

# UBS 37th Annual Global Media & Communications Conference



December 7, 2009



This investor presentation contains forward-looking statements. Statements in this investor presentation that are not historical facts, including statements about management's beliefs and expectations, constitute forward-looking statements. These statements are based on current plans, estimates and projections, and are subject to change based on a number of factors, including those outlined in our most recent Annual Report on Form 10-K under Item 1A, Risk Factors. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

Forward-looking statements involve inherent risks and uncertainties. A number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Such factors include, but are not limited to, the following:

- potential effects of a challenging economy, for example, on the demand for our advertising and marketing services, on our clients' financial condition and on our business or financial condition;
- our ability to attract new clients and retain existing clients;
- our ability to retain and attract key employees;
- risks associated with assumptions we make in connection with our critical accounting estimates, including changes in assumptions associated with any effects of a weakened economy;
- potential adverse effects if we are required to recognize impairment charges or other adverse accounting-related developments;
- risks associated with the effects of global, national and regional economic and political conditions, including counterparty risks and fluctuations in economic growth rates, interest rates and currency exchange rates; and
- developments from changes in the regulatory and legal environment for advertising and marketing and communications services companies around the world.

Investors should carefully consider these factors and the additional risk factors outlined in more detail in our most recent Annual Report on Form 10-K under Item 1A, Risk Factors.



# Interpublic Group Today

- I. Premier advertising & marketing agencies providing full range of services to world-class clients
- II. Effectively managing business through a challenging environment
- III. Strategically, well-positioned for long-term value creation



4,500 clients | 100+ countries | 40,000 employees

MCCANN Worldgroup

Industry's largest provider of integrated, global marketing programs

DRAFTFCB

Modern global agency model combines accountability with creativity under single P&L



High-value ideas in high-growth markets



UM initiative

Two global media networks and a spectrum of specialist media companies

JACK MORTON



octagon

WEBER SHANDWICK

GolinHarris

FutureBrand

Best-in-class marketing services providers

THE MARTIN AGENCY mullen



Carmichael Lynch

HUGE

R/GA



Exceptional group of independent agencies



# World Class Clients





# Recent Industry Honors & Recognition



HILL HOLLIDAY

McCANN ERICKSON



Top rankings, Agency Report Cards, *Adweek*

## initiative

Media Agency of the Year, *Ad Age*

US Media Agency of the Year, *Adweek*



Comeback Agency of the Year  
And "A" List, *Ad Age*

"A" List, *AdAge*

**Deutsch**

## **THE MARTIN AGENCY**

"A" List, *Ad Age*





# Recent Industry Honors & Recognition

## WEBER SHANDWICK

Large PR Agency of the Year, *Holmes Report*  
Large PR Agency of the Year, *PR News*  
Tops *PRWeek's* First Global Agency Report Card



Agency of the Year,  
*B2B Magazine*

## ■ R/GA

Interactive Agency of the Year, *Ad Age*  
"A" List, *Adweek*  
Digital "Leader", *Forrester Wave Report*

Digital "Strong Performer"  
*Forrester Wave Report*

## DRAFTFCB

## HUGE

Multiple *Webby* and  
*EPpy Award* winner



GolinHarris

Agency of the Year  
*Asia Pacific PR Awards*

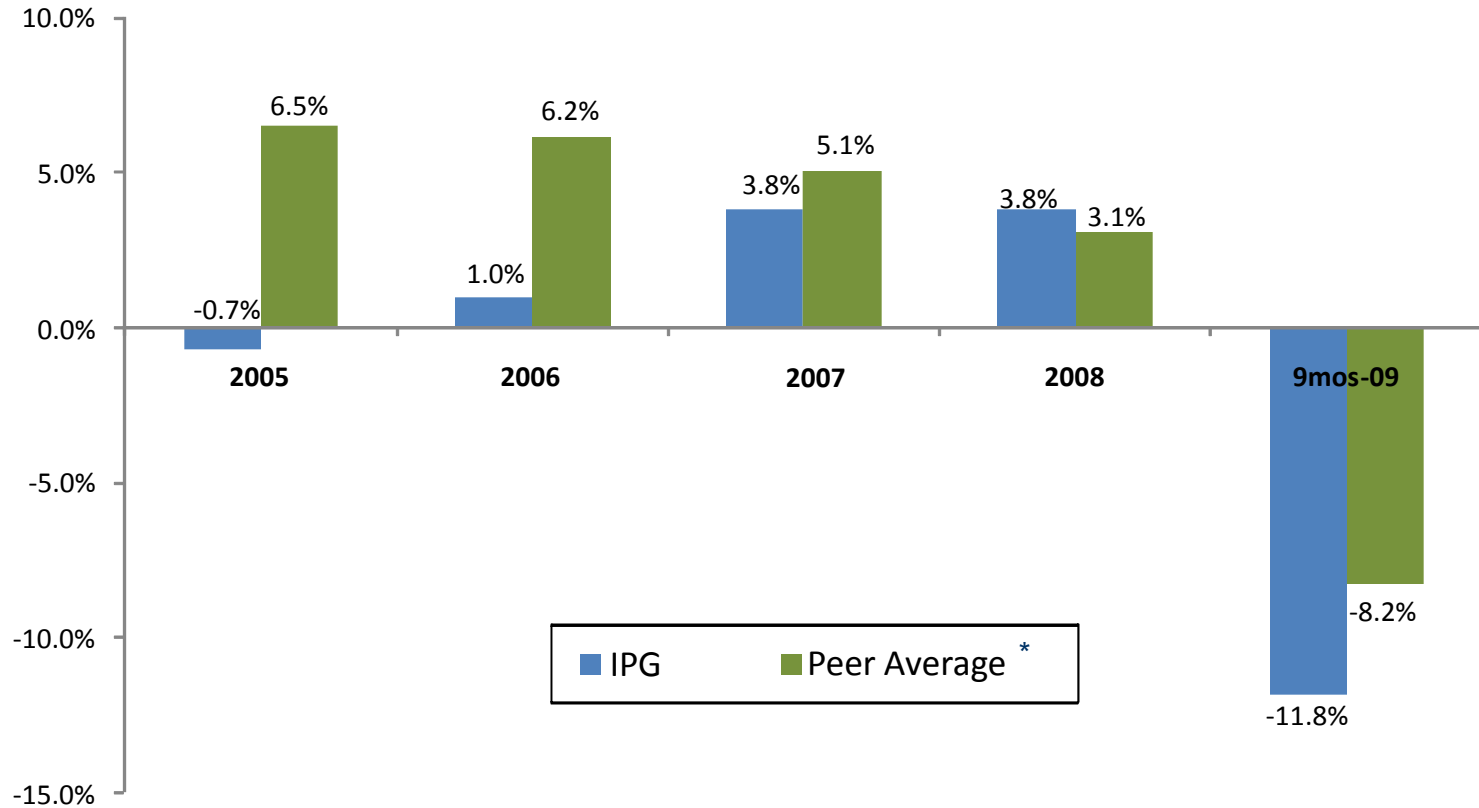
McCANN ERICKSON



Grand Prix  
*Cannes Awards*



# Organic Revenue Performance: Significant Progress Tempered by '09 Recession



\*Average of OMC, PUB, WPP

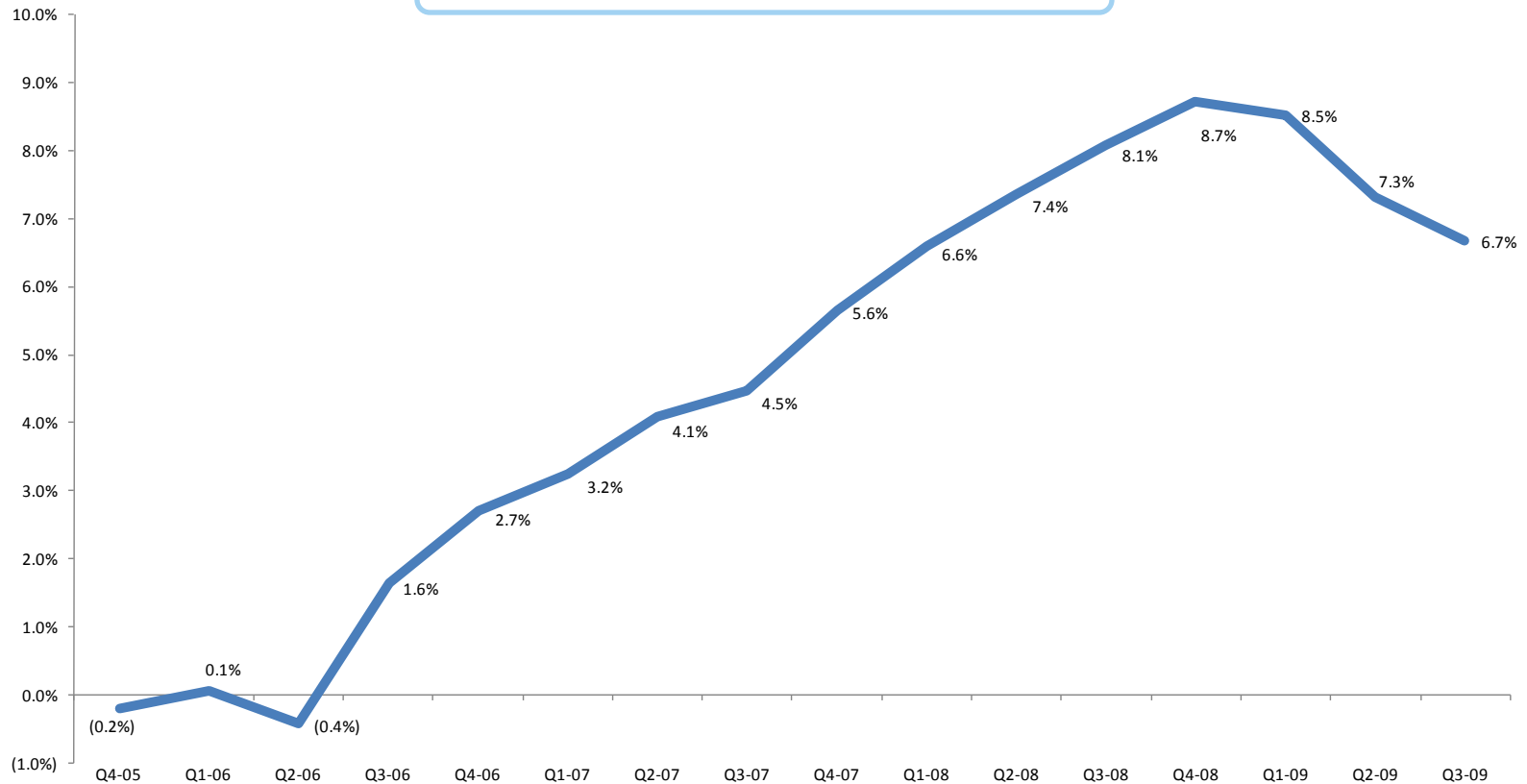
Chart shows year-over-year organic revenue change





# Organic Revenue Performance: Significant Progress Tempered by '09 Recession

Adjusted Operating Margin - TTM



IPG excludes the effect of restructuring and other reorganization-related charges (reversals) and long-lived asset impairment and other charges. Reconciliation to closest comparable GAAP financial measure is included in the appendix to this presentation and is available on our website, [www.interpublic.com](http://www.interpublic.com).



# Nine Months 2009 Results

- Revenue decreased 16.5%, organic decrease of 11.8%
- Decline primarily reflects broader economic climate, with clients in auto & technology sectors, as well as event marketing business, notably challenged
- Operating expenses decreased 13.5%; excluding severance, operating expenses decreased 14.8%\*
- Reported loss of \$0.08 per share compared with year-ago income of \$0.12

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# Effectively Managing Costs

- Significant investments in systems and processes during past three years have strengthened cost disciplines
- Achieving incremental operating leverage against multiple cost categories (incentive compensation, temporary labor, T&E, supplies and data/telecom) despite revenue decrease
- Stepped-up headcount actions and severance expense in Q4-08 and 9mos-09

**We are positioned to recoup significant margin and resume strong progress to competitive profitability in line with an economic recovery**



# Ample Financial Resources

- \$1.8 billion cash & short-term investments\*
- \$2.0 billion total debt\*
- Recent debt repurchases & refinancing decreased debt outstanding by \$150 million and extended maturities
- Debt maturities well-distributed
- Do not rely on short-term financing
- \$335 million three-year revolving credit facility through July '11

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## Strategic Actions at Other Key Operating Units Taking Hold

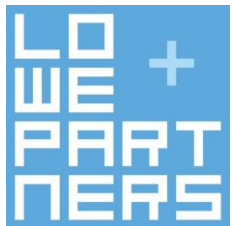


Formed as management company for global media assets in early 2008. Reinventing how media is planned, measured and bought.

**DRAFTFCB**



Launched in 2006 as the first global, behavior-based, creative and accountable marketing group. Operates as a financially and structurally integrated business unit.



Re-focused as a premier creative agency delivering high-value ideas in key growth markets. IPG's "global boutique."





# New Media Offering – Contemporary and Competitive



CADREON

*ensemble*

reprisemedia



identity

ORION  
TRADING

GEOMENTUM

- Launched ad exchange Cadreon to purchase highly targeted audiences across multiple digital platforms
- Global roll out of search engine marketer Reprise Media
- Merged hyper-local media planning and buying units into scalable, global offering Geomentum
- Created branded entertainment unit called Ensemble
- Orion Trading opened five new international offices
- Identity launched to target Hispanic American audiences

DRAFTFCB

WELD  
+  
PART  
NERS



## Draftfcb: New Model Drives Strong Top and Bottom Line Performance

The mediabrands logo is a circular arrangement of blue dots of varying sizes, with the word "mediabrands" in a lowercase, sans-serif font centered below it.

mediabrands

**DRAFTFCB**

The WELD + PARTNERS logo features the words "WELD", "+", "PART", and "NERS" stacked vertically in a bold, sans-serif font, with a plus sign between "WELD" and "PART".

WELD + PARTNERS

- Merger undertaken in 2006 successfully completed
- Holistic model is evolving – new “6.5 Seconds That Matter” positioning resonating well in the marketplace, as is the company’s heritage as a performance-based organization
- Investing in developing digital capabilities
- Expanding global reach



## Lowe + Partners

mediabrands

DRAFTFCB



- Focus on “High-Value Ideas” and key world advertising markets
- Top performer at all major global creative competitions
- Recently aligned Deutsch Inc. with Lowe Worldwide to strengthen North American presence



## Strength in Emerging Markets

- Two major deals in India have consolidated IPG's leadership position in this key growth market
- Allied with ADV, top network in Russia
- Our three global networks remain strong in Brazil
- In China, we are focused on organic growth and talent acquisition; transactions will be tactical, in emerging media channels and tier two/three cities
- Dominant player in MENA region with MCN transaction



# Digital Offerings: Quality and Scale

## Strong embedded capabilities

- Within global agency and media networks
- Across marketing services companies
- At U.S. integrated independents



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## World-class specialized assets

- R/GA, MRM Worldwide, Emerging Media Lab, Reprise Media, HUGE, Ansible, Innovations, Area 23, etc.



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**Our digital capabilities continue to evolve,  
and are competitive vs. peer group**





# Recent Major Digital Wins





## McCann Worldgroup: Powerful Global Network Delivering Integrated Programs

- McCann Worldgroup goes to market with a full spectrum of marketing services
- Worldgroup companies work with over a third of the world's top 100 global marketers
- Six of the top ten global marketers are clients of four or more Worldgroup companies – in an average of over 40 countries around the world
- Offering at all core Worldgroup agencies is evolving to incorporate digital expertise



## The Integrated Offering: An Increasingly Strategic Priority

- With digital at core of all offerings and accountability on the rise, ability to deliver integrated marketing is increasingly at a premium
- A primary factor in conversations with both new and existing clients
- We have been making “open architecture” a cornerstone of the new IPG



# Open Architecture

Deliver integrated programs that bring together custom teams from across the holding company:

- Direct involvement on the part of senior corporate management
- Investment in cross-disciplinary talent development
- Incorporated into incentive programs at all levels

**Consistent delivery of “Best of IPG” solutions will be a competitive differentiator**



- At the heart of the J&J “Open Architecture” relationship is Wx model
- Led by senior agency leader who drives core strategy and deploys best IPG agencies for each brand assignment, coupled with Management Council to provide oversight
- Model created to win pharma consolidation in 2008, is active across five J&J divisions and saw 2009 revenue growth of over 20%

### **IPG Agencies Involved:**

Draftfcb | ICC | RCW McCann | Echo Torre Lazor | Mosaic  
Managed Markets | McCann Healthcare Digital | Momentum |  
MRM | Rated Rx | Jack Morton | Identity | MedRageous | Active  
Ingredient | Ansible Mobile | R/GA | Deutsch



# Key Highlights

- Our agencies are competing and winning in the marketplace, notably in disciplines with high strategic value to clients, such as digital and media
- We have demonstrated strong expense control in both favorable and challenging business environments
- As the global economy returns to stability and growth, we believe that we are well-positioned for margin recovery in 2010, a path to fully competitive profitability, and the creation of significant shareholder value

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# APPENDIX





# Reconciliation of Organic Revenue Growth

<u>Last Twelve Months Ending</u>	<u>Operating Income (Loss)</u>	<u>Restructuring and Other Reorganization-Related Charges (Reversals)</u>	<u>Long-Lived Asset Impairment and Other Charges</u>	<u>Adjusted Operating Income (Loss)</u>
12/31/05	\$ (104.2)	\$ (7.3)	\$ 98.6	\$ (12.9)
3/31/06	(94.7)	-	98.6	3.9
6/30/06	(133.3)	8.2	98.6	(26.5)
9/30/06	(4.2)	14.3	92.1	102.2
12/31/06	106.0	34.5	27.2	167.7
3/31/07	141.4	33.5	27.2	202.1
6/30/07	210.1	22.0	27.2	259.3
9/30/07	240.3	21.0	27.2	288.5
12/31/07	344.3	25.9	-	370.2
3/31/08	410.7	29.7	-	440.4
6/30/08	465.7	39.0	-	504.7
9/30/08	530.9	37.6	-	568.5
12/31/08	589.7	17.1	-	606.8
3/31/09	565.6	13.7	-	579.3
6/30/09	461.9	9.6	-	471.5
9/30/09	403.9	5.2	-	409.1

(\$ in Millions)