



# UBS 38<sup>TH</sup> ANNUAL GLOBAL MEDIA AND COMMUNICATIONS CONFERENCE

December 6, 2010

Michael Roth

Interpublic Group

# CAUTIONARY STATEMENT

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.

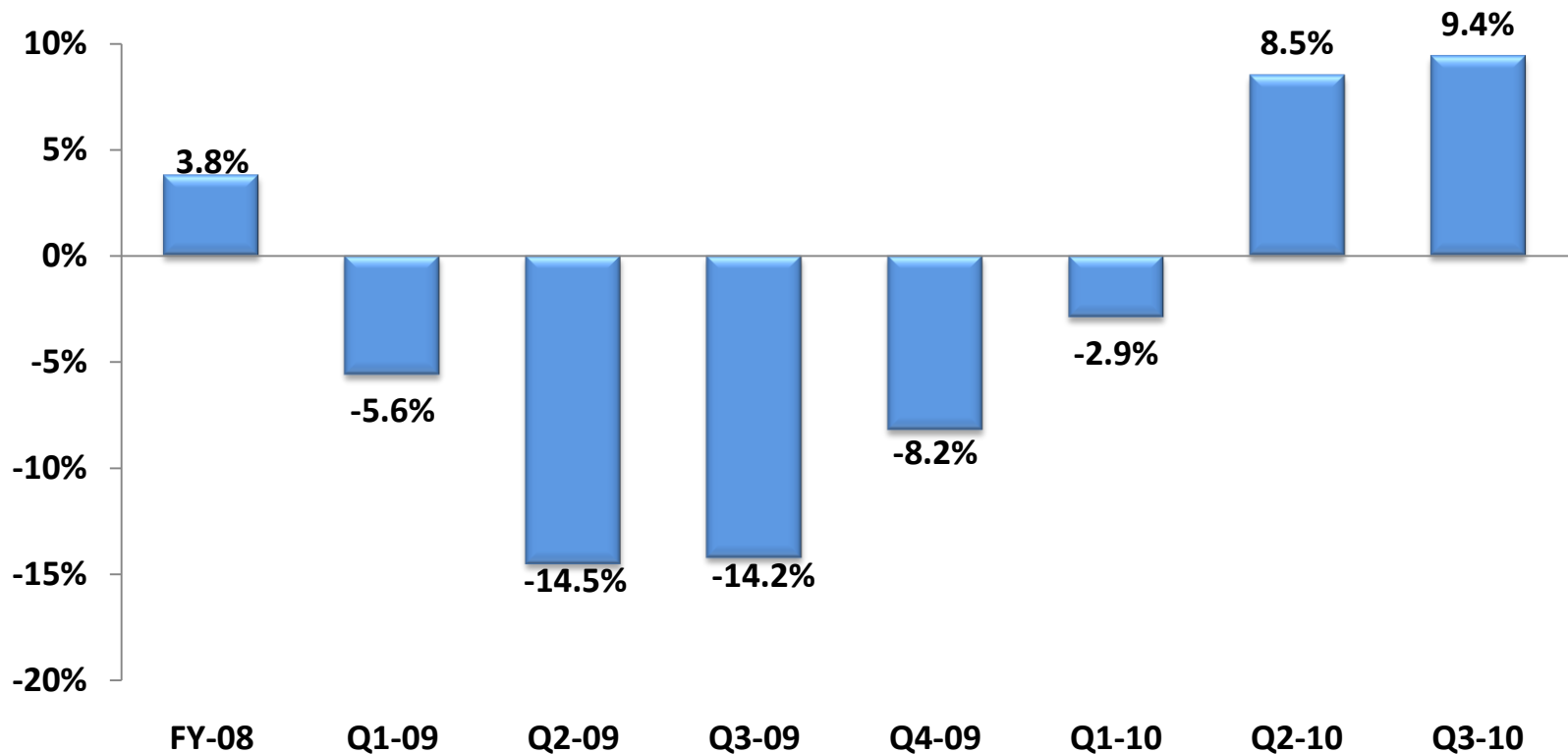
Investors should carefully consider these factors and the additional risk factors outlined in more detail in our most recent Annual Report on Form 10-K under Item 1A, Risk Factors.

# UPDATE

- With organic revenue growth of 5.2% through nine months, we are pleased with the tone of business so far this year
- North America, LatAm, Asia ex-Japan, Africa have led, while cyclical client sectors have shown strongest growth
- Contributions from a broad range of our agencies and marketing services specialists, including digital services
- With effective expense discipline, operating profit has tripled through nine months from 2009's recession level

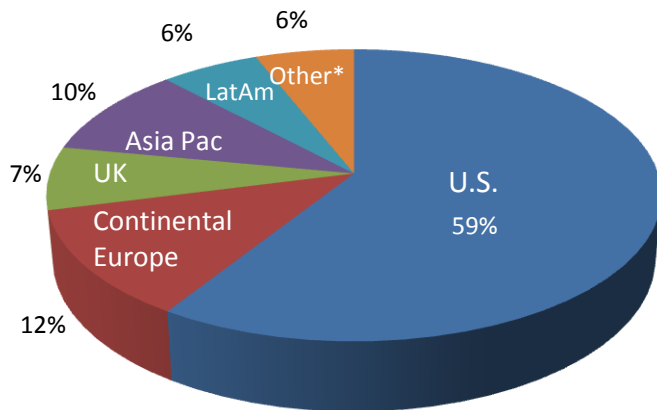
# IMPROVED REVENUE TREND

Organic Revenue Change  
Year over Year



# MACRO REMAINS IMPORTANT – REGIONS

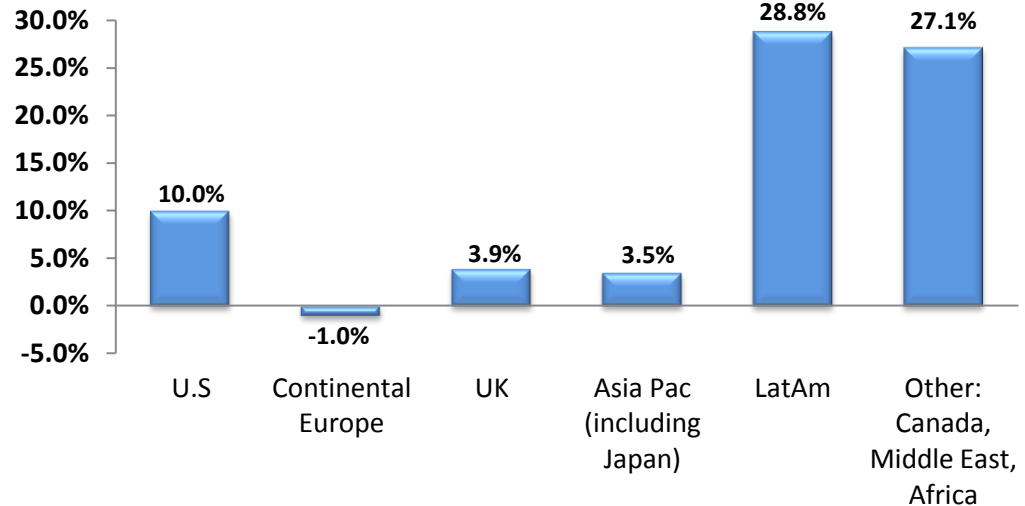
2010 Revenue Base



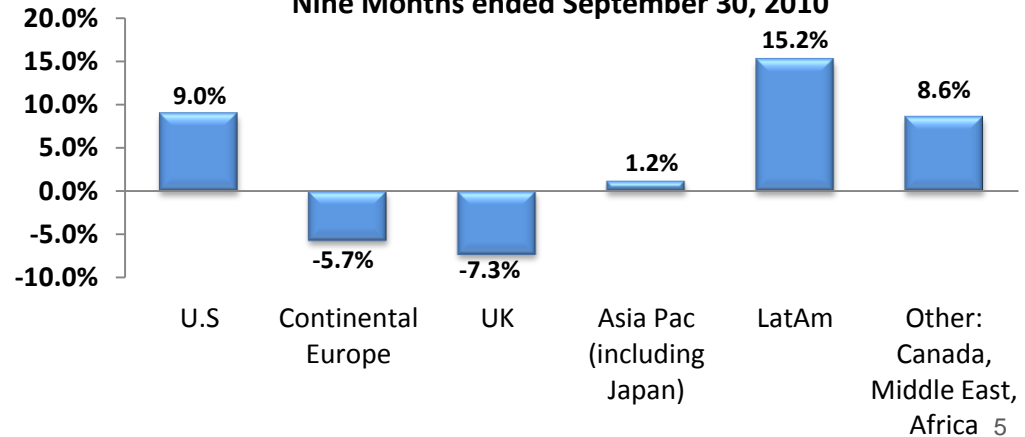
Nine Months ended September 30, 2010

\*Other: Canada, Middle East, Africa

Organic Revenue Change  
Three Months ended September 30, 2010



Nine Months ended September 30, 2010



# BROAD CLIENT SECTOR PARTICIPATION

YTD Revenue Change	Client Sector	% Total Revenue YTD
30%+:	Auto & Transportation	14%
	Financial Services	8%
20-30%:	Retail	7%
10-20%:	Packaged Goods	9%
0-10%:	Food & Beverage	13%
	Health & Personal Care	20%
0-(10%):	Technology & Telecom	21%

Not shown: "Other" of approximately 8% of total revenue. Change year to date through September 30, 2010 in constant currency based on Top 100 clients, approximately 50% of total revenue.

# NEW BUSINESS WINS IN 2010



BDF ●●●●  
Beiersdorf



Walmart 



Microsoft

jetBlue  
AIRWAYS



L'ORÉAL

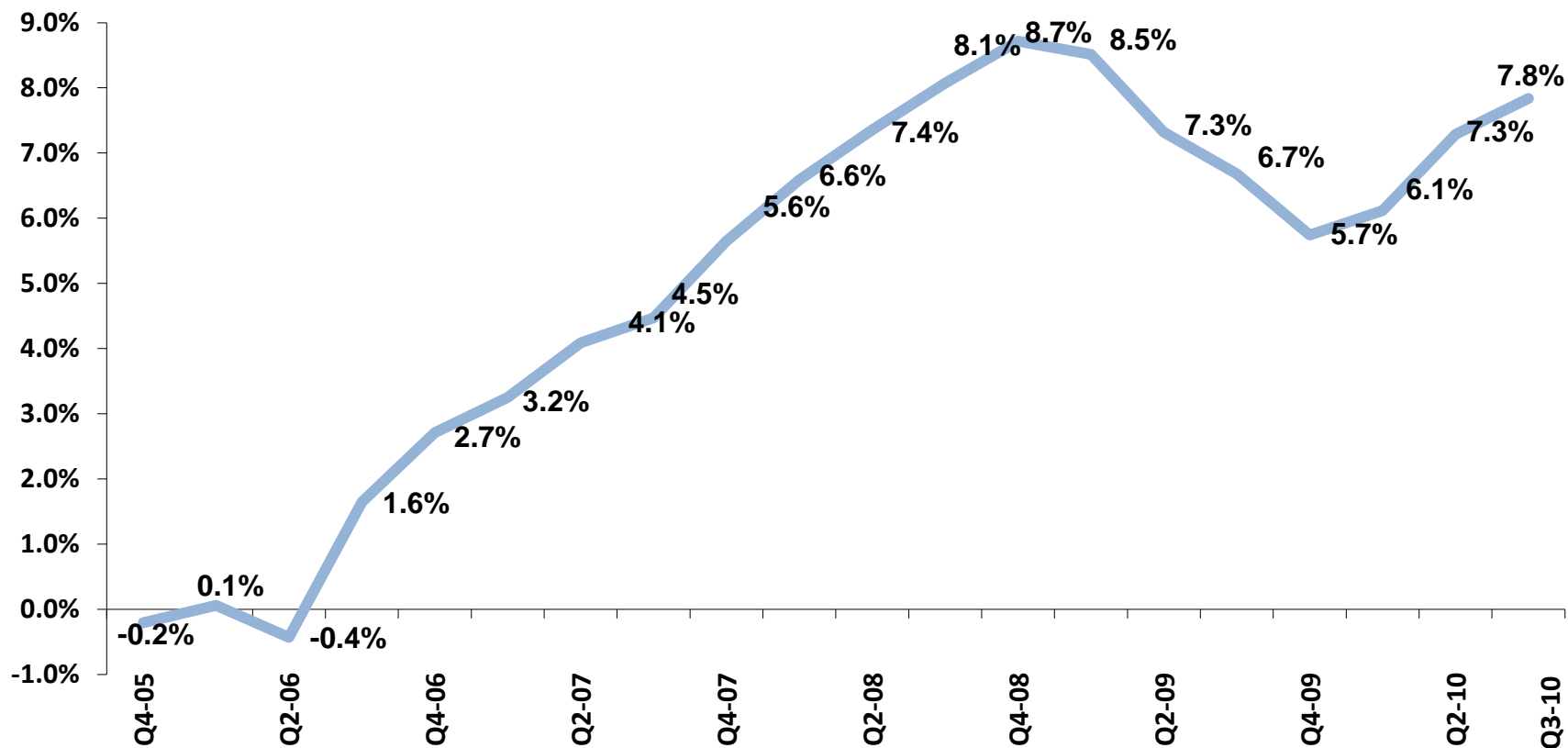


Burberry 



# ADJUSTED OPERATING MARGIN

Trailing Twelve Months





# MARGIN BACK ON TRACK TO OUR GOAL OF FULLY COMPETITIVE PROFITABILITY

2010

- Leverage on base payroll from growth & '09 headcount actions
- Decreased severance expense from 2009
- Higher incentive compensation, along with other costs associated with growth



2011+

- Sustained competitive organic revenue growth
- Leverage on major expense components, led by improved utilization and efficiency
- Enhanced financial tools and insight

# STRONG FINANCIAL FUNDAMENTALS

- \$1.9 billion cash and short-term investments
- Lowered debt by approximately \$600 million 2008-2010
  - Nov. '10 debt maturity of \$192 million paid from cash on hand
- Repurchased \$304 million of our 5.25% convertible preferred shares earlier this year
  - Annual savings of \$16 million dividends
  - Eliminated 22 million common share equivalents
- Expanded term credit revolver of \$650 million

# SUMMARY: FIRST NINE MONTHS

- Competitiveness of our brands & high value of our services have created the basis for full participation in global economic recovery
- With greater revenue growth, a higher level of revenue-associated investments
- Seeing margin improvement from structural cost actions, new efficiencies, and ongoing expense discipline

INTERPUBLIC  
LONG-TERM  
VALUE CREATION

# IPG AGENCIES BEST-IN-CLASS



**MEDIA HOLDING COMPANY  
OF THE YEAR**  
*MediaPost 2009*

**initiative**

**MEDIA AGENCY OF THE YEAR**  
*Advertising Age 2008*

**UM**

**US MEDIA AGENCY  
OF THE YEAR**  
*Adweek 2009*  
**A-LIST AGENCY**  
*Advertising Age 2009*

**THE MARTIN AGENCY**  
**US AGENCY OF THE YEAR**  
*Adweek 2009*



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**DRAFTFCB**

**A-LIST AGENCY**  
*Advertising Age 2009*

McCANN **Worldgroup**

**LARGEST GLOBAL NETWORK**  
*Advertising Age 2009*



**A-LIST AGENCY**  
*Advertising Age 2008*

**Deutsch**

A Lowe & Partners Company  
**ADVERTISING AGENCY  
OF THE YEAR**  
*Delaney Report 2009*



**AGENCY TO WATCH**  
*Advertising Age 2009*

**WEBER SHANDWICK**

**PR AGENCY OF THE DECADE**  
*Advertising Age 2009*  
**GLOBAL PR AGENCY OF THE YEAR**  
*Holmes Report 2009*

**DRAFTFCB  
HEALTHCARE**  
**AGENCY OF THE YEAR**  
*MedAd News 2009*



**GolinHarris**  
**LARGE PR AGENCY OF THE YEAR**  
*PR Week 2010*

**R/GA**  
**DIGITAL AGENCY OF THE DECADE**  
*Advertising Age 2009*

**HUGE**  
**AGENCY TO WATCH**  
*Advertising Age 2009*

# WORLD CLASS CLIENTS



# WELL-POSITIONED FOR VALUE CREATION

- Addressable market is growing due to globalization, media complexity & digitization, and the demand for accountability
- Our agencies & marketing services group are fully competitive
- Digital offerings in all of our agencies, further enhanced by world-class specialized digital assets
- Strong in higher-growth emerging markets while continuing to invest
- Strong operating discipline and financial foundation



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# APPENDIX

# RECONCILIATION OF ADJUSTED OPERATING MARGIN

<u>Last Twelve Months Ending</u>	<u>Operating Income (Loss)</u>	<u>Restructuring and Other Reorganization-Related Charges (Reversals)</u>	<u>Long-Lived Asset Impairment and Other Charges</u>	<u>Adjusted Operating Income (Loss)</u>
12/31/05	\$ (104.2)	\$ (7.3)	\$ 98.6	\$ (12.9)
3/31/06	(94.7)	-	98.6	3.9
6/30/06	(133.3)	8.2	98.6	(26.5)
9/30/06	(4.2)	14.3	92.1	102.2
12/31/06	106.0	34.5	27.2	167.7
3/31/07	141.4	33.5	27.2	202.1
6/30/07	210.1	22.0	27.2	259.3
9/30/07	240.3	21.0	27.2	288.5
12/31/07	344.3	25.9	-	370.2
3/31/08	410.7	29.7	-	440.4
6/30/08	465.7	39.0	-	504.7
9/30/08	530.9	37.6	-	568.5
12/31/08	589.7	17.1	-	606.8
3/31/09	565.6	13.7	-	579.3
6/30/09	461.9	9.6	-	471.5
9/30/09	403.9	5.2	-	409.1
12/31/09	341.3	4.6	-	345.9
3/31/10	363.8	5.1	-	368.9
6/30/10	444.1	5.7	-	449.8
9/30/10	486.0	7.6	-	493.6

# RECONCILIATION OF ORGANIC REVENUE GROWTH BY REGION

	Three months ended September 30, 2009	Components of change during the period			Three months ended September 30, 2010	Change	
		Foreign currency	Net acquisitions/ (divestitures)	Organic		Organic	Total
<b>Geographic Revenue</b>							
<b>United States</b>	\$ 834.1	\$ -	\$ (0.8)	\$ 83.4	\$ 916.7	10.0%	9.9%
<b>International</b>	592.6	(9.3)	10.0	50.8	644.1	8.6%	8.7%
United Kingdom	104.2	(6.8)	6.7	4.1	108.2	3.9%	3.8%
Continental Europe	190.9	(18.0)	(1.2)	(1.9)	169.8	(1.0%)	(11.1%)
Asia Pacific	140.9	8.7	-	4.9	154.5	3.5%	9.7%
Latin America	73.3	3.1	3.5	21.1	101.0	28.8%	37.8%
All Other Markets	83.3	3.7	1.0	22.6	110.6	27.1%	32.8%
<b>Worldwide</b>	<b>\$ 1,426.7</b>	<b>\$ (9.3)</b>	<b>\$ 9.2</b>	<b>\$ 134.2</b>	<b>\$ 1,560.8</b>	<b>9.4%</b>	<b>9.4%</b>

	Nine months ended September 30, 2009	Components of change during the period			Nine months ended September 30, 2010	Change	
		Foreign currency	Net acquisitions/ (divestitures)	Organic		Organic	Total
<b>Geographic Revenue</b>							
<b>United States</b>	\$ 2,462.6	\$ -	\$ (3.8)	\$ 222.0	\$ 2,680.8	9.0%	8.9%
<b>International</b>	1,763.8	63.2	12.6	(0.5)	1,839.1	(0.0%)	4.3%
United Kingdom	317.0	0.5	6.7	(23.1)	301.1	(7.3%)	(5.0%)
Continental Europe	605.0	(8.7)	(2.8)	(34.3)	559.2	(5.7%)	(7.6%)
Asia Pacific	389.4	30.9	3.2	4.5	428.0	1.2%	9.9%
Latin America	206.3	18.5	4.5	31.3	260.6	15.2%	26.3%
All Other Markets	246.1	22.0	1.0	21.1	290.2	8.6%	17.9%
<b>Worldwide</b>	<b>\$ 4,226.4</b>	<b>\$ 63.2</b>	<b>\$ 8.8</b>	<b>\$ 221.5</b>	<b>\$ 4,519.9</b>	<b>5.2%</b>	<b>6.9%</b>