

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

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

Date of report (Date of earliest event reported): June 22, 2005

The Interpublic Group of Companies, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware

1-6686

13-1024020

(State or Other Jurisdiction
of Incorporation)

(Commission File
Number)

(IRS Employer
Identification No.)

1114 Avenue of the Americas, New York, New York

10036

(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code: 212-704-1200

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement

On June 22, 2005, The Interpublic Group of Companies (“we” or the “Company”) entered into a waiver and an amendment to the \$450 million 3-Year Credit Agreement, dated as of May 10, 2004, as amended as of September 29, 2004 and March 31, 2005 (the “Three-Year Credit Agreement”) and a waiver and an amendment to the \$250 million 364-Day Credit Agreement, dated as of May 10, 2004, as amended as of September 29, 2004 and March 31, 2005 (the “364-Day Credit Agreement” and, together with the Three-Year Credit Agreement, the “Credit Agreements”) (respectively, the “Waivers” and the “Amendments”), each as attached hereto and incorporated by reference herein as Exhibits 10.1 through 10.4.

The Waivers and Amendments primarily extend the relief and related conditions included in the waivers and amendments entered into by the Company on March 31, 2005. The Waivers to the Credit Agreements waive any breach or condition to borrowing related to (i) the Company’s inability to provide audited 2004 financial statements and to file with the Securities and Exchange Commission (the “SEC”) its annual report on Form 10-K for the fiscal year ending December 31, 2004 until September 30, 2005, and (ii) the Company’s inability to provide unaudited financial statements for the first and second quarters of 2005 and to file its quarterly reports on Form 10-Q for the periods ending March 31, 2005 and June 30, 2005 until September 30, 2005. The Amendments to the Credit Agreements, among other things, (i) require the Company to maintain a daily ending balance of \$225,000,000 of cash and securities in domestic accounts with its lenders as a condition to using the facilities, (ii) restrict the Company’s ability to make cash acquisitions in excess of \$7,500,000 in the aggregate until September 30, 2005, (iii) restrict the Company’s ability to make certain restricted payments such as dividends until September 30, 2005 except that the Company may pay dividends on its preferred stock and repurchase capital stock in connection with employees’ exercise of options, (iv) restrict the Company’s use of borrowings under the Credit Agreements to funding known cash requirements of the Company in the ordinary course of business (excluding any payments of principal on public debt) within fifteen days of such requirements becoming due, and (v) amend financial covenants with respect to the Company’s interest coverage ratio, debt to EBITDA ratio and minimum EBITDA. The Amendment to the 364-Day Credit Agreement also extends the termination date under that agreement from July 11, 2005 to September 30, 2005.

Item 1.02 Termination of a Material Definitive Agreement

The Employment Agreement dated October 1, 2003 (filed on March 15, 2004 as Exhibit 10(vii)(a) to the Company’s annual report on Form 10-K as amended by a Supplemental Agreement, dated June 30, 2004, filed on August 9, 2004 as Exhibit 10(III)(A)(14) to the Company’s quarterly report on Form 10-Q), between the Company and Robert Thompson, has been terminated pursuant to Mr. Thompson’s resignation on June 22, 2005. The termination will take effect 90 days from the date of his resignation. See Item 5.02 of this report which is incorporated by reference herein.

Item 2.02 Results of Operations and Financial Condition

Update on Interim Results

We are not yet able to provide preliminary financial information for interim periods in 2005, or any information for the full year 2004 beyond what we provided in our report on Form 8-K dated March 31, 2005 and filed on April 5, 2005 (the “April 5, 2005 Form 8-K”). We continue to gather information from our operating entities and to review it using the intensive manual processes referred to in our previous filings and described under Item 8.01 below. The consolidated financial statements for 2004 and the first and second quarters of 2005 will be prepared after that review is complete.

We are also reviewing a number of items that may require restatement of financial statements for prior periods, as described in the April 5, 2005 Form 8-K and under Item 8.01 below. A particular element of uncertainty relates to the timing of revenue recognition under our customer contracts, which could significantly affect results in a given quarter, and thus affect year-on-year comparisons. We believe that the impact of the timing of revenue recognition on comparisons of full years will likely be less significant.

For all these reasons, we are not able to report results for the first quarter of 2005 with reasonable assurance. It is particularly difficult to analyze how the first quarter of 2005 compared with the first quarter of 2004, since we are still reviewing whether we must restate our previously reported figures for the first quarter of 2004 as well as completing our work on the first quarter of 2005.

Based on preliminary information, however, we currently believe that in the first quarter of 2005 revenue declined moderately compared to the first quarter of 2004, but at this point in our analysis we cannot rule out that this revenue change will increase or decrease. We also believe that our operating margin in the first quarter was adversely affected by higher operating expenses compared to the first quarter of 2004. The increase in operating expenses can be attributed in part to continued increases in professional fees primarily relating to the ongoing work on our financial reporting process, an increase in salary costs and higher incentive costs due to a change in the quarterly attribution of incentive expense accruals, reflecting a revised compensation plan introduced in mid-2004. While this preliminary information will change as we complete our analysis, we currently expect that the apparent decrease in organic revenue and operating margin in the first quarter should be confirmed when we complete our review process.

Update on Liquidity

At March 31, 2005, we estimate that our cash and cash equivalents was \$1,553.0 million and debt was \$2,256.1 million. The following table sets forth our estimated short-term and long-term debt as of March 31, 2005.

	March 31, 2005
	(unaudited, in \$millions)
Short-term debt:	
Loans payable	82.6
7.875% Senior Unsecured Notes due 2005	253.6
Long-term debt:	
Payable to financial institutions	34.8
5.40% Senior Unsecured Notes due 2009	249.7
7.25% Senior Unsecured Notes due 2011	496.0
6.25% Senior Unsecured Notes due 2014	339.4
4.50% Convertible Senior Notes due 2023	800.0
Total debt	2,256.1

We have \$250,000,000 of our 7 7/8% Senior Unsecured Notes (the "Notes") maturing on October 15, 2005. We could repay these Notes at maturity from cash on hand, but we are considering refinancing them by engaging in one or more financings and redeeming, or otherwise retiring, the Notes. After these Notes mature, the next scheduled maturity of our long-term debt is in 2009.

Our ability to draw under the 364-Day Credit Agreement and the Three-Year Credit Agreement at any time is subject to compliance with all our applicable covenants and obligations under the Credit Agreements, including financial covenants with respect to our interest coverage ratio, debt to EBITDA ratio and minimum EBITDA. We have amended the financial covenants as they apply to year-end 2004 and the first and second quarters of 2005. We will evaluate compliance with the financial covenants for those periods once we publish annual financial statements for 2004 and quarterly financial statements for the first and second quarters of 2005. Beginning with the third quarter of 2005, the financial covenants revert to the levels previously agreed, and there can be no assurance that we will be in compliance with these covenants. We plan to negotiate with lenders so as to be able, by September 30, 2005, to replace the 364-Day Credit Agreement (which will expire on September 30, 2005) with one or more new syndicated credit agreements and to amend or replace the Three-Year Credit Agreement.

Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers

On June 22, 2005, Robert Thompson, our Chief Financial Officer, resigned. Mr. Thompson has agreed to continue acting as Chief Financial Officer until a successor takes office, for up to 90 days. A copy of the June 28, 2005 press release announcing Mr. Thompson's resignation is attached to this report as Exhibit 99.1.

Item 8.01 Other Events

Financial Reporting Update

We have previously disclosed delays in (i) completing our financial statements for 2004, and filing our annual report on Form 10-K for 2004 with the SEC, (ii) distributing to shareholders our 2004 annual report and our 2005 proxy statement, and (iii) completing our financial statements, and filing our quarterly report on Form 10-Q, for the first quarter of 2005. We now expect that we will also be unable to complete our financial statements, and file our quarterly report on Form 10-Q, for the second quarter of 2005 by the time the quarterly report is due on August 9, 2005. We have previously described these matters in (i) our current report on Form 8-K dated March 17, 2005 (Item 8.01 of which is incorporated by reference herein) and (ii) our April 5, 2005 Form 8-K, Items 1.01 and 8.01 of which are incorporated by reference herein. The April 5, 2005 Form 8-K also describes certain consequences and risks that we face as a result of our difficulties in financial reporting.

We are now planning to be current in our SEC filings and other financial reporting obligations by September 30, 2005. By that date, we plan to file our annual report on Form 10-K for 2004 and our quarterly reports on Form 10-Q for the first and second quarters of 2005 and to provide the corresponding financial statements to the lenders under our credit agreements and the trustees under the indentures governing our debt securities. Nevertheless, we cannot assure you that we will complete these filings in time to meet this target because extensive work remains to be done.

The delays in financial reporting are attributable to the additional work and analysis required due to material weaknesses in our internal control over financial reporting and the potential need to restate financial statements for prior periods:

- *Financial reports.* Our procedures relating to the filing of our annual report on Form 10-K for 2004, and to the review and potential restatement of prior periods, are substantially manual and are broad in accounting and geographic scope. Our extensive analysis and review includes examining the accounting for more than 400 acquisitions, leases at approximately 370 entities, approximately 10,000 account reconciliations and analyses

and over 300,000 intercompany transactions, as well as comprehensive review of our client contracts with respect to timing of revenue recognition. We are also conducting forensic investigations at certain international locations. One of our principal review mechanisms involves centrally creating and issuing accounting templates, which we use to gather information from our reporting entities for evaluation. We are conducting similar procedures to address our internal control weaknesses for our quarterly reports on Form 10-Q for the first and second quarters of 2005. To assist in completing this work and to strengthen our overall internal control environment, we are hiring or replacing hundreds of temporary and permanent accountants and internal control specialists. The successful implementation of these measures could also affect our ability to continue filing timely reports, particularly in view of the further acceleration of SEC filing deadlines in 2006.

- *Internal controls.* We continue to develop and take remedial actions to address our internal control weaknesses, and we expect that they will extend into 2006. Our current plans include rolling out an SAP financial information technology platform, continuing development of our shared service centers for financial reporting, updating and enhancing accounting and finance-related policies and procedures, continuing to improve our analytical procedures and hiring and integrating new personnel. The magnitude and duration of our remediation work are attributable to the consolidation of more than 1,400 accounting entities, our significantly decentralized structure, the large number of disparate accounting systems and a lack of sufficient numbers of qualified personnel. Until our material control weaknesses are remedied, we will continue to rely heavily on manual procedures.

Because we will not file our annual report on Form 10-K for 2004 by June 30, 2005, we will be required to pay an additional consent fee to some record holders of our public debt. In March 2005, we obtained amendments to the indentures governing five public debt issues, under which there is no default resulting from our delay in reporting for 2004 and the first two quarters of 2005. This relief expires on September 30, 2005. We agreed to pay an additional consent fee of \$1.25 per \$1,000 aggregate principal amount of bonds outstanding to holders of record as of March 9, 2005 who consented to the amendments if we have not filed our annual report on Form 10-K by June 30, 2005.

As we have previously disclosed, there would be serious consequences if we are not current in our financial reporting by September 30, 2005. These include default under the indentures governing our debt securities, which could result in re-classifying our long-term debt as short-term, and potentially in exposure to acceleration and cross-acceleration following a notice of default and a 60-day cure period. These matters are described in more detail in our April 5, 2005 Form 8-K.

If we do not meet our financial reporting obligations by September 30, 2005, we would be unable to meet the conditions precedent to drawing under the Credit Agreements or to the issuance of additional letters of credit under the Three-Year Credit Agreement. The lenders under each Credit Agreement would also have the right to terminate that Credit Agreement and to accelerate any outstanding principal. The lenders under the Three-Year Credit Agreement would also have the right to require us to provide a cash deposit in an amount equal to the total amount of outstanding letters of credit. The same consequences could also result if a restatement of our financial statements for prior periods results from intentional misstatements that have a material negative impact on our financial condition. At present, we have no outstanding principal amounts under either Credit Agreement, and consistent with our recent practice we do not currently expect to draw under either Credit Agreement. A total of approximately \$165 million in letters of credit is outstanding under the Three-Year Credit Agreement, no amount of which has been drawn upon by a beneficiary.

Other possible consequences of failing to meet the September 30 filing date might include reduced availability of advances under uncommitted credit lines, which we use for working capital needs in some of our operations outside the United States. This would require us to provide funding directly to some overseas operations. Our credit ratings could also be downgraded. These developments, and the effect on our actual or perceived liquidity and credit standing, could have further adverse effects on our business or our liquidity that we cannot predict.

Internal Control Reporting Update

As we have previously disclosed, when we file our 2004 annual report on Form 10-K, it will include our report on internal control over financial reporting stating that at December 31, 2004, our internal control over financial reporting was not effective and disclosing the material weaknesses we have identified in our internal control over financial reporting. Management will, however, be unable to determine whether the elements of internal control over financial reporting related directly to preparing the annual financial statements for external purposes, as well as the processes related to income taxes, were operating effectively as of December 31, 2004, as a result of extensive modification of the system in place at year-end which can no longer be observed or assessed.

We continue to expect that our 2004 annual report on Form 10-K will also include a report of PricewaterhouseCoopers LLP, our independent registered public accounting firm, on our internal control over financial reporting that will include a disclaimer of opinion. The SEC staff may take the position that, as a result, our annual report does not comply with the requirements of the SEC's rules under Section 404 of the Sarbanes-Oxley Act of 2002, and in that event, the consequences of late filing under the federal securities laws described in the April 5, 2005 Form 8-K may persist until we file an annual report or amended annual report containing an audit report on internal control over financial reporting that does not disclaim an opinion (and, with respect to eligibility to use "short-form" registration, for 12 months thereafter). Also in that event, the New York Stock Exchange (the "NYSE") might take the position that we continue to be in violation of its rules requiring that we provide an annual report to the NYSE and to shareholders. Under the publicly announced policy of the NYSE, such a continuing failure would result in the commencement of delisting proceedings nine months after our 2004 Form 10-K was required to be filed, with an additional three-month trading period at the NYSE's discretion.

Status of Potential Restatement Items

As discussed above, our work on the items we have identified that may require adjustments to prior period financial statements has not yet been completed. It is still possible that we will identify new matters that may require restatement, and we still expect new information to come to light. Accordingly, any matters that we identify at this stage, and any assessments of the nature, scope or amount of restatements, are necessarily preliminary and subject to change. We still expect to conclude that restatements of prior period financial statements are required, although we still have not yet concluded that the effects on those period are so material that our financial statements for those periods can no longer be relied upon.

As we have previously disclosed, we are the subject of an SEC enforcement investigation, which remains unresolved. The scope of the investigation, including subpoenas requesting documents, has expanded to cover the potential restatement items identified in the April 5, 2005 Form 8-K.

Cautionary Statement

This current report on Form 8-K contains forward-looking statements. Our representatives may also make forward-looking statements orally from time to time. Statements in this current report on Form 8-K 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 under the heading "Risk Factors" in our 2003 Form 10-K and other SEC filings. 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:

- our ability to attract new clients and retain existing clients;
- our ability to retain and attract key employees;
- risks associated with the effects of global, national and regional economic and political conditions, including with respect to fluctuations in interest rates and currency exchange rates;
- risks arising from material weaknesses in our internal control over financial reporting;
- potential adverse effects to our financial condition, results of operations or prospects as a result of any required adjustments to prior period financial statements;
- risks associated with our inability to satisfy certain financial covenants under our syndicated credit agreements;
- our ability to satisfy certain reporting covenants under our indentures by September 30, 2005;
- potential adverse effects if we are required to recognize additional impairment charges or other adverse accounting-related developments;
- risks associated with our inability to achieve lower costs and expenses as a result of our restructuring programs;
- potential adverse developments in connection with the ongoing SEC investigation;
- potential downgrades in the credit ratings of our securities;
- developments from changes in the regulatory and legal environment for advertising and marketing and communications services companies around the world; and
- the successful completion and integration of acquisitions which complement and expand our business capabilities.

Investors should carefully consider these factors and the additional risk factors outlined in more detail under the heading "Risk Factors" in our 2003 Form 10-K and other SEC filings.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

- Exhibit 10.1 Amendment No. 3, dated as of June 22, 2005, to the 364-Day Credit Agreement, dated as of May 10, 2004, among the Company, the Initial Lenders Named Therein, and Citibank, N.A., as Administrative Agent, as amended by Amendment No. 1, dated as of September 29, 2004 and Amendment No. 2, dated as of March 31, 2005 (filed pursuant to Item 1.01).
- Exhibit 10.2 Amendment No. 3, dated as of June 22, 2005 to the Three-Year Agreement, dated as of May 10, 2004, among the Company, the Initial Lenders Named Therein, and Citibank, N.A., as amended by Amendment No. 1, dated as of September 29, 2004 and Amendment No. 2, dated as of March 31, 2005 (filed pursuant to Item 1.01).
- Exhibit 10.3 Letter agreement, dated as of June 22, 2005, between the Company and the lenders party to the 364-Day Credit Agreement, waiving breaches of the 364-Day Credit Agreement (filed pursuant to Item 1.01).
- Exhibit 10.4 Letter agreement, dated as of June 22, 2005, between the Company and the lenders party to the 3-Year Credit Agreement, waiving breaches of the Three-Year Credit Agreement (filed pursuant to Item 1.01).
- Exhibit 99.1 Press release issued June 28, 2005.

SIGNATURES

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

THE INTERPUBLIC GROUP OF COMPANIES, INC.

Date: June 28, 2005

By: /s/ Nicholas J. Camera
Nicholas J. Camera
Senior Vice President, General Counsel
and Secretary

EXECUTION COPY

**AMENDMENT NO. 3 TO THE
364-DAY CREDIT AGREEMENT**

Dated as of June 22, 2005

AMENDMENT NO. 3 TO THE 364-DAY CREDIT AGREEMENT (this "Amendment"), dated as of June 22, 2005 among The Interpublic Group of Companies, Inc., a Delaware corporation (the "Company"), the banks, financial institutions and other institutional lenders parties to the Credit Agreement referred to below (collectively, the "Lenders") and Citibank, N.A., as agent (the "Agent") for the Lenders.

PRELIMINARY STATEMENTS:

(1) The Company, the Lenders and the Agent have entered into a 364-Day Credit Agreement dated as of May 10, 2004, as amended as of September 29, 2004 and March 31, 2005 (the "Credit Agreement"). Capitalized terms used in this Amendment and not otherwise defined in this Amendment shall have the same meanings as specified in the Credit Agreement.

(2) The Company, the Required Lenders and the Agent have entered into a waiver letter agreement, dated March 31, 2005 and a waiver letter agreement, dated June 22, 2005, pursuant to which certain potential breaches, Defaults and Events of Default under the Credit Agreement were waived.

(3) The Company, the Lenders and the Agent have agreed to amend the Credit Agreement as hereinafter set forth.

SECTION 1. Amendments to Credit Agreement. The Credit Agreement is, effective as of the date hereof and subject to the satisfaction of the conditions precedent set forth in Section 2, hereby amended as follows:

(a) Section 3.03(c) shall be deleted in its entirety and replaced with the following:

“(c) the Company and its Consolidated Subsidiaries, taken together, has maintained for each Business Day from and after June 22, 2005, a daily ending balance of securities held, and/or freely available, collected cash on deposit, if any, in domestic accounts with the Lenders and/or their respective Affiliates of not less than \$225,000,000, in the aggregate. For purposes of this Section 3.03(c), “domestic account” shall mean a Dollar-denominated deposit or securities account held by a U.S. bank or U.S.-based subsidiary of a U.S. bank or a U.S. branch or U.S. subsidiary of a non-U.S. bank, including Dollar-denominated investment or sweep accounts held in Nassau, The Bahamas.

(b) Section 5.02(e) is amended by deleting the proviso at the end of the last sentence of such Section and replacing it with the following:

“ ; provided, further, that for the period commencing on March 31, 2005 and ending September 30, 2005, except for required payments or optional

payments in lieu of required payments when in the best interest of the Company (as determined in good faith by the appropriate officers of the Company), pursuant to agreements relating to such purchases or acquisitions entered into prior to March 1, 2005, the Company and its Consolidated Subsidiaries may not purchase or otherwise acquire all or substantially all of the assets, or a business unit or division, of any Person except to the extent that (i) the consideration for such purchase or acquisition consists solely of capital stock of the Company or (ii) the cash consideration for such purchases or acquisitions shall not exceed \$7,500,000, in the aggregate.”

(c) Section 5.02(f) is amended by deleting the proviso at the end of the last sentence of such Section and replacing it with the following:

“ ; provided, further that for the period from March 31, 2005 until September 30, 2005, the Company shall not declare or pay any Restricted Payment payable in cash, except that, so long as no Default shall have occurred and be continuing at the time of any declaration or payment of such Restricted Payment, the Company may (i) purchase, redeem, retire, defease or otherwise acquire shares of its capital stock in connection with the exercise of options by the employees of the Company or its Subsidiaries and (ii) declare and pay cash dividends on the Company’s 5 3/8% Series A Mandatory Convertible Preferred Stock pursuant to the terms thereof as in effect on March 31, 2005.”

(d) Section 5.03 is amended in full to read as follows:

“So long as any Advance shall remain unpaid or any Lender shall have any Commitment hereunder, the Company will:

(i) Interest Coverage Ratio. Maintain (A) as of the end of the fiscal quarter ended December 31, 2004, an Interest Coverage Ratio of not less than 3.00 to 1, (B) as of the end of the fiscal quarter ended March 31, 2005, an Interest Coverage Ratio of not less than 2.4 to 1, (C) as of the end of the fiscal quarter ended June 30, 2005, an Interest Coverage Ratio of not less than 2.0 to 1 and (D) as of the end of each fiscal quarter thereafter, an Interest Coverage Ratio of not less than 3.75 to 1. “Interest Coverage Ratio” shall mean, with respect to the end of each fiscal quarter, the ratio of (i) Consolidated EBITDA of the Company and its Consolidated Subsidiaries for the period of four fiscal quarters then ended to (ii) Interest Expense during such period by the Company and its Consolidated Subsidiaries.

(ii) Debt to EBITDA Ratio. Maintain (A) as of the end of the fiscal quarter ended December 31, 2004, a Debt to EBITDA Ratio of not greater than 4.25 to 1, (B) as of the end of the fiscal quarter ended March 31, 2005, a Debt to EBITDA Ratio of not greater than 4.8 to 1, (C) as of the end of the fiscal quarter ended June 30, 2005, a Debt to EBITDA Ratio of not greater than (x) 5.65 to 1 or, (y) if prior to June 30, 2005, the Company or any of its Subsidiaries shall have received after June 22, 2005, gross cash proceeds in an amount greater than or

equal to \$150,000,000 from one or more debt offerings and the Company has not as of June 30, 2005 redeemed, repurchased or otherwise repaid its 7 7/8% Notes due October 2005, 6.25 to 1, and (D) as of the end of each fiscal quarter thereafter, a Debt to EBITDA Ratio of not greater than 3.25 to 1. "Debt to EBITDA Ratio" shall mean, with respect to the end of each fiscal quarter, a ratio of (i) Debt for Borrowed Money as of the end of such fiscal quarter to (ii) Consolidated EBITDA of the Company and its Consolidated Subsidiaries for the period of four fiscal quarters then ended

(iii) Minimum EBITDA. Maintain Consolidated EBITDA of the Company and its Consolidated Subsidiaries (A) for the period of four fiscal quarters ended December 31, 2004 of not less than \$550,000,000, (B) for the period of four fiscal quarters ended March 31, 2005, of not less than \$470,000,000, (C) for the period of four fiscal quarters ended June 30, 2005, of not less than \$400,000,000 and (D) thereafter for each period of four fiscal quarters then ended of not less than \$750,000,000."

(e) Section 6.01(j) is hereby deleted in its entirety and shall be of no further effect.

(f) Exhibit B is amended by deleting clause (C) and replacing it with the following:

"(C) the proceeds of the Proposed Borrowing will be used to fund known cash requirements of the Company and its Consolidated Subsidiaries in the ordinary course of their respective businesses within fifteen (15) Business Days of such requirements becoming due and payable, excluding any payments of principal on the Company's 7 7/8% Notes due October 2005 (the "7 7/8% Notes") or any other debt with principal outstanding in excess of \$200,000 issued under the Company's public debt indentures, provided, however, if, prior to September 30, 2005, the Company or any of its Subsidiaries shall have received after June 22, 2005, gross cash proceeds in an amount greater than or equal to \$200,000,000 from one or more equity or debt offerings, any proceeds of a Proposed Borrowing made subsequent to the completion of such offering shall be deemed not to be used for payments of principal on the 7 7/8% Notes."

(g) The definition of "Termination Date" is hereby amended to replace the words "July 11, 2005" with the words "September 30, 2005."

SECTION 2. Conditions of Effectiveness. This Amendment shall become effective as of the date first above written when, and only when, the Agent shall have received counterparts of this Amendment executed by the Company and the Required Lenders and, with respect to Section 1(g) of this Amendment, all of the Lenders, or, as to any of the Lenders, advice satisfactory to the Agent that such Lender has executed this Amendment.

SECTION 3. Representations and Warranties of the Company. The Company represents and warrants as follows:

(a) The Company is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business.

(b) The execution, delivery and performance by the Company of this Amendment and the Credit Agreement and each of the Notes, as amended hereby, are within the Company's corporate powers, have been duly authorized by all necessary corporate action, and do not contravene, or constitute a default under, any provision of applicable law or regulation or of the certificate of incorporation of the Company or of any judgment, injunction, order, decree, material agreement or other instrument binding upon the Company or result in the creation or imposition of any Lien on any asset of the Company or any of its Consolidated Subsidiaries.

(c) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or any other third party is required for the due execution, delivery and performance by the Company of this Amendment or the Credit Agreement and the Notes, as amended hereby.

(d) This Amendment has been duly executed and delivered by the Company. This Amendment and each of the Notes, as amended hereby, to which the Company is a party are legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting the rights of creditors generally and subject to general principles of equity.

(e) There is no action, suit, investigation, litigation or proceeding pending against, or to the knowledge of the Company, threatened against the Company 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 that (i) would have a Material Adverse Effect or (ii) purports to affect the legality, validity or enforceability of this Amendment, the Credit Agreement or any Note or the consummation of the transactions contemplated hereby.

SECTION 4. Reference to and Effect on the Credit Agreement and the Notes. (a) On and after the effectiveness of this Amendment, each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Credit Agreement, and each reference in the Notes to "the Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement, as amended by this Amendment.

(b) The Credit Agreement and the Notes, as specifically amended by this Amendment, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or

the Agent under the Credit Agreement, nor constitute a waiver of any provision of the Credit Agreement.

SECTION 5. Costs and Expenses The Company agrees to pay on demand all costs and expenses of the Agent in connection with the preparation, execution, delivery and administration, modification and amendment of this Amendment and the other instruments and documents to be delivered hereunder (including, without limitation, the reasonable fees and expenses of counsel for the Agent) in accordance with the terms of Section 9.04 of the Credit Agreement.

SECTION 6. Execution in Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement. Delivery of an executed counterpart of a signature page to this Amendment by telecopier shall be effective as delivery of a manually executed counterpart of this Amendment.

SECTION 7. Governing Law. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By: /s/ Ellen Johnson
Title: Senior Vice President and Treasurer

CITIBANK, N.A.,
as Agent and as Lender

By: /s/ Carolyn A. Kee
Title: Vice President

JPMORGAN CHASE BANK

By: /s/ George Catalo
Title: Vice President

KEYBANK NATIONAL ASSOCIATION

By: /s/ Francis W. Lutz
Title: Vice President

LLOYDS TSB BANK PLC

By: /s/ Nicholas J. Bruce
Title: Vice President

By: /s/ Stewart Taylor
Title: Director

HSBC BANK USA

By: /s/ Robert Elms
Title: Vice President

ING BANK

By: /s/ Bill James
Title: Managing Director

ROYAL BANK OF CANADA

By: /s/ Dustin Craven
Title: Attorney-In-Fact

UBS LOAN FINANCE LLC

By: /s/ Wilfred V. Saint

Title: Director

By: /s/ Richard L. Tavrow

Title: Director

SUNTRUST BANK

By: /s/ Katherine L. Bass

Title: Vice President

EXECUTION COPY

**AMENDMENT NO. 3 TO THE
3-YEAR CREDIT AGREEMENT**

Dated as of June 22, 2005

AMENDMENT NO. 3 TO THE 3-YEAR CREDIT AGREEMENT (this "Amendment"), dated as of June 22, 2005 among The Interpublic Group of Companies, Inc., a Delaware corporation (the "Company"), the banks, financial institutions and other institutional lenders parties to the Credit Agreement referred to below (collectively, the "Lenders") and Citibank, N.A., as agent (the "Agent") for the Lenders.

PRELIMINARY STATEMENTS:

(1) The Company, the Lenders and the Agent have entered into a 3-Year Credit Agreement dated as of May 10, 2004, as amended as of September 29, 2004 and March 31, 2005 (the "Credit Agreement"). Capitalized terms used in this Amendment and not otherwise defined in this Amendment shall have the same meanings as specified in the Credit Agreement.

(2) The Company, the Required Lenders and the Agent have entered into a waiver letter agreement, dated March 31, 2005 and a waiver letter agreement, dated June 22, 2005, pursuant to which certain potential breaches, Defaults and Events of Default under the Credit Agreement were waived.

(3) The Company, the Required Lenders and the Agent have agreed to amend the Credit Agreement as hereinafter set forth.

SECTION 1. Amendments to Credit Agreement. The Credit Agreement is, effective as of the date hereof and subject to the satisfaction of the conditions precedent set forth in Section 2, hereby amended as follows:

(a) Section 3.03(c) shall be deleted in its entirety and replaced with the following:

“(c) the Company and its Consolidated Subsidiaries, taken together, has maintained for each Business Day from and after June 22, 2005, a daily ending balance of securities held, and/or freely available, collected cash on deposit, if any, in domestic accounts with the Lenders and/or their respective Affiliates of not less than \$225,000,000, in the aggregate. For purposes of this Section 3.03(c), “domestic account” shall mean a Dollar-denominated deposit or securities account held by a U.S. bank or U.S.-based subsidiary of a U.S. bank or a U.S. branch or U.S. subsidiary of a non-U.S. bank, including Dollar-denominated investment or sweep accounts held in Nassau, The Bahamas.

(b) Section 5.02(e) is amended by deleting the proviso at the end of the last sentence of such Section and replacing it with the following:

“; provided, further, that for the period commencing on March 31, 2005 and ending September 30, 2005, except for required payments or optional

payments in lieu of required payments when in the best interest of the Company (as determined in good faith by the appropriate officers of the Company), pursuant to agreements relating to such purchases or acquisitions entered into prior to March 1, 2005, the Company and its Consolidated Subsidiaries may not purchase or otherwise acquire all or substantially all of the assets, or a business unit or division, of any Person except to the extent that (i) the consideration for such purchase or acquisition consists solely of capital stock of the Company or (ii) the cash consideration for such purchases or acquisitions shall not exceed \$7,500,000, in the aggregate.”

(c) Section 5.02(f) is amended by deleting the proviso at the end of the last sentence of such Section and replacing it with the following:

“; provided, further that for the period from March 31, 2005 until September 30, 2005, the Company shall not declare or pay any Restricted Payment payable in cash, except that, so long as no Default shall have occurred and be continuing at the time of any declaration or payment of such Restricted Payment, the Company may (i) purchase, redeem, retire, defease or otherwise acquire shares of its capital stock in connection with the exercise of options by the employees of the Company or its Subsidiaries and (ii) declare and pay cash dividends on the Company’s 5 3/8% Series A Mandatory Convertible Preferred Stock pursuant to the terms thereof as in effect on March 31, 2005.”

(d) Section 5.03 is amended in full to read as follows:

“So long as any Advance shall remain unpaid or any Lender shall have any Commitment hereunder, the Company will:

(i) Interest Coverage Ratio. Maintain (A) as of the end of the fiscal quarter ended December 31, 2004, an Interest Coverage Ratio of not less than 3.00 to 1, (B) as of the end of the fiscal quarter ended March 31, 2005, an Interest Coverage Ratio of not less than 2.4 to 1, (C) as of the end of the fiscal quarter ended June 30, 2005, an Interest Coverage Ratio of not less than 2.0 to 1 and (D) as of the end of each fiscal quarter thereafter, an Interest Coverage Ratio of not less than 3.75 to 1. “Interest Coverage Ratio” shall mean, with respect to the end of each fiscal quarter, the ratio of (i) Consolidated EBITDA of the Company and its Consolidated Subsidiaries for the period of four fiscal quarters then ended to (ii) Interest Expense during such period by the Company and its Consolidated Subsidiaries.

(ii) Debt to EBITDA Ratio. Maintain (A) as of the end of the fiscal quarter ended December 31, 2004, a Debt to EBITDA Ratio of not greater than 4.25 to 1, (B) as of the end of the fiscal quarter ended March 31, 2005, a Debt to EBITDA Ratio of not greater than 4.8 to 1, (C) as of the end of the fiscal quarter ended June 30, 2005, a Debt to EBITDA Ratio of not greater than (x) 5.65 to 1 or, (y) if prior to June 30, 2005, the Company or any of its Subsidiaries shall have received after June 22, 2005, gross cash proceeds in an amount greater than or

equal to \$150,000,000 from one or more debt offerings and the Company has not as of June 30, 2005 redeemed, repurchased or otherwise repaid its 7 7/8% Notes due October 2005, 6.25 to 1, and (D) as of the end of each fiscal quarter thereafter, a Debt to EBITDA Ratio of not greater than 3.25 to 1. "Debt to EBITDA Ratio" shall mean, with respect to the end of each fiscal quarter, a ratio of (i) Debt for Borrowed Money as of the end of such fiscal quarter to (ii) Consolidated EBITDA of the Company and its Consolidated Subsidiaries for the period of four fiscal quarters then ended

(iii) Minimum EBITDA. Maintain Consolidated EBITDA of the Company and its Consolidated Subsidiaries (A) for the period of four fiscal quarters ended December 31, 2004 of not less than \$550,000,000, (B) for the period of four fiscal quarters ended March 31, 2005, of not less than \$470,000,000, (C) for the period of four fiscal quarters ended June 30, 2005, of not less than \$400,000,000 and (D) thereafter for each period of four fiscal quarters then ended of not less than \$750,000,000."

(e) Section 6.01(j) is hereby deleted in its entirety and shall be of no further effect.

(f) Section 6.02 is hereby deleted and replaced with the following:

"SECTION 6.02. Actions in Respect of the Letters of Credit upon Default. If any Event of Default shall have occurred and be continuing, the Agent may with the consent, or shall at the request, of the Required Lenders, irrespective of whether it is taking any of the actions described in Section 6.01 or otherwise, make demand upon the Company to, and forthwith upon such demand the Company will, (a) pay to the Agent on behalf of the Lenders in same day funds at the Agent's office designated in such demand, for deposit in the L/C Cash Deposit Account, an amount equal to the aggregate Available Amount of all Letters of Credit then outstanding or (b) make such other reasonable arrangements in respect of the outstanding Letters of Credit as shall be acceptable to the Required Lenders. If at any time the Agent reasonably determines that any funds held in the L/C Cash Deposit Account are subject to any right or interest of any Person other than the Agent and the Lenders or that the total amount of such funds is less than the aggregate Available Amount of all Letters of Credit, the Borrowers will, forthwith upon demand by the Agent, pay to the Agent, as additional funds to be deposited and held in the L/C Cash Deposit Account, an amount equal to the excess of (x) such aggregate Available Amount over (y) the total amount of funds, if any, then held in the L/C Cash Deposit Account that are free and clear of any such right and interest. Upon the drawing of any Letter of Credit, to the extent funds are on deposit in the L/C Cash Deposit Account, such funds shall be applied to reimburse the Issuing Banks to the extent permitted by applicable law, and if so applied, then such reimbursement shall be deemed a repayment of the corresponding Advance in respect of such Letter of Credit. To the extent that any such Letter of Credit expires or otherwise terminates, and to the extent the applicable Issuing Bank's liability has ceased to exist under such Letter of Credit, and funds are on deposit in the L/C Cash Deposit Account in respect of such Letter of Credit, an amount equal to the undrawn amounts under such Letter of Credit shall be promptly returned from such L/C Cash Deposit Account to the Company. If any Event of Default has been waived or otherwise cured and no other Event of Default has occurred and is continuing,

the balance, if any, in the L/C Cash Deposit Account shall be promptly returned to the Company. If, in accordance with this Section 6.02, the balance in the L/C Cash Deposit Account has not been otherwise returned, then after all such Letters of Credit shall have expired or been fully drawn upon and all other obligations of the Borrowers hereunder and under the Notes shall have been paid in full, the balance, if any, in such L/C Cash Deposit Account shall be promptly returned to the Company.”

(g) Exhibit B is amended by deleting clause (C) and replacing it with the following:

“(C) the proceeds of the Proposed Borrowing will be used to fund known cash requirements of the Company and its Consolidated Subsidiaries in the ordinary course of their respective businesses within fifteen (15) Business Days of such requirements becoming due and payable, excluding any payments of principal on the Company’s 7 7/8% Notes due October 2005 (the “7 7/8% Notes”) or any other debt with principal outstanding in excess of \$200,000 issued under the Company’s public debt indentures, provided, however, if, prior to September 30, 2005, the Company or any of its Subsidiaries shall have received after June 22, 2005, gross cash proceeds in an amount greater than or equal to \$200,000,000 from one or more equity or debt offerings, any proceeds of a Proposed Borrowing made subsequent to the completion of such offering shall be deemed not to be used for payments of principal on the 7 7/8% Notes.”

SECTION 2. Conditions of Effectiveness. This Amendment shall become effective as of the date first above written when, and only when, the Agent shall have received counterparts of this Amendment executed by the Company and the Required Lenders, or, as to any of the Lenders, advice satisfactory to the Agent that such Lender has executed this Amendment.

SECTION 3. Representations and Warranties of the Company. The Company represents and warrants as follows:

(a) The Company is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business.

(b) The execution, delivery and performance by the Company of this Amendment and the Credit Agreement and each of the Notes, as amended hereby, are within the Company’s corporate powers, have been duly authorized by all necessary corporate action, and do not contravene, or constitute a default under, any provision of applicable law or regulation or of the certificate of incorporation of the Company or of any judgment, injunction, order, decree, material agreement or other instrument binding upon the Company or result in the creation or imposition of any Lien on any asset of the Company or any of its Consolidated Subsidiaries.

(c) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or any other third party is

required for the due execution, delivery and performance by the Company of this Amendment or the Credit Agreement and the Notes, as amended hereby.

(d) This Amendment has been duly executed and delivered by the Company. This Amendment and each of the Notes, as amended hereby, to which the Company is a party are legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting the rights of creditors generally and subject to general principles of equity.

(e) There is no action, suit, investigation, litigation or proceeding pending against, or to the knowledge of the Company, threatened against the Company 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 that (i) would have a Material Adverse Effect or (ii) purports to affect the legality, validity or enforceability of this Amendment, the Credit Agreement or any Note or the consummation of the transactions contemplated hereby.

SECTION 4. Reference to and Effect on the Credit Agreement and the Notes. (a) On and after the effectiveness of this Amendment, each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Credit Agreement, and each reference in the Notes to "the Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement, as amended by this Amendment.

(b) The Credit Agreement and the Notes, as specifically amended by this Amendment, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or the Agent under the Credit Agreement, nor constitute a waiver of any provision of the Credit Agreement.

SECTION 5. Costs and Expenses The Company agrees to pay on demand all costs and expenses of the Agent in connection with the preparation, execution, delivery and administration, modification and amendment of this Amendment and the other instruments and documents to be delivered hereunder (including, without limitation, the reasonable fees and expenses of counsel for the Agent) in accordance with the terms of Section 9.04 of the Credit Agreement.

SECTION 6. Termination. Section 1(a) and Section 1(g) shall terminate and be of no further force and effect on November 20, 2005.

SECTION 7. Execution in Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall

constitute but one and the same agreement. Delivery of an executed counterpart of a signature page to this Amendment by telecopier shall be effective as delivery of a manually executed counterpart of this Amendment.

SECTION 8. Governing Law. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By: /s/ Ellen Johnson
Title: Senior Vice President and Treasurer

CITIBANK, N.A.,
as Agent and as Lender

By: /s/ Carolyn A. Kee
Title: Vice President

JPMORGAN CHASE BANK

By: /s/ George Catalo
Title: Vice President

KEYBANK NATIONAL ASSOCIATION

By: /s/ Francis W. Lutz
Title: Vice President

LLOYDS TSB BANK PLC

By: /s/ Nicholas J. Bruce
Title: Vice President

By: /s/ Stewart Taylor
Title: Director

HSBC BANK USA

By: /s/ Robert Elms
Title: Vice President

ING BANK

By: /s/ Bill James
Title: Managing Director

ROYAL BANK OF CANADA

By: /s/ Dustin Craven
Title: Attorney-In-Fact

UBS LOAN FINANCE LLC

By: /s/ Wilfred V. Saint

Title: Director

By: /s/ Richard L. Tavrow

Title: Director

SUNTRUST BANK

By: /s/ Katherine L. Bass

Title: Vice President

**ELLEN JOHNSON**

Senior Vice President & Treasurer
 Tel: (212) 704-1222
 Fax: (212) 704-2229
 ejohnson@interpublic.com

As of June 22, 2005

To the banks, financial institutions
 and other institutional lenders
 (collectively, the "Lenders")
 parties to the Credit Agreement
 referred to below and to Citibank, N.A.,
 as agent (the "Agent") for the Lenders

Ladies and Gentlemen:

We refer to the 364-Day Credit Agreement, dated as of May 10, 2004, as amended as of September 29, 2004 and March 31, 2005 (the "Credit Agreement") and the letter dated as of March 31, 2005 relating to the waiver by the Lenders of certain breaches, defaults or events of default (or potential breaches, defaults or events of default) under the Credit Agreement (the "March 31 Waiver Letter"), each among The Interpublic Group of Companies, Inc., a Delaware corporation (the "Company"), the banks, financial institutions and other institutional lenders parties to the Credit Agreement (collectively, the "Lenders") and Citibank, N.A., as administrative agent (the "Agent") for the Lenders. Capitalized terms used but not defined herein are used with the meanings given to those terms in the Credit Agreement.

A. Filing Events

We have advised you that the Company would be unable (a) to complete the preparation of, and to deliver, the audited financial statements of the Company and its Consolidated Subsidiaries for the fiscal year ended December 31, 2004 by April 5, 2005, and to file with the Securities and Exchange Commission ("SEC") its annual report for the same period on Form 10-K, by March 16, 2005 (the "2004 Filing Event"), (b) to complete the preparation of, and to deliver, the unaudited financial statements of

the Company and its Consolidated Subsidiaries for the fiscal quarter ending March 31, 2005 by May 20, 2005, and to file with the SEC its quarterly report for such period on Form 10-Q, by May 10, 2005 (the "First Quarter Filing Event") and (c) to complete the preparation of, and to deliver, the unaudited financial statements of the Company and its Consolidated Subsidiaries for the fiscal quarter ending June 30, 2005 by August 20, 2005 and to file with the SEC by August 9, 2005 its quarterly report for such period on Form 10-Q (the "Second Quarter Filing Event" and together with the 2004 Filing Event and the First Quarter Filing Event, the "Filing Events"). Any or all of the Filing Events may constitute a breach of the Company's obligations under Sections 5.01(h)(ii) and 5.01(h)(i) of the Credit Agreement, respectively. The Filing Events may also constitute a breach of Sections 5.01(a), 5.01(f) and other provisions of the Credit Agreement and may result in a breach of the other credit or ISDA agreements entered into by the Company and/or its Consolidated Subsidiaries, each of which may constitute a Default under the Credit Agreement. Furthermore, the Filing Events may result in the Company's inability to make the representation and warranty contained in the last sentence of Section 4.01(e).

The Company requests that the Lenders waive until September 30, 2005 with respect to the Filing Events, any breach, Default and related Event of Default in connection with the matters described in the preceding paragraph and

any conditions precedent to borrowing contained in Section 3.03 of the Credit Agreement to the extent that the Company's inability to meet any such conditions relates to the Filing Events or any such breach, Default or Event of Default, in each case, solely to the extent related to the Filing Events.

B. Amendment of Financial Covenants

We have also advised you that the Company may experience a decline in EBITDA for the rolling four quarters ending each of the first two quarters of the 2005 fiscal year. As a result of this decline, (x) the Company may be in violation of Sections 5.03(a), 5.03(b) and 5.03(c) of the Credit Agreement and (y) the Company may not be able to make the representation and warranty contained in the last sentence of Section 4.01(e) of the Credit Agreement in connection with Borrowings made on or after the date hereof. To avoid any such violation or misrepresentation, the Company requests that the Lenders amend Section 5.03, as set forth in the accompanying Amendment No. 3 to the Credit Agreement (the "Amendment") by executing and delivering such amendment.

* * *

The Credit Agreement, the Notes and the March 31 Waiver Letter (except as expressly superseded hereby) are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed. The execution, delivery and effectiveness of this letter agreement shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or the Agent under the Credit Agreement, nor constitute a waiver of any provision of the Credit Agreement.

1114 Avenue of the Americas, New York, New York 10036 Tel: (212) 704-1222 Fax: (212) 704-2229

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Upon the effectiveness of this letter agreement and the accompanying amendment, each dated as of the date hereof, and the letter agreement and the accompanying amendment (the "Related Citibank Waiver and Amendment"), each dated as of the date hereof related to the 3-Year Credit Agreement by and among the Company, the Lenders and the Agent, dated as of May 10, 2004, the Company agrees to pay each Lender who has executed and delivered this letter agreement, the Amendment and the Related Citibank Waiver and Amendment a fee equal to 0.125% of such Lender's Commitment. The Company also agrees to pay on demand all reasonable costs and expenses of the Agent in connection with the preparation, execution, delivery and administration, modification and amendment of this letter agreement and the other instruments and documents to be delivered hereunder (including, without limitation, the reasonable fees and expenses of counsel for the Agent) in accordance with the terms of Section 9.04 of the Credit Agreement.

This letter agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this letter agreement by telecopier shall be effective as delivery of a manually executed counterpart of this letter agreement.

In accordance with Section 9.01 of the Credit Agreement, this waiver will become effective as of the date when the Agent has received counterparts of this letter agreement executed by the Company and the Required Lenders or, as to any of the Lenders, advice satisfactory to the Agent that such Lender has executed this letter agreement.

This letter agreement shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to principles of conflicts of law to the extent that the application of the laws of another jurisdiction would be required thereby.

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1114 Avenue of the Americas, New York, New York 10036 Tel: (212) 704-1222 Fax: (212) 704-2229

3

Please indicate your agreement with the foregoing (including the waivers requested herein) by having the enclosed duplicate copy of this letter agreement executed in the space provided below by a duly authorized representative and return the same to us.

THE INTERPUBLIC GROUP OF
COMPANIES, INC.

By: /s/ Ellen Johnson
Title: Senior Vice President and Treasurer

1114 Avenue of the Americas, New York, New York 10036 Tel: (212) 704-1222 Fax: (212) 704-2229

4

Confirmed and Agreed:

CITIBANK, N.A.,
as Agent and as Lender

By: /s/ Carolyn A. Kee
Title: Vice President

JPMORGAN CHASE BANK

By: /s/ George Catallo
Title: Vice President

KEYBANK NATIONAL ASSOCIATION

By: /s/ Francis W. Lutz, Jr.
Title: Vice President

LLOYDS TSB BANK PLC

By: /s/ Nicholas J. Bruce
Title: Vice President

By: /s/ Stuart Taylor
Title: Senior Vice President

HSBC BANK USA

By: /s/ Robert Elms
Title: Vice President

ING BANK

By: /s/ Bill James
Title: Managing Director

ROYAL BANK OF CANADA

By: /s/ Dustin Craven
Title: Attorney-In-Fact

UBS LOAN FINANCE LLC

By: /s/ Wilfred V. Saint

Title: Director

By: /s/ Richard L. Tavrow

Title: Director

SUNTRUST BANK

By: /s/ Katherine L. Bass

Title: Vice President

**ELLEN JOHNSON**

Senior Vice President & Treasurer

Tel: (212) 704-1222

Fax: (212) 704-2229

ejohnson@interpublic.com

As of June 22, 2005

To the banks, financial institutions
and other institutional lenders
(collectively, the "Lenders")
parties to the Credit Agreement
referred to below and to Citibank, N.A.,
as agent (the "Agent") for the Lenders

Ladies and Gentlemen:

We refer to the 3-Year Credit Agreement, dated as of May 10, 2004, as amended as of September 29, 2004 and March 31, 2005 (the "Credit Agreement") and the letter dated as of March 31, 2005 relating to the waiver by the Lenders of certain breaches, defaults or events of default (or potential breaches, defaults or events of default) under the Credit Agreement (the "March 31 Waiver Letter"), each among The Interpublic Group of Companies, Inc., a Delaware corporation (the "Company"), the banks, financial institutions and other institutional lenders parties to the Credit Agreement (collectively, the "Lenders") and Citibank, N.A., as administrative agent (the "Agent") for the Lenders. Capitalized terms used but not defined herein are used with the meanings given to those terms in the Credit Agreement.

A. Filing Events

We have advised you that the Company would be unable (a) to complete the preparation of, and to deliver, the audited financial statements of the Company and its Consolidated Subsidiaries for the fiscal year ended December 31, 2004 by April 5, 2005, and to file with the Securities and Exchange Commission ("SEC") its annual report for the same period on Form 10-K, by March 16, 2005 (the "2004 Filing Event"), (b) to complete the preparation of, and to deliver, the unaudited financial statements of

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the Company and its Consolidated Subsidiaries for the fiscal quarter ending March 31, 2005 by May 20, 2005, and to file with the SEC its quarterly report for such period on Form 10-Q, by May 10, 2005 (the "First Quarter Filing Event") and (c) to complete the preparation of, and to deliver, the unaudited financial statements of the Company and its Consolidated Subsidiaries for the fiscal quarter ending June 30, 2005 by August 20, 2005 and to file with the SEC by August 9, 2005 its quarterly report for such period on Form 10-Q (the "Second Quarter Filing Event" and together with the 2004 Filing Event and the First Quarter Filing Event, the "Filing Events"). Any or all of the Filing Events may constitute a breach of the Company's obligations under Sections 5.01(h)(ii) and 5.01(h)(i) of the Credit Agreement, respectively. The Filing Events may also constitute a breach of Sections 5.01(a), 5.01(f) and other provisions of the Credit Agreement and may result in a breach of the other credit or ISDA agreements entered into by the Company and/or its Consolidated Subsidiaries, each of which may constitute a Default under the Credit Agreement. Furthermore, the Filing Events may result in the Company's inability to make the representation and warranty contained in the last sentence of Section 4.01(e).

The Company requests that the Lenders waive until September 30, 2005 with respect to the Filing Events, any breach, Default and related Event of Default in connection with the matters described in the preceding paragraph and any conditions precedent to borrowing contained in Section 3.03 of the Credit Agreement to the extent that the Company's inability to meet any such conditions relates to the Filing Events or any such breach, Default or Event of Default, in each case, solely to the extent related to the Filing Events.

B. Amendment of Financial Covenants

We have also advised you that the Company may experience a decline in EBITDA for the rolling four quarters ending each of the first two quarters of the 2005 fiscal year. As a result of this decline, (x) the Company may be in violation of Sections 5.03(a), 5.03(b) and 5.03(c) of the Credit Agreement and (y) the Company may not be able to make the representation and warranty contained in the last sentence of Section 4.01(e) of the Credit Agreement in connection with Borrowings made on or after the date hereof. To avoid any such violation or misrepresentation, the Company requests that the Lenders amend Section 5.03, as set forth in the accompanying Amendment No. 3 to the Credit Agreement (the "Amendment") by executing and delivering such amendment.

* * *

The Credit Agreement, the Notes and the March 31 Waiver Letter (except as expressly superseded hereby) are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed. The execution, delivery and effectiveness of this letter agreement shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or the Agent under the Credit Agreement, nor constitute a waiver of any provision of the Credit Agreement.

1114 Avenue of the Americas, New York, New York 10036 Tel: (212) 704-1222 Fax: (212) 704-2229

2

Upon the effectiveness of this letter agreement and the accompanying amendment, each dated as of the date hereof, and the letter agreement and the accompanying amendment (the "Related Citibank Waiver and Amendment"), each dated as of the date hereof related to the 364-Day Credit Agreement by and among the Company, the Lenders and the Agent, dated as of May 10, 2004, the Company agrees to pay each Lender who has executed and delivered this letter agreement, the Amendment and the Related Citibank Waiver and Amendment a fee equal to 0.125% of such Lender's Commitment. The Company also agrees to pay on demand all reasonable costs and expenses of the Agent in connection with the preparation, execution, delivery and administration, modification and amendment of this letter agreement and the other instruments and documents to be delivered hereunder (including, without limitation, the reasonable fees and expenses of counsel for the Agent) in accordance with the terms of Section 9.04 of the Credit Agreement.

This letter agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this letter agreement by telecopier shall be effective as delivery of a manually executed counterpart of this letter agreement.

In accordance with Section 9.01 of the Credit Agreement, this waiver will become effective as of the date when the Agent has received counterparts of this letter agreement executed by the Company and the Required Lenders or, as to any of the Lenders, advice satisfactory to the Agent that such Lender has executed this letter agreement.

This letter agreement shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to principles of conflicts of law to the extent that the application of the laws of another jurisdiction would be required thereby.

[Remainder of the page intentionally left blank]

1114 Avenue of the Americas, New York, New York 10036 Tel: (212) 704-1222 Fax: (212) 704-2229

3

Please indicate your agreement with the foregoing (including the waivers requested herein) by having the enclosed duplicate copy of this letter agreement executed in the space provided below by a duly authorized representative and return the same to us.

THE INTERPUBLIC GROUP OF
COMPANIES, INC.

By: /s/ Ellen Johnson
Title: Senior Vice President and Treasurer

Confirmed and Agreed:

CITIBANK, N.A.,
as Agent and as Lender

By: /s/ Carolyn A. Kee
Title: Vice President

JPMORGAN CHASE BANK

By: /s/ George Catallo
Title: Vice President

KEYBANK NATIONAL ASSOCIATION

By: /s/ Francis W. Lutz, Jr.
Title: Vice President

LLOYDS TSB BANK PLC

By: /s/ Nicholas J. Bruce
Title: Vice President

By: /s/ Stuart Taylor
Title: Senior Vice President

HSBC BANK USA

By: /s/ Robert Elms
Title: Vice President

ING BANK

By: /s/ Bill James
Title: Managing Director

ROYAL BANK OF CANADA

By: /s/ Dustin Craven
Title: Attorney-In-Fact

UBS LOAN FINANCE LLC

By: /s/ Wilfred V. Saint

Title: Director

By: /s/ Richard L. Tavrow

Title: Director

SUNTRUST BANK

By: /s/ Katherine L. Bass

Title: Vice President



FOR IMMEDIATE RELEASE

INTERPUBLIC TO REPLACE DEPARTING CHIEF FINANCIAL OFFICER

*Company Will File Financials by September 30;
Secures Waivers and Agreements to Credit Amendments*

New York, NY (June 28, 2005) – The Interpublic Group (NYSE: IPG) today announced a number of important developments in the area of finance. Chief Financial Officer Robert Thompson has decided to leave the company. Interpublic has reached tentative agreement with an external candidate to serve as its new Chief Financial Officer. For reasons having to do with that individual’s current professional situation, Interpublic is unable to formally announce his arrival at this time, but expects to do so during the second half of July.

The company further indicated that it expects to file its 2004 annual report on Form 10-K, as well as reports on Form 10-Q for both the first and second quarters of this year, by September 30, 2005. The company also said that it has secured from its bank syndicate waivers and amendments to its 364-day and three-year credit facilities. These waivers and amendments extend the company’s financial filing deadline to September 30, extend the termination date of the 364-day facility through September 30 and make certain additional modifications to the terms of the credit agreements. In a Form 8-K regarding these developments to be filed today, the company also disclosed that its preliminary financial analysis currently indicated a likely moderate drop in revenue in the first quarter of 2005 compared to 2004 and higher operating expenses in the quarter than in the same period last year.

“Bob and I have independently come to the conclusion that the next steps in our company’s progress will require new financial leadership,” said Michael Roth, Interpublic’s Chairman and CEO. “Bob came to me late last week to indicate his desire to leave. Separately, the company had begun the process of seeking new financial leadership and we have reached tentative agreement with an external candidate who we look forward to having join us in early August. That person has

experience in senior finance roles in related industries – I look forward to having him as my new partner. The strong management teams at a number of our agencies, together with new players recently put into place at Lowe, FCB and Interpublic media, lead me to believe that we can succeed in getting Interpublic back on track. We thank Bob for his contributions and wish him well in the future.” Effective immediately, Mr. Roth and Mr. Thompson will jointly manage the finance function to ensure a smooth transition until the arrival of the new CFO.

As regards the company’s filing situation, Mr. Roth added, “I have always been clear that the control environment is our company’s most pressing priority. We are making progress in addressing this key issue. We are confident that we will resolve the filing delay and be current with all our financial reporting by September 30. We appreciate the continued support from our bank syndicate. We also remain focused on serving our clients. The internal financial control situation has not had an effect on our ability to create and deliver world-class marketing programs that help clients build their brands and their business.”

Interpublic indicated that its extensive financial analysis and review process continues to be substantially manual and broad, in both accounting and geographic scope. As previously disclosed, this review process has identified items that may require adjustments to prior period financial statements. Going forward, the company’s plan to remediate internal control weaknesses includes rolling out an SAP information technology platform and continuing to develop shared services centers for financial reporting, as well as hiring and integrating new accounting personnel.

As agreed in its March 2005 amendments to indentures governing its five public debt issues, Interpublic will pay an additional fee of \$1.25 per \$1,000 aggregate principal amount to consenting bondholders due to the fact that that its financial filings will be made by September 30, 2005 but not by June 30, 2005.

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About Interpublic

Interpublic is one of the world's leading organizations of advertising agencies and marketing-services companies. Major global brands include Draft, Foote Cone & Belding Worldwide, FutureBrand, GolinHarris International, Initiative, Jack Morton Worldwide, Lowe Worldwide, MAGNA Global, McCann Erickson, Octagon, Universal McCann and Weber Shandwick. Leading domestic brands include Campbell-Ewald, Deutsch and Hill Holliday.

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Cautionary Statement

This release contains forward-looking statements. Our representatives may also make forward-looking statements orally from time to time. Statements in this release 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 under the heading "Risk Factors" in our 2003 Form 10-K and other SEC filings. 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:

- our ability to attract new clients and retain existing clients;
- our ability to retain and attract key employees;
- risks associated with the effects of global, national and regional economic and political conditions, including with respect to fluctuations in interest rates and currency exchange rates;
- risks arising from material weaknesses in our internal control over financial reporting;
- potential adverse effects to our financial condition, results of operations or prospects as a result of any required adjustments to prior period financial statements;
- risks associated with our inability to satisfy certain financial covenants under our syndicated credit agreements;
- our ability to satisfy certain reporting covenants under our indentures by September 30, 2005;
- potential adverse effects if we are required to recognize additional impairment charges or other adverse accounting-related developments;
- risks associated with our inability to achieve lower costs and expenses as a result of our restructuring programs;
- potential adverse developments in connection with the ongoing SEC investigation;
- potential downgrades in the credit ratings of our securities;
- developments from changes in the regulatory and legal environment for advertising and marketing and communications services companies around the world; and
- the successful completion and integration of acquisitions which complement and expand our business capabilities.

Investors should carefully consider these factors and the additional risk factors outlined in more detail under the heading “Risk Factors” in our 2003 Form 10-K and other SEC filings.

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