

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

Annual Report Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

For the fiscal year ended December 31, 1996
Commission file number 1-6686

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

Delaware
(State or other jurisdiction of
incorporation or organization)

13-1024020
(I.R.S. Employer
Identification No.)

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

10020
(Zip Code)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

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 by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (Section 229.405 of this chapter) is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ___.

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The aggregate market value of the registrant's voting stock (exclusive of shares beneficially owned by persons referred to in response to Item 12 hereof) was \$4,248,362,576 as of March 24, 1997.

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

Common Stock outstanding at March 24, 1997: 81,512,748 shares.

DOCUMENTS INCORPORATED BY REFERENCE

1. Portions of the Annual Report to Stockholders for the year ended December 31, 1996 are incorporated by reference in Parts I and II.
2. Portions of the Proxy Statement for the 1997 Annual Meeting of Stockholders are incorporated by reference in Parts I and III.

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PART I

Item 1. Business

The Interpublic Group of Companies, Inc. was incorporated in Delaware in September 1930 under the name of McCann-Erickson Incorporated as the successor to the advertising agency businesses founded in 1902 by A.W. Erickson and in 1911 by Harrison K. McCann. It has operated under the Interpublic name since January 1961. As used in this Annual Report, the "Registrant" or "Interpublic" refers to The Interpublic Group of Companies, Inc. while the "Company" refers to Interpublic and its subsidiaries.

The advertising agency business is the primary business of the Company. This business is conducted throughout the world through three advertising agency systems, McCann-Erickson Worldwide, Ammirati Puris Lintas and The Lowe Group. In addition, during 1996, the Company added a fourth agency system through its acquisition of DraftDirect Worldwide, Inc., a company which specializes in direct marketing. The Company also offers advertising agency services through association arrangements with local agencies in various parts of the world. Other activities conducted by the Company within the area of "marketing communications" include media buying, direct marketing, public relations, graphic design, market research, sales promotion and other related services.

The principal functions of an advertising agency are to plan and create advertising programs for its clients and to place advertising in various media such as television, cinema, radio, magazines, newspapers, direct mail, outdoor and interactive electronic media. The planning function involves analysis of the market for the particular product or service, evaluation of alternative methods of distribution and choice of the appropriate media to reach the desired market most efficiently. The advertising agency develops a communications strategy and then creates an advertising program, within the limits imposed by the client's advertising budget, and places orders for space or time with the media that have been selected. Interpublic also carries on a media buying business through its ownership of Western International Media and its affiliates, as well as a separate direct marketing business through its ownership of DraftDirect Worldwide, Inc.

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The principal advertising agency subsidiaries of Interpublic operating within the United States directly or through subsidiaries and the locations of their respective corporate headquarters are:

Ammirati Puris Lintas Inc.....	New York, New York
Campbell-Ewald Company.....	Detroit (Warren), Michigan
Campbell Mithun Esty LLC.....	Minneapolis, Minnesota
Dailey & Associates.....	Los Angeles, California
DraftDirect Worldwide, Inc.....	Chicago, Illinois
Lowe & Partners Inc.....	New York, New York
McCann-Erickson USA, Inc.....	New York, New York

In addition to domestic operations, the Company provides advertising services for clients whose business is international in scope as well as for clients whose business is restricted to a single country or a small number of countries. It has offices in Canada as well as in one or more cities in each of the following countries:

EUROPE, AFRICA AND THE MIDDLE EAST

Austria	Greece	Namibia	Slovenia
Belgium	Hungary	Netherlands	South Africa
Bulgaria	Israel	Norway	Spain
Cameroon	Ireland	Pakistan	Sweden
Croatia	Italy	Poland	Switzerland
Czech Republic	Ivory Coast	Portugal	Tunisia
Denmark	Kenya	Romania	Turkey
Finland	Malawi	Russia	United Arab Emirates
France	Mauritius	Senegal	United Kingdom
Germany	Morocco	Slovakia	Zambia
			Zimbabwe

LATIN AMERICA AND THE CARIBBEAN

Argentina	Colombia	Guatemala	Peru
Barbados	Costa Rica	Honduras	Puerto Rico
Bermuda	Dominican Republic	Jamaica	Trinidad
Brazil	Ecuador	Mexico	Uruguay
Chile	El Salvador	Panama	Venezuela

ASIA AND THE PACIFIC

Australia	Japan	People's Republic	Sri Lanka
Hong Kong	Malaysia	of China	South Korea
India	Nepal	Philippines	Taiwan
Indonesia	New Zealand	Singapore	Thailand
			Vietnam

Operations in the foregoing countries are carried on by one or more operating companies, at least one of which is either wholly owned by Interpublic or a subsidiary or is a company in which Interpublic or a subsidiary owns a 51% interest or more, except in Malawi and Nepal, where Interpublic or a subsidiary holds a minority interest.

The Company also offers advertising agency services in Aruba, the Bahamas, Bahrain, Belize, Bolivia, Cambodia, Egypt, Gabon, Ghana, Grand Cayman, Guadeloupe, Guam, Guyana, Haiti, Reunion, Iran, Ivory Coast, Jordan, Kuwait, Lebanon, Martinique, Myanmar, Nicaragua, Nigeria, Oman, Paraguay, Saudi Arabia, Senegal, Surinam, Uganda, United Arab Emirates (Dubai) and Zaire through association arrangements with local agencies operating in those countries.

For information concerning revenues, operating profits and identifiable assets on a geographical basis for each of the last three years, reference is made to Note 13: Geographic Areas of the Notes to the Consolidated Financial Statements in the Company's Annual Report to Stockholders for the year ended December 31, 1996, which Note is hereby incorporated by reference.

Developments in 1996

The Company completed a number of acquisitions within the United States and abroad in 1996. One of the most significant was the acquisition by the Company, effective June 25, 1996, of 100% of the outstanding stock of DraftDirect Worldwide, Inc., a leading direct marketing firm. DraftDirect, which is headquartered in Chicago, has offices in New York and Rochester, as well as in Europe.

See Note 3 to the Consolidated Financial Statements incorporated by reference in this Report on Form 10-K for discussion of additional acquisitions.

Income from Commissions and Fees

The Company generates income from planning, creating and placing advertising in various media. Historically, the commission customary in the industry was 15% of the gross charge ("billings") for advertising space or time; more recently lower commissions have been negotiated, but often with additional incentives for better performance. For example, an incentive component is frequently included in arrangements with clients based on increases in a client's sales of the products or services being advertised. Under commission arrangements, media bill the Company at their gross rates. The Company bills these amounts to its clients, remits the net charges to the media and retains the balance as its commission. Some clients, however, prefer to compensate the Company on a fee basis, under which the Company bills its client for the net charges billed by the media plus an agreed-upon fee. These fees usually are calculated to reflect the Company's salary costs and out-of-pocket expenses incurred on the client's behalf, plus proportional overhead and a profit mark-up.

Normally, the Company, like other advertising agencies, is primarily responsible for paying the media with respect to firm contracts for advertising time or space. This is a problem only if the client is unable to pay the Company because of insolvency or bankruptcy. The Company makes serious efforts to reduce the risk from a client's insolvency, including (1) carrying out credit clearances, (2) requiring in some cases payment of media in advance, or (3) agreeing with the media that the Company will be solely liable to pay the media only after the client has paid the Company for the media charges.

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The Company also receives commissions from clients for planning and supervising work done by outside contractors in the physical preparation of finished print advertisements and the production of television and radio commercials and other forms of advertising. This commission is customarily 17.65% of the outside contractor's net charge, which is the same as 15% of the outside contractor's total charges including commission. With the spread of negotiated fees, the terms on which outstanding contractors' charges are billed are subject to wide variations and even include in some instances the elimination of commissions entirely provided that there are adequate negotiated fees.

The Company derives income in many other ways, including the planning and placement in media of advertising produced by unrelated advertising agencies; the maintenance of specialized media placement facilities; the creation and publication of brochures, billboards, point of sale materials and direct marketing pieces for clients; the planning and carrying out of specialized marketing research; managing special events at which clients' products are featured; and designing and carrying out interactive programs for special uses.

The five clients of the Company that made the largest contribution in 1996 to income from commissions and fees accounted individually for 2% to 11% of such income and in the aggregate accounted for over 29% of such income. Twenty clients of the Company accounted for approximately 42% of such income. Based on income from commissions and fees, the three largest clients of the Company are General Motors Corporation, Unilever and Nestle. General Motors Corporation first became a client of one of the Company's agencies in 1916 in the United States. Predecessors of several of the Lintas agencies have supplied advertising services to Unilever since 1893. The client relationship with Nestle began in 1940 in Argentina. While the loss of the entire business of one of the Company's three largest clients might have a material adverse effect upon the business of the Company, the Company believes that it is very unlikely that the entire business of any of these clients would be lost at the same time, because it represents several different brands or divisions of each of these clients in a number of geographical markets - in each case through more than one of the Company's agency systems.

Representation of a client rarely means that the Company handles advertising for all brands or product lines of the client in all geographical locations. Any client may transfer its business from an advertising agency within the Company to a competing agency, and a client may reduce its advertising budget at any time. The Company's advertising agencies in many instances have written contracts with their clients.

As is customary in the industry, these contracts provide for termination by either party on relatively short notice, usually 90 days but sometimes shorter or longer. In 1996, however, 37% of income from commissions and fees was derived from clients that had been associated with one or more of the Company's agencies or their predecessors for 20 or more years.

Personnel

As of January 1, 1997, the Company employed approximately 21,700 persons, of whom approximately 7,500 were employed in the United States. Because of the personal service character of the marketing communications business, the quality of personnel is of crucial importance to continuing success. There is keen competition for qualified employees. Interpublic considers its employee relations to be satisfactory.

The Company has an active program for training personnel. The program includes meetings and seminars throughout the world. It also involves training personnel in its offices in New York and in its larger offices worldwide.

Competition and Other Factors

The advertising agency and other marketing communications businesses are highly competitive. The Company's agencies and media services must compete with other agencies, both large and small, and also with other providers of creative or media services which are not themselves advertising agencies, in order to maintain existing client relationships and to obtain new clients. Competition in the advertising agency business depends to a large extent on the client's perception of the quality of an agency's "creative product". An agency's ability to serve clients, particularly large international clients, on a broad geographic basis is also an important competitive consideration. On the other hand, because an advertising agency's principal asset is its people, freedom of entry into the business is almost unlimited and quite small agencies are, on occasion, able to take all or some portion of a client's account from a much larger competitor.

Moreover, increasing size brings limitations to an agency's potential for securing new business, because many clients prefer not to be represented by an agency that represents a competitor. Also, clients frequently wish to have different products represented by different agencies. The fact that the Company owns three separate worldwide agency systems and interests in other advertising agencies gives it additional competitive opportunities.

The advertising business is subject to government regulation, both domestic and foreign. There has been an increasing tendency in the United States on the part of advertisers to resort to the courts, industry and self-regulatory bodies to challenge comparative advertising on the grounds that the advertising is false and deceptive. Through the years, there has been a continuing expansion of specific rules, prohibitions, media restrictions, labeling disclosures and warning requirements with respect to the advertising for certain products. Representatives within state governments and the federal government as well as foreign governments continue to initiate proposals to ban the advertising of specific products and to impose taxes on or deny deductions for advertising which, if successful, may have an adverse effect on advertising expenditures.

Some countries are relaxing commercial restrictions as part of their efforts to attract foreign investment. However, with respect to other nations, the international operations of the Company still remain exposed to certain risks which affect foreign operations of all kinds, such as local legislation, monetary devaluation, exchange control restrictions and unstable political conditions. In addition, international advertising agencies are still subject to ownership restrictions in certain countries because they are considered an integral factor in the communications process.

Statement Regarding Forward Looking Disclosure

Certain sections of this report, including "Business", "Competition and Other Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" contain forward looking statements concerning future events and developments that involve risks and uncertainties, including those associated with the effect of national and regional economic conditions, the ability of the Company to attract new clients and retain existing clients, the financial success of clients of the Company, other developments of clients of the Company, and developments from changes in the regulatory and legal environment for advertising agencies around the world.

Item 2. Properties

Most of the advertising operations of the Company are conducted in leased premises, and its physical property consists primarily of leasehold improvements, furniture, fixtures and equipment. These facilities are located in various cities in which the Company does business throughout the world. However, subsidiaries of the Company own office buildings in Louisville,

Kentucky; Warren, Michigan; Frankfurt, Germany; Sao Paulo, Brazil; Lima, Peru; and Brussels, Belgium and own office condominiums in Buenos Aires, Argentina; Bogota, Colombia; Manila, the Philippines; in England, subsidiaries of the Company own office buildings in London, Manchester, Birmingham and Stoke-on-Trent.

The Company's ownership of the office building in Frankfurt is subject to three mortgages which became effective on or about February 1993. These mortgages terminate at different dates, with the last to expire in February 2003. Reference is made to Note 15: Commitments and Contingent Liabilities - of the Notes to the Consolidated Financial Statements in the Company's Annual Report to Stockholders for the year ended December 31, 1996, which Note is hereby incorporated by reference.

Item 3. Legal Proceedings

Neither the Company nor any of its subsidiaries are subject to any pending material legal proceedings.

Item 4. Submission of Matters to a Vote of Security Holders

Not applicable.

Executive Officers of the Registrant

There follows the information disclosed in accordance with Item 401 of Regulation S-K of the Securities and Exchange Commission (the "Commission") as required by Item 10 of Form 10-K with respect to executive officers of the Registrant.

Name	Age	Office
Philip H. Geier, Jr. (1)	62	Chairman of the Board, President and Chief Executive Officer
Eugene P. Beard (1)	61	Vice Chairman-Finance and Operations, Chief Financial Officer
Nicholas J. Camera	50	Vice President, Secretary and General Counsel
John J. Dooner, Jr. (1)	48	Chairman of McCann-Erickson Worldwide, Inc.

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C. Kent Kroeber	58	Senior Vice President-Human Resources
Barry R. Linsky	55	Senior Vice President-Planning and Business Development
Frank B. Lowe (1)	55	Chairman of The Lowe Group
Martin F. Puris (1)	58	Chairman, Chief Executive Officer and Chief Creative Officer of Ammirati Puris Lintas Worldwide
Joseph M. Studley	44	Vice President and Controller
Thomas J. Volpe	61	Senior Vice President-Financial Operations

(1) Also a Director

There is no family relationship among any of the executive officers.

The employment histories for the past five years of Messrs. Geier, Beard, Dooner, Puris and Lowe are incorporated by reference to the Proxy Statement for Interpublic's 1997 Annual Meeting of Stockholders.

Mr. Camera joined Interpublic on May 17, 1993. He was elected Vice President, Assistant General Counsel and Assistant Secretary on June 1, 1994 and Vice President, General Counsel and Secretary on December 15, 1995.

Mr. Kroeber joined Interpublic in January 1966 as Manager of Compensation and Training. He was elected Vice President in 1970 and Senior Vice President in May 1980.

Mr. Linsky joined Interpublic In January, 1991 when he was elected Senior Vice President-Planning and Business Development. Prior to that time, he was Executive Vice President, Account Management of Lowe & Partners, Inc. Mr. Linsky was elected to that position in July, 1980, when the corporation was known as The Marschalk Company and was a subsidiary of Interpublic.

Mr. Studley was elected as Vice President and Controller of Interpublic effective as of April 1, 1994, formerly he was Senior Vice President and Chief Financial Officer of E.C. Television, a division of Interpublic, since January 1, 1990. He was a Vice President of Lintas New York, a division of one of Interpublic's subsidiaries, from August 1, 1987 until December 31, 1989.

Mr. Volpe joined Interpublic on March 3, 1986. He was appointed Senior Vice President-Financial Operations on March 18, 1986. He served as Treasurer from January 1, 1987 through May 17, 1988 and the Treasurer's office continues to report to him. He was Vice President and Treasurer of Colgate-Palmolive Company from February 1981 to February 1986 and Assistant Corporate Controller prior thereto.

PART II

Item 5. Market for the Registrant's Common Equity and Related Stockholder Matters

The response to this Item is incorporated by reference to the Registrant's Annual Report to Stockholders for the year ended December 31, 1996. See Note 12: Results by Quarter (Unaudited), of the Notes to the Consolidated Financial Statements and information under the heading Transfer Agent and Registrar for Common Stock.

Item 6. Selected Financial Data

The response to this Item is incorporated by reference to the Registrant's Annual Report to Stockholders for the year ended December 31, 1996 under the heading Selected Financial Data for Five Years.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The response to this Item is incorporated by reference to the Registrant's Annual Report to Stockholders for the year ended December 31, 1996 under the heading Management's Discussion and Analysis of Financial Condition and Results of Operations.

Item 8. Financial Statements and Supplementary Data

The response to this Item is incorporated in part by reference to the Registrant's Annual Report to Stockholders for the year ended December 31, 1996 under the headings Financial Statements and Notes to the Consolidated Financial Statements. Reference is also made to the Financial Statement Schedules listed under Item 14(a) of this Report on Form 10-K.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

PART III

Item 10. Directors and Executive Officers of the Registrant

The information required by this Item is incorporated by reference to the Registrant's Proxy Statement for its 1997 Annual Meeting of Stockholders (the "Proxy Statement"), to be filed not later than 120 days after the end of the 1996 calendar year, except for the description of Interpublic's Executive Officers which appears in Part I of this Report on Form 10-K under the heading "Executive Officers of the Registrant".

Item 11. Executive Compensation

The information required by this Item is incorporated by reference to the Proxy Statement. Such incorporation by reference shall not be deemed to incorporate specifically by reference the information referred to in Item 402(a)(8) of Regulation S-K.

Item 12. Security Ownership of Certain Beneficial Owners and Management

The information required by this Item is incorporated by reference to the Proxy Statement.

Item 13. Certain Relationships and Related Transactions

The information required by this Item is incorporated by reference to the Proxy Statement. Such incorporation by reference shall not be deemed to incorporate specifically by reference the information referred to in Item 402(a)(8) of Regulation S-K.

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PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

(a) Listed below are all financial statements, financial statement schedules and exhibits filed as part of this Report on Form 10-K.

1. Financial Statements:

See the Index to Financial Statements on page F-1.

2. Financial Statement Schedules:

See the Index to Financial Statement Schedules on page F-1.

3. Exhibits:

(Numbers used are the numbers assigned in Item 601 of Regulation S-K and the EDGAR Filer Manual. An additional copy of this exhibit index immediately precedes the exhibits filed with this Report on Form 10-K and the exhibits transmitted to the Commission as part of the electronic filing of the Report.)

Exhibit No. Description

- 3 (i) The Restated Certificate of Incorporation of the Registrant, as amended is incorporated by reference to its Report on Form 10-Q for the quarter ended June 30, 1995. See Commission file number 1-6686.
- (ii) The By-Laws of the Registrant, amended as of February 19, 1991, are incorporated by reference to its Report on Form 10-K for the year ended December 31, 1990. See Commission file number 1-6686.
- 4 Instruments Defining the Rights of Security Holders.
- (i) Indenture, dated as of April 1, 1992, between Interpublic and Morgan Guaranty Trust Company of New York is not included as an Exhibit to this Report but will be furnished to the Commission upon its request.

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- (ii) The Preferred Share Purchase Rights Plan as adopted on July 18, 1989 is incorporated by reference to Registrant's Registration Statement on Form 8-A dated August 1, 1989 (No. 00017904) and, as amended, by reference to Registrant's Registration Statement on Form 8 dated October 3, 1989 (No. 00106686).

10 Material Contracts.

- (a) Underwriting Agreement, dated March 30, 1992, by and between Interpublic and Goldman Sachs International Limited is incorporated by reference to Registrant's Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.
- (b) Employment, Consultancy and other Compensatory Arrangements with Management.

Employment and Consultancy Agreements and any amendments or supplements thereto and other compensatory arrangements filed with the Registrant's Reports on Form 10-K for the years ended December 31, 1980 through December 31, 1995 inclusive, or filed with the Registrant's Reports on Form 10-Q for the periods ended March 31, 1996, June 30, 1996 and September 30, 1996 are incorporated by reference in this Report on Form 10-K. See Commission file number 1-6686. Listed below are agreements or amendments to agreements between the Registrant and its executive officers which remain in effect on and after the date hereof or were executed during the year ended December 31, 1996 and thereafter, unless previously submitted, which are filed as exhibits to this Report on Form 10-K.

- (i) Eugene P. Beard

Supplemental Agreement, dated as of March 12, 1997 to an Employment Agreement dated as of July 1, 1995.

- (ii) Barry R. Linsky

- (a) Supplemental Agreement, dated as of August 15, 1992 to an Employment Agreement dated as of January 1, 1991.
- (b) Early Termination Agreement with respect to Restrictions Relating to Restricted Shares, dated as of December 15, 1992.

- (c) Executive Special Benefit Agreement, dated as of March 1, 1993.
- (d) Supplemental Agreement, dated as of January 1, 1995 to an Employment Agreement dated as of January 1, 1991.
- (e) Supplemental Agreement, dated as of January 1, 1996 to an Employment agreement dated January 1, 1991.
- (f) Supplemental Agreement dated as of August 1, 1996 to an Employment Agreement dated as of January 1, 1991.

(iii) Martin Puris

Executive Special Benefit Agreement, dated as of April 1, 1996.

(c) Executive Compensation Plans.

- (i) Trust Agreement, dated as of June 1, 1990 between The Interpublic Group of Companies, Inc., Lintas Campbell-Ewald Company, McCann-Erickson USA, Inc., McCann-Erickson Marketing, Inc., Lintas, Inc. and Chemical Bank, as Trustee, is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1990. See Commission file number 1-6686.
- (ii) The Stock Option Plan (1988) and the Achievement Stock Award Plan of the Registrant are incorporated by reference to Appendices C and D of the Prospectus dated May 4, 1989 forming part of its Registration Statement on Form S-8 (No. 33-28143).
- (iii) The Management Incentive Compensation Plan of the Registrant is incorporated by reference to the Registrant's Report on Form 10-Q for the quarter ended June 30, 1995. See Commission file number 1-6686.
- (iv) The 1986 Stock Incentive Plan of the Registrant is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1993. See Commission file number 1-6686.

- (v) The 1986 United Kingdom Stock Option Plan of the Registrant is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.
 - (vi) The Employee Stock Purchase Plan (1985) of the Registrant, as amended, is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1993. See Commission file number 1-6686.
 - (vii) The Long-Term Performance Incentive Plan of the Registrant is incorporated by reference to Appendix A of the Prospectus dated December 12, 1988 forming part of its Registration Statement on Form S-8 (No. 33-25555).
 - (viii) Resolution of the Board of Directors adopted on February 16, 1993, amending the Long-Term Performance Incentive Plan is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.
 - (ix) Resolution of the Board of Directors adopted on May 16, 1989 amending the Long-Term Performance Incentive Plan is incorporated by reference to Registrant's Report on Form 10-K for the year ended December 31, 1989. See Commission file number 1-6686.
 - (x) The 1996 Stock Incentive Plan of the Registrant is incorporated by reference to the Registrant's Report on Form 10-Q for the quarter ended June 30, 1996. See Commission file number 1-6686.
- (d) Loan Agreements.
- (i) Letter, dated September 20, 1996, extending the term of a certain Credit Agreement dated December 1, 1994 by and between Interpublic and The Fuji Bank, Limited.
 - (ii) Credit Agreement, dated as of October 21, 1996 between Interpublic and Wachovia Bank of Georgia, N.A.

- (iii) Note dated October 21, 1996 between Interpublic and Wachovia Bank of Georgia, N.A. pursuant to the Credit Agreement dated and effective as of October 21, 1996.
- (iv) Note Purchase Agreement, dated as of October 31, 1996 between Interpublic and The Prudential Capital Group, a division of The Prudential Insurance Company of America.
- (v) Note dated October 31, 1996 between Interpublic and Prudential Insurance Company of America, pursuant to the Note Purchase Agreement dated and effective as of October 31, 1996.
- (vi) Other Loan and Guaranty Agreements filed with the Registrant's Annual Report on Form 10-K for the years ended December 31, 1988 and December 31, 1986 are incorporated by reference in this Report on Form 10-K. Other Credit Agreements, amendments to various Credit Agreements, Supplemental Agreements, Termination Agreements, Loan Agreements, a Note Purchase Agreement, dated August 20, 1991, Guarantee, dated December 17, 1991, Notification dated March 14, 1991 by Registrant and Intercreditor Agreements filed with the Registrant's Report on Form 10-K for the years ended December 31, 1989 through December 31, 1995, inclusive and filed with Registrant's Reports on Form 10-Q for the periods ended March 31, 1996, June 30, 1996 and September 30, 1996 are incorporated by reference into this Report on Form 10-K. See Commission file number 1-6686.

(e) Leases.

Material leases of premises are incorporated by reference to the Registrant's Annual Report on Form 10-K for the years ended December 31, 1980 and December 31, 1988. See Commission file number 1-6686.

(f) Acquisition Agreement for Purchase of Real Estate.

- (i) Acquisition Agreement (in German) between Treuhandgesellschaft Aktiengesellschaft & Co. Grundbesitz OHG and McCann-Erickson Deutschland GmbH & Co. Management Property KG ("McCann-Erickson Deutschland") and the English translation of the Acquisition Agreement are incorporated by reference to Registrant's Annual

(g) Mortgage Agreements and Encumbrances.

- (i) Summaries In German and English of Mortgage Agreements between McCann-Erickson Deutschland and Frankfurter Hypothekenbank Aktiengesellschaft ("Frankfurter Hypothekenbank"), Mortgage Agreement, dated January 22, 1993, between McCann-Erickson Deutschland and Frankfurter Hypothekenbank, Mortgage Agreement, dated January 22, 1993, between McCann-Erickson Deutschland and Hypothekenbank are incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1993. See Commission file number 1-6686. Summaries In German and English of Mortgage Agreement, between McCann-Erickson Deutschland and Frankfurter Sparkasse and Mortgage Agreement, dated January 7, 1993, between McCann-Erickson Deutschland and Frankfurter Sparkasse are incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.
- (ii) Summaries In German and English of Documents Creating Encumbrances In Favor of Frankfurter Hypothekenbank and Frankfurter Sparkasse In Connection With the Aforementioned Mortgage Agreements, Encumbrance, dated January 15, 1993, In Favor Of Frankfurter Hypothekenbank, and Encumbrance, dated January 15, 1993, In Favor of Frankfurter Sparkasse are incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.
- (iii) Loan Agreement (in English and German), dated January 29, 1993 between Lintas Deutschland GmbH and McCann-Erickson Deutschland is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.

11 Computation of Earnings Per Share.

13 This Exhibit includes: (a) those portions of the Annual Report to Stockholders for the year ended December 31, 1996 which are included therein under the following headings: Financial Highlights; Management's Discussion and Analysis of Financial Condition and Results Of Operations; Consolidated Balance Sheet; Consolidated Statement of Income; Consolidated Statement of Cash Flows; Consolidated Statement of Stockholders' Equity; Notes to Consolidated Financial Statements (the aforementioned consolidated financial statements together with the Notes to Consolidated Financial Statements hereinafter shall be referred to as the "Consolidated Financial Statements"); Report of Independent Accountants; Selected Financial Data For Five Years; Report of Management; and Stockholders' Information; and (b) Appendix to Exhibit 13.

21 Subsidiaries of the Registrant.

23 Consent of Independent Accountants.

24 Power of Attorney to sign Form 10-K and resolution of Board of Directors re Power of Attorney.

27 Financial Data Schedules

99 No reports on Form 8-K were filed during the quarter ended December 31, 1996.

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SIGNATURES

Pursuant to the requirements of Section 13 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)

March 20, 1997

BY: Philip H. Geier, Jr.
Philip H. Geier, Jr.,
Chairman of the Board,
President and Chief
Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Name	Title	Date
Philip H. Geier, Jr. Philip H. Geier, Jr.	Chairman of the Board, President and Chief Executive Officer (Principal Executive Officer) and Director	March 20, 1997
Eugene P. Beard Eugene P. Beard	Vice Chairman -Finance and Operations (Principal Financial Officer) and Director	March 20, 1997
Frank J. Borelli Frank J. Borelli	Director	March 20, 1997
Reginald K. Brack Reginald K. Brack	Director	March 20, 1997
Jill M. Considine Jill M. Considine	Director	March 20, 1997
John J. Dooner, Jr. John J. Dooner, Jr.	Director	March 20, 1997
Frank B. Lowe Frank B. Lowe	Director	March 20, 1997

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Leif H. Olsen Leif H. Olsen	Director	March 20, 1997
Martin F. Puris Martin F. Puris	Director	March 20, 1997
Allen Questrom Allen Questrom	Director	March 20, 1997
J. Phillip Samper J. Phillip Samper	Director	March 20, 1997
Joseph J. Sisco Joseph J. Sisco	Director	March 20, 1997
Joseph M. Studley Joseph M. Studley	Vice President and Controller (Principal Accounting Officer)	March 20, 1997

By Philip H. Geier, Jr.
Philip H. Geier, Jr.
Attorney-in-fact

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INDEX TO FINANCIAL STATEMENTS

The Financial Statements appearing under the headings: Financial Highlights, Management's Discussion and Analysis of Financial Condition and Results of Operations, Consolidated Financial Statements, Notes to Consolidated Financial Statements, Report of Independent Accountants, Selected Financial Data for Five Years and Report of Management accompanying the Annual Report to Stockholders for the year ended December 31, 1996, together with the report thereon of Price Waterhouse LLP dated February 14, 1997 appearing on page 48 thereof, are incorporated by reference in this report on Form 10-K. With the exception of the aforementioned information and the information incorporated in Items 5, 6 and 7, no other data appearing in the Annual Report to Stockholders for the year ended December 31, 1996 is deemed to be filed as part of this report on Form 10-K.

The following financial statement schedule should be read in conjunction with the financial statements in such Annual Report to Stockholders for the year ended December 31, 1996. Financial statement schedules not included in this report on Form 10-K have been omitted because they are not applicable or the required information is shown in the financial statements or the notes thereto.

Separate financial statements for the companies which are 50% or less owned and accounted for by the equity method have been omitted because, considered in the aggregate as a single subsidiary, they do not constitute a significant subsidiary.

INDEX TO FINANCIAL STATEMENT SCHEDULES

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Report of Independent Accountants on Financial Statement Schedules	F-2
Consent of Independent Accountants	F-2
Financial Statement Schedules Required to be filed by Item 8 of this form:	
VIII Valuation and Qualifying Accounts	F-3

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REPORT OF INDEPENDENT ACCOUNTANTS
ON FINANCIAL STATEMENT SCHEDULES

To the Board of Directors of
The Interpublic Group of Companies, Inc.

Our audits of the consolidated financial statements referred to in our report dated February 14, 1997 appearing in the 1996 Annual Report to Stockholders of The Interpublic Group of Companies, Inc. (which report and consolidated financial statements are incorporated by reference in this Annual Report on Form 10-K) also included an audit of the Financial Statement Schedules listed in Item 14 (a) of this Form 10-K. In our opinion, these Financial Statement Schedules present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

PRICE WATERHOUSE LLP
New York, New York
February 14, 1997

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 of The Interpublic Group of Companies, Inc. (the "Company"), of our report dated February 14, 1997, appearing in the 1996 Annual Report to Stockholders which is incorporated in this Annual Report on Form 10-K: Registration Statements No. 2-79071; No. 2-43811; No. 2-56269; No. 2-61346; No. 2-64338; No. 2-67560; No. 2-72093; No. 2-88165; No. 2-90878, No. 2-97440 and No. 33-28143, relating variously to the Stock Option Plan (1971), the Stock Option Plan (1981), the Stock Option Plan (1988) and the Achievement Stock Award Plan of the Company; Registration Statements No. 2-53544; No. 2-91564, No. 2-98324, No. 33-22008, No. 33-64062 and No. 33-61371, relating variously to the Employee Stock Purchase Plan (1975), the Employee Stock Purchase Plan (1985) and the Employee Stock Purchase Plan of the Company (1995); Registration Statements No. 33-20291 and No. 33-2830 relating to the Management Incentive Compensation Plan of the Company; Registration Statements No. 33-5352, No. 33-21605, 333-4747 and 333-23603 relating to the 1986 Stock Incentive Plan, the 1986 United Kingdom Stock Option Plan and the 1996 Stock Incentive Plan, of the Company; and Registration Statements No. 33-10087 and No. 33-25555 relating to the Long-Term Performance Incentive Plan of the Company. We hereby consent to the incorporation by reference in the Prospectuses constituting part of the Registration Statements on Form S-3 (No. 33-37346 and 333-22899) of The Interpublic Group of Companies, Inc. of our report dated February 14, 1997 appearing in
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the 1996 Annual Report to Stockholders which is incorporated in this Annual Report on Form 10-K. We also consent to the incorporation by reference of our report on the Financial Statement Schedules, which appears above.

PRICE WATERHOUSE LLP
New York, New York
March 26, 1997

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SCHEDULE VIII

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS

For the Years Ended December 31, 1996, 1995 and 1994

(Dollars in Thousands)

COLUMN A	COLUMN B	COLUMN C		COLUMN D	COLUMN E
Description	Balance at Beginning of Period	Additions		Deductions- Describe	Balance at End of Period
		Charged to Costs & Expenses	Charged to Other Accounts- Describe		
Allowance for Doubtful Accounts - deducted from Receivables in the Consolidated Balance Sheet:					
1996	\$21,942	\$15,603	\$ 920 771	\$ (815) (4,755) (365)	\$33,301
1995	\$22,656	\$ 8,894	\$1,324 137	\$(9,619) (819) (632)	\$21,941
1994	\$16,834	\$ 6,522	\$4,097 699 613	\$(6,109)	\$22,656

Allowance for doubtful accounts of acquired and newly consolidated companies.
Foreign currency translation adjustment.
Principally amounts written off.
Reversal of previously written off accounts.
Miscellaneous.

INDEX TO DOCUMENTS

Exhibit No. Description

3 (i) The Restated Certificate of Incorporation of the Registrant, as amended is incorporated by reference to its Report on Form 10-Q for the quarter ended June 30, 1995. See Commission file number 1-6686.

(ii) The By-Laws of the Registrant, amended as of February 19, 1991, are incorporated by reference to its Report on Form 10-K for the year ended December 31, 1990. See Commission file number 1-6686.

4 Instruments Defining the Rights of Security Holders.

(i) Indenture, dated as of April 1, 1992, between Interpublic and Morgan Guaranty Trust Company of New York is not included as an Exhibit to this Report but will be furnished to the Commission upon its request.

(ii) The Preferred Share Purchase Rights Plan as adopted on July 18, 1989 is incorporated by reference to Registrant's Registration Statement on Form 8-A dated August 1, 1989 (No. 00017904) and, as amended, by reference to Registrant's Registration Statement on Form 8 dated October 3, 1989 (No. 00106686).

10 Material Contracts.

(a) Underwriting Agreement, dated March 30, 1992, by and between Interpublic and Goldman Sachs International Limited is incorporated by reference to Registrant's Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.

(b) Employment, Consultancy and other Compensatory Arrangements with Management.

Employment and Consultancy Agreements and any amendments or supplements thereto and other compensatory arrangements filed with the Registrant's Reports on Form 10-K for the years ended December 31, 1980 through December 31, 1995, inclusive, or filed with the Registrant's Reports on Form 10-Q for the periods ended March 31, 1996, June 30, 1996 and September 30, 1996 are incorporated by reference in this Report on Form 10-K. See Commission file number

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1-6686. Listed below are agreements or amendments to agreements between the Registrant and its executive officers which remain in effect on and after the date hereof or were executed during the year ended December 31, 1996 and thereafter, unless previously submitted, which are filed as exhibits to this Report on Form 10-K.

(i) Eugene P. Beard

Supplemental Agreement, dated as of March 12, 1997 to an Employment Agreement dated as of July 1, 1995.

(ii) Barry R. Linsky

(a) Supplemental Agreement, dated as of August 15, 1992 to an Employment Agreement dated as of January 1, 1991.

(b) Early Termination Agreement with respect to Restrictions Relating to Restricted Shares, dated as of December 15, 1992.

(c) Executive Special Benefit Agreement, dated as of March 1, 1993.

(d) Supplemental Agreement, dated as of January 1, 1995 to an Employment Agreement dated as of January 1, 1991.

(e) Supplemental Agreement, dated as of January 1, 1996 to an Employment agreement dated January 1, 1991.

(f) Supplemental Agreement dated as of August 1, 1996 to an Employment Agreement dated as of January 1, 1991.

(iii) Martin Puris

Executive Special Benefit Agreement, dated as of April 1, 1996.

(c) Executive Compensation Plans.

(i) Trust Agreement, dated as of June 1, 1990 between The Interpublic Group of Companies, Inc., Lintas Campbell-Ewald Company, McCann-Erickson USA, Inc., McCann-Erickson Marketing, Inc., Lintas, Inc. and Chemical Bank, as Trustee, is incorporated by

reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1990. See Commission file number 1-6686.

- (ii) The Stock Option Plan (1988) and the Achievement Stock Award Plan of the Registrant are incorporated by reference to Appendices C and D of the Prospectus dated May 4, 1989 forming part of its Registration Statement on Form S-8 (No. 33-28143).
- (iii) The Management Incentive Compensation Plan of the Registrant is incorporated by reference to the Registrant's Report on Form 10-Q for the quarter ended June 30, 1995. See Commission file number 1-6686.
- (iv) The 1986 Stock Incentive Plan of the Registrant is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1993. See Commission file number 1-6686.
- (v) The 1986 United Kingdom Stock Option Plan of the Registrant is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.
- (vi) The Employee Stock Purchase Plan (1985) of the Registrant, as amended, is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1993. See Commission file number 1-6686.
- (vii) The Long-Term Performance Incentive Plan of the Registrant is incorporated by reference to Appendix A of the Prospectus dated December 12, 1988 forming part of its Registration Statement on Form S-8 (No. 33-25555).
- (viii) Resolution of the Board of Directors adopted on February 16, 1993, amending the Long-Term Performance Incentive Plan is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.

- (ix) Resolution of the Board of Directors adopted on May 16, 1989 amending the Long-Term Performance Incentive Plan is incorporated by reference to Registrant's Report on Form 10-K for the year ended December 31, 1989. See Commission file number 1-6686.
 - (x) The 1996 Stock Incentive Plan of the Registrant is incorporated by reference to the Registrant's Report on Form 10-Q for the quarter ended June 30, 1996. See Commission file number 1-6686.
- (d) Loan Agreements.
- (i) Letter, dated September 20, 1996, extending the term of a certain Credit Agreement dated December 1, 1994 by and between Interpublic and The Fuji Bank, Limited.
 - (ii) Credit Agreement, dated as of October 21, 1996 between Interpublic and Wachovia Bank of Georgia, N.A.
 - (iii) Note dated October 21, 1996 between Interpublic and Wachovia Bank of Georgia, N.A. pursuant to the Credit Agreement dated and effective as of October 21, 1996.
 - (iv) Note Purchase Agreement, dated as of October 31, 1996 between Interpublic and The Prudential Capital Group, a division of The Prudential Insurance Company of America.
 - (v) Note dated October 31, 1996 between Interpublic and Prudential Insurance Company of America, pursuant to the Note Purchase Agreement dated and effective as of October 31, 1996.
 - (vi) Other Loan and Guaranty Agreements filed with the Registrant's Annual Report on Form 10-K for the years ended December 31, 1988 and December 31, 1986 are incorporated by reference in this Report on Form 10-K. Other Credit Agreements, amendments to various Credit Agreements, Supplemental Agreements, Termination Agreements, Loan Agreements, a Note Purchase Agreement, dated August 20, 1991, Guarantee, dated December 17, 1991, Notification dated March 14, 1991 by Registrant and Intercreditor Agreements filed with the Registrant's Report on Form 10-K for the years

ended December 31, 1989 through December 31, 1995, inclusive and filed with Registrant's Reports on Form 10-Q for the periods ended March 31, 1996, June 30, 1996 and September 30, 1996 are incorporated by reference into this Report on Form 10-K. See Commission file number 1-6686.

(e) Leases.

Material leases of premises are incorporated by reference to the Registrant's Annual Report on Form 10-K for the years ended December 31, 1980 and December 31, 1988. See Commission file number 1-6686.

(f) Acquisition Agreement for Purchase of Real Estate.

Acquisition Agreement (in German) between Treuhandgesellschaft Aktiengesellschaft & Co. Grundbesitz OHG and McCann-Erickson Deutschland GmbH & Co. Management Property KG ("McCann-Erickson Deutschland") and the English translation of the Acquisition Agreement are incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.

(g) Mortgage Agreements and Encumbrances.

- (i) Summaries In German and English of Mortgage Agreements between McCann-Erickson Deutschland and Frankfurter Hypothekenbank Aktiengesellschaft ("Frankfurter Hypothekenbank"), Mortgage Agreement, dated January 22, 1993, between McCann-Erickson Deutschland and Frankfurter Hypothekenbank, Mortgage Agreement, dated January 22, 1993, between McCann-Erickson Deutschland and Hypothekenbank are incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1993.

See Commission file number 1-6686. Summaries In German and English of Mortgage Agreement, between McCann-Erickson Deutschland and Frankfurter Sparkasse and Mortgage Agreement, dated January 7, 1993, between McCann-Erickson Deutschland and Frankfurter Sparkasse are incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.

- (ii) Summaries In German and English of Documents Creating Encumbrances In Favor of Frankfurter Hypothekbank and Frankfurter Sparkasse In Connection With the Aforementioned Mortgage Agreements, Encumbrance, dated January 15, 1993, In Favor Of Frankfurter Hypothekbank, and Encumbrance, dated January 15, 1993, In Favor of Frankfurter Sparkasse are incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.
- (iii) Loan Agreement (in English and German), dated January 29, 1993 between Lintas Deutschland GmbH and McCann-Erickson Deutschland is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.

11 Computation of Earnings Per Share.

13 This Exhibit includes: (a) those portions of the Annual Report to Stockholders for the year ended December 31, 1996 which are included therein under the following headings: Financial Highlights; Management's Discussion and Analysis of Financial Condition and Results Of Operations; Consolidated Balance Sheet; Consolidated Statement of Income; Consolidated Statement of Cash Flows; Consolidated Statement of Stockholders' Equity; Notes to Consolidated Financial Statements (the aforementioned consolidated financial Statements together with the Notes to Consolidated Financial Statements hereinafter shall be referred to as the "Consolidated Financial Statements"); Report of Independent Accountants; Selected Financial Data For Five Years; Report of Management; and Stockholders' Information; and (b) Appendix to Exhibit 13.

21 Subsidiaries of the Registrant.

23 Consent of Independent Accountants.

24 Power of Attorney to sign Form 10-K and resolution of Board of Directors re Power of Attorney.

27 Financial Data Schedules

99 No reports on Form 8-K were filed during the quarter ended December 31, 1996.

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.

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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

SUPPLEMENTAL AGREEMENT

SUPPLEMENTAL AGREEMENT dated as of August 15, 1992, by and between THE INTERPUBLIC GROUP OF COMPANIES, INC., a corporation of the State of Delaware (hereinafter referred to as the "Corporation"), and BARRY R. LINSKY (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 dated as of January 1, 1991 (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 3.01 of the Employment Agreement is amended, effective October 1, 1992, so as to delete "One Hundred Eighty-Five Thousand Dollars (\$185,000)" and substitute "Two Hundred Five Thousand Dollars (\$205,000)" therefor.
2. Except as hereinabove amended, the Employment Agreement shall continue in full force and effect.
3. 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

Barry R. Linsky

December 15, 1992

1986 STOCK INCENTIVE PLAN

Agreement re Early Termination of
Restrictions Relating to Restricted Shares

On this date, December 15, 1992, the Compensation Committee of the Board of Directors of The Interpublic Group of Companies, Inc. (the "Corporation"), acting as the Committee established pursuant to Article IV of the 1986 Stock Incentive Plan of the Corporation (the "Plan"), determined that the Restriction Period with respect to that number of Restricted Shares shown on Schedule A awarded to the executive whose signature appears on Schedule A under the Plan on the date(s) shown on Schedule A would end at noon today, provided, however, that the ending of the Restriction Period would be conditional on the executive's agreeing to pay to the Corporation (or to such of its subsidiaries as the Corporation should designate), upon demand, the sum(s) shown on Schedule A as the value of the shares being released if, prior to the date(s) listed on Schedule A as "Scheduled Release Date(s)", the executive should no longer be in the employ of the Corporation or any of its subsidiaries for any reason or in any circumstance other than those set forth in the next sentence of this Agreement, unless the Compensation Committee waives such payment. The Corporation and the executive agree that the obligation to make the payment referred to in the preceding sentence shall not arise if the executive ceases to be in the employ of the Corporation or one of its subsidiaries because of (a) death, (b) resignation on account of Disability as that term is defined in the Interpublic Long-Term Disability Plan, or (c) resignation for "Good Reason" pursuant to an Executive Severance Agreement between the executive and the Corporation.

The executive hereby agrees to the termination of the Restriction Period on this date on the conditions, and subject to the conditional payment obligation, set forth above. Without in any way limiting any rights or remedies otherwise available to the Corporation, the executive hereby authorizes the Corporation and each of its subsidiaries to withhold and apply toward any payment obligation by the executive which may arise under this Agreement, any money, property, stock or other thing of value which may be or become owing by the Corporation or any of its subsidiaries to the executive pursuant to any agreement, plan or arrangement of any kind between the Corporation or any of its subsidiaries and the executive.
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The Inter public Group of Companies, Inc.
Release of Restricted Stock
December 15, 1992

BARRY R. LINSKY

Schedule A

Date of Grant	# of Shares	Scheduled Release Date	Value at \$34,000 per Share
9/15/87	3,000	2/28/94	\$102,000

By: C. Kent Kroeber

Date: 12/16/92

By: BARRY R. LINSKY

Date: 12/17/92

EXECUTIVE SPECIAL BENEFIT AGREEMENT

AGREEMENT made as of March 1, 1993, by and between THE INTERPUBLIC GROUP OF COMPANIES, INC., a corporation of the State of Delaware (hereinafter referred to as "Interpublic"), and BARRY LINSKY (hereinafter referred to as "Executive"):

W I T N E S S E T H

WHEREAS, Executive is in the employ of Interpublic and/or one or more of its subsidiaries (Interpublic and its subsidiaries being hereinafter referred to collectively as the "Corporation"); and

WHEREAS, Interpublic and Executive desire to enter into an Executive Special Benefit Agreement which shall be supplementary to any employment agreement or arrangement which Executive now or hereafter may have with respect to Executive's employment by Interpublic or any of its subsidiaries;

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

ARTICLE I

Death and Special Retirement Benefits

1.01 For purposes of this Agreement the "Accrual Term" shall mean the period of seventy-two months beginning on the date of this Agreement and ending on the day preceding the sixth anniversary hereof or on such earlier date on which Executive shall cease to be in the employ of the Corporation.

1.02 The Corporation shall provide Executive with the following benefits contingent upon Executive's compliance with all the terms and conditions of this Agreement and Executive's satisfactory completion of a physical examination in connection with an insurance policy on the life of Executive which Interpublic or its assignee (other than Executive) proposes to obtain and own. Effective at the end of the Accrual Term, Executive's annual compensation will be increased by \$20,000.00 if Executive is in the employ of the Corporation at that time.

1.03 If, during the Accrual Term or thereafter during a period of employment by the Corporation which is continuous from the date of this Agreement, Executive shall die while in the employ of the Corporation, the Corporation shall pay to such beneficiary or beneficiaries as Executive shall have designated

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pursuant to Section 1.07 (or in the absence of such designation, shall pay to the Executor of the Will or the Administrator of the Estate of Executive) survivor income payments of Forty Thousand Five Hundred Sixty Dollars (\$40,560) per annum for fifteen years following Executive's death, such payments to be made on January 15 of each of the fifteen years beginning with the year following the year in which Executive dies.

1.04 If, after a continuous period of employment from the date of this Agreement, Executive shall retire from the employ of the Corporation so that the first day on which Executive is no longer in the employ of the Corporation occurs on or after Executive's sixty-second birthday, the Corporation shall pay to Executive special retirement benefits at the rate of Forty Thousand Five Hundred Sixty Dollars (\$40,560) per annum for fifteen years beginning with the calendar month following Executive's last day of employment, such payments to be made in equal monthly installments.

1.05 If, after a continuous period of employment from the date of this Agreement, Executive shall retire, resign, or be terminated from the employ of the Corporation so that the first day on which Executive is no longer in the employ of the Corporation occurs on or after Executive's fifty-seventh birthday but prior to Executive's sixty-second birthday, the Corporation shall pay to Executive special retirement benefits at the annual rates set forth below for fifteen years beginning with the

calendar month following Executive's last day of employment, such payments to be made in equal monthly installments:

Last Day of Employment	Annual Rate
On or after 57th birthday but prior to 58th birthday	\$20,280
On or after 58th birthday but prior to 59th birthday	\$24,960
On or after 59th birthday but prior to 60th birthday	\$29,640
On or after 60th birthday but prior to 61st birthday	\$34,320
On or after 61st birthday but prior to 62nd birthday	\$39,000

1.06 If, following such termination of employment, Executive shall die before payment of all of the installments provided for in Section 1.04 or Section 1.05, any remaining

installments shall be paid to such beneficiary or beneficiaries as Executive shall have designated pursuant to Section 1.07 or, in the absence of such designation, to the Executor of the Will or the Administrator of the Estate of Executive.

1.07 For purposes of Sections 1.03, 1.04 and 1.05, or any of them, Executive may at any time designate a beneficiary or beneficiaries by filing with the chief personnel officer of Interpublic a Beneficiary Designation Form provided by such officer. Executive may at any time, by filing a new Beneficiary Designation Form, revoke or change any prior designation of beneficiary.

PAGE

1.08 If Executive shall die while in the employ of the Corporation, no sum shall be payable pursuant to Sections 1.04, 1.05, 1.06, 2.01, 2.02 or 2.03.

1.09 In connection with the life insurance policy referred to in Section 1.02, Interpublic has relied on written representations made by Executive concerning Executive's age and the state of Executive's health. If said representations are untrue in any material respect, whether directly or by omission, and if the Corporation is damaged by any such untrue representations, no sum shall be payable pursuant to Sections 1.03, 1.04, 1.05, 1.06, 2.01, 2.02 or 2.03.

1.10 It is expressly agreed that Interpublic or its assignee (other than Executive) shall at all times be the sole and complete owner and beneficiary of the life insurance policy referred to in Sections 1.02 and 1.09, shall have the unrestricted right to use all amounts and exercise all options and privileges thereunder without the knowledge or consent of Executive or Executive's designated beneficiary or any other person and that neither Executive nor Executive's designated beneficiary nor any other person shall have any right, title or interest, legal or equitable, whatsoever in or to such policy.

ARTICLE II

Alternative Deferred Compensation

2.01 If Executive shall, for any reason other than death, cease to be employed by the Corporation on a date prior to Executive's fifty-seventh birthday, the Corporation shall, in lieu of any payment pursuant to Article I of this Agreement, compensate Executive by payment, at the times and in the manner specified in Section 2.02, of a sum computed at the rate of Twenty Thousand Dollars (\$20,000) per annum for each full year and proportionate amount for any part year from the date of this Agreement to the date of such termination during which Executive is in the employ of the Corporation. Such payment shall be conditional upon Executive's compliance with all the terms and conditions of this Agreement.

2.02 The aggregate compensation payable under Section 2.01 shall be paid in equal consecutive monthly installments commencing with the first month in which Executive is no longer in the employ of the Corporation and continuing for a number of months equal to the number of months which have elapsed from the date of this Agreement to the commencement date of such payments.

2.03 If Executive dies while receiving payments in accordance with the provisions of Section 2.02, any installments payable in accordance with the provisions of

Section 2.02 less any amounts previously paid Executive in accordance therewith, shall be paid to the Executor of the Will or the Administrator of the Estate of Executive.

2.04 It is understood that none of the payments made in accordance with this Agreement shall be considered for purposes of determining benefits under the Interpublic Pension Plan, nor shall such sums be entitled to credits equivalent to interest under the Plan for Credits Equivalent to Interest on Balances of Deferred Compensation Owing under Employment Agreements adopted effective as of January 1, 1974 by Interpublic.

ARTICLE III

Nonsolicitation of Clients or Employees

3.01 Following the termination of the employment of Executive with the Corporation for any reason, Executive shall not for a period of one year from such termination either (a) solicit any employee of the Corporation to leave such employ to enter into the employ of Executive or of any Corporation or other enterprise with which Executive is then associated or (b) solicit or handle on Executive's own behalf or on behalf of any other person, firm or corporation, the advertising, public relations, sales promotion or market research business of any advertiser which is a client of the Corporation at the time of such termination.

ARTICLE IV

Assignment

4.01 This Agreement shall be binding upon and inure to the benefit of the successors and assigns of Interpublic. Neither this Agreement nor any rights hereunder shall be subject in any matter to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge by Executive and any such attempted action by Executive shall be void. This Agreement may not be changed orally, nor may this Agreement be amended to increase the amount of any benefits that are payable pursuant to this Agreement or to accelerate the payment of any such benefits.

PAGE

ARTICLE V

Contractual Nature of Obligation

5.01 The liabilities of the Corporation to Executive pursuant to this Agreement shall be those of a debtor pursuant to such contractual obligations as are created by the Agreement. Executive's rights with respect to any benefit to which Executive has become entitled under this Agreement, but which Executive has not yet received, shall be solely the rights of a general unsecured creditor of the Corporation.

ARTICLE VI

Applicable Law

6.01 This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By C. Kent Kroeber

Barry Linsky

SUPPLEMENTAL AGREEMENT

SUPPLEMENTAL AGREEMENT dated as of January 1, 1995, by and between THE INTERPUBLIC GROUP OF COMPANIES, INC., a corporation of the State of Delaware (hereinafter referred to as the "Corporation"), and BARRY R. LINSKY (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 dated as of January 1, 1991, and a Supplemental Agreement dated as of August 15, 1992 (hereinafter collectively 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 3.01 of the Employment Agreement is amended, effective January 1, 1995, so as to delete "Two Hundred Five Thousand Dollars (\$205,000)" and substitute "Two Hundred Twenty-Five Thousand Dollars (\$225,000)" therefor.
2. Except as hereinabove amended, the Employment Agreement shall continue in full force and effect.
3. 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

Barry Linsky

SUPPLEMENTAL AGREEMENT

SUPPLEMENTAL AGREEMENT dated as of January 1, 1996, by and between THE INTERPUBLIC GROUP OF COMPANIES, INC., a corporation of the State of Delaware (hereinafter referred to as the "Corporation"), and BARRY R. LINSKY (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 dated as of January 1, 1991, a Supplemental Agreement dated as of August 15, 1992, and a Supplemental Agreement dated as of January 1, 1995 (hereinafter collectively 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 January 1, 1996, so as to delete "and ending on December 31, 1995" and substitute "and ending on December 31, 2000" therefor.
2. Except as hereinabove amended, the Employment Agreement shall continue in full force and effect.
3. 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

Barry Linsky

SUPPLEMENTAL AGREEMENT

SUPPLEMENTAL AGREEMENT made as of August 1, 1996, by and between THE INTERPUBLIC GROUP OF COMPANIES, INC., a corporation of the State of Delaware (hereinafter referred to as the "Corporation"), and BARRY R. LINSKY (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 January 1, 1991, a Supplemental Agreement dated as of August 15, 1992, a Supplemental Agreement dated as of January 1, 1995 and a Supplemental Agreement dated January 1, 1996 (hereinafter collectively 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. Section 3.01 of the Employment Agreement is amended effective January 1, 1996, so as to delete "\$225,000" and substitute "\$280,000."

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

BARRY R. LINSKY

AGREEMENT made as of April 1, 1996, by and between

THE INTERPUBLIC GROUP OF COMPANIES, INC., a corporation of the State of Delaware (hereinafter referred to as "Interpublic"), and MARTIN PURIS (hereinafter referred to as "Executive"):

W I T N E S S E T H

WHEREAS, Executive is in the employ of Interpublic and/or one or more of its subsidiaries (Interpublic and its subsidiaries being hereinafter referred to collectively as the "Corporation"); and

WHEREAS, Interpublic and Executive desire to enter into an Executive Special Benefit Agreement which shall be supplementary to any employment agreement or arrangement which Executive now or hereafter may have with respect to Executive's employment by Interpublic or any of its subsidiaries;

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

ARTICLE I

Death and Special Retirement Benefits

1.01 SECTION INTENTIONALLY OMITTED

1.02 In lieu of Executive's rights with respect to a bonus as set forth in Section 4.03 of the Employment Agreement made as of August 11, 1994 by and among Interpublic, Ammirati & Puris Inc. and Executive, which rights Executive hereby expressly waives, the Corporation shall provide Executive with the following benefits contingent upon Executive's compliance with all the terms and conditions of this Agreement and Executive's satisfactory completion of a physical examination in connection with an insurance policy on the life of Executive which Interpublic or its assignee (other than Executive) proposes to obtain and own.

1.03 If, during a period of employment by the Corporation which is continuous from the date of this Agreement, Executive shall die while in the employ of the Corporation, the Corporation shall pay to such beneficiary or beneficiaries as

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Executive shall have designated pursuant to Section 1.07 (or in the absence of such designation, shall pay to the Executor of the Will or the Administrator of the Estate of Executive) survivor income payments of Three Hundred Thousand Dollars (\$300,000) per annum for fifteen years following Executive's death, such payments to be made on January 15 of each of the fifteen years beginning with the year following the year in which Executive dies.

1.04 If, after a continuous period of employment from the date of this Agreement, Executive shall retire from the employ of the Corporation so that the first day on which Executive is no longer in the employ of the Corporation occurs on or after Executive's sixty-fifth birthday, the Corporation shall pay to Executive special retirement benefits at the rate of Three Hundred Thousand Dollars (\$300,000) per annum for fifteen years beginning with the calendar month following Executive's last day of employment, such payments to be made in equal monthly installments.

1.05 If, after a continuous period of employment from the date of this Agreement, Executive shall retire, resign, or be terminated from the employ of the Corporation so that the first day on which Executive is no longer in the employ of the Corporation occurs on or after Executive's sixty-third birthday but prior to Executive's sixty-fifth birthday, the Corporation shall pay to Executive special retirement benefits at the annual rates set forth below for fifteen years beginning with the calendar month following Executive's last day of employment, such payments to be made in equal monthly installments:

Last Day of Employment	Annual Rate
On or after 63rd birthday but prior to 64th birthday	\$ 230,000
On or after 64th birthday but prior to 65th birthday	\$ 265,000

1.06 If, following such termination of employment, Executive shall die before payment of all of the installments provided for in Section 1.04 or Section 1.05, any remaining installments shall be paid to such beneficiary or beneficiaries as Executive shall have designated pursuant to Section 1.07 or, in the absence of such designation, to the

Executor of the Will or the Administrator of the Estate of
Executive.

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1.07 For purposes of Sections 1.03, 1.04 and 1.05, or any of them, Executive may at any time designate a beneficiary or beneficiaries by filing with the chief personnel officer of Interpublic a Beneficiary Designation Form provided by such officer. Executive may at any time, by filing a new Beneficiary Designation Form, revoke or change any prior designation of beneficiary.

1.08 If Executive shall die while in the employ of the Corporation, no sum shall be payable pursuant to Sections 1.04, 1.05, 1.06, 2.01, 2.02 or 2.03.

1.09 In connection with the life insurance policy referred to in Section 1.02, Interpublic has relied on written representations made by Executive concerning Executive's age and the state of Executive's health. If said representations are untrue in any material respect, whether directly or by omission, and if the Corporation is damaged by any such untrue representations, no sum shall be payable pursuant to Sections 1.03, 1.04, 1.05, 1.06, 2.01, 2.02 or 2.03.

1.10 It is expressly agreed that Interpublic or its assignee (other than Executive) shall at all times be the sole and complete owner and beneficiary of the life insurance policy referred to in Sections 1.02 and 1.09, shall have the unrestricted right to use all amounts and exercise all options and privileges thereunder without the knowledge or consent of Executive or Executive's designated beneficiary or any other person and that neither Executive nor Executive's designated beneficiary nor any other person shall have any right, title or interest, legal or equitable, whatsoever in or to such policy.

ARTICLE II

Alternative Deferred Compensation

2.01 If Executive shall, for any reason other than death, cease to be employed by the Corporation on a date prior to Executive's sixty-third birthday, the Corporation shall, in lieu of any payment pursuant to Article I of this Agreement, compensate Executive by payment, at the time and in the manner specified in Section 2.02, of the sum of One Million Five Hundred Thousand Dollars (\$1,500,000). Such payment shall be conditional upon Executive's compliance with all the terms and conditions of this Agreement and shall be made without any payment of interest. However, if such cessation of employment is made at the behest of the Corporation without "cause" as defined below, or at the behest of Executive for "good reason" as defined in Section 6.02 of his Employment Agreement dated August 11, 1994, then the payment called for by this section 2.01 shall be made with

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interest at the prime rate plus 1%, adjusted and compounded semi-annually during the period from April 1, 1996 until the date of payment. For purposes of this section, "cause" shall be defined as follows:

(i) the conviction of, or pleading guilty or no contest to, a felony or crime involving moral turpitude; or
(ii) the willful and continued failure of the Executive to substantially perform his duties to Interpublic or one of its affiliates (other than any such failure resulting from physical or mental disability), after written demand for substantial performance is delivered to Executive by the Board of Directors (the "Board") of Interpublic, which demand the Board subsequently determines in good faith has not been satisfactorily responded to by the Executive.

2.02 The compensation payable under Section 2.01 shall be paid in one lump sum in the month following the month in which Executive is no longer in the employ of the Corporation.

2.03 If Executive dies prior to receiving the payment in accordance with the provisions of Section 2.02, said payment shall be paid to the Executor of the Will or the Administrator of the Estate of Executive.

2.04 It is understood that none of the payments made in accordance with this Agreement shall be considered for purposes of determining benefits under the Interpublic Pension Plan, nor shall such sums be entitled to credits equivalent to interest under the Plan for Credits Equivalent to Interest on Balances of Deferred Compensation Owing under Employment Agreements adopted effective as of January 1, 1974 by Interpublic.

ARTICLE III

Nonsolicitation of Clients or Employees

3.01 Following the termination of Executive's employment hereunder for any reason, Executive shall not for a period of twelve months from such termination either (a) solicit any employee of the Corporation to leave such employ to enter the employ of Executive or of any corporation or enterprise with which Executive is then associated or (b) solicit or handle on Executive's own behalf or on behalf of any other person, firm or corporation, the advertising, public relations, sales promotion or market research business of any advertiser for which the Corporation had actively performed services for compensation during the 180-day period immediately prior to Executive's termination, or to whom the Corporation had made a substantive presentation during such period seeking such advertiser's business.

ARTICLE IV

Assignment

4.01 This Agreement shall be binding upon and inure to the benefit of the successors and assigns of Interpublic. Neither this Agreement nor any rights hereunder shall be subject in any matter to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge by Executive, and any such attempted action by Executive shall be void. This Agreement may not be changed orally, nor may this Agreement be amended to increase the amount of any benefits that are payable pursuant to this Agreement or to accelerate the payment of any such benefits.

ARTICLE V

Contractual Nature of Obligation

5.01 The liabilities of the Corporation to Executive pursuant to this Agreement shall be those of a debtor pursuant to such contractual obligations as are created by the Agreement. Executive's rights with respect to any benefit to which Executive has become entitled under this Agreement, but which Executive has not yet received, shall be solely the rights of a general unsecured creditor of the Corporation.

ARTICLE VI

Applicable Law

6.01 This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By _____
C. KENT KROEBER

MARTIN PURIS

September 20, 1996

Mr. Richard Janda
Vice President
The Fuji Bank, Limited
2 World Trade Center, 79th Floor
New York, NY 10048

RE: CREDIT AGREEMENT BETWEEN THE INTERPUBLIC GROUP OF COMPANIES,
INC. AND THE FUJI BANK, LIMITED, NY BRANCH

Dear Richard:

We are writing to you in connection with the Credit Agreement between The Interpublic Group of Companies, Inc. and The Fuji Bank Limited, New York Branch dated September 30, 1992 and effective as of December 16, 1992 (the "Agreement"). Section 2.13 of the Agreement provides that the Borrower may request extension of the Commitment under the Agreement for an additional period of one year from the then current Termination Date.

Notwithstanding the dates specified in Section 2.13 of the Agreement for requesting such extension, we hereby request that you extend the Termination Date of the Agreement to December 1, 1998. If you are agreeable to our request, please so indicate by signing and returning the duplicate copy of this letter which we have enclosed herewith.

Thank you.

Sincerely,

Alan M. Forster
Vice President & Treasurer

ACCEPTED & AGREED
THE FUJI BANK LIMITED, NY BRANCH

Massa Kobayashi
Vice President and Manager
Corporate Finance Originations

Date: 11/13/96

cc: Mr. Kenneth E. Dutcher
Ms. Barbara S. Gmora
Ms. Regina E. Dooley

CREDIT AGREEMENT

BETWEEN

THE INTERPUBLIC GROUP OF COMPANIES, INC.

AND

WACHOVIA BANK OF GEORGIA, N.A.

US\$20,000,000

Dated as of October 21, 1996

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CREDIT AGREEMENT

AGREEMENT dated as of October 21, 1996 between THE INTERPUBLIC GROUP OF COMPANIES, INC., a Delaware corporation (the "Borrower"), and WACHOVIA BANK OF GEORGIA, N.A., a Georgia banking corporation (the "Bank").

WITNESSETH:

Whereas, the Borrower has requested the Bank to extend in an aggregate principal amount not to exceed \$20,000,000 at any time outstanding and the Bank is prepared to extend such credit upon the following terms and conditions:

SECTION 1
INTERPRETATIONS AND DEFINITIONS

1.1 Definitions. The following terms, as used herein, shall have the following respective meanings:

"Benefit Arrangement" means, at any time, an employee benefit plan within the meaning of Section 3(3) of ERISA which is not a Plan or a Multiemployer Plan and which is maintained or otherwise contributed to by any member of the ERISA Group.

"Business Day" means a day other than a Saturday, Sunday or other day on which the Bank is not open to the public for carrying on substantially all of its banking functions.

"Cash Flow" means the sum of net income of the Borrower and its Consolidated Subsidiaries (plus any amount by which net income has been reduced by reason of the recognition of post-retirement and post-employment benefit costs prior to the period in which such benefits are paid), depreciation expenses, amortization costs and changes in deferred taxes, provided that such sum shall not be adjusted for any increase or decrease in deferred taxes resulting from Quest & Associates, Inc., a Subsidiary of the Borrower, investing in a portfolio of computer equipment leases (it being further understood that such increase or decrease in deferred taxes relating to such investment shall not exceed \$25,000,000).

"Code" means the Internal Revenue Code of 1986, as amended, and any successor statute thereto.

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"Commitment" means the commitment of the Bank to make the Term Loan pursuant to Section 2.1 in the principal amount of \$20,000,000.

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"Consolidated Subsidiary" means at any date any Subsidiary or other entity the accounts of which would be consolidated with those of the Borrower in its consolidated financial statements as of such date.

"Consolidated Net Worth" means at any date the consolidated stockholders' equity of the Borrower and its Consolidated Subsidiaries as such appear on the financial statements of the Borrower determined in accordance with generally accepted accounting principles (plus any amount by which retained earnings has been reduced by reason of the recognition of post-retirement and post-employment benefit costs prior to the period in which such benefits are paid and without taking into account the effect of cumulative currency translation adjustments).

"Debt" of any Person means at any date, without duplication, (i) all obligations of such Person for borrowed money, including reimbursement obligations for letters of credit, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (iv) all obligations of such Person as lessee under capital leases, (v) all Debt of others secured by a Lien on any asset of such Person, whether or not such Debt is assumed by such Person, and (vi) all Debt of others Guaranteed by such Person, but in each case specified in (i) through (vi) excludes obligations arising in connection with securities repurchase transactions.

"Default" means any condition or event which constitutes an Event of Default or which with the giving of notice or lapse of time, or both, would become an Event of Default.

"Dollars" and the sign "\$" mean lawful money of the United States of America.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Group" means the Borrower and all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the Borrower, are treated as a single employer under Section 414(b) or (c) of the Code.

"Event of Default" has the meaning set forth in Section 6 hereof.

"Guarantee" by any Person means any obligation, contingent or otherwise, of such Person directly or indirectly guaranteeing any Debt or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation (whether arising by virtue of partnership arrangements, by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, to maintain financial statement conditions or otherwise) or (ii) entered into for the purpose of assuring in any other manner the obligee of such Debt or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part), provided that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"Interest Payment Date" means subject to Section 2.4 hereof, the last day of each March, June, September and December occurring after the date hereof, commencing with the first such day occurring after the date of this Agreement, except that an adjustment will be made if any Interest Payment Date would otherwise fall on a day that is not a New York Banking Day and a London Banking Day so that the Interest Payment Date will be the first following day that is a New York Banking Day and a London Banking Day, unless that day falls in the next calendar month, in which case the Interest Payment Date will be the first preceding day that is a New York Banking Day and a London Banking Day.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or other encumbrance of any kind in respect of such asset. For purposes of this Agreement, the Borrower or any Subsidiary shall be deemed to own subject to a Lien any asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

"London Banking Day" means any day in which dealings and deposits in U.S. dollars are transacted in the London interbank market.

"Material Plan" means at any time a Plan or Plans having aggregate unfunded benefit liabilities (within the meaning of Section 4001(a)(18) of ERISA) in excess of \$25,000,000.

"Maturity Date" means the Interest Payment Date occurring on October 21, 1999.

"Multiemployer Plan" means at any time an employee pension benefit plan that is a "multiemployer plan" within the meaning of Section 4001(a)(3) of ERISA to which any member of the ERISA Group is then making or accruing an obligation to make contributions or has within the preceding five plan years made contributions, including for these purposes any Person which ceased to be a member of the ERISA Group during such five year period.

"New York Banking Day" means any day other than a Saturday, a Sunday or a day on which commercial banks in New York City are required or authorized to be closed.

"1934 Act" has the meaning set forth in Section 6.1(j) hereof.

"Overdue Rate" means a rate per annum that is equal to the sum of three percent (3%) per annum plus the per annum rate in effect under the Term Note.

"PBGCC" means the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"Participant" has the meaning set forth in Section 7.3.

"Person" means an individual, a corporation, a partnership, an association, a business trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Plan" means at any time a defined benefit pension plan (other than a Multiemployer Plan) which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code and either (i) is maintained, or contributed to, by any member of the ERISA Group for employees of any member of the ERISA Group or (ii) has at any time within the preceding five years been maintained, or contributed to, by any Person which was at such time a member of the ERISA Group for employees of any Person which was at such time a member of the ERISA Group.

"Regulation U" means Regulation U of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"Significant Subsidiary" or "Significant Group of Subsidiaries" at any time of determination means any Consolidated Subsidiary or group of Consolidated Subsidiaries, respectively, which, individually or in the aggregate, together with its or their Subsidiaries, accounts or account for more than 10% of the consolidated gross revenues of the Borrower and its Consolidated Subsidiaries for the most recently ended fiscal year or for more than 10% of the total assets of the Borrower and its Consolidated Subsidiaries as of the end of such fiscal year; provided that in connection with any determination with respect to a Significant Group of Subsidiaries under (x) Section 6.1.(e), there shall be a payment default, failure or other event (of the type described therein but without regard to the principal amount of such obligation) of each Consolidated Subsidiary included in such group, (y) Sections 6.1.(f) and (g) and the last sentence of Section 5.10, the condition or event described therein shall exist with respect to each Consolidated Subsidiary included in such group or (z) Section 6.1.(i), there shall be a final judgment (of the type specified therein but without regard to the amount of such judgment) rendered against each Consolidated Subsidiary included in such group.

"Subsidiary" means any corporation or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions is at the time directly or indirectly owned by the Borrower.

"Term Loan" means the borrowing under Section 2.3 evidenced by the Term Note and made pursuant to Section 2.1.

"Term Note" means any promissory note of the Borrower evidencing the Term Loan, in substantially the form annexed hereto as Exhibit A, as amended or modified from time to time and together with any promissory note or notes issued in exchange or replacement therefor.

"Total Borrowed Funds" means at any date, without duplication, (i) all outstanding obligations of the Borrower and its Consolidated Subsidiaries for borrowed money, (ii) all outstanding obligations of the Borrower and its Consolidated Subsidiaries evidenced by bonds, debentures, notes or similar instruments and (iii) any outstanding obligations of the type set forth in (i) or (ii) of any other Person Guaranteed by the Borrower and its Consolidated Subsidiaries, it being understood that the obligation to repurchase securities transferred pursuant to a securities repurchase agreement shall not be deemed to give rise to any amount of Total Borrowed Funds pursuant to this definition.

1.2 Accounting Terms and Determinations. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder, shall be prepared in accordance with generally accepted accounting principles as in effect from time to time, applied on a basis consistent (except for changes concurred in by the Borrower's independent public accountants) with the most recent audited consolidated financial statements of the Borrower and its Consolidated Subsidiaries delivered to the Bank.

SECTION 2
TERMS OF THE LOANS

2.1 Commitment of the Bank. The Bank agrees, subject to the terms and conditions of this Agreement, to make a single Term Loan to the Borrower, and the Borrower agrees to borrow such Term Loan from the Bank, on October 21, 1996, in the principal amount of \$20,000,000.

2.2 Termination and Reduction of Commitment. Neither the Borrower nor the Bank shall have the right to terminate or reduce the Commitment.

2.3 Disbursement of Term Loan. (a) Subject to the terms and conditions of this Agreement, the proceeds of the Term Loan shall be made available to the Borrower by depositing the proceeds thereof, in immediately available funds, in an account maintained and designated by the Borrower at the Bank or by wire transfer or otherwise as requested by the Borrower.

(b) The Term Loan made under this Section 2.3 shall be evidenced by the Term Note, and the Term Loan shall be due and payable and bear interest as provided in Sections 2.4 and 2.5. The Bank is hereby authorized by the Borrower to record on the schedule attached to the Term Note, or in its books and records, the amount of each payment of principal thereon, and the other information provided for on such schedule, which schedule or books and records, as the case may be, shall constitute prima facie evidence of the information so recorded, provided, however, that failure of the Bank to record, or any error in recording, any such information shall not relieve the Borrower of its obligation to repay the outstanding principal amount of the Term Loan, all accrued interest thereon and other amounts payable with respect thereto in accordance with the terms of this Agreement.

2.4. Principal Payments.

(a) Unless earlier payment is required under this Agreement pursuant to Section 6.1, the Borrower shall pay to the Bank the outstanding principal amount of the Term Loan in the amount of \$20,000,000 on the Maturity Date, when the entire outstanding principal amount of, and accrued interest on, the Term Loan shall be due and payable.

(b) The Borrower may prepay all (but not less than all) of the outstanding principal amount of the Term Loan, on any Interest Payment Date provided, that the Borrower shall have paid to the Bank, together with such prepayment of principal, all accrued interest on the principal amount prepaid to the date of prepayment and the amount, if any, of the prepayment indemnity determined pursuant to Section 2.9 to be payable to the Bank. The Borrower shall give the Bank not more than ten, and not less than five, London Banking Days' notice of any proposed prepayment specifying the prepayment date and the person or persons authorized to notify the Bank of acceptance of the terms of prepayment referred to in the next succeeding sentence. The Bank shall provide oral notice to a person so specified by the Borrower on the second London Banking Day prior to the proposed prepayment date of the amount, if any, of the prepayment indemnity which shall be paid in connection with such proposed prepayment by the Borrower or the Bank, as the case may be, pursuant to Section 2.9. At the time of such oral notice, such person shall state whether the Borrower elects to make such proposed prepayment on such terms. If the Borrower so elects to make such prepayment, the notice of prepayment given by the Borrower shall be irrevocable and the entire outstanding principal amount of the Term Loan, together with such accrued interest and any such additional sum payable pursuant to Section 2.9, shall become due and payable on the specified prepayment date. The Bank may, but shall not be obligated to, provide written confirmation of such election to the Borrower, but any failure of the Bank to provide such confirmation shall not affect the obligation of the Borrower to make such prepayment on the agreed terms.

2.5 Interest Payments. The Borrower shall pay interest to the Bank on the unpaid principal amount of the Term Loan, for the period commencing on the date such Term Loan is made until such Term Loan is paid in full, on each Interest Payment Date and at maturity (whether at stated maturity, by acceleration or otherwise), at the per annum rate of six and sixty-seven one-hundredths percent (6.67%). Notwithstanding the foregoing, the Borrower shall pay interest on demand at the Overdue Rate on the outstanding principal amount of the Term Loan and any other amount payable by the Borrower hereunder (other than interest) which is not paid in full when due (whether at stated maturity, by acceleration or otherwise) for the period commencing on the due date thereof until the same is paid in full.

2.6 Payment Method. (a) All payments to be made by the Borrower hereunder will be made in Dollars and in immediately available funds to the Bank at its address set forth in Section 7.1 not later than 3:00 p.m. Atlanta time on the date on which such payment shall become due. Payments received after 3:00 p.m. Atlanta time shall be deemed to be payments made prior to 3:00 p.m. Atlanta time on the next succeeding Business Day.

(b) At the time of making each such payment, the Borrower shall, subject to the other terms and conditions of this Agreement, specify to the Bank that obligation of the Borrower hereunder to which such payment is to be applied. In the event that the Borrower fails to so specify the relevant obligation or if an Event of Default shall have occurred and be continuing, the Bank may apply such payments as it may determine in its sole discretion to obligations of the Borrower to the Bank arising under this Agreement.

2.7 No Setoff or Deduction. All payments of principal and interest on the Term Note and other amounts payable by the Borrower hereunder shall be made by the Borrower without setoff or counterclaim, and free and clear of, and without deduction or withholding for, or on account of, any present or future taxes, levies, imposts, duties, fees, or assessments imposed by any governmental authority, or by any department, agency or other political subdivision or taxing authority.

2.8 Payment on Non-Business Day; Payment Computations. Except as otherwise provided in this Agreement to the contrary, whenever any interest on the Term Loan or any other amount due hereunder becomes due and payable on a day which is not a Business Day, the maturity thereof shall be extended to the next succeeding Business Day. Computations of interest and other amounts due under this Agreement shall be made on the basis of a year of 360 days for the actual number of days elapsed, including the first day but excluding the last day of the relevant period.

2.9 Indemnification.

(a) In the event that the Borrower shall make any optional prepayment pursuant to Section 2.4 (b), the Borrower will pay to the Bank, if a positive number, and the Bank will pay to the Borrower, if a negative number, a prepayment indemnity equal to the amount determined in accordance with clause (c) below.

(b) In the event that the principal of, and accrued interest on, the Term Loan shall become due and payable prior to scheduled maturity under Section 6, the Borrower will pay to the Bank a prepayment indemnity equal to the amount, if a positive number, determined in accordance with clause (c) below.

(c) The amount payable by the Borrower pursuant to clauses (a) or (b) above, or by the Bank pursuant to clause (a) above, shall be the amount (expressed as a positive number) determined by the Bank in good faith to be necessary to preserve the economic equivalent of the yield anticipated to be earned by the Bank in connection with the Term Loan and to compensate the Bank for any other losses and costs (including loss of bargain and loss of funding) that it may incur as a result of such prepayment or acceleration of, the Term Loan. If the Bank determines that it would gain or benefit from such occurrence, the Bank's loss will be an amount (expressed as a negative number) equal to the amount of the gain or benefit as determined by the Bank. Unless such quotations are not ascertainable, are not deemed by Bank to reasonably preserve such economic equivalent or the determination is being made due to an Event of Default specified in Section 6.1 (g), the amount payable by the Borrower or the Bank pursuant to this Section 2.9 shall be determined by the Bank on the basis of quotations obtained by the Bank in its discretion from one or more dealers or other counterparties in the interest rate swap market for an interest rate swap (i) with payment dates coincident with the Interest Payment Dates hereunder after the date of such occurrence, (ii) with a notional amount equal to the principal amount of the Term Loan scheduled to be outstanding after such date, and (iii) pursuant to which such dealer or other counterparty is the fixed rate payor and the Bank is the floating rate payor at the three-month London interbank offered rate.

(d) The parties agree that the amounts payable under this Section 2.9 are a reasonable pre-estimate of loss and not a penalty. Such amounts are payable for the loss of bargain and payment of such amounts shall not in any way reduce, affect or impair the obligations of the Borrower under this Agreement to pay the principal amount of, and interest on, the Term Loan. The Bank shall provide a certificate by an officer of the Bank to confirm the amounts payable under this Section 2.9 and such certificate of the Bank shall, in the absence of manifest error, constitute prima facie evidence of such amount payable under this Section 2.9.

2.10 Additional Costs. If the Bank shall have determined that the adoption, after the date hereof, of any applicable law, rule or regulation regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Bank with any request or directive regarding a capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on the Bank's capital as a consequence of its obligations hereunder to a level below that which the Bank could have achieved but for such adoption, change or compliance (taking into consideration the Bank's policies with respect to capital adequacy) by an amount deemed by the Bank to be material, then from time to time, within 15 days after demand by the Bank, the Borrower shall pay to the Bank such additional amount or amounts as will compensate the Bank for such reduction. A certificate by an officer of the Bank claiming compensation under this Section and setting forth the additional amount or amounts to be paid to it hereunder shall, in the absence of manifest error, constitute prima facie evidence of such amount. In determining such amount, the Bank may use any reasonable averaging and attribution methods.

SECTION 3
CONDITIONS OF LENDING

3.1 Conditions of Lending. The obligation of the Bank to make the Term Loan hereunder is subject to the performance by the Borrower of all its obligations under this Agreement and to the satisfaction of the following further conditions:

- (a) receipt by the Bank of a duly executed Term Note;
- (b) that on the date the Term Loan is made no Default or Event of Default shall have occurred and be continuing;
- (c) that the representations and warranties contained in this Agreement shall be true on and as of the date of the Term Loan;
- (d) receipt by the Bank of an opinion of counsel to the Borrower as to the matters referred to in Sections 4.1, 4.2, 4.3, 4.5 and 4.8 hereof, and covering such other matters as the Bank may reasonably request, dated the date of the Term Loan, satisfactory in form and substance to the Bank;

(e) receipt by the Bank of certified copies of all corporate action taken by the Borrower to authorize the execution, delivery and performance of this Agreement and the Term Note, and the Term Loan hereunder and such other corporate documents and other papers as the Bank may reasonably request;

(f) receipt by the Bank of a certificate of a duly authorized officer of the Borrower as to the incumbency, and setting forth a specimen signature, of each of the persons (i) who has signed this Agreement on behalf of the Borrower; (ii) who will sign the Term Note on behalf of the Borrower; and (iii) who will, until replaced by other persons duly authorized for that purpose, act as the representatives of the Borrower for the purpose of signing documents in connection with this Agreement and the transactions contemplated hereby; and

(g) receipt by the Bank of such other documents, evidence, materials and information with respect to the matters contemplated hereby as the Bank may reasonably request.

The Borrower shall be deemed to have made a representation and warranty to the Bank at the time of the making of the Term Loan to the effects set forth in clauses (b) and (c) of this Section 3.

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SECTION 4
REPRESENTATIONS AND WARRANTIES

The Borrower hereby represents and warrants to the Bank that:

4.1 Corporate Existence and Power. The Borrower is a corporation duly organized, incorporated, validly existing and in good standing under the laws of the State of its incorporation, and has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted.

4.2 Corporate and Governmental Authorization; Contravention. The execution, delivery and performance by the Borrower of this Agreement and the Term Note are within the Borrower's corporate powers, have been duly authorized by all necessary corporate action, require no action by or in respect of, or filing with, any governmental body, agency or official and do not contravene, or constitute a default under, any provision of applicable law or regulation or of the certificate of incorporation or by-laws of the Borrower or of any judgment, injunction, order, decree, material agreement or other instrument binding upon the Borrower or result in the creation or imposition of any Lien on any asset of the Borrower or any of its Consolidated Subsidiaries.

4.3 Binding Effect. This Agreement constitutes a valid and binding agreement of the Borrower and the Term Note, when executed and delivered in accordance with this Agreement, will constitute a valid and binding obligation of the Borrower.

4.4 Financial Information.

(a) The consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as at December 31, 1995 and the related consolidated statements of income and retained earnings and cash flows of the Borrower and its Consolidated Subsidiaries for the fiscal year then ended, certified by Price Waterhouse, certified public accountants, and set forth in the Borrower's most recent Annual Report on Form 10-K, a copy of which has been delivered to the Bank, fairly present in conformity with generally accepted accounting principles, the consolidated financial position of the Borrower and its Consolidated Subsidiaries at such date and the consolidated results of operations for such fiscal year;

(b) Since December 31, 1995 there has been no material adverse change in the business, financial position or results of operations of the Borrower and its Consolidated Subsidiaries, considered as a whole.

4.5 Litigation. There is no action, suit or proceeding pending against, or to the knowledge of the Borrower threatened against, the Borrower or any of its Consolidated Subsidiaries before any court or arbitrator or any governmental body, agency or official in which there is a significant probability of an adverse decision which would materially adversely affect the business, consolidated financial position or consolidated results of operations of the Borrower and its Consolidated Subsidiaries taken as a whole or which in any manner draws into question the validity of this Agreement or the Term Note.

4.6 Compliance with ERISA. Each member of the ERISA Group has fulfilled its obligations under the minimum funding standards of ERISA and the Code with respect to each Plan and is in compliance in all material respects with the presently applicable provisions of ERISA and the Code except where the failure to comply would not have a material adverse effect on the Borrower and its Consolidated Subsidiaries taken as a whole. No member of the ERISA Group has incurred any unsatisfied material liability to the PBGC or a Plan under Title IV of ERISA other than a liability to the PBGC for premiums under Section 4007 of ERISA.

4.7 Taxes. United States Federal income tax returns of the Borrower and its Consolidated Subsidiaries have been examined and closed through the fiscal year ended December 31, 1987. The Borrower and its Consolidated Subsidiaries have filed all United States Federal income tax returns and all other material tax returns which are required to be filed by them and have paid all taxes due reported on such returns or pursuant to any assessment received by the Borrower or any Consolidated Subsidiary, to the extent that such assessment has become due. The charges, accruals and reserves on the books of the Borrower and its Consolidated Subsidiaries in respect of taxes or other governmental charges are, in the opinion of the Borrower, adequate except for those which are being contested in good faith by the Borrower.

4.8 Subsidiaries. Each of the Borrower's Consolidated Subsidiaries is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, and has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted, all to the extent material to the Borrower and its Subsidiaries taken as a whole.

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SECTION 5
COVENANTS

So long as the Term Loan shall be in effect, the Borrower agrees that:

5.1 Information. The Borrower will deliver to the Bank:

(a) as soon as available and in any event within 95 days after the end of each fiscal year of the Borrower, a consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as at the end of such year, and consolidated statements of income and retained earnings and statement of cash flows of the Borrower and its Consolidated Subsidiaries for such year, setting forth in each case in comparative form the figures for the preceding fiscal year, all reported on by Price Waterhouse or other independent certified public accountants of nationally recognized standing;

(b) as soon as available and in any event within 50 days after the end of each of the first three quarters of each fiscal year of the Borrower, an unaudited consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as at the end of such quarter and the related unaudited consolidated statements of income and retained earnings and statement of cash flows of the Borrower and its Consolidated Subsidiaries for such quarter and for the portion of the Borrower's fiscal year ended at the end of such quarter setting forth in each case in comparative form the figures for the corresponding quarter and the corresponding portion of the Borrower's previous fiscal year, all certified (subject to changes resulting from year-end adjustments) as to fairness of presentation, in conformity with generally accepted accounting principles (other than as to footnotes) and consistency (except to the extent of any changes described therein and permitted by generally accepted accounting principles) by the chief financial officer or the chief accounting officer of the Borrower;

(c) simultaneously with the delivery of each set of financial statements referred to in clauses (a) and (b) above, a certificate of the chief financial officer or the chief accounting officer of the Borrower (i) setting forth in reasonable detail the calculations required to establish whether the Borrower was in compliance with the requirements of Sections 5.6 to 5.8, inclusive, on the date of such financial statements and (ii) stating whether any Default has

occurred and is continuing on the date of such certificate and, if any Default then has occurred and is continuing, setting forth the details thereof and the action which the Borrower is taking or proposes to take with respect thereto;

(d) within 10 days of the chief executive officer, chief operating officer, principal financial officer or principal accounting officer of the Borrower obtaining knowledge of any event or circumstance known by such person to constitute a Default, if such Default is then continuing, a certificate of the principal financial officer or the principal accounting officer of the Borrower setting forth the details thereof and within five days thereafter, a certificate of either of such officers setting forth the action which the Borrower is taking or proposes to take with respect thereto;

(e) promptly upon the mailing thereof to the shareholders of the Borrower generally, copies of all financial statements, reports and proxy statements so mailed;

(f) promptly upon the filing thereof, copies of all registration statements (other than the exhibits thereto and any registration statements on Form S-8 or its equivalent) and annual, quarterly or monthly reports which the Borrower shall have filed with the Securities and Exchange Commission;

(g) if and when the chief executive officer, chief operating officer, principal financial officer or principal accounting officer of the Borrower obtains knowledge that any member of the ERISA Group (i) has given or is required to give notice to the PBGC of any "reportable event" (as defined in Section 4043 of ERISA) with respect to any Plan which might constitute grounds for a termination of such Plan under Title IV of ERISA, or knows that the plan administrator of any Plan has given or is required to give notice of any such reportable event, a copy of the notice of such reportable event given or required to be given to the PBGC; (ii) has received notice of complete or partial withdrawal liability under Title IV of ERISA or notice that any Multiemployer Plan is in reorganization, is insolvent or has been terminated, a copy of such notice; or (iii) has received notice from the PBGC under Title IV of ERISA of an intent to terminate, impose liability in excess of \$1,000,000 (other than for (i) contributions of less than \$5,000,000 under Section 302 of ERISA or Section 412 of the Code; (ii) premiums under Section 4007 of ERISA, or (iii) penalties under Section 4071 of ERISA) in respect of, or appoint a trustee to administer any Plan, a copy of such notice;

(h) if at any time the value of all "margin stock" (as defined in Regulation U) owned by the Borrower and its Consolidated Subsidiaries exceeds (or would, following application of the proceeds of the Term Loan hereunder, exceed) 25% of the value of the total assets of the Borrower and its Consolidated Subsidiaries, in each case as reasonably determined by the Borrower, prompt notice of such fact; and

(i) from time to time such additional information regarding the financial position or business of the Borrower as the Bank may reasonably request;

provided, however, that the Borrower shall be deemed to have satisfied its obligations under clauses (a) and (b) above if and to the extent that the Borrower has provided to the Bank pursuant to clause (f) the periodic reports on Forms 10-Q and 10-K required to be filed by the Borrower with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, for the quarterly and annual periods described in such clauses (a) and (b).

5.2 Maintenance of Property; Insurance.

(a) The Borrower will maintain or cause to be maintained in good repair, working order and condition all properties used and useful in the business of the Borrower and each Consolidated Subsidiary and from time to time will make or cause to be made all appropriate repairs, renewals and replacement thereof, except where the failure to do so would not have a material adverse effect on the Borrower and its Consolidated Subsidiaries taken as a whole.

(b) The Borrower will maintain or cause to be maintained, for itself and its Consolidated Subsidiaries, all to the extent material to the Borrower and its Consolidated Subsidiaries taken as a whole, physical damage insurance on all real and personal property on an all risks basis, covering the repair and replacement cost of all such property and consequential loss coverage for business interruption and extra expense, public liability insurance in an amount not less than \$10,000,000 and such other insurance of the kinds customarily insured against by corporations of established reputation engaged in the same or similar business and similarly situated, of such type and in such amounts as are customarily carried under similar circumstances.

5.3 Conduct of Business and Maintenance of Existence. The Borrower will continue, and will cause each Consolidated Subsidiary to continue, to engage predominantly in business of the same general type as now conducted by the Borrower and its Consolidated Subsidiaries, and, except as otherwise permitted by Section 5.10 hereof, will preserve, renew and keep in full force and effect, and will cause each Consolidated Subsidiary to preserve, renew and keep in full force and effect their respective corporate existence and their respective rights and franchises necessary in the normal conduct of business, all to the extent material to the Borrower and its Consolidated Subsidiaries taken as a whole.

5.4 Compliance with Laws. The Borrower will comply, and cause each Consolidated Subsidiary to comply, in all material respects with all applicable laws, ordinances, rules, regulations, and requirements of governmental authorities (including, without limitation, ERISA and the rules and regulations thereunder and all federal, state and local statutes laws or regulations or other governmental restrictions relating to environmental protection, hazardous substances or the cleanup or other remediation thereof), except where the necessity of compliance therewith is contested in good faith by appropriate proceedings or where the failure to comply would not have a material adverse effect on the Borrower and its Consolidated Subsidiaries taken as a whole.

5.5 Inspection of Property, Books and Records.

(a) The Borrower will keep, and will cause each Consolidated Subsidiary to keep, proper books of record and account in accordance with sound business practice so as to permit its financial statements to be prepared in accordance with generally accepted accounting principles; and will permit representatives of the Bank at the Bank's expense to visit and inspect any of the Borrower's properties, to examine and make abstracts from any of the Borrower's corporate books and financial records and to discuss the Borrower's affairs, finances and accounts with the principal officers of the Borrower and its independent public accountants, all at such reasonable times and as often as may reasonably be necessary to ensure compliance by the Borrower with its obligations hereunder.

(b) With the consent of the Borrower (which consent will not be unreasonably withheld) or, if an Event of Default has occurred and is continuing, without the requirement of any such consent, the Borrower will permit representatives of the Bank, at the Bank's expense, to visit and inspect any of the properties of and to examine the corporate books and financial records of any Consolidated

Subsidiary and make copies thereof or extracts therefrom and to discuss the affairs, finances and accounts of such Consolidated Subsidiary with its and the Borrower's principal officers and the Borrower's independent public accountants, all at such reasonable times and as often as the Bank may reasonably request.

5.6 Cash Flow to Total Borrowed Funds. The ratio of Cash Flow to Total Borrowed Funds shall not be less than .30 for any consecutive four quarters, such ratio to be calculated at the end of each quarter on a trailing four quarter basis.

5.7 Total Borrowed Funds to Consolidated Net Worth. Total Borrowed Funds will not exceed 85% of Consolidated Net Worth at the end of any quarter of any fiscal year.

5.8 Minimum Consolidated Net Worth. Consolidated Net Worth will at no time be less than \$550,000,000 plus 25% of the consolidated net income of the Borrower at the end of each fiscal quarter for each fiscal year commencing after the fiscal year ending December 31, 1994.

5.9 Negative Pledge. Neither the Borrower nor any Consolidated Subsidiary will create, assume or suffer to exist any Lien on any asset now owned or hereafter acquired by it, except for:

(a) Liens existing on the date hereof;

(b) any Lien existing on any asset of any corporation at the time such corporation becomes a Consolidated Subsidiary and not created in contemplation of such event;

(c) any Lien on any asset securing Debt incurred or assumed for the purpose of financing all or any part of the cost of acquiring such asset, provided that such Lien attaches to such asset concurrently with or within 90 days after the acquisition thereof;

(d) any Lien on any asset of any corporation existing at the time such corporation is merged into or consolidated with the Borrower or a Consolidated Subsidiary and not created in contemplation of such event;

(e) any Lien existing on any asset prior to the acquisition thereof by the Borrower or a Consolidated Subsidiary and not created in contemplation of such acquisition;

(f) any Lien created in connection with capitalized lease obligations, but only to the extent that such Lien encumbers property financed by such capital lease obligation and the principal component of such capitalized lease obligation is not increased;

(g) Liens arising in the ordinary course of its business which (i) do not secure Debt and (ii) do not in the aggregate materially impair the operation of the business of the Borrower and its Consolidated Subsidiaries, taken as a whole;

(h) any Lien arising out of the refinancing, extension, renewal or refunding of any Debt secured by any Lien permitted by any of the foregoing clauses of this Section, provided that such Debt is not increased and is not secured by any additional assets;

(i) Liens securing taxes, assessments, fees or other governmental charges or levies, Liens securing the claims of materialmen, mechanics, carriers, landlords, warehousemen and similar Persons, Liens incurred in the ordinary course of business in connection with workmen's compensation, unemployment insurance and other similar laws, Liens to secure surety, appeal and performance bonds and other similar obligations not incurred in connection with the borrowing of money, and attachment, judgment and other similar Liens arising in connection with court proceedings so long as the enforcement of such Liens is effectively stayed and the claims secured thereby are being contested in good faith by appropriate proceedings;

(j) Liens not otherwise permitted by the foregoing clauses of this Section securing Debt in an aggregate principal amount at any time outstanding not to exceed 10% of Consolidated Net Worth;

(k) any Lien(s) on any asset of Quest & Associates, Inc., a Subsidiary of Borrower, created in connection with the August 1995 investment by Quest & Associates, Inc., in a portfolio of computer equipment leases; and

(l) any Liens on property arising in connection with a securities repurchase transaction.

5.10 Consolidations, Mergers and Sales of Assets. The Borrower will not (i) consolidate or merge with or into any other Person (other than a Subsidiary of the Borrower) unless the Borrower's shareholders immediately before the merger or consolidation are to own more than 70% of the combined voting power of the resulting entity's voting securities or (ii) sell, lease or otherwise transfer all or substantially all of the

Borrower's business or assets to any other Person (other than a Subsidiary of the Borrower). The Borrower will not permit any Significant Subsidiary or (in a series of related transactions) any Significant Group of Subsidiaries to consolidate with, merge with or into or transfer all of any substantial part of its assets to any Person other than the Borrower or a Subsidiary of the Borrower.

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5.11 Use of Proceeds. The proceeds of the Term Loan will be used for general corporate purposes, including the making of acquisitions. No part of the proceeds of the Term Loan hereunder will be used, directly or indirectly, for the purpose, whether immediate, incidental or ultimate of buying or carrying any "margin stock" in violation of Regulation U. If requested by the Bank, the Borrower will furnish to the Bank in connection with the Term Loan hereunder a statement in conformity with the requirements of Federal Reserve Form U-1 referred to in Regulation U.

SECTION 6
EVENTS OF DEFAULT

6.1 Events of Default. If any one or more of the following events ("Events of Default") shall have occurred and be continuing:

(a) the Borrower shall fail to pay (i) any principal of the Term Note when due or (ii) interest on the Term Note within four days after the same has become due; or

(b) the Borrower shall fail to observe or perform any covenant contained in Section 5.1(d) or Sections 5.6 to 5.8 or 5.10 hereof; or

(c) the Borrower shall fail to observe or perform any covenant or agreement contained in this Agreement (other than those covered by clause (a) or (b) above) for 30 days after written notice thereof has been given to the Borrower by the Bank; or

(d) any representation, warranty or certification made by the Borrower in this Agreement or in any certificate, financial statement or other document delivered pursuant to this Agreement shall prove to have been incorrect in any material respect upon the date when made or deemed made; or

(e) (1) the Borrower or any Significant Subsidiary or Significant Group of Subsidiaries defaults in any payment at any stated maturity of principal of or interest on any other obligation for money borrowed (or any capitalized lease obligation, any obligation under a purchase money mortgage, conditional sale or other title retention agreement or any obligation under notes payable or drafts accepted representing extensions of credit) beyond any period of grace provided with respect thereto or (2) the Borrower or any Significant Subsidiary or Significant Group of Subsidiaries defaults in any payment other than at any stated maturity of principal of or interest on any other obligation for money borrowed (or any capitalized lease obligation, any obligation under a purchase money mortgage, conditional sale or other title retention agreement or any obligation under notes payable or drafts accepted representing extensions of credit) beyond any period of grace provided with respect thereto, or the Borrower or any Significant Subsidiary or Significant Group of Subsidiaries fails to perform or observe any other agreement, term or condition contained in any agreement under which any such obligation is created (or if any other event thereunder or

under any such agreement shall occur and be continuing), and the effect of such default with respect to a payment other than at any stated maturity, failure or other event is to cause, or to permit the holder or holders of such obligation (or a trustee on behalf of such holder or holders) to cause, such obligation to become due or to require the purchase thereof prior to any stated maturity; Provided that the aggregate amount of all obligations as to which any such payment defaults (whether or not at stated maturity), failures or other events shall have occurred and be continuing exceeds \$10,000,000 and provided, further, that it is understood that the obligations referred to herein exclude those obligations arising in connection with securities repurchase transactions; or

(f) the Borrower or any Significant Subsidiary or Significant Group of Subsidiaries shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing; or

(g) an involuntary case or other proceeding shall be commenced against the Borrower or any Significant Subsidiary or Significant Group of Subsidiaries seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismitted and unstayed for a period of 60 days; or an order for relief shall be entered against the Borrower or any Significant Subsidiary or Significant Group of Subsidiaries under the federal bankruptcy laws as now or hereafter in effect; or

(h) any member of the ERISA Group shall fail to pay when due any amount or amounts aggregating in excess of \$1,000,000 which it shall have become liable to pay to the PBGC or to a Plan under Title IV of ERISA (except where such liability is contested in good faith by appropriate proceedings as permitted under Section 5.4); or notice of

intent to terminate a Material Plan (other than any multiple employer plan within the meaning of Section 4063 of ERISA) shall be filed under Title IV of ERISA by any member of the ERISA Group, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate, to impose liability in excess of \$1,000,000 (other than for (i) contributions of less than \$5,000,000 under Section 302 of ERISA or Section 412 of the Code (ii) premiums under Section 4007 of ERISA or (iii) penalties under Section 4071 of ERISA) in respect of, or to cause a trustee to be appointed to administer any such Material Plan; or

(i) judgments or orders for the payment of money in excess of \$10,000,000 in the aggregate shall be rendered against the Borrower or any Significant Subsidiary or Significant Group of Subsidiaries and such judgments or orders shall continue unsatisfied and unstayed for a period of 60 days; or

(j) any person or group of persons (within the meaning of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the "1934 Act")), other than the Borrower or any of its Subsidiaries, becomes the beneficial owner (within the meaning of Rule 13d-3 under the 1934 Act) of 30% or more of the combined voting power of the Borrower's then outstanding voting securities; or a tender offer or exchange offer (other than an offer by the Borrower or a Subsidiary) pursuant to which 30% or more of the combined voting power of the Borrower's then outstanding voting securities was purchased, expires; or during any period of two consecutive years, individuals who, at the beginning of such period, constituted the Board of Directors of the Borrower cease for any reason to constitute at least a majority thereof, unless the election or the nomination for the election by the Borrower'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;

then, and in every such event, (1) in the case of any of the Events of Default specified in paragraphs (f) or (g) above, the principal of and accrued interest on the Term Note shall automatically become due and payable without presentment, demand, protest or other notice or formality of any kind, all of which are hereby expressly waived and (2) in the case of any other Event of Default specified above, the Bank may, by notice in writing to the Borrower, declare the Term Note and all other sums payable under this Agreement to be, and the same shall thereupon forthwith become, due and payable without presentment, demand, protest or other notice or formality of any kind, all of which are hereby expressly waived.

SECTION 7
MISCELLANEOUS

7.1 Notices. Unless otherwise specified herein all notices, requests, demands or other communications to or from the parties hereto shall be sent by United States mail, certified, return receipt requested, telegram, telex or facsimile, and shall be deemed to have been duly given upon receipt thereof. In the case of a telex, receipt of such communication shall be deemed to occur when the sender receives its answer back. In the case of a facsimile, receipt of such communication shall be deemed to occur when the sender confirms such receipt by telephone. Any such notice, request, demand or communication shall be delivered or addressed as follows:

(a) if to the Borrower, to it at 1271 Avenue of the Americas, New York, New York 10020; Attention: Vice President and Treasurer (with a copy at the same address to the Vice President and General Counsel);

(b) if to the Bank, to it at 191 Peachtree Street, N.E., Atlanta, Georgia 30303; Attention: William C. Christie;

or at such other address or telex number as any party hereto may designate by written notice to the other party hereto.

7.2 Amendments and Waivers; Cumulative Remedies.

(a) None of the terms of this Agreement may be waived, altered or amended except by an instrument in writing duly executed by the Borrower and the Bank.

(b) No failure or delay by the Bank in exercising any right, power or privilege hereunder or the Term Note shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies provided herein shall be cumulative and not exclusive of any rights or remedies provided by law.

7.3 Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon and shall inure to the benefit of the Borrower and the Bank, except that the Borrower may not assign or otherwise transfer any of its rights and obligations under this Agreement except as provided in Section 5.10 hereof, without

the prior written consent of the Bank which the Bank shall not unreasonably delay or withhold.

(b) The Bank may at any time grant to one or more banks or other institutions (each a "Participant") participating interests in the Term Loan. In the event of any such grant by the Bank of a participating interest to a Participant, whether or not upon notice to the Borrower the Bank shall remain responsible for the performance of its obligations hereunder, and the Borrower shall continue to deal solely and directly with the Bank in connection with the Bank's rights and obligations under this Agreement. Any agreement pursuant to which the Bank may grant such a participating interest shall provide that the Bank shall retain the sole right and responsibility to enforce the obligations of the Borrower hereunder including, without limitation, the right to approve any amendment, modification or waiver of any provision of this Agreement; provided that such participation agreement may provide that the Bank will not agree to any modification, amendment or waiver of this Agreement which (i) reduces the principal of or rate of interest on the Term Loan or (ii) postpones the date fixed for any payment of principal of or interest on the Term Loan without the consent of the Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Section 2 with respect to its participating interest.

(c) No Participant or other transferee of the Bank's rights shall be entitled to receive any greater payment under Section 2 than the Bank would have been entitled to receive with respect to the rights transferred, unless such transfer is made with the Borrower's prior written consent.

7.4 Expenses; Documentary Taxes; Indemnification.

(a) The Borrower shall pay (i) all out-of-pocket expenses and internal charges of the Bank (including reasonable fees and disbursements of counsel) in connection with any Default hereunder and (ii) if there is an Event of Default, all out-of-pocket expenses incurred by the Bank (including reasonable fees and disbursements of counsel) in connection with such Event of Default and collection and other enforcement proceedings resulting therefrom. The Borrower shall indemnify the Bank against any transfer taxes, documentary taxes, assessments or charges made by any governmental authority by reason of the execution and delivery of this Agreement or the Term Note.

(b) The Borrower agrees to indemnify the Bank and hold the Bank harmless from and against any and all liabilities, losses, damages, costs and expenses of any kind (including, without limitation, the reasonable fees and disbursements of counsel for the Bank in connection with any investigative, administrative or judicial proceeding, whether or not the Bank shall be designated a party thereto) which may be incurred by the Bank relating to or arising out of any actual or proposed use of proceeds of the Term Loan hereunder or any merger or acquisition involving the Borrower; provided, that the Bank shall not have the right to be indemnified hereunder for its own gross negligence or willful misconduct as determined by a court of competent jurisdiction.

7.5 Counterparts. This Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

7.6 Headings; Table of Contents. The section and subsection headings used herein and the Table of Contents have been inserted for convenience of reference only and do not constitute matters to be considered in interpreting this Agreement.

7.7 Governing Law. This Agreement and the Term Note shall be construed in accordance with and governed by the law of the State of New York.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of October 21, 1996.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By: Thomas J. Volpe

Title: Senior Vice President-Financial
Operations

WACHOVIA BANK OF GEORGIA, N.A.

By: William C. Christie

Title: Senior Vice President

EXHIBIT A

NOTE

U.S. \$20,000,000

October 21, 1996
New York, New York

FOR VALUE RECEIVED, THE INTERPUBLIC GROUP OF COMPANIES, INC., a Delaware Corporation (the "Borrower"), hereby promises to pay to the order of WACHOVIA BANK OF GEORGIA, N.A. (the "Bank"), the principal sum of TWENTY MILLION AND NO/ 100 United States Dollars (U.S. \$20,000,000.), plus all accrued and unpaid interest thereon. Principal shall be due and payable on October 21, 1999.

Interest shall be payable at the rate and on the dates provided in the Credit Agreement.

All such payments of principal and interest shall be made in lawful money of the United States of America in Federal or other immediately available funds at the office of the Bank located at 191 Peachtree Street, N.E., Atlanta, Georgia 30303, or at such other place as the holder hereof may designate.

This note is the Note referred to in the Credit Agreement dated as of October 21, 1996, between the Borrower and the Bank, as the same may be amended from time to time (the "Credit Agreement"). Terms defined in the Credit Agreement are used herein with same meanings. Reference is made to the Credit Agreement for provisions governing indemnity obligations for prepayment hereof and providing for the acceleration of the maturity hereof.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By:

Title:

NOTE

U.S. \$20,000,000

October 21, 1996
New York, New York

FOR VALUE RECEIVED, THE INTERPUBLIC GROUP OF COMPANIES, INC., a Delaware Corporation (the "Borrower"), hereby promises to pay to the order of WACHOVIA BANK OF GEORGIA, N.A. (the "Bank"), the principal sum of TWENTY MILLION AND NO/ 100 United States Dollars (U.S. \$20,000,000.), plus all accrued and unpaid interest thereon. Principal shall be due and payable on October 21, 1999.

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THE INTERPUBLIC GROUP OF COMPANIES, INC.

By: Thomas J. Volpe

Title: Senior Vice President-Financial
Operations

THE INTERPUBLIC GROUP OF COMPANIES, INC.

NOTE PURCHASE AGREEMENT

7.31% Senior Notes due 2006
(\$30,000,000)

Dated as of October 31, 1996

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THE INTERPUBLIC GROUP OF COMPANIES, INC.
1271 Avenue of the Americas
Rockefeller Center
New York, New York 10020

as of October 31, 1996

The Prudential Insurance Company
of America
c/o Prudential Capital Group
One Gateway Center, 11th Floor
7-45 Raymond Boulevard West
Newark, NJ 07102

Ladies and Gentlemen:

The undersigned, The Interpublic Group of Companies, Inc., a Delaware corporation (herein called the "Company"), hereby agrees with you as follows:

1. AUTHORIZATION OF ISSUE OF NOTES. The Company will authorize the issue and delivery of its senior promissory notes (herein, together with any such notes which may be issued pursuant to any provision of this Agreement, and any such notes which may be issued hereunder in substitution or exchange therefor, collectively called the "Notes" and individually called a "Note") in the aggregate principal amount of \$30,000,000, to be dated the date of issue thereof, to mature October 31, 2006, to bear interest on the unpaid balance thereof (payable semi-annually on the last day of April and October in each year) from the date thereof until the principal thereof shall have become due and payable at the rate of 7.31% per annum and on overdue principal, premium and interest at the rate specified therein, and to be substantially in the form of Exhibit A attached hereto.

2. PURCHASE AND SALE OF NOTES. Subject to the terms and conditions herein set forth, the Company hereby agrees to sell to you and you agree to purchase from the Company the Notes in the aggregate principal amount set forth opposite your name in the Purchaser Schedule attached hereto at 100% of such aggregate principal amount. The Company will deliver to you, at the Company's offices at 1271 Avenue of the Americas, Rockefeller Center, New York, New York 10020, one or more Notes registered in your name, evidencing the aggregate principal amount of Notes to be purchased by you and in the denomination or denominations specified with respect to you in the Purchaser Schedule attached

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hereto, against payment of the purchase price thereof by transfer of immediately available funds for credit to the Company's account #143-46-358 at Morgan Guaranty Trust Company of New York, 60 Wall Street, New York, New York, ABA #021000238, on the date of closing, which shall be October 31, 1996 or any other date upon which the Company and you may mutually agree (herein called the "closing" or the "date of closing").

3. CONDITIONS OF CLOSING. Your obligation to purchase and pay for the Notes to be purchased by you hereunder is subject to the satisfaction, on or before the date of closing, of the following conditions:

3A. Opinion of Purchaser's Special Counsel. You shall have received from Sabrina M. Coughlin, Assistant General Counsel of The Prudential Insurance Company of America ("Prudential"), who is acting as special counsel for you in connection with this transaction, a favorable opinion reasonably satisfactory to you as to such matters incident to the matters herein contemplated as you may reasonably request.

3B. Opinion of the Company's Counsel. You shall have received from either the Vice President, General Counsel or the Vice President, Assistant General Counsel of the Company, a favorable opinion reasonably satisfactory to you and substantially in the form of Exhibit B attached hereto.

3C. Representations and Warranties; No Default. The representations and warranties contained in paragraph 8 shall be true on and as of the date of closing, except to the extent of changes caused by the transactions herein contemplated; there shall exist on the date of closing no Event of Default or Default; and the Company shall have delivered to you an Officer's Certificate, dated the date of closing, to both such effects.

3D. Purchase Permitted by Applicable Laws. The purchase of and payment for the Notes to be purchased by you on the date of closing on the terms and conditions herein provided (including the use of the proceeds of such Notes by the Company) shall not violate any applicable law or governmental regulation (including, without limitation, section 5 of the Securities Act or Regulation G, T or X of the Board of Governors of the Federal Reserve System) and shall not subject you to any tax, penalty or liability under or pursuant to any applicable law or governmental regulation relating to the extension of credit or the making of investments, and you shall have received such certificates or other evidence as you may reasonably request to establish compliance with this condition.

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3E. Proceedings. All corporate and other proceedings taken or to be taken in connection with the transactions contemplated hereby and all documents incident thereto shall be reasonably satisfactory in substance and form to you, and you shall have received all such counterpart originals or certified or other copies of such documents as you may reasonably request.

3F. Payment of Fees. Prudential shall have received in immediately available funds a \$10,000 structuring fee.

4. PREPAYMENTS. The Notes shall be subject to prepayment only with respect to the optional prepayments permitted by paragraph 4A.

4A. Optional Prepayment with Yield-Maintenance Premium. The Notes shall be subject to prepayment, in whole at any time or from time to time in part (in multiples of \$500,000), at the option of the Company at 100% of the principal amount so prepaid plus interest thereon to the prepayment date and the Yield Maintenance Premium, if any, with respect to each such Note.

4B. Notice of Optional Prepayment. The Company shall give each holder of such Notes irrevocable written notice of any prepayment pursuant to paragraph 4A not less than 10 Business Days prior to the prepayment date, specifying such prepayment date and the principal amount of the Notes, and of the Notes held by such holder, to be prepaid on such date and stating that such prepayment is to be made pursuant to paragraph 4A. Notice of prepayment having been given as aforesaid, the principal amount of the Notes specified in such notice, together with interest thereon to the prepayment date and together with the premium, if any, herein provided, shall become due and payable on such prepayment date.

4C. Partial Payments Pro Rata. Upon any partial prepayment of the Notes pursuant to paragraph 4A, the principal amount so prepaid of the Notes shall be allocated among the Notes at the time outstanding (including, for the purpose of this paragraph 4C only, all Notes prepaid or otherwise retired or purchased or otherwise acquired by the Company or any of its Subsidiaries or Affiliates other than by prepayment pursuant to paragraph 4A) in proportion to the respective outstanding principal amounts thereof.

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4D. Retirement of Notes. The Company shall not, and shall not permit any of its Subsidiaries or Affiliates to, prepay or otherwise retire in whole or in part prior to their stated final maturity (other than by prepayment pursuant to paragraph 4A or upon acceleration of such final maturity pursuant to paragraph 7A), or purchase or otherwise acquire, directly or indirectly, Notes held by any holder unless the Company, such Subsidiary or such Affiliate shall have offered to prepay or otherwise retire or purchase or otherwise acquire, as the case may be, the same proportion of the aggregate principal amount of Notes held by each other holder of Notes at the time outstanding upon the same terms and conditions. Any Notes so prepaid or otherwise retired or purchased or otherwise acquired by the Company or any of its Subsidiaries or Affiliates shall not be deemed to be outstanding for any purpose under this Agreement, except as provided in paragraph 4C.

5. AFFIRMATIVE COVENANTS.

5A. Financial Statements. The Company covenants that it will deliver to each holder of a Note:

(i) as soon as practicable and in any event within 50 days after the end of each quarterly period (other than the last quarterly period) in each fiscal year, an unaudited consolidated statement of income and retained earnings and statement of cash flows of the Company and its Consolidated Subsidiaries for the period from the beginning of the current fiscal year to the end of such quarterly period, and an unaudited consolidated balance sheet of the Company and its Consolidated Subsidiaries as at the end of such quarterly period, setting forth in each case in comparative form figures for the corresponding period in the preceding fiscal year, all in reasonable detail and certified, subject to changes resulting from year-end adjustments, as to fairness of presentation, generally accepted accounting principles (other than as to footnotes) and consistency by the chief financial officer or chief accounting officer of the Company (except to the extent of any change described therein and permitted by generally accepted accounting principles);

(ii) as soon as practicable and in any event within 95 days after the end of each fiscal year, a consolidated statement of income and retained earnings and statement of cash flows of the Company and its Consolidated Subsidiaries for such year, and a consolidated balance sheet of the

Company and its Consolidated Subsidiaries as at the end of such year, setting forth in each case in comparative form corresponding consolidated figures from the preceding annual audit, and all reported on by Price Waterhouse or other independent public accountants of recognized standing selected by the Company whose report shall state that such audit shall have been conducted by them in accordance with generally accepted auditing standards;

(iii) promptly upon distribution thereof to shareholders of the Company, copies of all such financial statements, proxy statements, notices and reports so distributed, and promptly upon filing thereof, copies of all registration statements (other than exhibits or any registration statement on Form S-8, or other equivalent substitute form, under the Securities Act) and all reports which it files with the Securities and Exchange Commission (or any governmental body or agency succeeding to the functions of the Securities and Exchange Commission);

(iv) with reasonable promptness, such other information with respect to the business and consolidated financial position of the Company and its Consolidated Subsidiaries as such holder may reasonably request;

(v) within five (5) days of the chief executive officer, chief operating officer, principal financial officer or principal accounting officer of the Company obtaining knowledge of any condition or event known by such person to constitute a continuing Default, an Officer's Certificate specifying the nature thereof and, within five (5) days thereafter, an Officer's Certificate specifying what action the Company proposes to take with respect thereto; and

(vi) promptly following the chief executive officer, chief operating officer, principal financial officer or principal accounting officer of the Company obtaining knowledge that any member of the Controlled Group (a) has given or is required to give notice to the PBGC of any "reportable event" (as defined in Section 4043 of ERISA) with respect to any Plan which might constitute grounds for a termination of such Plan under Title IV of ERISA, or that the plan administrator of any Plan has given or is required to give notice of any such reportable event, a copy of the notice of such reportable event given or required to be given to the PBGC, (b) has received notice of complete or

partial withdrawal liability under Title IV of ERISA, a copy of such notice, or (c) has received notice from the PBGC under Title IV of ERISA of an intent to terminate or appoint a trustee to administer any Plan, a copy of such notice;

provided, however, that the Company shall be deemed to have satisfied its obligations under clauses (i) and (ii) above if and to the extent that the Company has provided to each holder of a Note pursuant to clause (iii) periodic reports (on Forms 10-Q and 10-K) required to be filed by the Company with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934 for the quarterly and annual periods described in such clauses (i) and (ii).

Together with each delivery of financial statements required by clauses (i) and (ii) above, the Company will deliver an Officer's Certificate with computations in reasonable detail to establish whether the Company was in compliance on the date of such financial statements with the provisions of paragraphs 6A through 6C and stating whether, to the knowledge of the individual signing such Certificate after having exercised reasonable diligence to ascertain the relevant facts, there exists a continuing Default, and, if any Default exists, specifying the nature thereof and what action the Company proposes to take with respect thereto.

5B. Books and Records; Inspection of Property.

(i) The Company will maintain or cause to be maintained the books of record and account of the Company and each Consolidated Subsidiary, in good order in accordance with sound business practice so as to permit its financial statements to be prepared in accordance with generally accepted accounting principles.

(ii) The Company will permit any Person designated by any holder of Notes in writing, at such holder's expense, to visit and inspect any of the properties of and to examine the corporate books and financial records of the Company and make copies thereof or extracts therefrom and to discuss the affairs, finances and accounts of the Company with its principal officers and its independent public accountants, all at such reasonable times and as often as such holder may reasonably request.

(iii) With the consent of the Company (which consent will not be unreasonably withheld) or, if an Event of Default has occurred and is continuing, without the requirement of any such

consent, the Company will permit any Person designated by any holder of Notes in writing, at such holder's expense, to visit and inspect any of the properties of and to examine the corporate books and financial records of any Consolidated Subsidiary and make copies thereof or extracts therefrom and to discuss the affairs, finances and accounts of such Consolidated Subsidiary with its and the Company's principal officers and the Company's independent public accountants, all at such reasonable times and as often as such holder may reasonably request.

5C. Maintenance of Property; Insurance. The Company will maintain or cause to be maintained in good repair, working order and condition all properties used and useful in the business of the Company and each Consolidated Subsidiary and from time to time will make or cause to be made all appropriate repairs, renewals and replacement thereof, except where the failure to do so would not have a material adverse effect on the Company and its Consolidated Subsidiaries taken as a whole.

The Company will maintain or cause to be maintained, for itself and its Consolidated Subsidiaries, all to the extent material to the Company and its Consolidated Subsidiaries taken as a whole, physical damage insurance on all real and personal property on an all risks basis, covering the repair and replacement cost of all such property and consequential loss coverage for business interruption and extra expense, public liability insurance in an amount not less than \$10,000,000 and such other insurance of the kinds customarily insured against by corporations of established reputation engaged in the same or similar business and similarly situated, of such type and in such amounts as are customarily carried under similar circumstances.

5D. Conduct of Business and Maintenance of Existence. The Company and its Consolidated Subsidiaries will continue to be predominantly engaged in business of the same general type as is now conducted by the Company and its Consolidated Subsidiaries. Except as otherwise permitted by paragraph 6E, the Company will at all times preserve and keep in full force and effect its corporate existence, and rights and franchises material to its business, and (to the extent material to the Company and its Consolidated Subsidiaries taken as a whole) those of each of its Consolidated Subsidiaries, and will qualify, and cause each Consolidated Subsidiary to qualify, to do business in any jurisdiction where the failure to do so would have a material adverse effect on the Company and its Consolidated Subsidiaries taken as a whole.

5E. Compliance with Laws. The Company will comply, and cause each Consolidated Subsidiary to comply, in all material respects, with the requirements of all applicable laws, ordinances, rules, regulations, and requirements of any governmental authority (including, without limitation, ERISA and the rules and regulations thereunder), except where the necessity of compliance therewith is contested in good faith by appropriate proceedings or where the failure to comply would not have a material adverse effect upon the Company and its Consolidated Subsidiaries taken as a whole.

5F. Information Required by Rule 144A. The Company covenants that it will, upon the request of the holder of any Note, provide such holder, and any qualified institutional buyer designated by such holder, such financial and other information as such holder may reasonably determine to be necessary in order to permit compliance with the information requirements of Rule 144A under the Securities Act in connection with the resale of Notes, except at such times as the Company is subject to the reporting requirements of section 13 or 15(d) of the Exchange Act. For the purpose of this paragraph 5F, the term "qualified institutional buyer" shall have the meaning specified in Rule 144A under the Securities Act.

5G. Rank of Notes. The Company agrees that its obligations under this Agreement and the Notes shall rank at least pari passu with all other unsecured senior obligations of the Company now or hereafter existing.

6. NEGATIVE COVENANTS.

6A. Cash Flow to Total Borrowed Funds. The Company will not permit the ratio of Cash Flow to Total Borrowed Funds to be less than 0.25 for any consecutive four quarters, such ratio to be calculated at the end of each fiscal quarter, on a trailing four quarter basis.

6B. Total Borrowed Funds to Consolidated Net Worth. The Company will not permit Total Borrowed Funds to exceed 85% of Consolidated Net Worth at the end of any quarter.

6C. Minimum Consolidated Net Worth. The Company will not permit Consolidated Net Worth at any time to be less than the sum of (i) \$550,000,000 and (ii) 25% of the consolidated net income of the Company for all fiscal quarters ending on or after December 31, 1994 in which consolidated net income is a positive number.

6D. Negative Pledge. The Company covenants that neither it nor any Consolidated Subsidiary will create, assume or suffer to exist any Lien upon any of its property or assets, whether now owned or hereafter acquired; provided, however, that the foregoing restriction and limitation shall not apply to the following Liens:

(i) Liens existing on the date hereof;

(ii) any Lien existing on any asset of any corporation at the time such corporation becomes a Consolidated Subsidiary and not created in contemplation of such event;

(iii) any Lien on any asset securing Debt incurred or assumed for the purpose of financing all or any part of the cost of acquiring such asset, provided that such Lien attached to such asset concurrently with or within 90 days after the acquisition thereof;

(iv) any Lien on any asset of any corporation existing at the time such corporation is merged or consolidated with the Company or a Consolidated Subsidiary and not created in contemplation of such event;

(v) any Lien existing on any asset prior to the acquisition thereof by the Company or a Consolidated Subsidiary and not created in contemplation of such acquisition;

(vi) Liens created in connection with Capitalized Lease Obligations, but only to the extent that such Liens encumber property financed by such Capitalized Lease Obligation and the principal component of such Capitalized Lease Obligation is not increased;

(vii) Liens arising in the ordinary course of its business which (i) do not secure Debt and (ii) do not in the aggregate materially impair the operation of the business of the Company and its Consolidated Subsidiaries taken as a whole;

(viii) any Lien arising out of the refinancing, extension, renewal or refunding of any Debt secured by any Lien permitted by any of the foregoing clauses of this Section, provided that such Debt is not increased and is not secured by any additional assets;

(ix) Liens securing taxes, assessments, fees or other governmental charges or levies, Liens securing the claims of materialmen, mechanics, carriers, landlords, warehousemen and similar Persons, Liens incurred in the ordinary course of business in connection with workmen's compensation, unemployment insurance and other similar laws, Liens to secure surety, appeal and performance bonds and other similar obligations not incurred in connection with the borrowing of money, and attachment, judgment and other similar Liens arising in connection with court proceedings so long as the enforcement of such Liens is effectively stayed and the claims secured thereby are being contested in good faith by appropriate proceedings;

(x) any Lien on property arising in connection with, and which is the subject of, a securities repurchase transaction;

(xi) any Lien(s) on any asset of Quest & Associates, Inc., a Subsidiary of the Company, created in connection with the August 1995 investment by Quest & Associates, Inc., in a portfolio of computer equipment leases; and

(xii) Liens not otherwise permitted by the foregoing clauses of this paragraph 6D securing Debt in an aggregate principal amount at any time outstanding not to exceed 10% of Consolidated Net Worth.

6E. Consolidations, Mergers and Sales of Assets. The Company covenants that it will not, and will not permit any Consolidated Subsidiary to, be a party to any merger or consolidate with any other corporation or sell, lease or transfer or otherwise dispose of all or substantially all of its assets except that

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(i) any Consolidated Subsidiary may merge or consolidate with, or sell, lease, transfer or otherwise dispose of all or substantially all of its assets to, any other Consolidated Subsidiary; and

(ii) any Consolidated Subsidiary may merge or consolidate with, or sell, lease, transfer or otherwise dispose of all or substantially all of its assets to, the Company; and

(iii) the Company and any Consolidated Subsidiary may merge or consolidate with or sell, lease, transfer or otherwise dispose of all or substantially all of its assets to, any other Person (a "Transaction"); provided, however, that (a) in the case of a Transaction involving the Company, either (x) the Company shall be the continuing or surviving corporation or (y) the continuing or surviving corporation or the transferee of such assets shall be a corporation organized under the laws of the United States or Canada and such continuing or surviving corporation or transferee shall expressly assume in a writing (in a form reasonably satisfactory to the Required Holder(s)) all of the Company's obligations under this Agreement and the Notes, and (b) immediately after such merger, consolidation or transfer no Default or Event of Default shall exist.

7. EVENTS OF DEFAULT.

7A. Acceleration. If any of the following events shall occur and be continuing for any reason whatsoever (and whether such occurrence shall be voluntary or involuntary or come about or be effected by operation of law or otherwise):

(i) the Company defaults in the payment of any principal of or premium on any Note when the same shall become due, either by the terms thereof or otherwise as herein provided; or

(ii) the Company defaults in the payment of any interest on any Note for more than five (5) days after the date due; or

(iii) the Company or any Significant Subsidiary or Significant Group of Subsidiaries defaults in any payment of principal of or interest on any other obligation for money borrowed (or any Capitalized Lease Obligation, any obligation under a purchase money mortgage, conditional

sale or other title retention agreement or any obligation under notes payable or drafts accepted representing extensions of credit) beyond any period of grace provided with respect thereto, or the Company or any Significant Subsidiary or Significant Group of Subsidiaries fails to perform or observe any other agreement, term or condition contained in any agreement under which any such obligation is created (or if any other event thereunder or under any such agreement shall occur and be continuing), and the effect of such payment default, failure or other event is to cause, or to permit the holder or holders of such obligation (or a trustee on behalf of such holder or holders) to cause, such obligation to become due or to require the purchase thereof prior to any stated maturity, provided that the aggregate amount of all obligations as to which such a payment default shall occur and be continuing or such a failure or other event causing or permitting acceleration shall occur and be continuing exceeds \$10,000,000; or

(iv) any representation or warranty made by the Company herein or in any certificate furnished pursuant to this Agreement shall be false in any material respect on the date as of which made; or

(v) the Company fails to perform or observe any agreement contained in paragraph 6A, 6B, 6C or 6E; or

(vi) the Company fails to perform or observe any other agreement, term or condition contained herein and such failure shall not be remedied within 30 days after the Company shall have received notice thereof; or

(vii) the Company or any Significant Subsidiary or Significant Group of Subsidiaries makes a general assignment for the benefit of creditors or is generally not paying its debts as such debts become due; or

(viii) the Company or any Significant Subsidiary or Significant Group of Subsidiaries shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the

appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it; or

(ix) an involuntary case or other proceeding shall be commenced against the Company or any Significant Subsidiary or Significant Group of Subsidiaries seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismitted and unstayed for a period of 60 days; or

(x) an order for relief shall be entered against the Company or any Significant Subsidiary or Significant Group of Subsidiaries under the federal bankruptcy laws as now or hereafter in effect; or

(xi) any order, judgment or decree is entered in any proceedings against the Company in a court of competent jurisdiction of the United States (or a State or other jurisdiction thereof) or Canada (or a Province or other jurisdiction thereof) decreeing the dissolution of the Company and such order, judgment or decree remains unstayed and in effect for more than 60 days; or

(xii) the Company or any other member of the Controlled Group shall fail to pay when due any amount or amounts aggregating in excess of \$1,000,000 which it shall have become liable to pay to the PBGC or to a Plan under Title IV of ERISA (except where such liability is contested in good faith by appropriate proceedings as permitted under paragraph 5E); or notice of intent to terminate a Plan or Plans (other than any multi-employer plan or multiple employer plan, within the meaning of Section 4001(a)(3) or 4063, respectively, of ERISA) having unfunded benefit liabilities (within the meaning of Section 4001(a)(18) of ERISA) in excess of \$25,000,000 shall be filed under Title IV of ERISA by any member of the Controlled Group, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate or to cause a trustee to be appointed to administer any such Plan; or

(xiii) final judgment in an amount in excess of \$10,000,000 is rendered against the Company or any Significant Subsidiary or Significant Group of Subsidiaries and, within 90 days after entry thereof, such judgment is not discharged or satisfied or execution thereof stayed pending appeal, or within 90 days after the expiration of any such stay, such judgment is not discharged or satisfied;

then (a) if such event is an Event of Default specified in clause (viii), (ix) or (x) of this paragraph 7A with respect to the Company, all of the Notes at the time outstanding shall automatically become immediately due and payable at par together with interest accrued thereon, without presentment, demand, protest or notice of any kind, all of which are hereby waived by the Company and (b) if such event is any other Event of Default, the Required Holder(s) may at its or their option, by notice in writing to the Company, declare all of the Notes to be, and all of the Notes shall thereupon be and become, immediately due and payable together with interest accrued thereon and together with the Yield-Maintenance Premium, if any, with respect to each Note without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Company; provided that the Yield-Maintenance Premium, if any, with respect to each such Note shall be due and payable upon such declaration only if (x) such event is an Event of Default specified in any of clauses (i) to (vi), inclusive, or clause (xii) or (xiii) of this paragraph 7A, (y) the Required Holders shall have given to the Company at least 10 Business Days before such declaration written notice stating their intention so to declare such Notes to be due and payable and identifying one or more such Events of Default the occurrence of which on or before the date of such notice permits such declaration and (z) one or more of the Events of Default so identified shall be continuing at the time of such declaration.

It is agreed that Repurchase Transactions are not deemed to create obligations which may give rise to an Event of Default under clause (iii) of this paragraph 7A, provided that the aggregate face amount of all Treasury securities involved in all such Repurchase Transactions at no time exceeds 15% of the Company's consolidated total assets (as reported on the audited statement of financial condition of the Company most recently filed with the Securities and Exchange Commission by the Company prior to the inception of such a Repurchase Transaction) after giving effect to such proposed Repurchase Transaction.

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7B. Other Remedies. If any Event of Default or Default shall occur and be continuing, the holder of any Note may proceed to protect and enforce its rights under this Agreement and such Note by exercising such remedies as are available to such holder in respect thereof under applicable law, either by suit in equity or by action at law, or both, whether for specific performance of any covenant or other agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement. No remedy conferred in this Agreement upon the holder of any Note is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy conferred herein or now or hereafter existing at law or in equity or by statute or otherwise.

7C. Rescission of Acceleration. At any time after any declaration of acceleration of any of the Notes shall have been made pursuant to paragraph 7A by any holder or holders of such Notes, and before a judgment or decree for the payment of money due has been obtained by such holder or holders, the Required Holder(s) may, by written notice to the Company and to the other holders of such Notes, rescind and annul such declaration and its consequences, provided that (i) the principal of and interest on the Notes which shall have become due otherwise than by such declaration of acceleration shall have been duly paid, and (ii) all Events of Default other than the nonpayment of principal of and interest on the Notes which have become due solely by such declaration of acceleration, shall have been cured or waived by the Required Holder(s). No rescission or annulment referred to above shall affect any subsequent Default or any right, power or remedy arising out of such subsequent Default.

8. REPRESENTATIONS, COVENANTS AND WARRANTIES. The Company represents, covenants and warrants:

8A. Organization. The Company is a corporation duly organized and existing in good standing under the laws of the State of Delaware, and has the corporate power and all material governmental licenses, authorizations, consents and approvals required to own its property and to carry on its business as now being conducted.

8B. Corporate Authorization; Governmental Authorization; Contravention. (i) The Company has the corporate power and authority to execute, deliver and perform this Agreement and has taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement. The Company has the corporate authority to issue and sell the Notes and has taken all

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necessary corporate action to authorize the issuance of and sale of the Notes on the terms and conditions of this Agreement.

(ii) None of the offering, issuance, sale and delivery of the Notes, and fulfillment of or compliance with the terms and provisions hereof or of the Notes, by the Company requires any authorization, consent, approval, exemption or other action by or notice to or filing with any court or administrative or governmental body (other than routine filings after the date of closing with the Securities and Exchange Commission and/or state Blue Sky authorities).

(iii) Neither the execution, delivery or performance of this Agreement and the Notes nor the offering, issuance and sale of the Notes, nor fulfillment or any compliance with the terms and provisions hereof and thereof, will conflict with, or result in a breach of the terms, conditions or provisions of, or constitute a default under, or result in any violation of, or result in the creation of any Lien upon any of the properties or assets of the Company or any Consolidated Subsidiary pursuant to, the charter or by-laws of the Company or any Consolidated Subsidiary, any award of any arbitrator or any material agreement (including any agreement with stockholders), instrument, order, judgment, decree, statute, law, rule or regulation to which the Company or any Consolidated Subsidiary is subject.

8C. Binding Effect. Each of the Agreement and the Notes constitutes, or when executed and delivered will constitute, a legal, valid and binding obligation of the Company in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and subject to general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law).

8D. Business; Financial Statements. The Company has furnished you with the following documents and financial statements:

(i) The following financial statements of the Company: the audited consolidated balance sheets of the Company and its Consolidated Subsidiaries as of December 31, 1995, 1994 and 1993 and the related consolidated statements of earnings and retained earnings and statement of cash flows for the three year period ended December 31, 1995, reported on by Price Waterhouse. The financial statements referred to in this subparagraph (i) are herein collectively referred to as the "Historical Financial Statements."

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(ii) The Company's Annual Report on Form 10-K for the years ended December 31, 1995, 1994 and 1993, in each case as filed with the Securities and Exchange Commission. The reports referred to in this subparagraph (ii) are herein collectively referred to as the "Public Documents."

The Historical Financial Statements (including any related schedules and/or notes) fairly present the consolidated financial position and the consolidated results of operations and consolidated cash flows of the corporations described therein at the dates and for the periods shown, all in conformity with generally accepted accounting principles applied on a consistent basis (except as otherwise therein or in the notes thereto stated) throughout the periods involved. There has been no material adverse change in the business, condition (financial or otherwise) or operations of the Company and its Consolidated Subsidiaries taken as a whole since December 31, 1995. The Public Documents have been prepared in all material respects in conformity with the rules and regulations of the Securities and Exchange Commission applicable thereto and set forth an accurate description in all material respects of the business conducted by the Company and its Consolidated Subsidiaries and the properties owned and operated in connection therewith.

8E. Actions Pending. There is no action, suit or proceeding pending or, to the knowledge of the Company, threatened against the Company or any of its Consolidated Subsidiaries by or before any court, arbitrator or administrative or governmental body in which there is a significant probability of an adverse decision which, if adversely decided, would result in any material adverse change in the business, condition (financial or otherwise) or operations of the Company and its Consolidated Subsidiaries taken as a whole or which in any manner draws into question the validity of this Agreement or any Note.

8F. Compliance with ERISA. Each member of the Controlled Group has fulfilled its obligations under the minimum funding standards of ERISA and the Code with respect to each Plan and is in compliance in all material respects with the presently applicable provisions of ERISA and the Code except where the failure to comply would not have a material adverse effect on the Company and its Consolidated Subsidiaries taken as a whole, and has not incurred any unsatisfied material liability to the PBGC or a Plan under Title IV of ERISA other than a liability to the PBGC for premiums under Section 4007 of ERISA.

8G. Taxes. United States Federal income tax returns of the Company and its Consolidated Subsidiaries have been examined

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and closed through the fiscal year ended December 31, 1987. The Company has and each of its Consolidated Subsidiaries has filed all Federal and other material income tax returns which, to the best knowledge of the officers of the Company, are required to be filed, and each has paid all taxes as shown on such returns and on all assessments received by it to the extent that such taxes have become due except for those which are being contested in good faith by the Company or the Consolidated Subsidiary, as the case may be. The charges and accruals and reserves on the books of the Company and its Consolidated Subsidiaries in respect of taxes or other governmental charges are, in the opinion of the Company, adequate.

8H. Subsidiaries; Qualifications. Each of the Company's Consolidated Subsidiaries is a corporation duly organized and existing in good standing under the laws of its jurisdiction of incorporation, and the Company and its Consolidated Subsidiaries have such corporate powers and all such governmental licenses, authorizations, consents and approvals required to own their respective properties and to carry on their respective business as now being conducted, all to the extent material to the Company and its Consolidated Subsidiaries taken as a whole.

8I. Offering of Notes. Neither the Company nor any agent authorized to act on its behalf has, directly or indirectly, offered the Notes, or any similar security of the Company for sale to, or solicited any offers to buy the Notes or any similar security of the Company from, or otherwise approached or negotiated with respect thereto with, any Person other than not more than 10 institutional investors, and neither the Company nor any agent authorized to act on its behalf has taken or will take any action which would subject the issuance or sale of the Notes to the provisions of section 5 of the Securities Act or to the provisions of any securities or Blue Sky law of any applicable jurisdiction.

8J. Regulation G, etc. The proceeds of sale of the Notes will be used to refinance a portion of the Company's short-term borrowings. None of such proceeds will be used, directly or indirectly, for the purpose, whether immediate, incidental or ultimate, of purchasing or carrying any "margin stock" as defined in Regulation G (12 CFR Part 207) of the Board of Governors of the Federal Reserve System (herein called "margin stock") or for the purpose of maintaining, reducing or retiring any indebtedness which was originally incurred to purchase or carry any stock that is then currently a margin stock or for any other purpose which might constitute this transaction a "purpose credit" within the

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meaning of such Regulation G. Neither the Company nor any agent acting on its behalf has taken or will take any action which might cause this Agreement or the Notes to violate Regulation G, Regulation T or any other regulation of the Board of Governors of the Federal Reserve System or to violate the Securities Exchange Act of 1934, as amended, in each case as in effect now or as the same may hereafter be in effect.

8K. Disclosure. The Historical Financial Statements and the Public Documents (as of the respective dates thereof and when taken as a whole) do not contain any untrue statement of a material fact and do not omit to state a material fact necessary in order to make the statements contained therein not misleading.

8L. Title to Properties. The Company has and each of its Consolidated Subsidiaries has good and marketable title to its respective real properties (other than properties which it leases) and good title to all of its other respective properties and assets, except where the failure to have such title would not have a material adverse effect on the Company and its Consolidated Subsidiaries taken as a whole, subject to no Lien of any kind except Liens permitted by paragraph 6D. All leases necessary in any material respect for the conduct of the respective businesses of the Company and its Consolidated Subsidiaries are valid and subsisting and are in full force and effect, except where the failure to be so in effect would not have a material adverse effect on the Company and its Consolidated Subsidiaries taken as a whole.

9. REPRESENTATIONS OF THE PURCHASER. By acceptance of the Notes, you hereby acknowledge that the Notes have not been registered under the Securities Act and may not be sold, offered for sale or otherwise transferred except pursuant to an exemption from such registration requirements. You represent, and in making this sale to you it is specifically understood and agreed, that you are not acquiring the Notes to be purchased by you hereunder with a view to or for sale in connection with any distribution thereof within the meaning of the Securities Act, provided that the disposition of your property shall at all times be and remain within your control. You further acknowledge that you are a "qualified institutional buyer" as that term is defined in Rule 144A under the Securities Act. You also represent that the source of all of the funds being used by you to pay the purchase price of the Notes being purchased by you hereunder constitutes assets allocated to your "insurance company general account" (as such term is defined under Section V of the United States Department of Labor's Prohibited Transaction Class Exemption ("PTCE") 95-60), and that as of the date of the purchase of the Notes you satisfy all of the applicable requirements for relief under Sections I and IV of PTCE 95-60.

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10. DEFINITIONS. The following terms shall have the meanings specified with respect thereto below:

10A. Yield-Maintenance Terms.

"Called Principal" shall mean, with respect to any Note, the principal of such Note that is to be prepaid pursuant to paragraph 4B (any partial prepayment being applied in satisfaction of required payments of principal in inverse order of their scheduled due dates) or is declared to be immediately due and payable pursuant to paragraph 7A, as the context requires.

"Discounted Value" shall mean, with respect to the Called Principal of any Note, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on a semiannual basis) equal to the Reinvestment Yield with respect to such Called Principal.

"Reinvestment Yield" shall mean, with respect to the Called Principal of any Note, the yield to maturity implied by (i) the yields reported, as of 10:00 A.M. (New York City time) on the Business Day next preceding the Settlement Date with respect to such Called Principal, on the display designated as "Page 678" on the Telerate Service (or such other display as may replace Page 678 on the Telerate Service) for actively traded U.S. Treasury securities having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date, or if such yields shall not be reported as of such time or the yields reported as of such time shall not be ascertainable, (ii) the Treasury Constant Maturity Series yields reported, for the latest day for which such yields shall have been so reported as of the Business Day next preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release H.15 (519) (or any comparable successor publication) for actively traded U.S. Treasury securities having a constant maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date. Such implied yield shall be determined, if necessary, by (a) converting U.S. Treasury bill quotations to bond-equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between reported yields.

"Remaining Average Life" shall mean, with respect to the Called Principal of any Note, the number of years (calculated to the nearest one-twelfth year) obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by

multiplying (a) each Remaining Scheduled Payment of such Called Principal (but not of interest thereon) by (b) the number of years (calculated to the nearest one-twelfth year) which will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment.

"Remaining Scheduled Payments" shall mean, with respect to the Called Principal of any Note, all payments of such Called Principal and interest thereon that would be due on or after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date.

"Settlement Date" shall mean, with respect to the Called Principal of any Note, the date on which such Called Principal is to be prepaid pursuant to paragraph 4B or is declared to be immediately due and payable pursuant to paragraph 7A, as the context requires.

"Yield-Maintenance Premium" shall mean, with respect to any Note, a premium equal to the excess, if any, of the Discounted Value of the Called Principal of such Note over the sum of (i) such Called Principal plus (ii) interest accrued thereon as of (including interest due on) the Settlement Date with respect to such Called Principal. The Yield-Maintenance Premium shall in no event be less than zero.

10B. Other Terms.

"Affiliate" shall mean any Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, the Company, except a Subsidiary. A Person shall be deemed to control a corporation if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such corporation, whether through the ownership of voting securities, by contract or otherwise.

"Business Day" shall mean any day other than a Saturday, a Sunday or a day on which commercial banks in New York City are required or authorized to be closed.

"Capitalized Lease Obligation" shall mean, as to any Person, any rental obligation which, under generally accepted accounting principles, is or will be required to be capitalized on the books of such Person, taken at the amount thereof accounted for as indebtedness (net of interest expense) in accordance with such principles.

"Cash Flow" shall mean the sum of net income (plus any amount by which net income has been reduced by reason of the recognition of post-retirement and post-employment benefit costs prior to the period in which such benefits are paid), depreciation expenses, amortization costs and changes in deferred taxes, provided that such sum shall not be adjusted for any increase or decrease in deferred taxes resulting from Quest & Associates, Inc., a Subsidiary of the Company, investing in a portfolio of computer equipment leases (it being further understood that such increase or decrease in deferred taxes relating to lease investment transactions shall not exceed \$25,000,000).

"Code" shall mean the Internal Revenue Code of 1986, as amended, and any successor statute thereto.

"Company" shall have the meaning specified in the introductory paragraph.

"Consolidated Net Worth" shall mean, at any date, the consolidated stockholders' equity of the Company and its Consolidated Subsidiaries as such appear on the financial statements of the Company determined in accordance with generally accepted accounting principles ((i) plus any amount by which retained earnings has been reduced by reason of the recognition of post-retirement and post-employment benefit costs prior to the period in which such benefits are paid and (ii) without taking into account the effect of cumulative translation adjustments).

"Consolidated Subsidiary" shall mean at any date any Subsidiary or other entity the accounts of which would be consolidated with those of the Company in its consolidated financial statements as of such date.

"Controlled Group" shall mean all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the Company, are treated as a single employer under Section 414(b) or 414(c) of the Code.

"Debt" shall mean, as to any Person, without duplication, (i) all obligations of such Person for borrowed money, including reimbursement obligations for letters of credit, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (iv) all Capitalized Lease Obligations of such Person, (v) all Debt of others secured by a Lien on any

asset of such Person, whether or not such Debt is assumed by such Person and (vi) all Debt of others Guaranteed by such Person; provided, however, that the obligations specified in (i) through (vi) shall not include obligations arising in connection with securities repurchase transactions.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"Event of Default" shall mean any of the events specified in paragraph 7A, provided that there has been satisfied any requirement in connection with such event for the giving of notice, or the lapse of time, or both, and "Default" shall mean any of such events, whether or not any such requirement has been satisfied.

"Guarantee" shall mean, as to any Person, any obligation, contingent or otherwise, of such Person directly or indirectly guaranteeing any Debt or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation (whether arising by virtue of partnership arrangements, by agreement to keep-well, take-or-pay, to maintain financial statement conditions or otherwise) or (ii) entered into for the purpose of assuring in any other manner the obligee of such Debt or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part), provided that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb shall have a corresponding meaning.

"Historical Financial Statements" shall have the meaning specified in clause (i) of paragraph 8D.

"Lien" shall mean, with respect to any asset, any mortgage, pledge, security interest, encumbrance, lien or charge of any kind in respect of such asset (including as a result of any conditional sale or other title retention agreement and any lease in the nature thereof).

"Note(s)" shall have the meaning specified in paragraph 1.

"Officer's Certificate" shall mean a certificate signed in the name of the Company by its President, one of its Vice Presidents or its Treasurer.

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"PBGC" shall mean the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"Person" shall mean and include an individual, a partnership, a joint venture, a corporation, a trust, an unincorporated organization and a government or any department or agency thereof.

"Plan" shall mean, at a particular time, any defined benefit pension plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code and is either (i) maintained by a member of the Controlled Group for employees of a member of the Controlled Group or (ii) maintained pursuant to a collective bargaining agreement or any other arrangement under which more than one employer makes contributions and to which a member of the Controlled Group is then making or accruing an obligation to make contributions or has within the preceding five plan years made contributions.

"Public Documents" shall have the meaning specified in clause (ii) of paragraph 8D.

"Repurchase Transaction" shall mean one or more transactions in which the Company purchases United States Treasury securities with a remaining term to maturity of 90 days or less and simultaneously enters into a repurchase transaction with respect to such securities with a securities broker/dealer, where (a) all or substantially all of the initial purchase price for the Treasury securities is paid directly from the proceeds of the repurchase transaction and (b) the Treasury securities would not be included in a balance sheet of the Company prepared in accordance with generally accepted accounting principles.

"Required Holder(s)" shall mean the holder or holders of at least 66-2/3% of the aggregate principal amount of the Notes from time to time outstanding.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Significant Subsidiary or Significant Group of Subsidiaries" at any time of determination means any Consolidated Subsidiary or group of Consolidated Subsidiaries which, individually or in the aggregate, together with its or their Subsidiaries, accounts or account for more than 10% of the consolidated gross revenues of the Company and its Consolidated Subsidiaries for the most recently ended fiscal year or for more

than 10% of the total assets of the Company and its Consolidated Subsidiaries as of the end of such fiscal year; provided that in connection with any determination under (x) paragraph 7A(iii) there shall be a payment default, failure or other event (of the type specified in that paragraph) with respect to an obligation (of the type specified in that paragraph but without regard to the principal amount of such obligation) of each Consolidated Subsidiary included in such group, (y) paragraph 7A (vii), (viii), (ix) or (x) the condition or event described therein shall exist with respect to each Consolidated Subsidiary included in such group or (z) paragraph 7A(xiii) there shall be a final judgment (of the type specified in that paragraph but without regard to the amount of such judgment) rendered against each Consolidated Subsidiary included in such group.

"Subsidiary" shall mean any corporation or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions is at the time directly or indirectly owned by the Company.

"Total Borrowed Funds" shall mean at any date, without duplication, (i) all outstanding obligations of the Company and its Consolidated Subsidiaries for borrowed money, (ii) all outstanding obligations of the Company and its Consolidated Subsidiaries evidenced by bonds, debentures, notes or similar instruments and (iii) any outstanding obligations of the type set forth in (i) or (ii) of any other Person Guaranteed by the Company or a Consolidated Subsidiary; provided, however, that Total Borrowed Funds shall not include any obligation to repurchase securities under a securities repurchase transaction.

"Transferee" shall mean any direct or indirect transferee of all or any part of any Note purchased by you under this Agreement.

10C. Accounting Terms And Determinations. All references in this Agreement to "generally accepted accounting principles" shall mean generally accepted accounting principles in effect in the United States of America at the time of application thereof. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all determinations with respect to accounting matters hereunder shall be made, and all financial statements and certificates and reports as to financial matters required to be furnished hereunder shall be prepared, in accordance with generally accepted accounting principles, applied on a basis consistent (except for changes concurred in by the Company's independent public accountants) with the most recent audited consolidated financial statements of the Company and its Consolidated Subsidiaries delivered pursuant to paragraph 5A(ii).

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11. MISCELLANEOUS.

11A. Note Payments. The Company agrees that, so long as you shall hold any Note, it will make payments of principal thereof and premium, if any, and interest thereon, which comply with the terms of this Agreement, by wire transfer of immediately available funds for credit to your account or accounts as specified in the Purchaser Schedule attached hereto, or such other account or accounts in the United States as you may designate in writing not less than 5 Business Days prior to any payment date, notwithstanding any contrary provision herein or in any Note with respect to the place of payment. Any payment under this Agreement or any Note due on a day that is not a Business Day may be made on the next succeeding day which is a Business Day without penalty or additional interest. You agree that, before disposing of any Note, you will make a notation thereon (or on a schedule attached thereto) of all principal payments previously made thereon and of the date to which interest thereon has been paid. The Company agrees to afford the benefits of this paragraph 11A to any Transferee which shall have made the same agreement as you have made in this paragraph 11A.

11B. Expenses. The Company agrees to pay, and save you and any Transferee harmless against liability for the payment of, all out-of-pocket expenses arising in connection with (i) all document production and duplication charges and the fees and expenses of one special counsel (and any local counsel) engaged in connection with any subsequent proposed modification of, or proposed consent under, this Agreement or the Notes, whether or not such proposed modification shall be effected or proposed consent granted (but in either event only if requested by the Company), and (ii) the costs and expenses, including attorneys' fees, incurred by you or any Transferee in enforcing any rights under this Agreement or the Notes. In addition, with respect to you only, the Company agrees to pay, and save you harmless against liability for the payment of, all out-of-pocket expenses incurred by you in connection with your responding to any subpoena or other legal process or informal investigative demand issued in connection with and arising pursuant to this Agreement or the transactions contemplated hereby or by reason of your having acquired any Note (but not including any general investigation or proceeding involving your investments or activities generally), including without limitation costs and expenses incurred in any bankruptcy case. The obligations of the Company under this paragraph 11B shall survive the transfer of any Note or portion thereof or interest therein and the payment of any Note.

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11C. Consent to Amendments. This Agreement may be amended, and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, if the Company shall obtain the written consent to such amendment, action or omission to act, of the Required Holder(s), except that, without the written consent of the holder or holders of all the Notes at the time outstanding, no amendment to this Agreement shall change the maturity of any Note, or change the principal of, or the rate or time of payment of interest or any premium payable with respect to any Note, or affect the time, amount or allocation of any required prepayments, or reduce the proportion of the principal amount of the Notes required with respect to any consent, amendment or waiver or to accelerate the Notes. Each holder of any Note at the time or thereafter outstanding shall be bound by any consent authorized by this paragraph 11C, whether or not such Note shall have been marked to indicate such consent, but any such Notes issued thereafter may bear a notation referring to any such consent. The Company will not, directly or indirectly, pay or cause to be paid any remuneration, whether by way of supplemental or additional interest, fee or otherwise, to any holder of Notes as consideration for or as an inducement to the entering into by such holder of Notes of any waiver or amendment of, or giving a consent in respect of, any of the terms and provisions of this Agreement or any Note unless such remuneration is concurrently paid, on the same terms, ratably to all holders of Notes. The Company will give prompt written notice of the receipt and effect of each such waiver, amendment or consent to all holders of the Notes. No course of dealing between the Company and the holder of any Note, nor any delay in exercising any rights hereunder or under any Note, shall operate as a waiver of any rights of any holder of any Note. As used herein and in the Notes, the term "this Agreement" and references thereto shall mean this Agreement as it may from time to time be amended or supplemented.

11D. Form, Registration, Transfer and Exchange of Notes; Lost Notes. The Notes are issuable as registered notes without coupons in denominations of at least \$5,000,000, except in connection with the transfer of Notes issued by the Company in smaller denominations in which case and with respect to those Notes only, the minimum denomination will be such smaller amount. The Company shall keep at its principal office a register in which the Company shall provide for the registration of Notes and of transfers of Notes. Upon surrender for registration of transfer of any Note at the principal office of the Company, the Company shall, at its expense, execute and deliver one or more new Notes of like tenor and of a like aggregate principal amount, registered in the name of such transferee or transferees. At the option of the holder of any Note, such Note may be exchanged for

other Notes of like tenor and of any authorized denominations, of a like aggregate principal amount, upon surrender of the Note to be exchanged at the principal office of the Company. Whenever any Notes are so surrendered for exchange, the Company shall, at its expense, execute and deliver the Notes which the holder making the exchange is entitled to receive. Every Note surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer duly executed, by the holder of such Note or such holder's attorney duly authorized in writing. Any Note or Notes issued in exchange for any Note or upon transfer thereof shall carry the rights to unpaid interest and interest to accrue which were carried by the Note so exchanged or transferred, so that neither gain nor loss of interest shall result from any such transfer or exchange. Upon receipt of written notice from the holder of any Note of the loss, theft, destruction or mutilation of such Note and, in the case of any such loss, theft or destruction, upon receipt of such holder's unsecured indemnity agreement (satisfactory in form and substance to the Company), or in the case of any such mutilation upon surrender and cancellation of such Note, the Company will make and deliver a new Note, of like tenor, in lieu of the lost, stolen, destroyed or mutilated Note.

11E. Persons Deemed Owners. Prior to due presentment for registration of transfer, the Company may treat the Person in whose name any Note is registered as the owner and holder of such Note for the purpose of receiving payment of principal of and premium, if any, and interest on such Note and for all other purposes whatsoever, whether or not such Note shall be overdue, and the Company shall not be affected by notice to the contrary.

11F. Survival of Representations and Warranties; Entire Agreement. All representations and warranties contained herein or made in writing by or on behalf of the Company in connection herewith shall survive the execution and delivery of this Agreement and the Notes, the transfer by you of any Note or portion thereof or interest therein and the payment of any Note, and may be relied upon by any Transferee, regardless of any investigation made at any time by or on behalf of you or any Transferee. Subject to the preceding sentence, this Agreement and the Notes embody the entire agreement and understanding between you and the Company and supersede all prior agreements and understandings relating to the subject matter hereof.

11G. Successors and Assigns. All covenants and other agreements in this Agreement contained by or on behalf of any of the parties hereto shall bind and inure to the benefit of the respective successors and assigns of the parties hereto (including, without limitation, any Transferee) whether so expressed or not.

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11H. Disclosure to Other Persons. You agree to use your best efforts (and each other holder of a Note, by availing itself of the benefits of paragraph 5A(iv) or 5B, similarly agrees) to hold in confidence and not disclose any information (other than information (i) which was publicly known or otherwise known to you, at the time of disclosure (except pursuant to disclosure in connection with this Agreement), (ii) which subsequently becomes publicly known through no act or omission by you, or (iii) which otherwise becomes known to you, other than through disclosure by the Company or any of its Subsidiaries) delivered or made available by or on behalf of the Company or any of its Subsidiaries to you which is proprietary in nature, provided that nothing herein shall prevent the holder of any Note from delivering copies of any financial statements and other documents delivered to such holder, and disclosing any other information disclosed to such holder, by or on behalf of the Company or any Subsidiary in connection with or pursuant to this Agreement to (i) such holder's directors, officers, employees, agents and professional consultants (which Persons shall be bound by the provisions hereof), (ii) any other holder of any Note, (iii) any Person to which such holder offers to sell such Note or any part thereof (which Person agrees to be bound by the provisions of this paragraph 11H), (iv) any federal or state regulatory authority having jurisdiction over such holder, (v) the National Association of Insurance Commissioners or any similar organization or (vi) any other Person to which such delivery or disclosure may be necessary or appropriate (a) in compliance with any law, rule, regulation or order applicable to such holder, (b) in response to any subpoena or other legal process or informal investigative demand, (c) in connection with any litigation to which such holder is a party or (d) in order to protect such holder's investment in such Note.

11I. Notices. All written communications provided for hereunder shall be sent by first class mail or nationwide overnight delivery service (with charges prepaid) and (i) if to you, addressed to you at the address specified for such communications in the Purchaser Schedule attached hereto, or at such other address as you shall have specified to the Company in writing, (ii) if to any other holder of any Note, addressed to such other holder at such address as such other holder shall have specified to the Company in writing or, if any such other holder shall not have so specified an address to the Company, then addressed to such other holder in care of the last holder of such Note which shall have so specified an address to the Company, and (iii) if to the Company addressed to it at 1271 Avenue of the Americas, New York, New York 10020, Attention: Senior Vice President - Financial Operations (together with a copy similarly addressed but marked Attention: General Counsel), or at such other address as the Company shall have specified to the holder

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of each Note in writing; provided, however, that any such communication to the Company may also, at the option of the holder of any Note, be delivered by any other reasonable means to the Company at its address specified above.

11J. Descriptive Headings. The descriptive headings of the several paragraphs of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

11K. Satisfaction Requirement. If any agreement, certificate or other writing, or any action taken or to be taken, is by the terms of this Agreement required to be satisfactory to you or to the Required Holder(s), the determination of such satisfaction shall be made by you or the Required Holder(s), as the case may be, in the sole and exclusive judgment (exercised in good faith) of the Person or Persons making such determination.

11L. Governing Law. This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York applicable to agreements to be performed wholly therein.

11M. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

[Signatures appear on the next page.]

PAGE

If you are in agreement with the foregoing, please sign the form of acceptance on the enclosed counterpart of this letter and return the same to the Company, whereupon this letter shall become a binding agreement among you and the Company.

Very truly yours,

THE INTERPUBLIC GROUP OF COMPANIES,
INC.

By: Alan M. Forster
Vice President and Treasurer

The foregoing Agreement is hereby accepted as of the date first above written.

THE PRUDENTIAL INSURANCE COMPANY
OF AMERICA

By: Kevin J. Kraska
Vice President

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PURCHASER SCHEDULE

	Aggregate Principal Amount of Notes to be Purchased	Note Denomination(s)
THE PRUDENTIAL INSURANCE COMPANY OF AMERICA	\$30,000,000	\$30,000,000

(1) All payments on account of Notes held by such purchaser shall be made by wire transfer of immediately available funds for credit to:

Account No. 890-0304-391,
Prudential Managed Account
Bank Of New York
New York, New York
(ABA No.: 021-000-018)

Each such wire transfer shall set forth the name of the Company, a reference to "7.31% Senior Notes due October 31, 2006, Security No. !INV5498!", and the due date and application (as among principal, interest and Yield-Maintenance Premium) of the payment being made.

(2) Address for all notices relating to payments:

The Prudential Insurance Company of America
Three Gateway Center
100 Mulberry Street
Newark, New Jersey 07102-4077

Attention: Manager, Investment Operations Group (Privates)

Telephone: (201) 802-5260
Fax: (201) 802-8055

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(3) Address for all other communications and notices:

The Prudential Insurance Company of America
c/o Prudential Capital Group
One Gateway Center, 11th Floor
7-45 Raymond Boulevard West
Newark, New Jersey 07102-5311

Attention: Managing Director

Telephone: (201) 802-9182

Fax: (201) 802-3200

(4) Recipient of telephonic prepayment notices:

Manager, Investment Structure and Pricing

Telephone: (201) 802-6660

Fax: (201) 802-9425

(5) Tax Identification No.: 22-1211670

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[FORM OF NOTE]

THE INTERPUBLIC GROUP OF COMPANIES, INC.

7.31% SENIOR NOTE DUE OCTOBER 31, 2006

No. R- _____, 199__

\$ _____

FOR VALUE RECEIVED, the undersigned, The Interpublic Group of Companies, Inc. (herein called the "Company"), a corporation organized and existing under the laws of the State of Delaware, hereby promises to pay to _____, or registered assigns, the principal sum of _____ DOLLARS on October 31, 2006 with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 7.31% per annum from the date hereof, payable semi-annually on the last day of April and October in each year, commencing with the first such date next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) on any overdue payment (including any overdue prepayment) of principal and premium and, to the extent permitted by applicable law, each overdue payment of interest, payable semi-annually as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum equal to 9.31%.

Payments of both principal and interest are to be made at the office of Morgan Guaranty Trust Company of New York, 16 Broad Street, New York, New York, or at such other place as the holder hereof shall designate to the Company in writing, in lawful money of the United States of America.

This Note is one of a series of Senior Notes (herein called the "Notes") issued pursuant to a Note Purchase Agreement, dated as of October 31, 1996 (herein called the "Agreement"), between the Company and The Prudential Insurance Company of America and is entitled to the benefits thereof.

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The Notes are issuable only as registered Notes. This Note is a registered Note and, as provided in the Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company shall not be affected by any notice to the contrary.

This Note is subject to optional prepayment, as specified in the Agreement.

In case an Event of Default, as defined in the Agreement, shall occur and be continuing, the principal of this Note may be declared or otherwise become due and payable in the manner and with the effect provided in the Agreement.

THIS NOTE IS INTENDED TO BE PERFORMED IN THE STATE OF NEW YORK AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAW OF SUCH STATE.

THE INTERPUBLIC GROUP OF
COMPANIES, INC.

By: Alan M. Forster
Vice President and Treasurer

THE INTERPUBLIC GROUP OF COMPANIES, INC.

7.31% SENIOR NOTE DUE OCTOBER 31, 2006

No. R-01
\$30,000,000

October 31, 1996

FOR VALUE RECEIVED, the undersigned, The Interpublic Group of Companies, Inc. (herein called the "Company"), a corporation organized and existing under the laws of the State of Delaware, hereby promises to pay to The Prudential Insurance Company of America, or registered assigns, the principal sum of THIRTY MILLION DOLLARS on October 31, 2006 with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 7.31% per annum from the date hereof, payable semi-annually on the last day of April and October in each year, commencing with the first such date next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) on any overdue payment (including any overdue prepayment) of principal and premium and, to the extent permitted by applicable law, each overdue payment of interest, payable semi-annually as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum equal to 9.31%.

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THE INTERPUBLIC GROUP OF
COMPANIES, INC.

By Alan M. Forster
Vice President and Treasurer

THE INTERPUBLIC GROUP OF COMPANIES, INC.
 COMPUTATION OF EARNINGS PER SHARE
 (Dollars in Thousands Except Per Share Data)
 Year Ended December 31

	1996	1995	1994	1993	1992
PRIMARY:					
Net Income before effect of accounting changes	\$205,205	\$129,812	\$115,247	\$125,279	\$111,913
Effect of accounting changes	-	-	(21,780)	(512)	(24,640)
Add: Dividends paid net of related income tax applicable to the Restricted Stock Plan	354	427	349	311	365
Net income, as adjusted	\$205,559	\$130,239	\$ 93,816	\$125,078	\$ 87,638
Weighted average number of common shares outstanding		77,895,650	75,756,630	73,363,084	72,607,363
Weighted average number of incremental shares in connection with assumed exercise of stock options based on the treasury stock method using average market price	1,411,485	1,141,532	1,010,179	1,088,155	1,321,447
Weighted average number of incremental shares in connection with the Restricted Stock Plan based on the treasury stock method using average unamortized deferred compensation and average market price	986,043	1,281,910	1,197,182	1,520,003	1,484,207
Total	80,293,178	78,180,072	75,570,445	75,215,521	74,974,618
Primary earnings per common and common equivalent share	\$2.56	\$1.66	\$1.24	\$1.66	\$1.17

Restated to reflect the two-for-one stock split effected in June 1992 in the form of a 100% stock dividend.

THE INTERPUBLIC GROUP OF COMPANIES, INC.
 COMPUTATION OF EARNINGS PER SHARE
 (Dollars in Thousands Except Per Share Data)
 Year Ended December 31

	1996	1995	1994	1993	1992
FULLY DILUTED:					
Net Income before effect of accounting changes	\$ 205,205	\$ 129,812	\$ 115,247	\$ 125,279	\$ 111,913
Effect of accounting changes	-	-	(21,780)	(512)	(24,640)
After tax interest savings on assumed conversion of subordinated debentures	6,410	6,217	6,074	5,941	4,385
Add: Dividends paid net of related income tax applicable to the Restricted Stock Plan	384	461	366	330	375
Net income, as adjusted	\$ 211,999	\$ 136,490	\$ 99,907	\$ 131,038	\$ 92,033
Weighted average number of common shares outstanding	77,895,650	75,756,630	73,363,084	72,607,363	72,168,964
Assumed conversion of subordinated debentures	2,977,668	3,002,130	3,002,130	3,002,130	2,251,598
Weighted average number of incremental shares in connection with assumed exercise of stock options based on year-end market price when higher than average market prices and market prices on dates of exercise and termination	1,479,582	1,281,282	1,015,837	1,097,745	1,333,738
Weighted average number of incremental shares in connection with the Restricted Stock Plan based on ending unamortized deferred compensation and ending or average market price, whichever is higher	1,070,376	1,386,711	1,247,564	1,598,026	1,525,738
Total	83,423,276	81,426,753	78,628,615	78,305,264	77,280,038
Fully diluted earnings per common common equivalent share	\$2.54	\$1.68	\$1.27	\$1.67	\$1.19

Restated to reflect the two-for-one stock split effected in June 1992 in the form of a 100% stock dividend.

The Interpublic Group of Companies is one of the largest organizations of advertising agencies and communications companies in the world. It includes the parent company, The Interpublic Group of Companies, Inc., McCann-Erickson Worldwide, Ammirati Puris Lintas, The Lowe Group, Western International Media, DraftDirect Worldwide and the Allied Communications Group. The Interpublic Group employs more than 21,000 people and maintains offices in over 110 countries.

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FINANCIAL HIGHLIGHTS

(Dollars in Thousands Except Per Share Data)

1996	Percent 1995	Increase		
Operating Data				
Gross income	\$ 2,537,516	\$ 2,179,739	16.4%	
Net Income	205,205	129,812	58.1	
Per Share Data				
Net Income	2.56	1.66	54.2	
Cash dividends		\$.665	\$.605	9.9
Weighted average number of shares	80,293,178	78,180,072	2.7	
Financial Position				
Working capital	\$ 154,430	\$ 147,701	4.6	
Total assets	4,765,130	4,259,766	11.9	
Stockholders' equity per share \$	10.73	9.42	13.9	
Return on stockholders' average equity	25.8%	18.4%	40.2%	
Gross Income				
1996	\$2,537,516			
1995	\$2,179,739	1993	\$1,793,856	
1994	\$1,984,255	1992	\$1,855,971	
Earnings Per Share				
1996	\$ 2.56/2.46			
1995	\$ 2.15/1.66	1993	\$ 1.67/1.66	
1994	\$ 1.87/1.53/1.24	1992	\$ 1.50/1.17	
Cash Dividends Per Share				
1996	\$.665			
1995	\$.605	1993	\$.49	
1994	\$.545	1992	\$.45	
Return On Average Stockholders' Equity				
1996	25.8%/25.0%			
1995	23.5%/18.4%	1993	23.3/23.2%	
1994	22.6%/18.6/15.5%	1992	19.1/15.4%	

Includes an after-tax gain of approximately \$8.1 million or \$.10 per share resulting from the sale of a portion of the Company's shares in CKS Group, Inc.

Includes an after-tax charge of \$38.2 million or \$.49 per share for the write-down of goodwill and related assets.

Includes an after-tax charge of \$25.7 million or \$.34 per share for restructuring and an after-tax charge of \$21,780,000 or \$.29 per share for the cumulative effect of accounting change, FAS 112, "Employers' Accounting for Postemployment Benefits".

Includes a charge of \$512,000 or \$.01 per share for the cumulative effect of accounting change, FAS 109, "Accounting for Income Taxes."

Includes an after-tax charge of \$24,640,000 or \$.33 per share for cumulative effect of accounting change, FAS 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions".

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Liquidity and Capital Resources

Working capital increased by \$6.7 million and \$67.6 million in 1996 and 1995, respectively, and decreased \$87.0 million in 1994. The increase in working capital in 1996 and 1995 primarily resulted from the growth in the Company's business, and the long-term refinancing of short-term debt. The decline in working capital in 1994 was primarily due to acquisitions. The ratio of current assets to current liabilities was approximately 1.1 to 1 in 1996 and 1995, and approximately 1.0 to 1 in 1994.

The Company's principal source of working capital during the three years has been from operations. The Company's solid financial position provides flexibility in obtaining short- and long-term financing on competitive terms.

The Company and its domestic subsidiaries had credit lines aggregating \$199.6 million in 1996 and in 1995 and \$203.6 million in 1994. At December 31, 1996, \$15.2 million of these credit lines were utilized compared with utilization of \$36.2 million in 1995, and \$11.5 million in 1994.

Subsidiaries outside the United States had credit lines totaling \$215.2 million in 1996, \$229.1 million in 1995, and \$243.4 million in 1994. At December 31, 1996, \$86.6 million of these credit lines were utilized compared with utilization of \$73.5 million in 1995, and \$86.5 million in 1994.

Approximately 53%, 56% and 59% of the Company's assets at December 31, 1996, 1995 and 1994, respectively, were outside the United States. Working

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capital was not significantly affected by the fluctuation of foreign exchange rates during 1996, 1995 and 1994, but the continuation of this trend is dependent upon the future movement of the dollar in relation to foreign currencies.

The Company is not aware of any significant occurrences which could negatively impact its liquidity. However, should such a trend develop, the Company believes that there are sufficient funds available under its existing lines of credit and from internal cash-generating capabilities to adequately manage its liquidity requirements for the foreseeable future.

The principal use of the Company's working capital is to provide for the operating needs of its advertising agencies, which includes payments for space or time purchased from various media on behalf of clients. The Company's practice is to bill and collect from its clients in sufficient time to pay the amounts due media on a timely basis. Other uses of working capital include the repurchase of the Company's stock, payment of cash dividends, capital expenditures, and acquisitions.

During 1996, the Company acquired 1,926,872 shares (\$86.9 million) of its own common stock for purposes of fulfilling its obligations under various compensation plans. The Company acquired 1,910,555 shares (\$69.7 million) in 1995 and 1,264,761 shares (\$44.5 million) in 1994 which were used for similar purposes.

Quarterly dividends paid to shareholders increased to \$51.8 million (17.0 cents per share) in 1996 from \$46.1 million (15.5 cents per share) in 1995 and \$40.4 million (14.0 cents per share) in 1994.

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The Company's capital expenditures in 1996 were \$79.1 million, an increase of 14% from 1995. Capital expenditures for 1995 were \$69.6 million, an increase of 25% from 1994. The primary purpose of expenditures has been to modernize the offices and upgrade the computer and communications systems to better serve clients.

During 1996, 1995 and 1994, the Company acquired several advertising agencies and related companies with cash and shares of the Company's common stock. Some of these acquisitions provide for deferred payments which are contingent upon future revenues or profits of the companies acquired.

Return on stockholders' average equity was 25.8%, 18.4% and 15.5% in 1996, 1995 and 1994, respectively. The return on stockholders' average equity in 1995 excluding the effect of the write-down of goodwill and other related assets was 23.5%. Excluding the effect of FAS 112, "Employer's Accounting for Postemployment Benefits" and restructuring charges, return on stockholders' average equity was 18.6% in 1994.

Results of Operations

Worldwide income from commissions and fees increased 16.1% in 1996, 9.3% in 1995 and 10.2% in 1994. The increase in 1996 was mainly due to the continued expansion of the business through strategic acquisitions and investments (See Note 3), in addition to net new business gains. The increases in 1995 and 1994 were also primarily attributable to acquisitions coupled with net new business gains. International revenue increased \$89.7 million in 1996 to \$1,429 million (59% of worldwide revenue), \$136.4 million in 1995 to \$1,339 million (64% of worldwide revenue) and \$45.3 million in 1994 to \$1,203 million (63% of worldwide revenue). Commissions and fees from domestic operations increased 32.7% in 1996, 5.8% in 1995 and

PAGE

22.6% in 1994. These increases were largely attributable to acquisitions and net new business gains.

Other income increased 24.6% in 1996, 26.6% in 1995 and 25.5% in 1994. The increases in 1996 and 1995 were primarily due to the proceeds from the sale of assets, including CKS and Spotlink in 1996 and Fremantle in 1995. The 1994 increase is primarily due to interest income from international operations.

Total costs and expenses worldwide increased 13%, 8% and 14% in 1996, 1995 and 1994, respectively. Costs and expenses outside the United States increased 5% in 1996, 9% in 1995 and 7% in 1994. Domestic costs increased 29% in 1996, 6% in 1995 and 29% in 1994. A significant portion of the Company's expenses relate to employee compensation and various employee incentive and benefit programs which are based primarily upon operating results. Cost increases for both domestic and international are generally in line with increases in revenue. The increase in 1994 primarily resulted from the restructuring charges.

The Company recorded restructuring charges of approximately \$48.7 million in the fourth quarter of 1994. The net effect of such charges on net income in 1994 was \$25.7 million or \$.34 per share. These restructuring charges, which were of a one-time nature, related principally to terminations and office consolidations resulting from the merger of the Lintas New York and Ammirati & Puris agencies and various other international offices. These charges have permitted the Company to operate effectively and efficiently in serving its growing list of clients and to concentrate its resources on creative talent and client service.

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Restructuring charges included severance costs of \$38.3 million for involuntary terminations of approximately 600 employees. The Company realized a reduction of \$16.9 million in salary costs in 1995 from these terminations. As a direct result of the Lintas New York and Ammirati & Puris merger, the Company sold its Fahlgren Martin and GS&B operations, incurring charges of \$6.7 million. Other costs related to the consolidation of the Lintas New York and Ammirati & Puris agencies amounted to \$3.7 million.

At December 31, 1994, the liability related to these restructuring charges amounted to \$29.6 million, which consisted of \$27.6 million for severance and \$2.0 million for the consolidation of facilities. The amount of cash payments made during 1995 was approximately \$27.8 million. At December 31, 1995, the Company's liability related to these restructuring charges totaled \$1.3 million for severance which was paid in 1996.

Interest expense increased 7.2%, 15.5% and 24.5% in 1996, 1995 and 1994, respectively. The increases are primarily attributable to additional borrowings.

Equity in net income of unconsolidated affiliates increased in 1996, 1995 and 1994. The 1996 and 1995 increases were primarily due to the Company's investment in Campbell Mithun Esty. The increase in 1994 primarily resulted from the Company's investment in All American Communications Inc.

Income applicable to minority interests increased in 1996 and 1995 after a decrease in 1994. The increases in 1996 and 1995 were primarily attributable to acquisitions. The decrease in 1994 was attributable to the

PAGE

sale of Fremantle and the purchase of the remaining interest in McCann Hakuodo, Inc. in the latter part of 1993.

In 1995, the Company wrote down goodwill and other related assets and recorded a charge of \$38.2 million or \$.49 per share. On January 1, 1994, the Company adopted FAS 112, "Employers' Accounting for Postemployment Benefits", and recorded a net charge of \$21.8 million or \$.29 per share. The Company's effective income tax rates were 42.0% in 1996, 48.3% in 1995 and 43.0% in 1994. The higher rate in 1995 was primarily attributable to the impact of the write-down of goodwill and other related assets of \$38.2 million.

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FINANCIAL STATEMENTS
 THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
 CONSOLIDATED BALANCE SHEET
 DECEMBER 31

(Dollars in Thousands Except Per Share Data)

ASSETS	1996	1995
Current Assets:		
Cash and cash equivalents (includes certificates of deposit: 1996-\$83,680; 1995-\$114,182)	\$ 468,526	\$ 418,448
Marketable securities, at cost which approximates market	35,408	38,926
Receivables (net of allowance for doubtful accounts: 1996-\$33,301; 1995-\$21,941)	2,646,259	2,320,248
Expenditures billable to clients	130,185	108,165
Prepaid expenses and other current assets	73,081	88,611
Total current assets	3,353,459	2,974,398
Other Assets:		
Investment in unconsolidated affiliates	102,711	119,473
Deferred taxes on income	79,371	103,497
Other investments and miscellaneous assets	173,308	144,963
Total other assets	355,390	367,933
Fixed Assets, at cost:		
Land and buildings	82,332	76,813
Furniture and equipment	413,029	360,653
	495,361	437,466
Less: accumulated depreciation	276,448	240,274
	218,913	197,192
Unamortized leasehold improvements	88,045	82,075
Total fixed assets	306,958	279,267
Intangible Assets (net of accumulated amortization: 1996-\$186,189; 1995-\$157,673)		
	749,323	638,168
Total Assets	\$4,765,130	\$4,259,766

PAGE

FINANCIAL STATEMENTS
 INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
 CONSOLIDATED BALANCE SHEET
 DECEMBER 31

(Dollars in Thousands Except Per Share Data)

LIABILITIES AND STOCKHOLDERS' EQUITY	1996	1995
Current Liabilities:		
Payable to banks	\$ 121,655	\$ 162,524
Accounts payable	2,626,695	2,291,208
Accrued expenses	317,157	256,408
Accrued income taxes	133,522	116,557
Total current liabilities	3,199,029	2,826,697
Noncurrent Liabilities:		
Long-term debt	231,760	170,262
Convertible subordinated debentures	115,192	113,235
Deferred compensation and reserve for termination allowances	210,670	235,325
Accrued postretirement benefits	46,726	46,461
Other noncurrent liabilities	66,457	102,909
Minority interests in consolidated subsidiaries	23,281	15,171
Total noncurrent liabilities	694,086	683,363
Stockholders' Equity:		
Preferred Stock, no par value shares authorized: 20,000,000 shares issued: none		
Common Stock, \$.10 par value shares authorized: 150,000,000 shares issued:		
1996 - 90,940,361;		
1995 - 89,630,568	9,094	8,963
Additional paid-in capital	465,945	446,931
Retained earnings	859,660	704,946
Adjustment for minimum pension liability	(12,979)	(9,088)
Cumulative translation adjustment	(82,978)	(93,436)
	1,238,742	1,058,316
Less:		
Treasury stock, at cost:		
1996 - 9,808,095 shares;		
1995 - 10,002,567 shares	319,377	268,946
Unamortized expense of restricted stock grants	47,350	39,664
Total stockholders' equity	872,015	749,706
Commitments and Contingencies (see Note 15)		
Total Liabilities and Stockholders' Equity	\$4,765,130	\$4,259,766

FINANCIAL STATEMENTS
THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME
YEAR ENDED DECEMBER 31
(Dollars in Thousands Except Per Share Data)

	1996	1995	1994
Income:			
Commissions and fees	\$2,430,508	\$2,093,832	\$1,916,376
Other income	107,008	85,907	67,879
Gross income	2,537,516	2,179,739	1,984,255
Costs and Expenses:			
Salaries and related expenses	1,344,238	1,149,964	1,040,579
Office and general expenses	795,367	699,423	661,238
Interest expense	40,765	38,020	32,924
Write-down of goodwill and other related assets	-	38,177	-
Restructuring charges	-	-	48,715
Total costs and expenses	2,180,370	1,925,584	1,783,456
Income before provision for income taxes and effect of accounting change	357,146	254,155	200,799
Provision for Income Taxes:	150,003	122,743	86,333
Income of consolidated companies	207,143	131,412	114,466
Income applicable to minority interests	(14,382)	(7,686)	(3,262)
Equity in net income of unconsolidated affiliates	12,444	6,086	4,043
Income before effect of accounting change	205,205	129,812	115,247
Effect of accounting change:			
Postemployment benefits	-	-	(21,780)
Net Income	\$ 205,205	\$ 129,812	\$ 93,467
Per Share Data:			
Income before effect of accounting changes	\$ 2.56	\$ 1.66	\$ 1.53
Effect of accounting change:			
Postemployment benefits	-	-	(.29)
Net Income	\$ 2.56	\$ 1.66	\$ 1.24

FINANCIAL STATEMENTS
THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31
(Dollars in Thousands)

CASH FLOWS FROM OPERATING ACTIVITIES:	1996	1995	1994
Net Income	\$205,205	\$129,812	\$ 93,467
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and amortization of fixed assets	60,457	49,967	45,565
Amortization of intangible assets	28,516	27,628	18,335
Amortization of restricted stock awards	14,451	13,558	11,694
Provision for deferred income taxes	4,072	(18,535)	(16,609)
Equity in net income of unconsolidated affiliates	(12,444)	(6,086)	(4,043)
Income applicable to minority interests	14,382	7,686	3,262
Translation losses	3,484	4,071	13,962
Effect of accounting change	-	-	21,780
Restructuring charges, non-cash	-	-	14,001
Write-down of goodwill and other related assets	-	38,177	-
Sale of investments	(35,043)	-	-
Other	(6,513)	(9,526)	(8,272)
Change in assets and liabilities, net of acquisitions			
Receivables	(243,701)	(243,109)	(114,077)
Expenditures billable to clients	(12,720)	(2,107)	(2,120)
Prepaid expenses and other assets	(36,496)	(30,008)	3,207
Accounts payable and accrued expenses	263,859	182,580	192,600
Accrued income taxes	22,538	11,633	3,233
Deferred compensation and reserve for termination allowances	(21,021)	8,638	9,293
Net cash provided by operating activities	249,026	164,379	285,278
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisitions	(51,348)	(64,224)	(54,926)
Capital expenditures	(79,081)	(69,562)	(55,925)
Proceeds from sales of assets	39,398	1,722	34,057

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Net proceeds from (net purchase of) sales of marketable securities	1,037	(8,524)	5,161
Investment in unconsolidated affiliates	17,210	(14,044)	-
Net cash used in investing activities	(72,784)	(154,632)	(71,633)
CASH FLOWS FROM FINANCING ACTIVITIES:			
(Decrease) increase in short-term borrowings	(25,178)	17,565	(44,007)
Proceeds from long-term debt	75,514	67,858	33,026
Payments of long-term debt	(51,581)	(14,682)	(24,528)
Treasury stock acquired	(86,949)	(69,720)	(44,520)
Issuance of common stock	19,588	31,206	12,977
Cash dividends	(51,786)	(46,124)	(40,360)
Net cash used in financing activities	(120,392)	(13,897)	(107,412)
Effect of exchange rates on cash and cash equivalents	(5,772)	8,889	15,208
Increase in cash and cash equivalents	50,078	4,739	121,441
Cash and cash equivalents at beginning of year	418,448	413,709	292,268
Cash and cash equivalents at end of year	\$468,526	\$418,448	\$413,709

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FINANCIAL STATEMENTS
THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
For The Three-Year Period Ended December 31, 1996
(Dollars in Thousands)

	Common Stock	Additional Paid-In Capital	Retained Earnings	Minimum Pension Liability	Cumulative Translation Adjustment	Treasury Stock	Unamortized Expense of Restricted Stock Grants
Balances, December 31, 1995	\$8,963	\$446,931	\$704,946	\$(9,088)	\$(93,436)	\$268,946	\$ 39,664
Net income			205,205				
Cash dividends			(51,786)				
Foreign currency translation adjustment					10,458		
Awards of common stock under Company plans:							
Management Incentive Compensation Plan		172					
Achievement Stock Award Plan		159				(103)	
1986 Stock Incentive Plan - Restricted Stock	50	22,831					23,247
Employee Stock Purchase Plan	19	7,273					
Exercise of stock options	61	12,738					
Purchase of Company's own stock						86,949	
Tax benefit relating to exercise of stock options		4,381					
Restricted Stock: Forfeitures Amortization	(1)					1,244	(1,110)
Issuance of shares for acquisitions and pooling of interests		(29,463)	1,295			(37,659)	
Conversion of Convertible Debt	2	923					
Adjustment for minimum pension liability				(3,891)			
Balances, December 31, 1996	\$9,094	\$465,945	\$859,660	\$(12,979)	\$(82,978)	\$319,377	\$ 47,350

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FINANCIAL STATEMENTS
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For The Three-Year Period Ended December 31, 1996
(Dollars in Thousands)

	Common Stock	Additional Paid-In Capital	Retained Earnings	Minimum Pension Liability	Cumulative Translation Adjustment	Treasury Stock	Unamortized Expense of Restricted Stock Grants
Balances, December 31, 1994	\$8,771	\$383,678	\$619,627	\$(6,422)	\$(97,587)	\$222,698	\$35,942
Net income			129,812				
Cash dividends			(46,124)				
Foreign currency translation adjustment					4,151		
Awards of common stock under Company plans:							
Achievement Stock Award Plan		167				(98)	
1986 Stock Incentive Plan - Restricted Stock	50	18,256					18,306
Employee Stock Purchase Plan	15	5,073					
Exercise of stock options	127	28,849					
Purchase of Company's own stock						75,229	
Tax benefit relating to exercise of stock options		5,809					
Restricted Stock: Forfeitures Amortization						1,608	(1,026)
Issuance of shares for acquisitions and pooling of interests		5,099	1,631			(30,491)	
Adjustment for minimum pension liability				(2,666)			
Balances, December 31, 1995	\$8,963	\$446,931	\$704,946	\$(9,088)	\$(93,436)	\$268,946	\$39,664

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FINANCIAL STATEMENTS
THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
FOR THE THREE-YEAR PERIOD ENDED DECEMBER 31, 1996
(Dollars in Thousands)

	Common Stock	Additional Paid-In Capital	Minimum Retained Earnings	Cumulative Pension Liability	Translation Adjustment	Treasury Stock	Unamortized Expense of Restricted Stock Grants
Balances, December 31, 1993	\$8,630	\$335,340	\$570,267	\$ (704)	\$(116,432)	\$208,821	\$24,265
Net income before effect of accounting change			115,247				
Effect of accounting change			(21,780)				
Cash dividends			(40,360)				
Foreign currency translation adjustment					18,845		
Awards of common stock under Company plans:							
Achievement Stock Award Plan		209				(119)	
1986 Stock Incentive Plan - Restricted Stock	63	23,386				(1,749)	25,087
Employee Stock Purchase Plan	15	3,910					
Exercise of stock options	63	8,988					
Purchase of Company's own stock						44,520	
Tax benefit relating to exercise of stock options		2,923					
Restricted Stock: Forfeitures						2,283	(1,716)
Amortization							(11,694)
Issuance of shares for acquisitions and pooling of interests		8,922	(3,747)			(31,058)	
Adjustment for minimum pension liability				(5,718)			
Balances, December 31, 1994	\$8,771	\$383,678	\$619,627	\$ (6,422)	\$ (97,587)	\$222,698	\$35,942

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations: The Company is a worldwide provider of advertising agency and related services. The business is conducted through three worldwide advertising agency systems, (McCann-Erickson Worldwide, Ammirati Puris Lintas, and The Lowe Group) as well as other related services through Western International Media and DraftDirect Worldwide. Interpublic also has arrangements through association with local agencies in various parts of the world. Other activities conducted by the Company within the area of "marketing communications" include market research, sales promotion, product development, direct marketing, telemarketing and other related services.

Principles of Consolidation: The consolidated financial statements include the accounts of the Company and its subsidiaries, most of which are wholly owned. The Company's investment in unconsolidated affiliates is carried on the equity basis.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Translation of Foreign Currencies: Balance sheet accounts are translated principally at rates of exchange prevailing at the end of the year except for fixed assets and related depreciation in countries with highly inflationary economies which are translated at rates in effect on dates of acquisition. Revenue and expense accounts are translated at average rates of exchange in effect during each year. Translation adjustments are included as a separate component of stockholders' equity except for countries with highly inflationary economies, which are included in current operations.PAGE

Commissions, Fees and Costs: Commissions and fees are generally recognized when media placements appear and production costs are incurred. Salaries and other agency costs are generally expensed as incurred.

Depreciation and Amortization: Depreciation is computed principally using the straight-line method over estimated useful lives of the related assets, ranging generally from 3 to 20 years for furniture and equipment and from 10 to 45 years for various component parts of buildings.

Leasehold improvements and rights are amortized over the terms of related leases. Company policy provides for the capitalization of all major expenditures for renewal and improvements and for current charges to income for repairs and maintenance.

Intangible Assets: The excess of purchase price over the value of net tangible assets acquired is amortized on a straight-line basis over periods not exceeding 40 years.

Recoverability of the carrying value of long-lived assets is evaluated whenever events or changes in circumstances indicate that the net book value may not be recoverable. If the sum of projected future undiscounted cash flows is less than the carrying value, an impairment loss is recognized. The impairment loss is measured by the excess of the carrying value over fair value based on estimated discounted future cash flows or other valuation measures.

Income Taxes: Deferred income taxes reflect the impact of temporary differences between the amount of assets and liabilities recognized for financial reporting purposes and such amounts recognized for income tax purposes.

Earnings per Common and Common Equivalent Share: Earnings per share are based on the weighted average number of common shares outstanding during each year and, if dilutive, common equivalent shares applicable to
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grants under the stock incentive and stock option plans, and assumed conversion of Convertible Subordinated Debentures.

Treasury Stock: Treasury stock is acquired at market value and is recorded at cost. Issuances are accounted for on a first in, first out basis.

Concentrations of Credit Risk: The Company's clients are in various businesses, located primarily North America, Latin America, Europe and the Pacific Region. The Company performs ongoing credit evaluations of its clients. Reserves for credit losses are maintained at levels considered adequate by management. The Company invests its excess cash in deposits with major banks and in money market securities. These securities typically mature within 90 days and bear minimal risk.

NOTE 2: STOCKHOLDERS' EQUITY

In May 1995, the Company's certificate of incorporation was amended to increase the number of authorized shares of common stock from 100,000,000 to 150,000,000.

The Company has a Preferred Share Rights Plan designed to deter coercive takeover tactics. Pursuant to this plan, common stockholders are entitled to purchase 1/100 of a share of preferred stock at an exercise price of \$100 if a person or group acquires or commences a tender offer for 15% or more of Interpublic's Common Stock. Rights holders (other than the 15% stockholder) will also be entitled to buy, for the \$100 exercise price, shares of Interpublic's Common Stock with a market value of \$200 in the event a person or group actually acquires 15% or more of Interpublic's Common Stock. Rights may be redeemed at \$.01 per right under certain circumstances.

NOTE 3: ACQUISITIONS AND RELATED COSTS

During 1996, the Company acquired several advertising agencies and related companies for an aggregate purchase price of approximately \$172 million. This amount includes the acquisition of DraftDirect Worldwide
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for 1,824,609 shares of the Company's common stock in exchange for all of the issued and outstanding common stock of DraftDirect Worldwide. The Company issued 330,664 shares of the Company's common stock in exchange for all of the issued and outstanding common stock of the Weber Group. The Company also issued 191,291 shares of the Company's common stock in exchange for all of the issued and outstanding common stock of Torre Renta Lazur. These acquisitions were accounted for as poolings of interests; however, the

Company's financial statements were not restated for the prior periods as the Company's consolidated results would not have changed significantly. In addition, the Company purchased Angotti Thomas Hedge for approximately \$4 million which included a cash payment of \$3.4 million and issuance of 14,767 shares of the Company's common stock. The Company purchased Jay Advertising for a cash payment of \$3.8 million and issuance of 30,012 shares of the Company's common stock. The Company acquired Media Inc. and McAdams Healthcare for cash payments of \$7 million and \$10.3 million, respectively. The Company acquired a 49% interest in GGK for \$5.7 million and also acquired a 49% interest in Goldberg Moser O'Neill for a cash payment of \$6.8 million and the issuance of 48,154 shares of the Company's common stock. During 1996, the Company made deferred payments of \$16.0 million related to prior year acquisitions.

During 1996, the Company sold its 50% investment in Mark Goodson Productions for approximately \$29 million and sold part of its 28% investment in the CKS Group for \$37.6 million. The Company also sold its investment in Spotlink for \$11.7 million in shares of the purchaser's common stock.

During 1995, the Company acquired several advertising agencies and related companies for an aggregate purchase price of approximately \$140.1 million. This amount includes the acquisition of Anderson & Lembke effective October 1995 for 587,842 shares of the Company's common stock in exchange for all of the issued and outstanding common stock of Anderson & Lembke. The Company issued 260,756 shares of the Company's

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common stock in exchange for all the issued and outstanding common stock of Addison Whitney. These acquisitions were accounted for as poolings of interests; however, the Company's financial statements were not restated for the prior periods as the Company's consolidated results would not have changed significantly. In addition, the Company acquired all the outstanding stock of Hasan & Partners for approximately \$11.6 million which included cash payments of \$6.9 million and the issuance of 121,160 shares of the Company's common stock. The Company acquired 80% of the outstanding stock of Bosch & Butz for 63,720 shares of the Company's common stock and a cash payment of \$2.6 million. During 1995, the Company purchased Newspaper Services of America Inc. ("NSA") and Kevin Morley Marketing ("KMM").

The purchase price for NSA was comprised of cash payments of \$5.3 million and 48,882 shares of the Company's common stock. The purchase price of the KMM acquisition amounted to cash payments of \$8.0 million. The Company acquired 50% ownership in Mark Goodson Productions for 656,167 shares of the Company's common stock. Also, the Company acquired 50% ownership in Campbell Mithun Esty for a cash payment of \$3.2 million. Additionally, the Company acquired a 28% interest in the CKS Group for cash payments totaling \$9.6 million. During 1995, the Company made deferred payments of \$26.9 million related to prior year acquisitions.

During 1994, the Company acquired several advertising agencies and related companies for an aggregate purchase price of approximately \$100.2 million. The 1994 acquisitions included Ammirati & Puris, Alice France, Adam Turkey, the minority interest in Fremantle International and a pooling of interests with Western International Media. The Company acquired Ammirati & Puris effective September 1994 for \$56.0 million, which included cash payments of \$21.9 million and the issuance of 1,092,629 shares of the Company's common stock. The Company acquired a 50% interest in Alice France for \$7.7 million. The Company purchased the remaining 20% ownership interest in Fremantle for \$6.3 million and the issuance of 112,000 shares of the Company's Common Stock. The Company subsequently

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sold Fremantle for \$31.5 million in cash and a 39% ownership interest in All American Communications Inc. valued at \$31.5 million. In 1994, the Company issued 1,472,393 shares of common stock in exchange for all the issued and outstanding common stock of Western International Media. This acquisition was accounted for as a pooling of interests; however, the Company's financial statements were not restated for prior periods as the Company's consolidated results would not have changed significantly. During 1994, the Company made deferred payments of \$18.3 million relating to prior year acquisitions.

For each of the three years presented, the Company's consolidated results would not have changed significantly had the revenue and net income of the companies acquired as purchases been fully included in each year.

In March 1995, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (FAS) No 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of", which establishes accounting standards for recognition and measurement of

impairment of long-lived assets, certain identifiable intangibles and goodwill related to those assets. The Company elected to adopt the Statement in the fourth quarter of 1995.

In the fourth quarter of 1995, the Company recorded a non-cash charge of \$38.2 million for impairment of assets (including investments in and advances to certain unconsolidated companies) and related goodwill. This write-down is comprised of goodwill of \$25.8 million and investments and advances of \$12.4 million and is reported as the write-down of goodwill and other related assets in the consolidated statement of income.

The write-down related primarily to a number of advertising and promotion agencies, most of which are located in Europe. The amount of the write-down was based on the excess of the carrying value of the

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assets over the fair value of these operations based primarily on discounted projected cash flows. In determining the fair values, among other factors, management considered the profitability and trend in profitability of each of the units, the effects of economic recessions in various markets, changes in client relationships and spending patterns, the effects of the strong U.S. dollar versus certain foreign currencies and other economic and legal factors where applicable.

NOTE 4: PROVISION FOR INCOME TAXES

The Company accounts for income taxes under Statement of Financial Accounting Standards No. 109 "Accounting for Income Taxes". This Statement applies an asset and liability approach that requires the recognition of deferred tax assets and liabilities with respect to the expected future tax consequences of events that have been recognized in the consolidated financial statements and tax returns.

The components of income before taxes are as follows:

(Dollars in Thousands)	1996	1995	1994
Domestic	\$169,919	\$107,431	\$ 70,135
Foreign	187,227	146,724	130,664
Total	\$357,146	\$254,155	\$200,799

The provision for income taxes consisted of:

(Dollars in Thousands)	1996	1995	1994
Federal income taxes (including foreign withholding taxes):			
Current	\$ 56,289	\$ 37,149	\$ 29,657
Deferred	246	3,751	(2,841)
	56,535	40,900	26,816
State and local income taxes:			
Current	19,830	11,741	12,293
Deferred	2,824	625	(2,431)
	22,654	12,366	9,862

Foreign income taxes:			
Current	69,812	61,255	60,992
Deferred	1,002	8,222	(11,337)
	70,814	69,477	49,655
Total	\$150,003	\$122,743	\$ 86,333

At December 31, 1996 and 1995 the deferred tax assets and (liabilities) consisted of the following items:

	1996	1995
Postretirement/postemployment benefits	\$ 38,588	\$ 36,695
Deferred compensation	9,759	7,066
Pension costs	6,785	10,060
Depreciation	(7,733)	(4,695)
Rent	10,364	26,902
Interest	6,051	5,048
Accrued reserves	4,551	12,388
Tax loss/tax credit carryforwards	22,510	24,833
Other	3,016	4,279
Total deferred tax assets	93,891	122,576
Deferred tax valuation allowance	14,520	19,079
Net deferred tax assets	\$ 79,371	\$103,497

The valuation allowance of \$14,520,000 and \$19,079,000 at December 31, 1996 and 1995, respectively, represents a provision for uncertainty as to the realization of certain deferred tax assets, including U.S. tax credit and net operating loss carryforwards in certain jurisdictions.

The change during 1996 in the deferred tax valuation allowance primarily relates to the utilization of the tax credit and net operating loss carryforwards. At December 31, 1996 there were \$8,809,000 of tax credit carryforwards with expiration periods through 2001 and net operating loss carryforwards with a tax effect of \$13,701,000 with various expiration periods. The Company has concluded that based upon expected future results, it is more likely than not that the net deferred tax asset balance will be realized.

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A reconciliation of the effective income tax rate as shown in the consolidated statement of income to the federal statutory rate is as follows:

	1996	1995	1994
Statutory federal income tax rate	35.0%	35.0%	35.0%
State and local income taxes, net of federal income tax benefit	2.9	3.2	2.5
Impact of foreign operations, including withholding taxes	1.1	3.8	5.4
Goodwill and intangible assets	2.5	7.3	3.1
Other	0.5	(1.0)	(3.0)
Effective tax rate	42.0%	48.3%	43.0%

The total amount of undistributed earnings of foreign subsidiaries for income tax purposes was approximately \$331.8 million at December 31, 1996. No provision has been made for foreign withholding taxes or United States income taxes which may become payable if undistributed earnings of foreign subsidiaries were paid as dividends to the Company, since a major portion of these earnings has been reinvested in working capital and other business needs. The additional taxes on that portion of undistributed earnings which is available for dividends are not practicably determinable.

NOTE 5: LONG-TERM PERFORMANCE INCENTIVE PLAN

Under the Long-Term Performance Incentive Plan (the "Plan"), grants consisting of performance units are awarded to certain key employees of the Company and its subsidiaries. The ultimate value of these performance units is contingent upon the annual growth of profit (as defined in the Plan) of the Company, its operating components or both, over a four-year performance period (the 1993-1996 Plan and the 1995-1998 Plan), and is generally payable in cash. The projected value of these units is accrued by the Company and charged to expense over the four-year performance period.

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The Plan also provides that a portion of each participant's grant may be issued as the equivalent of "phantom" shares of the Company's common stock, at the rate of thirty-six phantom shares for each performance unit. The value of phantom shares is a function of the amount, if any, by which the market value of the Company's common stock increases during the performance period and is payable either in cash or in shares of the Company's common stock. The increase in the value of these units is accrued and expensed over the four-year performance period. No phantom share awards have been made subsequent to the 1991-1994 Plan.

The cash equivalent to quarterly dividends on the Company's common stock was paid on options relating to the 1993-1996 Plan and was expensed. There are no payments on options relating to the 1995-1998 Plan.

The Plan cost charged to income was \$13.6 million in 1996, \$9.6 million in 1995 and \$8.5 million in 1994. As of December 31, 1996, the Company's liability for the 1993-1996 and 1995-1998 performance periods was \$29.8 million, which represents the estimated amounts payable for the two Plans. As of December 31, 1995, the Company's liability was \$24.1 million. The Company's payout to participants for the 1993-1996 performance period as of December 31, 1996 was approximately \$20.2 million, of which \$7.9 million was paid in December 1996, with the remaining \$12.3 million to be paid in the first quarter of 1997.

NOTE 6: EMPLOYEE STOCK PLANS

The Company has established various stock option plans, with similar terms, for key employees of the Company and its subsidiaries. Options are generally granted at prices not less than 100% of the fair market value of the Company's common stock on the date of grant. Options are exercisable on the basis of a schedule determined by the Compensation Committee of the Board of Directors. Awards generally become exercisable either in three annual installments of 40% in the first year and 30% in the succeeding two years commencing on the third anniversary

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of the grant or after two to four and one half years from the date of the grant. Options generally expire ten years from grant date.

The 1996 Stock Incentive Plan ("1996 Plan") was adopted by the stockholders to replace the 1986 Stock Incentive Plan ("1986 Plan") which expired on May 20, 1996. Under the 1996 Plan, 25,000,000 shares of common stock of the Company are reserved for issuance. Both the 1996 and 1986 Plans incorporate stock option and restricted stock award features. Shares of restricted stock awarded under these Plans are subject to certain restrictions and vesting requirements, generally five to seven years. No monetary consideration is paid by a recipient for a restricted stock award. The cost of these shares is amortized over the restriction periods. The Plans authorize the Compensation Committee to direct that discretionary tax assistance payments may be made to recipients when the restrictions lapse. Such payments are expensed as awarded. At December 31, 1996, there were outstanding a total of 2,399,689 shares of restricted stock. During 1996 and 1995, the Company awarded 480,602 shares and 497,228 shares of restricted stock under these Plans with a weighted-average grant date fair value of \$46.70 and \$36.82, respectively.

The 1986 United Kingdom Stock Option Plan expired in 1996 and was not replaced. Under the 1988 Stock Option Plan, the Company can grant, through 1998, options to purchase 600,000 shares of the Company's common stock to key employees who are employed outside the United States. As permitted under this Plan, certain options were granted at prices less than the market value of the Company's common stock.

The Company also maintains a stock plan for outside directors who are not current employees. The Interpublic Outside Directors' Stock Incentive Plan (previously the Interpublic Outside Directors' Stock Option Plan) was amended in 1996 to incorporate both stock option and restricted stock award features. Under the Plan, 200,000 shares of

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common stock of the Company are reserved for issuance. Stock options under this Plan are awarded at the fair market value of the Company's common stock on the date the option is granted. Options generally become exercisable three years after the date of grant and expire ten years from the date of grant.

Restricted shares under the Outside Directors' Plan are subject to certain restrictions and vesting requirements, generally five years. No monetary consideration is paid by a recipient for a restricted stock award. The cost of these shares is being amortized over the restriction periods. At December 31, 1996, there were 10,000 shares of restricted stock outstanding. During 1996, the Company awarded 10,000 shares under this Plan with a weighted-average grant date fair value of \$46.75.

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Following is a summary of stock option transactions during the three-year period ended December 31, 1996:

	Number of Shares Under Option	Weighted Average Exercise Price
Balance, December 31, 1993	6,727,220	\$22
New Awards	387,324	31
Exercised	(627,374)	15
Canceled	(397,028)	27
Balance, December 31, 1994	6,090,142	23
Exercisable, December 31, 1994	1,563,498	16
New Awards	2,076,797	33
Exercised	(1,269,033)	21
Canceled	(273,138)	30
Balance, December 31, 1995	6,624,768	33
Exercisable, December 31, 1995	3,025,655	17
New Awards	2,335,720	47
Exercised	(605,244)	21
Canceled	(311,282)	33
Balance, December 31, 1996	8,043,962	33
Exercisable, December 31, 1996	2,564,001	21

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The following table summarizes information about stock options outstanding at December 31, 1996:

Range of Exercise Prices	Weighted Average Number Outstanding at 12/31/96	Weighted Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable at 12/31/96	Average Exercise Price
\$7.37 to \$23.99	2,181,863	4.41	\$20	2,155,151	\$20
24.00 to 31.99	1,504,026	6.18		29	327,250 \$28
32.00 to 41.99	2,096,801	7.98		33	81,600 \$34
42.00 to 49.19	2,261,272	9.41		47	- -

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Under the Employee Stock Purchase Plan (ESPP), employees may purchase common stock of the Company through payroll deductions not exceeding 10% of their compensation. The price an employee pays for a share of stock is 85% of the market price on the last business day of the month. During 1996, 1995 and 1994, respectively, 186,586 shares, 158,547 shares and 144,662 shares were issued. An additional 5,724,820 shares were reserved for issuance at December 31, 1996.

Under the Company's Achievement Stock Award Plan, awards may be made up to an aggregate of 1,248,000 shares of common stock together with cash awards to cover any applicable withholding taxes. During 1996, 1995 and 1994, respectively, 5,670 shares, 7,185 shares and 10,580 shares were awarded. The weighted-average fair value on the date of grant in 1996 and 1995 was \$46.29 and \$37.10, respectively.

The Company has adopted Financial Accounting Standard No. 123, "Accounting for Stock-Based Compensation" (FAS 123). As permitted by the provisions of FAS 123, the Company applies APB Opinion 25 "Accounting for Stock Issued to Employees" and related interpretations in accounting for its stock-based employee compensation plans. Accordingly, no compensation cost has been recognized for the Company's stock options or for purchase under the Company's stock purchase plan.

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The cost recorded for restricted stock and achievement stock awards in 1996, 1995 and 1994 was \$14,527,086, \$13,738,872 and \$12,021,746, respectively. If compensation cost for the Company's stock option plans and its stock purchase plan had been determined based on the fair value at the grant dates as defined by FAS 123, the Company's pro forma net income and earnings per share would have been as follows:

		1996	1995
Net Income	As reported	\$205,205	\$129,812
	Pro forma	\$198,219	\$125,636
Earnings per share	As reported	\$2.56	\$1.66
	Pro forma	\$2.47	\$1.61

For purposes of this pro forma information, the fair value of shares issued under the Employee Stock Purchase Plan was based on the 15% discount received by the employees. The weighted-average fair value on the date of purchase for stock purchased under this Plan was \$6.90 and \$5.58 in 1996 and 1995, respectively.

For purposes of this pro forma information, the fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions used for grants in 1996 and 1995, respectively: dividend yield of 1.41% and 1.72%; expected volatility of 20.71% and 22.08%; risk-free interest rate of 6.43% and 7.66%; and expected life of 6 years for both years. The weighted average fair value on the date of grant for options granted

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in 1996 and 1995 was \$14.45 and \$10.89, respectively. As required by FAS 123, this pro forma information is based on stock awards made beginning in 1995 and accordingly is not likely to be representative of the pro forma effects in future years because options vest over several years and additional awards generally are made each year.

NOTE 7: RETIREMENT PLANS

Domestic Retirement Plan

The Company and certain of its domestic subsidiaries have a defined benefit plan ("Domestic Plan") which covers substantially all regular employees. The Company's policy is to fund pension costs as permitted by applicable tax regulations. Pension costs are determined by the projected unit credit

method based upon career average pay. Funding requirements for the Domestic Plan are determined using the accrued benefit unit credit method. The Domestic Plan was amended as of January 1, 1992 to provide that pension benefits accrued after that date would be calculated under a new "cash balance" formula. Under the cash balance formula, the participant's account balance is credited each year with an amount equal to a percentage of that year's annual compensation, plus interest credits. Participants in the Domestic Plan on December 31, 1991 who continued to work for the Company after that date had their normal retirement benefits under the plan as of that date converted on an actuarial basis into an opening account balance as of January 1, 1992.

In accordance with FAS 87, "Employers' Accounting for Pensions", the

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Company recorded an additional minimum pension liability for the Domestic Plan of \$23.3 million and \$19.5 million at December 31, 1996 and 1995, respectively, representing the excess of unfunded accumulated benefit obligation over previously recorded pension cost liabilities. A corresponding amount was recognized as an intangible asset to the extent of unrecognized prior service cost and net transition obligation, with the balance recorded as a separate reduction of stockholders' equity. In 1996 and 1995, the Company recorded an intangible asset of \$10.4 million and \$10.5 million, respectively and a reduction to stockholders' equity of \$13.0 million and \$9.1 million, respectively.

Net pension costs for the Domestic Plan for 1996, 1995 and 1994 included the following components:

(Dollars in Thousands)	1996	1995	1994*
Service cost-benefits earned during the year	\$ 4,057	\$ 3,322	\$ 3,688
Interest cost on projected benefit obligation	10,248	10,398	9,768
Actual return on plan assets	(10,983)	(20,622)	2,457
Amortization of unrecognized transition obligation	1,887	1,887	1,887
Amortization of unrecognized prior service cost	(1,769)	(1,769)	(1,738)
Amortization of unrecognized losses	1,005	309	-
Deferred investment loss(gain)	129	10,874	(13,174)
Total pension cost	\$ 4,574	\$ 4,399	\$ 2,888

* Disaggregated for comparative purposes.

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The following table sets forth the funded status and amounts recognized for the Domestic Plan in the Company's consolidated balance sheet at December 31, 1996 and 1995:

(Dollars in Thousands)	1996	1995
Actuarial present value of accumulated benefit obligation (including vested benefits of \$128,649 in 1996 and \$124,701 in 1995)	\$132,110	\$127,964
Actuarial present value of projected benefit obligation	139,142	135,458
Plan assets at fair value	112,284	110,730
Projected benefit obligation in excess of plan assets	(26,858)	(24,728)
Unrecognized net losses	20,010	16,582
Unrecognized prior service cost	902	(867)
Unrecognized net transition obligation	9,437	11,324
Additional minimum liability	(23,317)	(19,545)
Accrued pension liability		
	\$ (19,826)	\$ (17,234)

At December 31, 1996, Domestic Plan assets were primarily invested in fixed income and equity securities. Prior service costs are being amortized over the estimated average remaining service period of active employees. The initial net transition obligation is being amortized over 15 years.

A discount rate of 7.5% in 1996, 7.25% in 1995 and 8.5% in 1994 and a salary increase assumption of 6% in 1996, 1995 and 1994 were used in determining the actuarial present value of the projected benefit obligation. The expected return on assets was 10% in 1996, 1995 and 1994.

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Foreign Retirement Plans

The Company has several foreign pension plans in which benefits are based primarily on years of service and employee compensation. It is the Company's policy to fund these plans in accordance with local laws and income tax regulations.

Net pension costs for foreign pension plans for 1996, 1995 and 1994 included the following components:

(Dollars in Thousands)	1996	1995	1994*
Service cost-benefits earned during the year	\$ 4,900	\$ 5,276	\$ 6,215
Interest cost on projected benefit obligation	10,084	11,054	9,726
Actual return on plan assets	(9,077)	(8,738)	5,109
Net amortization and deferral	1,251	1,372	(12,690)
Unrecognized net(gain)loss	(2,026)	(1,367)	23
Other	(50)	-	59
Total pension cost	\$ 5,082	\$ 7,597	\$ 8,442

* Disaggregated for comparative purposes.

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The following table sets forth the funded status and amounts recognized for the foreign pension plans in the Company's consolidated balance sheet at December 31, 1996 and 1995:

(Dollars in Thousands)

	1996		1995	
	Assets Exceed Accumulated Benefits	Accumulated Benefits Exceed Assets	Assets Exceed Accumulated Benefits	Accumulated Benefits Exceed Assets
Actuarial present value of accumulated benefit obligation (including vested benefits of:				
1996 - \$76,092 and \$66,113; 1995 - \$57,723 and \$70,747)	\$ 76,293	\$ 71,779	\$57,806	\$ 77,075
Actuarial present value of projected benefit obligation	84,404	79,290	64,974	89,844
Plan assets at fair value	129,488	6,336	103,438	11,440
Projected benefit obligation less than (in excess of)				
plan assets	45,084	(72,954)	38,464	(78,404)
Unrecognized net loss	(27,517)	(1,884)	(27,370)	(4,745)
Unrecognized prior service cost	4,519	-	4,174	46
Unrecognized net (asset) obligation	(1,492)	5,777	(1,807)	7,171
Prepaid (accrued) pension cost at December 31, 1996 and 1995	\$ 20,594	\$ (69,061)	\$13,461	\$(75,932)

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Foreign plans utilized discount rates ranging from 5.5% to 12.0% in both 1996 and 1995 and salary increase assumptions ranging from 2.5% to 10.0% in 1996, and from 2.0% to 10.0% in 1995, to determine the actuarial present value of the projected benefit obligation. The expected rates of return on assets of foreign plans ranged from 4.0% to 12.0% in both 1996 and 1995.

The Company also has Special Deferred Benefit Arrangements with certain key employees. Vesting is based upon the age of the employee and the terms of the employee's contract. Life insurance contracts have been purchased in amounts which may be used to fund these arrangements.

NOTE 8: POSTRETIREMENT AND POSTEMPLOYMENT BENEFITS

Postretirement Benefit Plans

The Company and its subsidiaries provide certain postretirement health care benefits for employees who were in the employ of the Company as of January 1, 1988, and life insurance benefits for employees who were in the employ of the Company as of December 1, 1961. The plans cover employees in the United States and certain key employees in foreign countries. Effective January 1, 1993, the Company's plan covering postretirement medical benefits was amended to place a cap on annual benefits payable to retirees. Such coverage is self-insured, but is administered by an insurance company.

The Company accrues the expected cost of postretirement benefits other than pensions over the period in which the active employees become eligible for such postretirement benefits.

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The components of periodic expense for these postretirement benefits for 1996 and 1995 were as follows:

(Dollars in Thousands)	1996	1995
Service cost - benefits earned during the year	\$ 610	\$ 583
Interest cost on accumulated postretirement benefit obligation	2,824	3,047
Amortization of prior service cost	(934)	(934)
Total periodic expense	\$2,500	\$2,696

The following table sets forth the funded status and amounts recognized for the Company's postretirement benefit plans in the consolidated balance sheet at December 31, 1996 and 1995:

(Dollars in Thousands)

	1996	1995
Accumulated postretirement benefit obligation:		
Retirees	\$ 21,227	\$ 28,505
Fully eligible active plan participants	5,110	5,614
Other active plan participants	12,420	8,133
Total accumulated postretirement benefit obligation	38,757	42,252
Plan assets at fair value	-	-
Accumulated postretirement benefit obligation in excess of plan assets	(38,757)	(42,252)
Unrecognized net (loss)gain	(3,272)	1,423
Unrecognized prior service cost	(4,697)	(5,632)
Accrued postretirement benefit liability	\$(46,726)	\$(46,461)

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A discount rate of 7.50% in 1996 and 7.25% in 1995 and a salary increase assumption of 6.0% in 1996 and 1995, were used in determining the accumulated postretirement benefit obligation. A 10.0% and a 9.5% increase in the cost of covered health care benefits were assumed for 1996 and 1995, respectively. This rate is assumed to decrease incrementally to 5.5% in the year 2002 and remain at that level thereafter. The health care cost trend rate assumption does not have a significant effect on the amounts reported. For example, a 1% increase in the health care cost trend rate would increase the accumulated postretirement benefit obligation at December 31, 1996 by approximately \$1.7 million, and the net periodic cost for 1996 by approximately \$0.2 million.

Postemployment Benefits

Effective January 1, 1994, the Company adopted FAS 112, "Employer's Accounting for Postemployment Benefits", and recognized a one-time after-tax charge of \$21.8 million. This Statement requires the Company to accrue the costs of certain benefits, including severance, worker's compensation and health care coverage over an employee's service life.

The Company's liability for postemployment benefits totaled \$32.8 million and \$36.2 million at December 31, 1996 and 1995, respectively, and is included in deferred compensation and reserve for termination allowances. The net periodic expense recognized in 1996 and 1995 was \$21.1 million and \$8.8 million, respectively.

NOTE 9: SHORT-TERM BORROWINGS AND FINANCIAL INSTRUMENTS

The Company and its domestic subsidiaries have lines of credit with various banks. These credit lines permit borrowings at fluctuating interest rates determined by the banks. Short-term borrowings by subsidiaries outside the United States principally consist of drawings

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against bank overdraft facilities and lines of credit. These borrowings bear interest at the prevailing local rates. Where required, the Company has guaranteed the repayment of the borrowings. Unused lines of credit by the Company and its subsidiaries at December 31, 1996 and 1995 aggregated \$313.0 million and \$319.0 million, respectively. The weighted average interest rate on outstanding balances at December 31, 1996 was 5.9%. Current maturities of long-term debt are included in the payable to banks balance.

The Company occasionally uses forwards and options to hedge a portion of its net investment in foreign subsidiaries and certain intercompany transactions in order to mitigate any impact of changes in foreign exchange rates on working capital. The amount of such hedges at the end of the year was not significant.

NOTE 10: LONG-TERM DEBT

Long-term debt at December 31 consisted of the following:

(Dollars in Thousands)	1996	1995
Convertible Subordinated Debentures - 3.75%	\$115,192	\$113,235
Term loans- 6.5% to 14.0%.(5.5% to 14.0% in 1995)	202,414	158,333
Mortgage notes payable and other long-term loans- 7.6% to 9.0% (7.5% to 9.0% in 1995)	45,513	44,604
	363,119	316,172
Less: current portion	16,167	32,675
Long-term debt	\$346,952	\$283,497

The increase in long-term debt during 1996 primarily resulted from an additional private placement with the Prudential Insurance Company (Prudential) of \$30.0 million at 7.31%, and additional term loans of \$25.0 million at 6.97% with SunTrust Bank and \$20.0 million at 6.67% with Wachovia Bank and a money market rate loan with Chase Bank of \$5.0

million at a variable rate from 5.6% to 6.5%. This debt represents long-term refinancing of short-term debt.

The Convertible Subordinated Debentures were issued in April 1992 and mature on April 1, 2002 with a face value of \$135.0 million. The terms of the bond offering included an issuance price equal to 77% of the face value with a coupon of 3.75%. The debentures are convertible into common stock of the Company at a rate of 22.238 shares per each U.S. \$1,000 principal amount. Fair value of the Convertible Subordinated Debentures as of December 31, 1996 was approximately \$142 million. The fair value was estimated by obtaining quotes from brokers.

Term loans at December 31, 1996 consisted of \$114.1 million of private placements with Prudential, \$25.0 million in term loans with First Chicago NBD, \$40.0 million in term loans with SunTrust Bank, \$20.0 million in term loans with Wachovia Bank and a \$3.3 million private placement loan with Massachusetts Mutual. The private placements with Prudential have payments due in 1997 through 1998 and 2002 through 2006. The other term loans have payments due in 1997 through 2003.

Mortgage notes payable and other long-term loans at December 31, 1996 primarily related to a \$35.3 million mortgage which was used to finance the purchase of a building and land by one of the Company's subsidiaries during 1993. The terms of the mortgage call for annual payments of approximately \$0.6 million from 1997-2002 with a balloon payment of \$31.6 million thereafter.

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Under various loan agreements, the Company must maintain specified levels of net worth and meet certain cash flow requirements, and is limited in the level of indebtedness. The Company has complied with the limitations under the terms of these loan agreements.

Long-term debt maturing over the next five years is as follows: 1997-\$16.2 million; 1998-\$25.5 million; 1999-\$26.4 million; 2000-\$5.8 million; and 2001-\$14.0 million. Of the remaining debt of \$274.2 million, \$212.6 million matures during the years 2002-2005 while \$61.6 million matures in subsequent years.

All material financial instruments are carried in the consolidated balance sheet at amounts which approximate fair values unless otherwise disclosed. The fair value was estimated by obtaining quotes from brokers.

NOTE 11: DISCLOSURES UNDER FAS 95

This Statement requires disclosures of specific cash payments and non-cash 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 and Interest Payments

Cash paid for income taxes was approximately \$101.8 million, \$80.8 million and \$67.1 million, in 1996, 1995 and 1994, respectively. Interest payments were approximately \$27.1 million in 1996, \$25.0 million in 1995 and \$23.0 million in 1994.

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Acquisitions

As more fully described in Note 3, in 1996 the Company issued 1,824,609 shares, 330,664 shares and 191,291 shares of its common stock in exchange for all of the issued and outstanding stock of DraftDirect Worldwide, The Weber Group and Torre Rentia Lazur, respectively. Additionally, the Company issued in conjunction with the acquisitions of Goldberg Moser O'Neill, Jay Advertising and Live Communications 48,154 shares, 30,012 shares and 21,490 shares of its common stock, respectively. In 1995, the Company issued 587,842 shares and 260,756 shares of its common stock in exchange for all the issued and outstanding stock of Anderson & Lembke and Addison Whitney, respectively. Additionally, the Company issued in conjunction with the acquisitions of Hasan & Partners, Bosch & Butz, and Newspaper Services of America, Inc., 121,160 shares, 63,720 shares, and 48,882 shares of its common stock, respectively. In 1994, the Company issued 1,092,629 shares of its common stock in conjunction with the acquisition of Ammirati & Puris and a total of 1,472,393 shares of its common stock in connection with the pooling of interest with Western International Media.

Details of businesses acquired in transaction accounted for as purchases were as follows:

(Dollars in Thousands)	1996	1995	1994
Fair value of assets acquired	\$182,072	\$ 73,142	\$163,423
Liabilities assumed	106,289	11,170	64,998
Net assets acquired	75,783	61,972	98,425
Less: non-cash consideration	7,568	9,637	38,525
Less: cash acquired	16,867	5,481	4,974
Net cash paid for acquisitions	\$ 51,348	\$ 46,854	\$ 54,926

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The fair value of assets acquired in 1996 contains approximately \$66.8 million of intangible assets. The 1996 amounts shown in the previous table exclude deferred payments of \$2.6 million in connection with the acquisition of various advertising agencies, which are payable in 1997 and thereafter, but includes \$13.0 million of deferred payments made during 1996 relating to various prior year acquisitions.

The 1995 amounts shown above exclude deferred payments of \$3.2 million in connection with the acquisition of various advertising agencies, which are payable in 1996 and thereafter, but include \$26.9 million of deferred payments made during 1995 relating to various prior year acquisitions.

The 1994 amounts shown above exclude deferred payments of \$0.5 million in connection with the acquisition of various advertising agencies, which are payable in future years, but include \$18.3 million of deferred payments made during 1994 relating to various acquisitions.

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NOTE 12: RESULTS BY QUARTER (UNAUDITED)

(Dollars in Thousands Except Per Share Data)	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter	
	1996	1995	1996	1995	1996	1995	1996	1995
Gross income	\$506,160	\$460,420	\$675,345	\$557,154	\$567,718	\$492,486	\$788,293	\$669,679
Operating expenses	466,109	425,592	521,568	435,588	509,036	444,909	642,892	543,298
Write-down of goodwill and other related assets	-	-	-	-	-	-	-	38,177
Provision for income taxes	13,126	11,567	61,248	47,390	20,527	15,953	55,102	47,833
Net income	17,832	15,176	82,928	63,768	27,471	22,181	76,974	28,687
Per Share Data:								
Net income	.23	.20	1.04	.82	.34	.28	.95	.36
Cash dividends per share	.155	.140	.17	.155	.17	.155	.17	.155
Price range per share:								
High	47 1/4	37 3/8	49 3/4	39	48 1/2	40	50	43 3/8
Low	\$40	\$32 3/8	\$45 5/8	\$35 1/4	\$41 3/4	\$36	\$44 3/8	\$37 3/8

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NOTE 13: GEOGRAPHIC AREAS

Total assets, income from commissions and fees and income before provision for income taxes are presented below by major geographic area:

(Dollars in Thousands)	1996	1995	1994
Total Assets:			
United States	\$2,236,168	\$1,864,095	\$1,559,768
International			
Europe	1,626,966	1,554,283	1,372,466
Asia Pacific	544,287	515,219	560,965
Latin America	224,683	193,592	183,701
Other	133,026	132,577	116,518
Total International	2,528,962	2,395,671	2,233,650
Total Consolidated	\$4,765,130	\$4,259,766	\$3,793,418
Income From Commissions and Fees:			
United States	\$1,001,545	\$ 754,576	\$ 713,497
International			
Europe	882,746	837,006	719,881
Asia Pacific	309,161	281,961	268,124
Latin America	170,024	152,503	153,469
Other	67,032	67,786	61,405
Total International	1,428,963	1,339,256	1,202,879
Total Consolidated	\$2,430,508	\$2,093,832	\$1,916,376

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(Dollars in Thousands)	1996	1995	1994
Income Before Provision for Income Taxes:			
Operating income:			
United States	\$ 197,793	\$ 131,194	\$ 88,208
International			
Europe	96,948	73,424	56,281
Asia Pacific	57,439	48,292	43,376
Latin America	35,578	31,626	40,975
Other	10,153	7,638	4,884
Total International	200,118	160,980	145,516
Items not allocated to operations, principally interest expense:			
United States	(27,874)	(23,763)	(18,073)
International	(12,891)	(14,256)	(14,852)
Total Consolidated	\$ 357,146	\$ 254,155	\$ 200,799

The largest client of the Company contributed approximately 11% in 1996 and 1995, and 10% in 1994 to income from commissions and fees. The Company's second largest client contributed approximately 8% in 1996, 1995 and 1994 to income from commissions and fees.

Dividends received from foreign subsidiaries were \$35.2 million in 1996, \$31.8 million in 1995 and \$43.6 million in 1994. Net assets of foreign subsidiaries were approximately \$677 million, \$584 million and \$558 million at December 31, 1996, 1995 and 1994, respectively.

Consolidated net income includes losses from exchange and translation of foreign currencies of \$4.1 million, \$4.7 million and \$10.6 million in 1996, 1995 and 1994, respectively. PAGE

NOTE 14: RESTRUCTURING CHARGES

In the fourth quarter of 1994, the Company recorded restructuring charges of \$48.7 million in connection with the elimination of duplicate facilities and excess personnel resulting primarily from the merger of Lintas New York and Ammirati & Puris agencies and certain international offices. This amount included \$38.3 million of severance charges for involuntary terminations of approximately 600 employees, \$6.7 million related to the abandonment of operations and \$3.7 million for the consolidation of facilities. At December 31, 1995, the Company's liability related to these restructuring charges totaled \$1.3 million for severance, and is included in accrued expenses. The amount of cash payments made during 1995 was approximately \$27.8 million. The remaining liability was paid in 1996.

NOTE 15: COMMITMENTS AND CONTINGENT LIABILITIES

At December 31, 1996, the Company's subsidiaries operating outside the United States were contingently liable for discounted notes receivable of approximately \$13.8 million.

The Company and its subsidiaries lease certain facilities and equipment. Gross rental expense amounted to approximately \$180 million for 1996, \$164 million for 1995 and \$141 million for 1994, which was reduced by sublease income of \$29.1 million, \$19.5 million and \$10.8 million in 1996, 1995 and 1994, respectively.

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During 1995, the Company entered into a transaction whereby it acquired the leasing operations of a third party at a cost of approximately \$7 million. These leasing operations include equipment leased from the equipment owner (the "Owner"), which has in turn been leased to a third party (the "Sublessee"). Both leases are accounted for by the Company as operating leases. The Sublessee has prepaid \$46.6 million of its obligations under the sublease agreement. This prepayment is held in an interest-bearing escrow account and is to be used to meet the Company's lease obligations to the Owner. At December 31, 1996, the remaining escrow balance of \$30.1 million is reflected in prepaid expenses and miscellaneous assets and the unearned sublease income amount of \$23.1 million is reflected in other noncurrent liabilities. The deferred tax asset attributable to the prepaid sublease obligation amounts to \$18.8 million at December 31, 1996.

Minimum rental commitments for the rental of office premises and equipment under noncancellable leases, some of which provide for rental adjustments due to increased property taxes and operating costs for 1995 and thereafter, are as follows:

(Dollars in Thousands)	Gross	Sublease
Period	Amount	Income
1997	\$153,043	\$24,150
1998	120,191	13,427
1999	98,704	6,423
2000	84,163	4,744
2001	69,991	3,900
2002 and thereafter	220,418	4,871

Certain of the Company's acquisition agreements provide for the payment by the Company of future contingent consideration based upon future revenues or profits of the companies acquired. PAGE

The Company and certain of its subsidiaries are party to various tax examinations, some of which have resulted in assessments. The Company intends to vigorously defend any and all assessments and believes that additional taxes (if any) that may ultimately result from the settlement of such assessments and open examinations would not have a material adverse effect on the consolidated financial statements.

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REPORT OF INDEPENDENT ACCOUNTANTS

1177 Avenue of the Americas
New York, New York 10036

To the Board of Directors and Stockholders of
The Interpublic Group of Companies, Inc.

February 14, 1997

In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of income, of stockholders' equity and of cash flows present fairly, in all material respects, the financial position of The Interpublic Group of Companies, Inc. and its subsidiaries (the "Company") at December 31, 1996 and 1995, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1996, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

As discussed in Notes 3 and 8 to the consolidated financial statements, during 1995, the Company changed its method of accounting for long-lived assets in accordance with Statement of Financial Accounting Standards No. 121, and effective January 1, 1994, the Company changed its method of accounting for postemployment benefits as required by Statement of Financial Accounting Standards No. 112.

Price Waterhouse LLP

SELECTED FINANCIAL DATA FOR FIVE YEARS

(Dollars in Thousands Except Per Share Data)	1996	1995	1994	1993	1992
Operating Data					
Gross income	\$ 2,537,516	\$ 2,179,739	\$ 1,984,255	\$ 1,793,856	\$ 1,855,971
Operating expenses	2,139,605	1,849,387	1,701,817	1,535,651	1,615,592
Restructuring charges	-	-	48,715	-	-
Write-down of goodwill and other related assets	-	38,177	-	-	-
Interest expense	40,765	38,020	32,924	26,445	33,221
Provision for income taxes:	150,003	122,743	86,333	99,819	91,335
Income before effect of accounting change	205,205	129,812	115,247	125,279	111,913
Effect of accounting changes:					
Postemployment benefits	-	-	(21,780)	-	-
Income taxes	-	-	-	(512)	-
Postretirement benefits	-	-	-	-	(24,640)
Net Income	205,205	129,812	93,467	124,767	87,273
Cash dividends	51,786	46,124	40,360	35,901	32,483
Per Share Data					
Income before effect of accounting changes	2.56	1.66	1.53	1.67	1.50
Effect of accounting changes:					
Postemployment benefits	-	-	(.29)	-	-
Income taxes	-	-	-	(.01)	-
Postretirement benefits	-	-	-	-	(.33)
Net Income	2.56	1.66	1.24	1.66	1.17
Cash dividends	.665	.605	.545	.49	.45
Financial Position					
Working capital	154,430	147,701	80,134	167,175	224,534
Total assets	4,765,130	4,259,766	3,793,418	2,869,817	2,623,345
Long-term debt	346,952	283,497	241,803	226,085	200,237
Stockholders' equity per share	\$ 10.73	\$ 9.42	\$ 8.36	\$ 7.54	\$ 6.81

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Other Data

Weighted average number of shares	80,293,178	78,180,072	75,570,445	75,215,521	74,974,618
Number of employees	21,700	19,700	18,100	17,600	16,800

Reflects the cumulative effect of adopting FAS 112, "Employers' Accounting for Postemployment Benefits."

Reflects the cumulative effect of FAS 109, "Accounting for Income Taxes."

Reflects the cumulative effect of FAS 106, "Employers' Accounting for Postretirement Benefits Other than Pensions."

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VICE CHAIRMAN'S REPORT OF MANAGEMENT

The financial statements, including the financial analyses and all other information in this Annual Report, were prepared by management, who is responsible for their integrity and objectivity. Management believes the financial statements, which require the use of certain estimates and judgements, reflect the Company's financial position and operating results in conformity with generally accepted accounting principles. All financial information in this Annual Report is consistent with the financial statements.

Management maintains a system of internal accounting controls which provides reasonable assurance that, in all material respects, assets are maintained and accounted for in accordance with management's authorization and transactions are recorded accurately in the books and records. To assure the effectiveness of the internal control system, the organizational structure provides for defined lines of responsibility and delegation of authority.

The Finance Committee of the Board of Directors, which is comprised of the Company's Chairman and Vice Chairman and three outside Directors, is responsible for defining these lines of responsibility and delegating the authority to management to conduct the day-to-day financial affairs of the Company. In carrying out its duties, the Finance Committee primarily focuses on the setting and monitoring of financial and operational goals; establishing guidelines, approving and monitoring specific proposals for acquisitions; working capital, cash and balance sheet management; and overseeing the hedging of foreign exchange, interest-rate and other financial risks. The Committee meets regularly to review presentations and reports on these and other financial matters, to the Board. It also works closely with, but is separate from, the Audit Committee of the Board of Directors.

The Company has formally stated and communicated policies requiring of employees high ethical standards in their conduct of its business. As a further enhancement of the above, the Company's comprehensive internal audit program is designed for continual evaluation of the adequacy and effectiveness of its internal controls and measures adherence to established policies and procedures.

The Audit Committee of the Board of Directors is comprised of three directors who are not employees of the Company. The Committee reviews audit plans, internal controls, financial reports and related matters, and meets regularly with management, internal auditors and independent accountants. The independent accountants and internal auditors have free access to the Audit Committee, without management being present, to discuss the results of their audits or any other matters.

The independent accountants, Price Waterhouse LLP, are recommended by the Audit Committee of the Board of Directors and selected by the Board of Directors, and their appointment is ratified by the shareholders. The independent accountants have examined the financial statements of the Company and their opinion is presented on page 48.

NAME	JURISDICTION UNDER WHICH ORGANIZED	PERCENTAGE VOTING SECURITIES OWNED BY IMMEDIATE PARENT (%)	IMMEDIATE PARENT
Domestic:			
The Interpublic Group of Companies, Inc. (Registrant)	Delaware	-	-
Advent.LA Inc.	California	100	Advent Event Marketing, Inc.
Casablanca Productions	California	100	Registrant
Dailey & Associates	California	100	Registrant
Eidolon Corporation	California	100	Registrant
International Business Services, Inc.	California	100	Infoplan International, Inc.
Main Street Media, LLC	California	71.5	Western International Media Corporation
Media Inc.	California	100	Registrant
Media Partnership Corporation	California	100	Registrant
North Light, Ltd.	California	100	Dailey & Associates
Tall Wall Media, Inc.	California	100	Registrant
The Phillips-Ramsey Co.	California	100	Registrant
Western Direct Marketing Group, Inc.	California	100	Western International Media Corporation
Western International Media Corporation	California	100	Registrant
Western International Syndication Corporation	California	100	Registrant
Western Motivational Incentives Group	California	100	Western International Media Corporation
Western Trading LLC	California	55.45	Registrant
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Advent Event Marketing, Inc.	Delaware	100	Registrant
Advent.A2 Inc.	Delaware	100	Advent Event Marketing, Inc.
Ammirati Puris Lintas Inc.	Delaware	100	Registrant
Anderson & Lembke, Inc.	Delaware	100	Registrant
Angotti, Thomas, Hedge, Inc.	Delaware	100	Registrant
Asset Recovery Group, Inc.	Delaware	100	Registrant
Business Science Research Corporation, Inc.	Delaware	100	Registrant
Campbell-Ewald Company	Delaware	100	Registrant
Healthcare Capital, Inc.	Delaware	100	McCann Healthcare, Inc.
Infoplan International, Inc.	Delaware	100	Registrant
Interpublic Television, Inc.	Delaware	100	Registrant
Jack Tinker Advertising, Inc.	Delaware	100	Registrant
LFS, Inc.	Delaware	100	Registrant
Lowe Direct Inc.	Delaware	100	Lowe & Partners Inc.
Lowe Holdings Inc.	Delaware	100	Registrant
Market Reach Retail LLC	Delaware	50	Skott, Inc.
McAvey & Grogran, Inc.	Delaware	100	Registrant
McCann-Erickson USA, Inc.	Delaware	100	Registrant
McCann-Erickson Marketing, Inc.	Delaware	100	Registrant
McCann-Erickson Corporation (S.A.)	Delaware	100	Registrant
McCann-Erickson (Paraguay) Co.	Delaware	100	Registrant
McCann-Erickson Worldwide, Inc.	Delaware	100	Registrant
McCann Healthcare, Inc.	Delaware	100	McCann-Erickson USA, Inc.
Skott, Inc.	Delaware	100	Newspaper Services of America, Inc.
The Coleman Group, LLC	Delaware	51	Interpublic Television, Inc.
The Lowe Group, Inc.	Delaware	100	Lowe Worldwide Holdings B.V.
Weller & Klein Research, Inc.	Delaware	100	Registrant
Ben Dispositions, Inc.	Florida	100	LFS, Inc.
Draft Direct Worldwide, Inc.	Illinois	100	Registrant
Quest & Associates, Inc.	Kansas	100	Registrant
Adware Systems, Inc.	Kentucky	100	McCann-Erickson USA, Inc.
Weber Group, Inc.	Massachusetts	100	WPR Acquisition Corp.
Thunder House, Inc.	Massachusetts	100	WPR Acquisition Corp.
WPR Acquisition Corp.	Massachusetts	100	McCann-Erickson USA, Inc.
C-E Communications Company	Michigan	100	Registrant
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Campbell Mithun Esty Inc.	Minnesota	50	Registrant
Newspaper Services of America, Inc.	Minnesota	100	Registrant
Interpublic, Inc.	New Jersey	100	Registrant
Torre, Renta, Lazur, Inc.	New Jersey	100	Registrant
GDL, Inc.	New York	100	The Lowe Group, Inc.(100% of Common Stock) and Goldschmidt Dunst & Lawson Corp. (100% of Preferred Stock)
Goldschmidt Dunst & Lawson Corp.	New York	100	The Lowe Group, Inc.
Interpublic Game Shows, Inc.	New York	100	Registrant
Jay Advertising, Inc.	New York	100	Registrant
LCF&L, Inc.	New York		The Lowe Group, Inc. (99.9%) and GDL, Inc. (.1%)
Lowe McAdams Healthcare Inc.	New York	100	Lowe Holdings Inc.
Lowe & Partners Inc.	New York	100	Lowe International Limited (80%) and Lowe Worldwide Holdings B.V.(20%)
McCann Direct, Inc.	New York	100	Registrant
Momentum IMC Company	New York	100	Registrant
Scali, McCabe, Sloves, Inc.	New York	100	Registrant
The Gotham Group, Inc.	New York	100	Registrant
Addison Whitney, Inc.	North Carolina	100	Registrant
Long Haymes Carr Lintas, Inc.	North Carolina	100	Registrant
Marketing Arts Corporation	Virginia	100	The Martin Agency, Inc.
Cabell Eanes, Inc.	Virginia	100	The Martin Agency, Inc.
The Martin Agency, Inc.	Virginia	91	Scali, McCabe, Sloves, Inc.

FOREIGN:

Interpublic S.A. de Publicidad	Argentina	100	Registrant
Ammirati Puris Lintas Communications Proprietary Limited	Australia (New South Wales)	100	Ammirati Puris Lintas Pty. Limited
Ammirati Puris Lintas Proprietary Limited	Australia (New South Wales)	100	Registrant
Ammirati Puris Lintas Melbourne Proprietary Limited	Australia (Victoria)	100	Ammirati Puris Lintas Proprietary LimitedPAGE

CWFS	Australia	100	McCann Australia (50%) and McCann New Zealand (50%) Registrant
McCann-Erickson Advertising Pty. Limited	Australia (New South Wales)	100	
Merchant and Partners (Sydney) Pty. Ltd.	Australia	100	Merchant and Partners Australia Pty. Limited Registrant
Merchant and Partners Australia Pty. Limited	Australia	100	
Sales Communications International Pty. Limited	Australia (New South Wales)	100	McCann Erickson Advertising Pty. Ltd.
Underline Design Group Pty. Limited	Australia	51	Ammirati Puris Lintas Communications Pty. Limited Registrant
Ammirati Puris Lintas Werbeagentur Gesellschaft m.b.H.	Austria	100	
Campbell Ewald Werbeagentur Ges.m.b.H.	Austria	100	Low Worldwide Holdings B.V.
Initiatives Media Werbemittlung Ges.m.b.H.	Austria	100	Ammirati Puris Lintas Werbe agentur Gesellschaft m.b.H. Registrant
McCann-Erickson Gesellschaft m.b.H.	Austria	100	Ammirati Puris Lintas Gesellschaft m.b.H.
PCS Werbeagentur Ges.m.b.H.	Austria	100	Ammirati Puris Lintas Brussels S.A.
Werbeagentur			
A.C.E. Advertising Creation Marketing B.V.	Belgium	100	Ammirati Puris Lintas Holding B.V.
Ammirati Puris Lintas Brussels S.A.	Belgium	100	Ammirati Puris Lintas Brussels S.A.
De Roeck En Heering P.R. Consultants N.V.	Belgium	100	Low Troost S.A.
Direct Creations S.A.	Belgium	100	Ammirati Puris Lintas Brussels S.A. (96%) and Initiatives Media (a French corporation)(4%)
Initiative Media Brussels S.A.	Belgium	100	Lintas Holding B.V.
			Low Worldwide Holdings B.V. Registrant
Initiative Media International S.A.	Belgium	100	Registrant
Low Troost S.A.	Belgium	100	McCann Belgium (50%) Low Troost S.A. (50%)
McCann-Erickson Co. S.A.	Belgium	100	
Programming Media International-PMI S.A.	Belgium	100	
Universal Media, S.A.	Belgium	100	

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Triad Assurance Limited	Bermuda	100	Registrant
Interpublic Publicidade e Pesquisas Sociedade Limitada	Brazil	100	International Business Services, Inc.
McCann-Erickson Publicidade Ltda.	Brazil	100	Registrant
MPM Lintas Comunicacoes Ltda.	Brazil	98.75	Registrant
PPA Profissionais de Promocao Associados Ltda.	Brazil	100	MPM Lintas Comunicacoes Ltda.
Universal Publicidade Ltda	Brazil	100	Interpublic Publicidade E Pesquisas Sociedade Ltda.
Ammirati Puris Lintas Canada Ltd.	Canada	100	Registrant
Harrod & Mirlin, Inc.	Canada	100	Registrant (61.5%) and McCann-Erickson Advertising of Canada Ltd. (38.5%)
Lowe Holdings Ltd.	Canada	100	Lowe Investments Ltd.
Lowe Investments Limited	Canada	100	Lowe Worldwide Holdings B.V.(45.9%) and Scali, McCabe, Sloves, Inc.(54.1%)
McCann-Erickson Advertising of Canada Ltd.	Canada (Federal)	100	Registrant
MacLaren Lintas Inc.	Canada (Federal)	100	Registrant
Promaction Corporation	Canada	100	McCann-Erickson Advertising of Canada
Ammirati Puris Lintas Chile S.A.	Chile	100	Ammirati Puris Lintas Holding B.V.
Initiative Media Chile	Chile	100	Ammirati Puris Lintas Chile S.A.
McCann-Erickson S.A. de Publicidad	Chile	100	Registrant
Ammirati Puris Lintas Colombia	Colombia	100	Registrant
Harrison Publicidad De Colombia S.A.	Colombia	100	Registrant
McCann-Epoca S.A.	Colombia	60	Registrant
McCann-Erickson Centroamericana (Costa Rica) Ltda.	Costa Rica	100	Registrant
McCann-Erickson Zagreb	Croatia	100	McCann-Erickson International GmbH
McCann-Erickson Prague	Czech Republic	100	McCann-Erickson International GmbH

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Lintas Praha Spol. s.r.o.	Czech Republic	100	Ammirati Puris Lintas Deutschland GmbH
Lintas Danmark A/S	Denmark	100	Ammirati Puris Lintas Holding B.V.
McCann-Erickson A/S	Denmark	100	Registrant
Milvang/GR2 A/S	Denmark	100	Lintas Danmark A/S
Pool Media International Aps	Denmark	100	Registrant
Signatur APS	Denmark	100	Lintas Danmark A/S
McCann-Erickson Dominicana, S.A.	Dominican Republic	100	Registrant
McCann-Erickson (Ecuador) Publicidad S.A.	Ecuador	96	McCann-Erickson Corporation (International)
McCann-Erickson Centro Americana (El Salvador) S.A.	El Salvador	100	Registrant
ABM Kershaw Limited	England	100	Lowe International Limited
Adware Systems Limited	England	100	Orkestra Limited
Allen Brady & Marsh Ltd.	England	100	Tavistock Advertising Limited
Ammirati Puris Lintas Worldwide Limited	England	100	Interpublic Limited
Artel Studios Limited	England	100	Stowe, Bowden, Wilson Limited
Brilliant Pictures Limited	England	100	Still Price Court Twivy D'Souza Lintas Group Limited
Brompton Advertising Ltd.	England	100	The Brompton Group Ltd.
Brompton Promotions Ltd.	England	100	The Brompton Group Ltd.
Bureau of Commercial Information Limited	England	100	Registrant
Bureau of Commercial Research Limited	England	100	Interpublic Limited
CM Lintas International Ltd.	England	100	Lowe International Limited
Clovercrest Limited	England	100	McCann-Erickson Manchester Limited
Coachouse Ltd.	England	100	Lowe International Limited
Colourwatch Ltd.	England	100	Lighthold Limited
Colourwheel Limited	England	100	Interpublic Limited
Epic (Events & Programming International Consultancy) Limited	England	100	Smithfield Lease Limited
Face Photosetting Ltd.	England	100	Interpublic Limited
Fieldplan Ltd.	England	100	Lowe International Limited
Gotham Limited	England	100	McCann Erickson Advertising Limited
H.K. McCann Limited	England	100	

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Initiative Media Limited	England	100	Interpublic Limited
Initiative Media London Limited	England	99.5	Still Price Court Twivy D'Souza Lintas Group Limited
Interfocus Group Limited	England	75	Registrant
Interfocus Network Ltd.	England	75	Interfocus Group Ltd.
International Poster Management Ltd.	England	100	Interpublic Limited
Interpublic Limited	England	100	Registrant
Interpublic Pension Fund Trustee Company Limited	England	100	Interpublic Limited
LHSB Management Services Ltd.	England	100	Lowe International Limited
Lighthold Limited	England	100	Lowe International Limited
Lintas Overseas Limited	England	100	Interpublic Limited
Lintas Superannuation Trustees Limited	England	100	Ammirati Puris Lintas Worldwide Limited
Lintas Supplementary Pension Limited	England	100	Ammirati Puris Lintas Worldwide Limited
Lintas W.A. Limited	England	100	Interpublic Limited
Lowe Direct Limited	England	75	Lowe International Limited
Lowe Howard-Spink Ltd.	England	100	Lowe International Limited
Lowe & Howard-Spink Media Limited	England	100	Lighthold Limited
Lowe International Limited	England	100	Interpublic Limited
Matter of Fact Communications Limited	England	100	McCann-Erickson Bristol Limited
McCann Communications Limited	England	100	Interpublic Limited
McCann-Erickson Advertising Limited	England	100	Interpublic Limited
McCann-Erickson Bristol Limited	England	100	McCann-Erickson United Kingdom Limited
McCann-Erickson Central Limited	England	100	McCann-Erickson United Kingdom Limited
McCann-Erickson Manchester Limited	England	100	McCann-Erickson United Kingdom Limited
McCann-Erickson United Kingdom Limited	England	100	Interpublic Limited
McCann Properties Limited	England	100	McCann-Erickson United Kingdom Limited
Orbit International (1990) Ltd.	England	100	Lowe International Limited
Orchestra Ltd.	England	100	Interpublic Limited
Poundhold Ltd.	England	100	Lowe International Limited
Salesdesk Limited	England	100	Orchestra Ltd.
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S.C. Advertising (UK) Limited	England	100	Low International Limited
Smithfield Lease Limited	England	100	Low International Limited
Still Price Court Twivy D'Souza	England	100	Interpublic Limited
Lintas Group Limited			
Still Price Court Twivy	England	100	Still Price Court Twivy D'Souza
D'Souza Lintas Limited			Lintas Group Limited
Stowe, Bowden, Wilson Limited	England	100	McCann-Erickson United Kingdom Limited
Talbot Television Limited	England	100	Fremantle International Inc.
Tavistock Advertising Limited	England	100	Low International Limited
The Below the Line Agency Limited	England	100	Interpublic Limited
The Brompton Group Ltd.	England	100	Low International Limited
The Howland Street Studio Ltd.	England	100	Interpublic Limited
The Lowe Group Limited	England	100	Low International Limited
The Lowe Group Nominees Ltd.	England	100	Low International Limited
The Results Machine Limited	England	100	Low International Limited
Two Six Seven Limited	England	100	Low International Limited
Universal McCann Limited	England	100	Interpublic Limited
Western International Media Ltd.	England	100	Low International Holdings B.V.
Brindfors Production Oy	Finland	100	Low Brindfors Oy
Hasan Oy	Finland	100	Registrant
Lintas Make Direct Oy	Finland	100	Lintas Oy
Lintas Oy	Finland	100	Lintas Holding B.V.
Lintas Service Oy	Finland	100	Lintas Oy
Low Brindfors Oy	Finland	100	Low Scandinavia AB
Mainostoinisto Womena - McCann Oy	Finland	100	Registrant
McCann-Pro Oy	Finland	100	Oy Liikemainonta-McCann AB
Oy Liikemainonta-McCann AB	Finland	100	Registrant
PMI - Mediaporssi Oy	Finland	66	Oy Liikemainonta-McCann AB (33%) and Lintas Oy (33%)
			Oy Liikemainonta-McCann AB
Womena-Myynninvauhdittajat Oy	Finland	100	France C.C.P.M.
Ammirati Puris Lintas-Paris	France	100	SP3 S.A.
Creation Sarl	France	97.5	SP3
Delacroix et Gervasi S.A.	France	100	McCann-Erickson (France)
Delacroix S.A.	France	60.1	
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E.C. Television/Paris, S.A.	France	100	France C.C.P.M.
Fab + S.A.	France	99.4	SP3 S.A.
France C.C.P.M.	France	100	Ammirati Puris Lintas Holding B.V.
Infernal Sarl	France	100	SP3 S.A.
Initiatives Media Paris	France	100	France C.C.P.M.
Initiative Media International S.A.	France	100	Ammirati Puris Lintas Holding B.V.
Leuthe & Associates	France	85	McCann-Erickson France Holding Co.
Lowe Alice S.A.	France	100	Lowe Worldwide Holdings B.V.
Lowe Alice SMC	France	50	Lowe Alice S.A.
McCann Communications	France	75	McCann-Erickson (France)
McCann - Promotion S.A.	France	99.8	McCann-Erickson (France)
McCann-Erickson (France)	France	100	Registrant
McCann-Erickson (Paris) S.A.	France	100	McCann-Erickson (France)
McCann CDR	France	74	McCann-Erickson France Holding Co.
McCann Rhone Alpes S.A.	France	100	McCann-Erickson (France)
Publi Media Service	France	50	Owned in quarters by McCann, Ammirati Puris Lintas agencies in France, Publicis and Idemedia
Slad	France	60	McCann-Erickson France Holding Co.
SP3 Conseil S.A.	France	100	SP3 S.A.
SP3 Conseils Paris S.A.	France	99.8	SP3 S.A.
SP3 Lyon S.A.	France	95	SP3 S.A.
SP3 S.A.	France	100	McCann-Erickson (France)
Sprint S.A.	France	100	France C.C.P.M.
Strateus	France	72	France CCPM
Universal Media S.A.	France	100	McCann-Erickson (France)
Valefi	France	55	McCann-Erickson France Holding Co.
Virgo (formerly Virtuelle)	France	60	Fieldplan U.K.

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Adplus GmbH	Germany	100	Lowe & Partners GmbH Frankfurt
Ammirati Puris Lintas Deutschland GmbH	Germany	100	Registrant
Ammirati Puris Lintas Direct GmbH	Germany	100	Ammirati Puris Lintas Deutschland GmbH
Ammirati Puris Lintas Frankfurt GmbH	Germany	100	Ammirati Puris Lintas Hamburg GmbH
Ammirati Puris Lintas Hamburg GmbH	Germany	100	Ammirati Puris Lintas Deutschland GmbH
Ammirati Puris Lintas S Sales Communications GmbH	Germany	100	Ammirati Puris Lintas Deutschland GmbH
Baader-Lang-Behnken GmbH	Germany	82	Ammirati Puris Lintas Deutschland GmbH
Creative Media Services GmbH	Germany	100	Ammirati Puris Lintas Deutschland
Fernsehproduktions GmbH	Germany	100	Fremantle International, Inc.
Gottschall & Partners	Germany	100	Lowe & Partners Frankfurt
Heinrich Hoffman & Partner GmbH	Germany	100	Lowe & Partners GmbH Frankfurt
IMP Germany	Germany	75	Ammirati Puris Lintas Deutschland GmbH
Initiativ Media GmbH	Germany	100	Ammirati Puris Lintas Deutschland GmbH
Initiativ Verkaufsforderung GmbH	Germany	100	Ammirati Puris Lintas Hamburg GmbH
Interpublic GmbH	Germany	100	Registrant
K&S Werbeagentur Marketing und Consulting GmbH	Germany	100	Adplus GmbH
Koch Media Planning	Germany	100	Ad Plus
Krakow McCann-Erickson GmbH	Germany	100	McCann-Erickson Deutschland GmbH
Lowe & Partners GmbH Dusseldorf	Germany	100	Lowe Worldwide Holdings B.V. (75%)and Registrant (25%)
Lowe & Partners GmbH Frankfurt	Germany	100	Lowe & Partners GmbH Dusseldorf
Lowe & Partners GmbH Hamburg	Germany	100	Lowe & Partners GmbH Dusseldorf
Lowe & Partners Healthcare GmbH	Germany	100	Lowe & Partners GmbH Frankfurt
Max W.A. Kamer GmbH	Germany	100	Ammirati Puris Lintas Deutschland GmbH
McCann Direct GmbH Agentur Fuer Consulting GmbH	Germany	100	McCann-Erickson Deutschland GmbH
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McCann-Erickson (International) GmbH	Germany	100	Registrant
McCann-Erickson Deutschland GmbH	Germany	100	McCann-Erickson (International) GmbH
McCann-Erickson Scope GmbH	Germany	100	McCann-Erickson Deutschland GmbH
McCann-Erickson Frankfurt GmbH	Germany	100	McCann-Erickson Deutschland GmbH
McCann-Erickson Hamburg GmbH	Germany	100	McCann-Erickson Deutschland GmbH
McCann-Erickson Nurnberg GmbH	Germany	100	McCann-Erickson Deutschland GmbH
McCann-Erickson Service GmbH	Germany	100	McCann-Erickson Deutschland GmbH
McCann-Promotion GmbH	Germany	100	McCann-Erickson Deutschland GmbH
McCann Healthcare Pharma Kommunikation GmbH	Germany	100	McCann-Erickson Deutschland GmbH
McCann-Erickson Management Property GmbH	Germany	100	McCann-Erickson Deutschland GmbH(80%) Interpublic GmbH (20%)
Typo-Wenz Artwork GmbH	Germany	100	Interpublic GmbH
Universalcommunication Media Intensiv GmbH	Germany	100	Interpublic GmbH
Unterstuetzungskasse der H.K. McCann Company GmbH	Germany	100	McCann-Erickson (International) GmbH
Ammirati Puris Lintas Worldwide Advertising (Hellas) L.L.C.	Greece	100	Interpublic Limited
Fremantle Hellas	Greece	95	Talbot Television Limited
McCann-Erickson (Hellas) E.P.E.	Greece	100	Registrant
Sprint Advertising S.A.	Greece	51	Fieldplan Limited
Initiative Media Advertising S.A.	Greece	100	Fieldplan Limited
Universal Media Greece	Greece	100	McCann-Erickson (International)GmbH
Publicidad McCann-Erickson Centroamericana (Guatemala), S.A.	Guatemala	100	Registrant
McCann-Erickson Centroamericana S. de R.L.(Honduras)	Honduras	100	Registrant

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Ammirati Puris Lintas Hong Kong Limited	Hong Kong	100	Ammirati Puris Lintas Holding B.V.
Infoplan (Hong Kong) Limited	Hong Kong	100	McCann-Erickson (HK) Limited
Interpublic (China) Limited	Hong Kong	100	Registrant
McCann-Erickson (HK) Limited	Hong Kong	100	Registrant
Initiative Media Hungary	Hungary	100	Lintas Budapest
Lintas Budapest Reklam es Marketing Kommunicacios Kft	Hungary	90	Ammirati Puris Lintas Deutschland GmbH
McCann-Erickson Interpress International Advertising Agency Ltd.	Hungary	100	Registrant
McCann-Erickson (India) Pvt.	India	60	McCann-Erickson Worldwide Inc.
Ammirati Puris Lintas Milano S.p.A.	Italy	100	Ammirati Puris Lintas Holding B.V.
Centro Media Planning-Buying-Booking S.r.l.	Italy	100	Ammirati Puris Lintas Milano S.p.A.
Chorus Media Srl	Italy	51	Pirella Gottsche Lowe S.p.A.
Harrison McCann S.r.l.	Italy	100	McCann-Erickson Italiana S.p.A.
McCann-Erickson Italiana S.p.A.	Italy	100	Registrant
McCann Marketing Communications S.p.A.	Italy	100	McCann-Erickson Italiana S.p.A.
Pirella Gottsche Lowe S.p.A.	Italy	95	Lowe Worldwide Holdings B.V.
Pool Media International (P.M.I.) S.r.l.	Italy	100	Registrant (95%) and Business Science Research Corp (5%)
Universal Media Srl	Italy	100	McCann-Erickson Italiana S.p.A. (50%) Pirella Gottsche Lowe S.p.A. (50%)
Lintas - Abidjan	Ivory Coast	67	France C.C.P.M.
McCann-Erickson (Jamaica) Limited	Jamaica	100	Registrant
Hakuhodo Lintas K.K.	Japan	50	Registrant
Lintas Japan K.K.	Japan	100	Ammirati Puris Lintas Nederland B.V.
McCann-Erickson Inc.	Japan	100	Registrant
McCann-Erickson (Kenya) Limited	Kenya	73	Registrant
Ammirati Puris Lintas (Malaysia) Sdn. Bhd.	Malaysia	100	Registrant
Initiative Media (M) Sdn. Bhd.	Malaysia	100	Ammirati Puris Lintas (Malaysia) Sdn. Bhd.

McCann-Erickson (Malaysia) Sdn. Bhd.	Malaysia	100	Registrant
Mutiara-McCann (Malaysia) Sdn. Bhd.	Malaysia	83.50	Registrant
Universal Communication Sdn. Bhd.	Malaysia	100	McCann-Erickson (Malaysia) Sdn. Bhd.
Lowe Mauritius Limited	Mauritius	100	Lowe Holdings Inc.
Ammirati Puris Lintas S.A. de C.V.	Mexico	100	Registrant
Corporacion Interpublic Mexicana, S.A. de C.V.	Mexico	100	Registrant and Inversionistas Asociados, S.A. de C.V.
Inversionistas Asociados, S.A. de C.V.	Mexico	100	Registrant
Lintas Direct S.A. de C.V.	Mexico	100	Registrant
Lowe & Partners/SMS De Mexico, S.A.	Mexico	74	Scali, McCabe, Sloves, Inc.
Lintas Worldwide Namibia (Pty) Limited	Namibia	100	Fieldplan Ltd.
Ammirati Puris Lintas Direct B.V.	Netherlands	80	Ammirati Puris Lintas Nederland B.V.
Ammirati Puris Lintas Holding B.V.	Netherlands	100	Registrant
Ammirati Puris Lintas Nederland B.V.	Netherlands	100	IPG Nederland B.V.
Data Gold B.V.	Netherlands	100	IPG Nederland B.V.
Initiative Media B.V.	Netherlands	100	Ammirati Puris Lintas Nederland B.V.
IPG Nederland B.V.	Netherlands	100	Registrant
Lowe Europa B.V.	Netherlands	100	Lowe Worldwide Holdings B.V.
Lowe International Holdings B.V.	Netherlands	100	Registrant
Lowe Kuiper & Schouten B.V.	Netherlands	100	Lowe Worldwide Holdings B.V.
Lowe Worldwide Holdings B.V.	Netherlands	100	Poundhold Ltd.
McCann-Direct B.V.	Netherlands	100	McCann-Erickson (Nederland) B.V.
McCann-Erickson (Nederland) B.V.	Netherlands	100	IPG Nederland B.V.
McCann-Erickson Industrieel B.V.	Netherlands	100	McCann-Erickson (Nederland) B.V.
P. Strating Promotion B.V.	Netherlands	100	IPG Nederland B.V.
Programming Media International B.V.	Netherlands	100	Registrant
Reclame-Adviesbureau Via B.V.	Netherlands	100	IPG Nederland B.V.
Universal Media B.V.	Netherlands	100	IPG Nederland B.V.
Zet Zet B.V.	Netherlands	100	Data Gold B.V.
Ammirati Puris Lintas (NZ) Limited	New Zealand	100	Registrant
McCann-Erickson Limited	New Zealand	100	Registrant
Universal Media Limited	New Zealand	100	McCann-Erickson Limited

McCann-Erickson Belfast Limited	Northern Ireland	100	McCann-Erickson United Kingdom Limited
JBR Reklamebyra A/S	Norway	100	McCann-Erickson A/S
JBR Filialen A/S	Norway	100	JBR Reklamebyra A/S
JBR Film A/S	Norway	100	JBR Reklamebyra A/S
JBR Invest A/S	Norway	100	JBR Reklamebyra A/S
Lowe Norway A/S	Norway	100	Lowe Scandinavia AB
McCann-Erickson A/S	Norway	100	Registrant
McCann Production A/S	Norway	100	McCann-Erickson A/S
Universal Media A/S	Norway	100	McCann-Erickson A/S
McCann-Erickson de Panama, S.A.	Panama	100	Registrant
Universal Ideas S.A.	Panama	100	McCann-Erickson de Panama, S.A.
Conte/McCann-Erickson de Panama S.A.	Panama	51	McCann-Erickson de Panama, S.A.
McCann-Erickson (Paraguay) Company	Paraguay	100	McCann-Erickson (Paraguay) Co. (Delaware)
Ammirati Puris Lintas China	People's Republic of China	50	Registrant & Shanghai Bang Da Advertising
McCann-Erickson Guangming Advertising Limited	People's Republic of China	51	McCann-Erickson Worldwide
McCann-Erickson Corporacion Publicidad S.A.	Peru	100	Registrant
McCann Group of Companies, Inc.	Philippines	100	Registrant
ITI McCann-Erickson International Advertising	Poland	50	McCann-Erickson International GmbH
Lintas Warszawa	Poland	100	Ammirati Puris Lintas Deutschland GmbH
Ammirati Puris Lintas, Ltda.	Portugal	100	Ammirati Puris Lintas Holding B.V.
Fremantle Portugal, Producoes Televisas, LDA	Portugal	100	Talbot Television Limited (95%) and Fremantle International Inc. (5%)
Inciativas De Meios-Actividades Publicitarias, Limitada	Portugal	98	Ammirati Puris Lintas, Ltda.
Lowe Portuguesa Publicidade a Estudos de Mercado, S.A.	Portugal	100	Lowe Worldwide Holdings B.V.
McCann-Erickson/Portugal Limitada	Portugal	100	Business Science Research Corporation

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Universal Media Publicidade, Limitada	Portugal	100	McCann-Erickson/Portugal Limitada
Lintas Puerto Rico, Inc.	Puerto Rico	100	Ammirati Puris Lintas, Inc.
McCann-Erickson, Limited	Republic of Ireland	100	Registrant
McCann-Erickson Moscow	Russia	100	McCann-Erickson International GmbH
McCann-Erickson Scotland Limited	Scotland	100	McCann-Erickson United Kingdom Limited
Lintas Worldwide (Singapore) Private Limited	Singapore	100	Registrant
Ammirati Puris Lintas (Proprietary) Limited	South Africa	100	Ammirati Puris Lintas Holding B.V. (76%) Registrant (24%)
McCann Cape Town (Proprietary) Limited	South Africa	100	McCann Group
McCann Durban (Proprietary) Limited	South Africa	100	McCann Group
McCann-Erickson (Singapore) Private Limited	Singapore	100	Registrant
McCann-Erickson South Africa (Pty.) Ltd. ("McCann Group")	South Africa	100	Registrant
McCann International (Proprietary) Limited	South Africa	100	McCann Group
McCann South Africa Proprietary Limited	South Africa	100	McCann-Erickson Johannesburg (Proprietary) Limited
McCann-Erickson Johannesburg (Proprietary) Limited	South Africa	100	McCann-Erickson South Africa (Proprietary) Limited
McCannix Proprietary Limited	South Africa	100	McCann-Erickson Johannesburg (Proprietary) Limited
Media Initiative (Proprietary) Limited	South Africa	100	Ammirati Puris Lintas (Proprietary) Limited
Media Solutions (Proprietary) Limited	South Africa	100	McCann Group
Universal Media (Proprietary) Limited	South Africa	100	McCann Group
Lintas Korea, Inc.	South Korea	100	Registrant
McCann-Erickson, Inc.	South Korea	51	McCann-Erickson Marketing, Inc.
Ammirati Puris Lintas S.A.	Spain	100	Ammirati Puris Lintas Holding B.V.
Cinestar S.A.	Spain	100	Clarín, S.A.
Clarín, S.A.	Spain	100	McCann-Erickson S.A.

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Encuadre S.A.	Spain	67	Clarín, S.A.
Events & Programming International Consultancy, S.A. (EPIC)	Spain	100	Registrant
Fremantle de España S.L.	Spain	100	Fremantle International Inc.
Iniciativas de Medios, S.A.	Spain	100	Ammirati Puris Lintas, S.A.
Lowe Dospordos S.A.	Spain	83.7	Lowe Worldwide Holdings B.V.
Lowe MBAC S.A.	Spain	100	Lowe Worldwide Holdings B.V.
Lowe RZR S.A.	Spain	80	Lowe International Holdings B.V.
McCann-Erickson S.A.	Spain	100	Registrant
McCann-Erickson Barcelona S.A.	Spain	100	Registrant
Pool Media International S.A.	Spain	100	Registrant
Universal Media S.A.	Spain	100	McCann-Erickson S.A.
AB Ammirati Puris Lintas Shoppen	Sweden	100	Ammirati Puris Lintas AB
Ammirati Puris Lintas AB	Sweden	100	Ammirati Puris Lintas Holding B.V.
Interpublic Svenska AB	Sweden	100	Lowe International Holdings B.V.
Lost Forever AB	Sweden	100	Lowe Scandinavia AB
Lowe Brindfors AB	Sweden	100	Lowe Scandinavia AB
Lowe Brindfors Annonbyra AB	Sweden	100	Lowe Scandinavia AB
Lowe Scandinavia AB	Sweden	100	Interpublic Svenska AB
McCann-Erickson AB	Sweden	100	Registrant
Message Plus Media	Sweden	85	Lowe Scandinavia AB
PMI Initiative Universal Media AB	Sweden	100	Ammirati Puris Lintas AB (50%) McCann-Erickson AB (50%)
Ronberg & Co. A.B.	Sweden	100	McCann-Erickson AB
Swedish Media Exchange SMX AB	Sweden	100	Lowe Scandinavia AB
Werne & Co. Annonbyra I Malmö AB	Sweden	100	McCann-Erickson AB
Werne & Co. Annonbyra AB	Sweden	100	McCann-Erickson AB
Fisch Meier Direkt Switzerland	Switzerland	100	Ammirati Puris Lintas Deutschland GmbH
Get Neue Gestaltungstechnik AG	Switzerland	80	Bosch & Butz Werbeagentur
Lintas A.G.	Switzerland	100	Ammirati Puris Lintas Holding B.V.
Initiative Media Switzerland	Switzerland	100	Ammirati Puris Lintas Holding B.V.
McCann-Erickson S.A.	Switzerland	100	Registrant

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McCann-Erickson Services S.A.	Switzerland	100	Registrant
P.C.M. Marketing AG	Switzerland	100	Ammirati Puris Lintas Deutschland GmbH
Pool Media-PMI S.A.	Switzerland	100	Registrant
Unimedia S.A.	Switzerland	100	Registrant
Werbeagentur AG	Switzerland	80	Lowe International Holdings B.V.
Lintas Taiwan Limited	Taiwan	100	Registrant
McCann-Erickson Communications Group Co.Ltd.	Taiwan	100	Registrant
Lintas (Thailand) Ltd.	Thailand	80	Registrant
McCann-Erickson (Thailand) Ltd.	Thailand	100	Registrant
Lintas Gulf Limited	Tortola	51	Ammirati Puris Lintas Worldwide Limited
McCann-Erickson (Trinidad) Limited	Trinidad	100	Registrant
Grafika Lintas Reklamcılık A.S.	Turkey	51	Registrant
Initiative Media Istanbul	Turkey	70	Registrant
Link Ajams Limited Sirketi	Turkey	100	PARS
McCann-Direct Reklam Tanıtama Servisleri A.S.	Turkey	100	PARS
PARS McCann-Erickson Reklamcılık A.S.("PARS")	Turkey	100	Registrant
Universal Media Planlama Ve Dagitim	Turkey	100	PARS
McCann-Erickson Publicidad De Venezuela, S.A.	Venezuela	99.67	Registrant
McCann-Erickson Payne, Golley Ltd.	Wales	75.9	McCann-Erickson United Kingdom Limited
Lintas (Private) Limited	Zimbabwe	80	Fieldplan Ltd.

A number of inactive subsidiaries and other subsidiaries, all of which considered in the aggregate as a single subsidiary would not constitute a significant subsidiary, are omitted from the above list.

These subsidiaries normally do business under their official corporate names. International Business Services, Inc. does business in Michigan under the name "McCann-I.B.S., Inc." and in New York under the name "McCann International Business Services". Ammirati Puris Lintas, Inc. conducts business through its Ammirati Puris Lintas New York division. McCann-Erickson conducts some of its business in the states of Kentucky and Michigan under the name "McGraphics". McCann-Erickson USA, Inc. does business in Michigan under the name SAS and does business in Indiana, Michigan, New York, Pennsylvania and Wisconsin under the name of McCann-Erickson Universal Group.

To the Board of Directors of
The Interpublic Group of Companies, Inc.

Our audits of the consolidated financial statements referred to in our report dated February 14, 1997 appearing in the 1996 Annual Report to Stockholders of The Interpublic Group of Companies, Inc. (which report and consolidated financial statements are incorporated by reference in this Annual Report on Form 10-K) also included an audit of the Financial Statement Schedules listed in Item 14 (a) of this Form 10-K. In our opinion, these Financial Statement Schedules present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

PRICE WATERHOUSE LLP
New York, New York
February 14, 1997

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 of The Interpublic Group of Companies, Inc. (the "Company"), of our report dated February 14, 1997, appearing in the 1996 Annual Report to Stockholders which is incorporated in this Annual Report on Form 10-K: Registration Statements No. 2-79071; No. 2-43811; No. 2-56269; No. 2-61346; No. 2-64338; No. 2-67560; No. 2-72093; No. 2-88165; No. 2-90878, No. 2-97440 and No. 33-28143, relating variously to the Stock Option Plan (1971), the Stock Option Plan (1981), the Stock Option Plan (1988) and the Achievement Stock Award Plan of the Company; Registration Statements No. 2-53544; No. 2-91564, No. 2-98324, No. 33-22008, No. 33-64062 and No. 33-61371, relating variously to the Employee Stock Purchase Plan (1975), the Employee Stock Purchase Plan (1985) and the Employee Stock Purchase Plan of the Company (1995); Registration Statements No. 33-20291 and No. 33-2830 relating to the Management Incentive Compensation Plan of the Company; Registration Statements No. 33-5352, No. 33-21605, 333-4747 and 333-23603 relating to the 1986 Stock Incentive Plan, the 1986 United Kingdom Stock Option Plan and the 1996 Stock Incentive Plan, of the Company; and Registration Statements No. 33-10087 and No. 33-25555 relating to the Long-Term Performance Incentive Plan of the Company. We hereby consent to the incorporation by reference in the Prospectuses constituting part of the Registration Statements on Form S-3 (No. 33-37346 and 333-22899) of The Interpublic Group of Companies, Inc. of our report dated February 14, 1997 appearing in the 1996 Annual Report to Stockholders which is incorporated in this Annual Report on Form 10-K. We also consent to the incorporation by reference of our report on the Financial Statement Schedules, which appears above.

PRICE WATERHOUSE LLP
New York, New York
March 26, 1997

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KNOW ALL MEN BY THESE PRESENTS, that each individual whose signature appears below constitutes and appoints PHILIP H. GEIER, JR., EUGENE P. BEARD, JOSEPH STUDLEY and NICHOLAS J. CAMERA, and each of them, as true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution, for him, and in his name, place and stead, in any and all capacities, to sign the Report on Form 10-K for the year ended December 31, 1996, for The Interpublic Group of Companies, Inc., S.E.C. File No. 1-6686, and any and all amendments and supplements thereto and all other instruments necessary or desirable in connection therewith, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission and the New York Stock Exchange, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requested and necessary to be done in and about the premises as fully to all intents and purposes as he might do or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Dated: March 20, 1997

Philip H. Geier, Jr.
Philip H. Geier, Jr.

Frank B. Lowe
Frank B. Lowe

Eugene P. Beard
Eugene P. Beard

Leif H. Olsen
Leif H. Olsen

Frank J. Borelli
Frank J. Borelli

Martin F. Puris
Martin F. Puris

Reginald K. Brack
Reginald K. Brack

Allen Questrom
Allen Questrom

Jill M. Considine
Jill M. Considine

J. Phillip Samper
J. Phillip Samper

John J. Dooner, Jr.
John J. Dooner, Jr.

Joseph J. Sisco
Joseph J. Sisco

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THE INTERPUBLIC GROUP OF COMPANIES, INC.

Certified Resolutions

I, Nicholas J. Camera, Secretary of The Interpublic Group of Companies, Inc. (the "Corporation"), hereby certify that the resolutions attached hereto were duly adopted on March 20, 1997 by the Board of Directors of the Corporation and that such resolutions have not been amended or revoked.

WITNESS my hand and the seal of the Corporation this 20th day of March, 1997.

Nicholas J. Camera
Nicholas J. Camera

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THE INTERPUBLIC GROUP OF COMPANIES, INC.
MEETING OF THE BOARD OF DIRECTORS

Resolutions re Form 10-K

RESOLVED, that the Chairman of the Board and President and the Vice Chairman-Finance and Operations of the Corporation be, and each of them hereby is, authorized to execute and deliver on behalf of the Corporation an annual report on Form 10-K for the year ended December 31, 1996, in the form presented to this meeting with such changes therein as either of them with the advice of the General Counsel shall approve; and further

RESOLVED, that the Chairman of the Board and President in his capacity as Chief Executive Officer, the Vice Chairman-Finance and Operations in his capacity as Chief Financial Officer, and the Vice President and Controller in his capacity as Chief Accounting Officer of the Corporation be, and each of them hereby is, authorized to execute such annual report on Form 10-K; and further

RESOLVED, that the officers of the Corporation be and each of them hereby is, authorized and directed to file such annual report on Form 10-K, with all the exhibits thereto and any other documents that may be necessary or desirable in connection therewith, after its execution by the foregoing officers and by a majority of this Board of Directors, with the Securities and Exchange Commission and the New York Stock Exchange; and further
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RESOLVED, that the officers and directors of the Corporation who may be required to execute such annual report on Form 10-K be, and each of them hereby is, authorized to execute a power of attorney in the form submitted to this meeting appointing Philip H. Geier, Jr., Eugene P. Beard, Joseph Studley and Nicholas J. Camera, and each of them, severally, his or her true and lawful attorneys and agents to act in his or her name, place and stead, to execute said annual report on Form 10-K and any and all amendments and supplements thereto and all other instruments necessary or desirable in connection therewith; and further

RESOLVED, that the signature of any officer of the Corporation required by law to affix his signature to such annual report on Form 10-K or to any amendment or supplement thereto and such additional documents as they may deem necessary or advisable in connection therewith, may be affixed by said officer personally or by any attorney-in-fact duly constituted in writing by said officer to sign his name thereto; and further

RESOLVED, that the officers of the Corporation be, and each of them hereby is, authorized to execute such amendments or supplements to such annual report on Form 10-K and such additional documents as they may deem necessary or advisable in connection with any such amendment or supplement and to file the foregoing with the Securities and Exchange Commission and the New York Stock Exchange; and further

RESOLVED, that the officers of the Corporation be, and each of them hereby is, authorized to take such actions and to execute such other documents, agreements or instruments as may be necessary or desirable in connection with the foregoing.

THIS SCHEDULE CONTAINS SUMMARY INFORMATION EXTRACTED FROM THE BALANCE SHEET A AND THE INCOME STATEMENT AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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	DEC-31-1996	
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