

# **Goldman Sachs Communacopia XVIII Conference**



**September 15, 2009**



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

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

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

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



# Interpublic Group Today

- I. Premier advertising & marketing agencies providing full range of critical services to world-class clients
- II. Effectively managing business through a challenging environment
- III. Strategically well-positioned for 2010 and long-term value creation

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



# World Class Clients





# Portfolio of Powerful Brands – Across Disciplines and Globally

MCCANN Worldgroup

Premier global network, industry’s largest provider of integrated campaigns

**DRAFTFCB**

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



High-value ideas in high-growth markets



**UM** initiative

Two global media networks and a spectrum of specialist media companies

JACK MORTON



octagon

WEBER SHANDWICK

GolinHarris

FutureBrand

Best-in-class marketing services providers

Campbell Mithun **CAMPBELL-EWALD**

**MULLEN** ■ **R/GA** **Deutsch**



**THE MARTIN AGENCY**

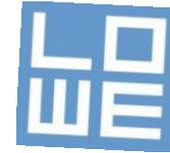
Exceptional group of independent agencies



# Recent Industry Honors & Recognition

## WEBER SHANDWICK

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



Comeback Agency of the Year, *Ad Age*



Agency of the Year, *B2B Magazine*

## R/GA

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

Digital "Strong Performer"  
*Forrester Wave Report* **DRAFTFCB**

## initiative

Media Agency of the Year, *Ad Age*  
US Media Agency of the Year, *Adweek*

## THE MARTIN AGENCY

"A" List, *Ad Age*

MCCANN ERICKSON



HILL HOLLIDAY

Top rankings, Agency Report Cards, *Adweek*

"A" List, *AdAge*

**Deutsch**



# Organic Revenue Performance: Significant Progress

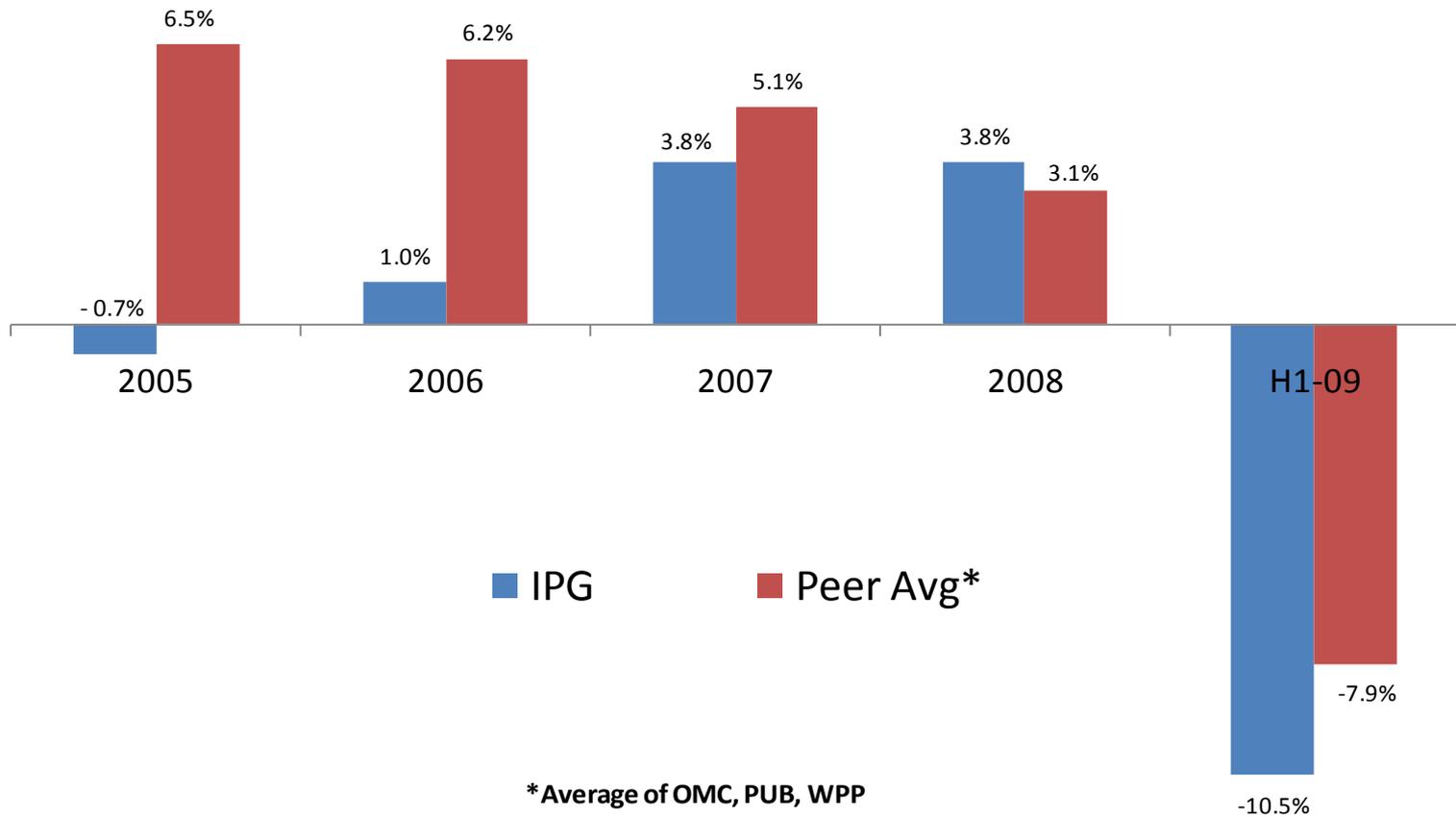
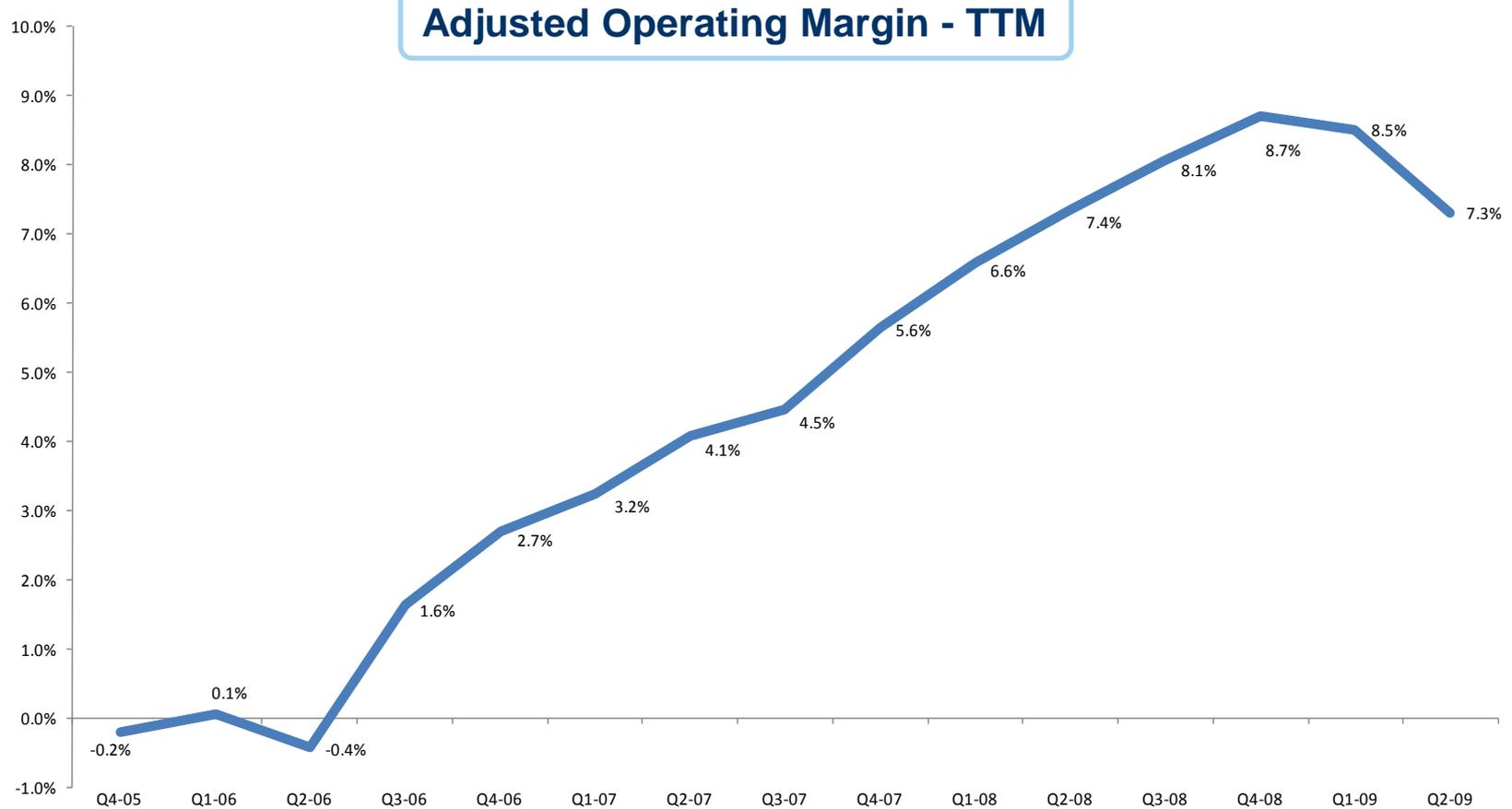


Chart shows year-over-year organic revenue change



# Profitability: Dramatic Improvement Tempered by '09 Recession



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

- I. Premier advertising & marketing agencies providing full range of critical services to world-class clients
- II. Effectively managing business through a challenging environment
- III. Strategically well-positioned for 2010 and long-term value creation



# Six Months 2009 Results

- Revenue decreased 15.7%, organic decrease of 10.5%
- Decline primarily reflects broader economic climate, with clients in auto & technology sectors, as well as event marketing business, notably challenged
- Operating expenses decreased 12.4%; excluding severance, operating expenses decreased 14.0%\*
- Reported loss of \$0.11 per share compared with year-ago income of \$0.04

\*Reconciliation to closest comparable GAAP financial measure is included in the appendix to this presentation available on our website, [www.interpublic.com](http://www.interpublic.com).



# Six Months 2009 Results

- Managing flexible cost structure proactively and effectively:
  - Significant investments in systems and processes during past three years have strengthened cost disciplines
  - Achieving incremental operating leverage against multiple cost categories (incentive compensation, temporary labor, T&E, supplies and data/telecom) despite revenue decrease
  - Stepped-up headcount actions and severance expense in Q408 and 1H09
- We are positioned to recoup significant margin and resume strong progress to competitive profitability with economic & top-line recovery



# Cost & Margin Opportunities

- Management team continues to address legacy inefficiencies, with enhanced financial tools/insight and improved management and finance talent
- Productivity of our talent base is the key
- More progress can be made on controllable expenses
  - Real Estate efficiencies
  - Professional fees
  - T&E, Telecom & Data, Office Supplies
- Specific agency opportunities also remain



# Ample Financial Resources

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

- I. Premier advertising & marketing agencies providing full range of critical services to world-class clients
- II. Effectively managing business through a challenging environment
- III. Strategically well-positioned for 2010 and long-term value creation



## Recent Strategic Actions Have Taken Hold



**DRAFTFCB**



- Formed as management company for global media assets in early 2008; reinventing how media is planned, measured and bought
- Launched in 2006 as the first global, behavior-based, creative and accountable marketing group; operates as a financially and structurally integrated business unit
- Re-focused as a premier creative agency delivering high-value ideas in major world markets; IPG's "global boutique"



## Recent Strategic Actions Have Taken Hold

### Strength in emerging markets:

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



## Digital: Driver of Future Success

- Increasingly key to our growth prospects
- Getting the right message, to the right person, at the right time, on the right device!
- But, technology cannot replace creativity – must enhance it and be integrated into all marketing programs



# Digital Offerings: Quality and Scale

## Strong embedded capabilities

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

## World-class specialized assets

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



# Digital Offerings: Quality and Scale

Strong embedded capabilities

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

World-class specialized assets

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

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



# New Business Wins Continue





# New Business Wins Continue





## The Integrated Offering: An Increasingly Strategic Priority

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



# Open Architecture

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

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

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



# Key Highlights

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

# **Goldman Sachs Communacopia XVIII Conference**



**September 15, 2009**

# APPENDIX





# Reconciliation of Organic Revenue Growth

Last Twelve Months Ending	Beginning of Period Revenue	Components of change during the period			End of Period Revenue
		Foreign Currency	Net Acquisitions / (Divestitures)	Organic	
12/31/05	\$ 6,387.0	\$ 40.4	\$ (107.4)	\$ (45.7)	\$ 6,274.3
3/31/06	6,325.8	(10.9)	(132.6)	90.8	6,273.1
6/30/06	6,423.7	(8.8)	(157.5)	(62.1)	6,195.3
9/30/06	6,344.3	(13.9)	(140.4)	19.4	6,209.4
12/31/06	6,274.3	20.6	(165.4)	61.3	6,190.8
3/31/07	6,273.1	78.4	(147.2)	18.6	6,222.9
6/30/07	6,195.3	102.4	(124.7)	169.7	6,342.7
9/30/07	6,209.4	137.3	(110.9)	213.0	6,448.8
12/31/07	6,190.8	197.5	(70.7)	236.6	6,554.2
3/31/08	6,223.0	217.8	(45.9)	285.5	6,680.3
6/30/08	6,342.7	244.9	(12.6)	288.4	6,863.4
9/30/08	6,448.8	237.5	32.8	324.4	7,043.5
12/31/08	6,554.2	71.5	87.6	249.4	6,962.7
3/31/09	6,680.3	(88.3)	114.7	96.1	6,802.8
6/30/09	6,863.4	(286.2)	139.2	(274.8)	6,441.5

(\$ in Millions)