to the Restricted Stock, and

(2) the Company and its Subsidiaries and Affiliates shall, to the extent permitted by law, have the right to deduct from any payments of any kind otherwise due to the Participant any taxes of any kind required by law to be withheld with respect to the Restricted Stock.

A Participant may irrevocably elect to have any withholding tax obligation satisfied by

(A) having the Company withhold shares otherwise deliverable to the Participant in connection with the Award of Restricted Stock, or

(B) delivering to the Company such Restricted Stock or delivering to the Company other Shares;

provided that the Committee may, in its sole discretion, disapprove any such election.

(f) Tax Assistance Payments. When the restrictions set forth in Section 7(c) hereof, or in the Award of the Restricted Stock, lapse, the Committee may, in its discretion, direct the Company to make cash payments to assist the Participant in satisfying his income tax liability with respect to the Restricted Stock. Such payments may be made only to those Participants whose performance the Committee determines to have been fully satisfactory between the date on which the Restricted Stock were granted and the date on which such restrictions lapse. The Committee may, in its discretion, estimate the amount of the income tax liability in accordance with methods or criteria uniformly applied to Participants similarly situated, without regard to the individual circumstances of a particular Participant.

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(g) Election to Recognize Gross Income in Year of Grant. If a Participant properly elects, within 30 days of the date of grant of Restricted Stock, to include in gross income for federal income tax purposes an amount equal to the fair market value of the Shares awarded on the date of grant, he shall make arrangements satisfactory to the Committee to pay in the year of such grant any taxes required to be withheld with respect to such Shares. If he fails to make the payments, the Company and its Subsidiaries and Affiliates shall, to the extent permitted by law, have the right to deduct from any payments of any kind otherwise due to the Participant any taxes of any kind required by law to be withheld with respect to the Shares.

(h) Restrictive Legends; Certificates May Be Held in Custody. Certificates evidencing Restricted Stock shall bear an appropriate legend referring to the terms, conditions, and restrictions described in the Plan and in the instrument evidencing the grant of the Restricted Stock. Any attempt to dispose of Restricted Stock in contravention of the terms, conditions, and restrictions described in the Plan or in the instrument evidencing the grant of the Restricted Stock shall be ineffective. The Committee may require that the certificates evidencing such shares be held in custody by a bank or other institution, or that the Company itself hold such shares in custody, until the restrictions thereon have lapsed.

(i) Foreign Laws. Notwithstanding any provisions of the Plan to the contrary, if Restricted Stock is to be awarded to a Participant who is subject to the laws, including but not limited to the tax laws, of any country other than the United States, the Committee may, in its discretion, direct the Company to sell, assign, or otherwise transfer the Restricted Stock to a trust or other entity or arrangement, rather than grant the Restricted Stock directly to the Participant.

Section 8. Phantom Shares.

(a) Grant. The Committee shall have the authority to

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determine the number of Phantom Shares to be granted to a Participant and the other terms and conditions of the Phantom Shares.

(b) Payment. Each Phantom Share shall represent the right of the Participant to receive an amount determined by the Committee based on the achievement of performance goals, established by the Committee, relating to the fair market value, book value, or formula value of an equity interest in the Company, an Affiliate, or a Subsidiary (or any combination thereof). Payment of the value of a Phantom Share shall be in cash, Shares, or both, as determined by the Committee and shall be made at such time and in such manner as the Committee shall determine.

(c) Conditions. Each Award of Phantom Shares shall be subject to such terms and conditions as the Committee shall establish, including conditions comparable to those provided in Section 7 or 9 hereof. Unless the Phantom Shares vest earlier pursuant to Section 13 or 14(d) hereof, Phantom Shares shall not be vested during the twelve-month period commencing on the date on which the Phantom Shares are granted.

(d) Termination of Employment. The rights of a Participant with respect to an Award of Phantom Shares outstanding at the time of the termination of the Participant's employment shall be governed by Sections 13 and 14(d) hereof.

Section 9. Performance Units.

(a) Grant. The Committee shall have the authority to determine the number of Performance Units to be granted to a Participant and the other terms and conditions of the Performance Units. The Performance Units shall become vested upon the determination by the Committee that the performance objectives established by the Committee for the Performance Units have been attained, in whole or in part. Payment (if any) with respect to a Performance Unit shall be made as soon as administratively practicable after the conclusion of the applicable Performance Period. An individual Participant may not participate in more than four Performance Periods at any one time.

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(b) Performance Objectives. The performance objectives shall relate to the achievement of performance objectives relating to one or more of the following criteria:

- (1) cumulative compound operating profit growth;
- (2) total return to shareholders;
- (3) return on equity;
- (4) increase in revenue;
- (5) net operating income;
- (6) cash flow; or
- (7) any other criteria selected by the Committee; provided that any such other criteria shall not apply to an Award to a "covered employee" within the meaning of Section 162(m)(3) of the Code.

The performance objectives may relate to the performance of (A) the Company, (B) a Subsidiary, (C) an Affiliate, (D) a division or unit of the Company, any Subsidiary, or any Affiliate, (E) an office, group of agencies, or all or part of any agency system, (F) the Participant, or (G) any combination of the foregoing, over a Performance Period established by the Committee, as measured either in absolute terms or in comparison with the performance of other companies. Partial achievement of the objective(s) may result in a payment corresponding to the degree of achievement.

(c) Maximum Payment. The maximum amount that may be paid to any Participant in respect of an Award of Performance Units shall be \$3.5 million for a four-year Performance Period. If the Performance Period is longer or shorter than four years, the \$3.5 million limit shall be proportionately increased or reduced to reflect the length of the Performance Period. Payment may be made in cash, in Shares, or both, as determined by the Committee.

(d) Termination of Employment. The rights of a Participant with respect to an Award of Performance Units outstanding at the time of the termination of the Participant's employment shall be governed by Sections 13 and 14(d) hereof.

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(e) Interpretation. Notwithstanding any other provision of this Section 9 to the contrary, if an Award of Performance Units is intended at the time of grant to be "other performance-based compensation" within the meaning of Section 162(m)(4)(C) of the Code, and if the Committee's authority to exercise any discretion under this Section 9 with respect to the Award would cause the Award to fail to qualify as "other performance-based compensation," the Committee shall not be entitled to exercise such discretion with respect to that Award.

Section 10. Management Incentive Compensation Performance Awards

(a) Incentive Fund Determination. MICP Awards may be made in the sole discretion of the Committee except that the fund available for such Awards with respect to any one Plan Year may not exceed 5% of the amount by which the consolidated income (excluding extraordinary gains and income taxes applicable thereto) before income taxes of the Company and its subsidiaries on a worldwide basis, adjusted for all extraordinary losses after income tax effects, and before provision for such incentive compensation, exceeds 15% of the average equity capital of the Company in the Plan Year immediately preceding the Plan Year with respect to which the Awards are made (the "Preceding Year").

For purposes of this Section 10(a), average equity capital shall be determined by averaging equity capital as at the first business day of the Preceding Year, the last day of June, and the last day of December of the Preceding Year (assuming conversion of all outstanding convertible debentures).

No MICP Award shall be made unless the Award is approved by the Committee in its sole discretion.

(b) Determination of MICP Amounts. The Committee shall consider one or more of the following factors in determining the amount of the MICP Awards:

- (1) Achievement of the annual worldwide business plan adopted by the Company

- (2) Contribution to clients' business
 - (A) Improvement in the quality of work produced
 - (B) Improvement in efficiency
- (3) Financial factors
 - (A) Operating margin
 - (B) Level of or growth in revenue
 - (C) Level of or growth in operating profit
- (4) Individual performance

(c) Maximum Individual MICP Awards. The maximum individual MICP Award permitted, with respect to any Plan Year, is \$2,000,000.

(d) Form and Timing of MICP Awards. The Committee shall be responsible for determining the form and timing of MICP Awards under the Plan. In its discretion, the Committee may make any Award wholly in cash, wholly in Shares, or partly in cash and partly in Shares. For purposes of Section 10(a) hereof, any Shares awarded under this Section 10 shall be valued by using the average closing price of the Shares on the New York Stock Exchange on the last ten trading days of the calendar month preceding the month in which the Shares are awarded.

Individual MICP Awards shall be paid on a current basis except that, in any instance, the Committee may direct that up to 75% of an individual's Award be paid on a deferred basis subject to such terms and conditions as the Committee may prescribe. MICP Awards shall normally be made as soon as possible after the end of each Plan Year.

Section 11. Shares in Lieu of Cash.

The Committee may grant Awards of Shares in lieu of all or part of any compensation otherwise payable in cash to an Eligible Employee by the Company or any Subsidiary or
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Affiliate. If Shares are issued in lieu of cash, the number of Shares to be issued shall be equal to the number of whole Shares that have an aggregate fair market value (determined on the date the cash otherwise would have been payable) equal to or less than the amount of such cash.

Section 12. Dividend Equivalents.

The Committee may grant to a Participant, in connection with any Award, Dividend Equivalents, which may be paid in cash, in Shares, or both, and which may be paid on a current, deferred, or contingent basis, as determined by the Committee in its discretion.

Section 13. Termination of Employment.

If the Participant's employment terminates for any reason, the Participant (or, following the Participant's death, the Participant's beneficiary or personal representative) shall be vested only in the portion of the Award (if any) in which the Participant was vested immediately before the termination of the Participant's employment except to the extent that the Committee in its sole discretion determines otherwise. Notwithstanding the preceding sentence, and subject to Section 14(d) hereof, the Committee may not determine that an Award shall be vested before the first anniversary of the date on which the Award was granted unless the Participant's employment terminated due to retirement, death, or Disability.

Section 14. General Provisions.

(a) Awards. Each Award hereunder shall be evidenced in writing. The written terms of the Award shall be delivered to the Participant and shall incorporate the terms of the Plan by reference and specify the terms and conditions thereof and any rules applicable thereto.

(b) Withholding. The Company shall have the right to deduct from all amounts paid to a Participant in cash (whether under the Plan or otherwise) any taxes required by law to be withheld in respect of Awards under the Plan. In the case of
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any Award satisfied in the form of Common Stock, no Shares shall be issued unless and until arrangements satisfactory to the Company shall have been made to satisfy any withholding tax obligations applicable with respect to such Award. Without limiting the generality of the foregoing and subject to such terms and conditions as the Committee may impose, the Company shall have the right to retain, or the Committee may, subject to such terms and conditions as it may establish from time to time, permit Participants to elect to tender, Common Stock (including Common Stock issuable in respect of an Award) to satisfy, in whole or in part, the amount required to be withheld.

(c) Nontransferability. Unless the Committee shall permit (on such terms and conditions as it shall establish) an Award to be transferred to a member of the Participant's immediate family or to a trust, partnership, corporation, or similar vehicle the parties in interest in which are limited to the Participant and members of the Participant's immediate family (collectively, the "Permitted Transferees"), no Award shall be assignable or transferable except by will or the laws of descent and distribution, and except to the extent required by law, no right or interest of any Participant shall be subject to any lien, obligation or liability of the Participant. All rights with respect to Awards granted to a Participant under the Plan shall be exercisable during the Participant's lifetime only by such Participant or, if applicable, the Permitted Transferees.

(d) Change of Control. Upon the occurrence of a Change of Control, all Awards then outstanding shall immediately become fully vested.

(e) No Right to Employment. No person shall have any claim or right to be granted an Award, and the grant of an Award shall not be construed as giving a Participant the right to be retained in the employ of the Company, any Subsidiary or any Affiliate. Further, the Company and each Subsidiary and Affiliate expressly reserve the right at any time to dismiss a Participant free from any liability, or any claim under the Plan, except as provided herein or in any agreement entered into with respect to an Award.

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(f) No Rights to Awards; No Shareholder Rights. No Participant or Eligible Employee shall have any claim to be granted any Award under the Plan, and there is no obligation of uniformity of treatment of Participants and Eligible Employees. Subject to the provisions of the Plan and the applicable Award, no person shall have any rights as a shareholder with respect to any Shares of Common Stock to be issued under the Plan prior to the issuance thereof.

(g) Foreign Benefits. The Committee may grant Awards to Eligible Employees of the Company and its Subsidiaries and Affiliates who reside in jurisdictions outside the United States. The Committee may adopt such supplements to the Plan as may be necessary to comply with applicable laws of such jurisdictions and to afford participants favorable treatment under such laws; provided that no Award shall be granted under any such supplement on the basis of terms or conditions that are inconsistent with provisions of the Plan.

(h) Amendment of Plan. The Board or the Committee may amend, suspend, or terminate the Plan or any portion thereof at any time; provided that no amendment shall be made without shareholder approval if (1) shareholder approval is required by law or (2) if the amendment would increase the number of Shares available for Awards under the Plan, except pursuant to Section 4(f) hereof. Without the written consent of an affected Participant, no termination, suspension, or modification of the Plan shall adversely affect any right of such Participant under the terms of an Award granted before the date of such termination, suspension, or modification.

(i) Application of Proceeds. The proceeds received by the Company from the sale of Shares under the Plan shall be used for general corporate purposes.

(j) Compliance with Legal and Exchange Requirements. The Plan, the grant and exercise of Awards thereunder, and the other obligations of the Company under the Plan, shall be subject to all applicable federal and state laws, rules, and regulations, and to such approvals by any regulatory or governmental agency as may be required. The Company, in its
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discretion, may postpone the grant and exercise of Awards, the issuance or delivery of Shares under any Award or any other action permitted under the Plan to permit the Company, with reasonable diligence, to complete such stock exchange listing or registration or qualification of Shares or other required action under any federal or state law, rule, or regulation and may require any Participant to make such representations and furnish such information as it may consider appropriate in connection with the issuance or delivery of Shares in compliance with applicable laws, rules, and regulations. The Company shall not be obligated by virtue of any provision of the Plan to recognize the exercise of any Award or otherwise to sell or issue Shares in violation of any such laws, rules, or regulations; and any postponement of the exercise or settlement of any Award under this provision shall not extend the term of such Awards, and neither the Company nor its directors or officers shall have any obligation or liability to the Participant with respect to any Award (or stock issuable thereunder) that shall lapse because of such postponement.

(k) Deferrals. The Committee may postpone the exercise of Awards, the issuance or delivery of Shares, the payment of cash under any Award, or any action permitted under the Plan to prevent the Company or any of its Subsidiaries or Affiliates from being denied an income tax benefit with respect to any Award. The Committee also may establish rules under which a Participant may elect to postpone receipt of Shares or cash under any Award.

(l) Severability of Provisions. If any provision of the Plan shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereof, and the Plan shall be construed and enforced as if such provision had not been included.

(m) Incapacity. Any benefit payable to or for the benefit of a minor, an incompetent person, or other person incapable of receipting therefor shall be deemed paid when paid to such person's guardian or to the party providing or reasonably appearing to provide for the care of such person, and such payment shall fully discharge any liability or obligation of the Committee, the Board, the Company, and all other parties with respect thereto.

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(n) Rules of Construction. Whenever used in the Plan, words in the masculine gender shall be deemed to refer to females as well as to males; words in the singular shall be deemed to refer also to the plural; and references to a statute or statutory provision shall be construed as if they referred also to that provision (or to a successor provision of similar import) as currently in effect, as amended, or as reenacted.

(o) Headings and Captions. The headings and captions herein are provided for reference and convenience only, shall not be considered part of the Plan, and shall not be employed in the construction of the Plan.

(p) Applicable Law. The validity, construction, interpretation, administration, and effect of the Plan and of its rules and regulations, and rights relating to the Plan, shall be determined solely in accordance with the laws of the State of New York (without regard to its rules regarding choice of law).

(q) Effective Date. The Plan shall become effective on the date the Plan is approved by the Company's shareholders. No Awards may be granted under the Plan after the annual meeting of the Company's shareholders in 2002; provided that any Awards granted before such annual meeting shall continue in effect thereafter in accordance with the terms of the Awards and the Plan. Upon shareholder approval of the Plan, no further awards may be made under The Interpublic Group of Companies, Inc. 1996 Stock Incentive Plan or under The Interpublic Group of Companies, Inc. Management Incentive Compensation Plan.

SUPPLEMENTAL AGREEMENT

SUPPLEMENTAL AGREEMENT made as of March 12, 1997, by and between THE INTERPUBLIC GROUP OF COMPANIES, INC., a corporation of the State of Delaware (hereinafter referred to as the "Corporation"), and EUGENE P. BEARD (hereinafter referred to as "Executive").

W I T N E S S E T H

WHEREAS, the Corporation and Executive are parties to an Employment Agreement made as of July 1, 1995, (hereinafter referred to as the "Employment Agreement"); and

WHEREAS, the Corporation and Executive desire to amend the Employment Agreement;

NOW, THEREFORE, in consideration of the mutual promises herein and in the Employment Agreement set forth, the parties hereto, intending to be legally bound, agree as follows:

1. Paragraph 1.01 of the Employment Agreement is amended effective this date, by deleting "and ending on December 31, 1997" therefrom and substituting "and ending on December 31, 1998" therefor.

2. Paragraph 5.04 of the Employment Agreement is hereby amended, effective this date, by deleting "December 31, 1997" therefrom and substituting "December 31, 1998" therefor.

3. Except as hereinabove amended, the Employment Agreement shall continue in full force and effect.

4. This Supplemental Agreement shall be governed by the laws of the State of New York.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By: C. KENT KROEBER

EUGENE P. BEARD

MASTER NOTE

Date: June 16, 1997

For Value Received, the undersigned (hereinafter called the "Borrower"), hereby promises to pay three (3) business days following receipt of demand, to the order of Wachovia Bank of Georgia, N.A., Atlanta, Georgia (hereinafter called the "Lender"), at its office where borrowed, the principal sum of \$15,000,000 (Fifteen Million U.S. Dollars) or the aggregate unpaid principal sum of all advances which the Lender actually makes hereunder to the Borrower, whichever amount is less, together with interest in arrears payable on each Interest Due Date (as hereinafter defined) at a rate computed on the basis of a 360 day year for the actual number of days in each interest period, determined as herein set forth.

Lender, at its sole discretion, is hereby authorized to make advances under this Note upon telephonic or written communication of a borrowing request from a duly authorized officer or representative of Borrower. At the time of each advance hereunder, the Borrower and the Lender shall agree on the maturity date for the payment of the principal amount of such advance (in absence of earlier demand), the interest rate for such advance and the dates interest on such advance shall be payable (the "Interest Due Dates"). The Lender or other holder shall be and is hereby authorized by the Borrower to set forth on the reverse side of this Note, or on an attachment hereto: (1) the amount and date of each advance made hereunder; (2) the maturity date of each such advance (absent earlier demand); (3) the interest rate for each such advance; (4) the Interest Due Dates for each such advance; and (5) each payment of principal received thereon and the date of such payment; provided, however, any such notation or the failure to make any such notation shall not limit or otherwise affect the obligation of the Borrower with respect to the repayment of all advances actually made hereunder. In the event of a good faith dispute among the parties to this Note as to rate, the rate shall be the Prime Rate.

After this Note or any advance of this Note shall become due, whether on demand or otherwise, the unpaid principal of this Note shall bear interest at a rate per annum equal to 150% of the Prime Rate not to exceed the maximum rate permitted by applicable law. As used herein, "Prime Rate" refers to that interest rate so denominated and set by the Lender from time to time as an interest rate basis for borrowings. The Prime Rate is one of several interest rate bases used by the Lender. The Lender lends at rates above and below the Prime Rate. Changes in the Prime Rate shall be effective as of the day of each such change.

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All payments of any advance hereunder shall be applied first to accrued interest and then to principal.

The Borrower may prepay any advance hereunder prior to the maturity date specified for such advance only with the consent or upon the demand of the Lender.

No waiver by the Lender of any provision of this Note shall be effective unless in writing. Other than as set forth herein, all parties to this Note, including makers, endorsers, sureties and guarantors, whether bound by this or by separate instrument or agreement, shall be jointly and severally liable for the indebtedness evidenced by this Note and hereby (1) waive presentment for payment, demand, protest, notice of nonpayment or dishonor and of protest and any and all other notices and demands whatsoever; (2) consent that at any time, or from time to time, payment of any sum payable under this Note may be extended without notice, whether for a definite or indefinite time; and (3) agree to remain liable until the indebtedness evidenced hereby is paid in full irrespective of any extension, modification or renewal. No conduct of the holder shall be deemed a waiver or release of such liability, unless the holder expressly releases such party in writing. In the event the indebtedness evidenced hereby is collected by or through an attorney, the holder shall be entitled to recover reasonable attorneys' fees and all other costs and expenses of collection. Time is of the essence.

This Note shall evidence all advances and payments of principal made hereunder until it is surrendered to the Borrower by the Lender, and it shall continue to be used even though there may be periods prior to such surrender when no amount of principal or interest is owing hereunder.

This Note, and the rights and obligations of the parties hereunder, shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF the Borrower has executed this Note under seal the day and year set forth above.

_____ THE INTERPUBLIC GROUP OF COMPANIES, INC.
Attest:

Nicholas J. Camera
Title: Secretary

By: Alan Forster
Title: Vice President & Treasurer

(Corporate Seal)

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED BALANCE SHEETS AND CONSOLIDATED STATEMENTS OF OPERATIONS FOUND IN THE COMPANY'S FORM 10-Q FOR THE SIX-MONTHS-TO-DATE, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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