



Interpublic Group

FOURTH QUARTER & FULL YEAR 2016 EARNINGS CONFERENCE CALL

February 10, 2017

Overview

- Total revenue increased 3.1% in both Q4 and the full year
- Organic revenue growth was 5.3% in Q4 and 5.0% for the full year
- FY-16 operating margin was 12.0%, an improvement of 50 bps
- FY-16 diluted EPS was \$1.49, and was \$1.37 as adjusted for sales of businesses and tax items, a 13.2% increase from comparable FY-15
- Repurchased 13 million shares during 2016
- Increased quarterly dividend 20% and authorized new \$300 million share repurchase program

Operating Performance

	Three Months Ended December 31,	
	2016	2015
<i>Revenue</i>	\$ 2,264.5	\$ 2,196.2
Salaries and Related Expenses	1,309.4	1,235.1
Office and General Expenses	470.0	504.7
<i>Operating Income</i>	485.1	456.4
Interest Expense	(21.8)	(23.3)
Interest Income	4.0	5.0
Other Expense, net	(26.2)	(10.3)
<i>Income Before Income Taxes</i>	441.1	427.8
Provision for Income Taxes	106.1	145.4
Equity in Net Income of Unconsolidated Affiliates	1.9	0.5
<i>Net Income</i>	336.9	282.9
Net Income Attributable to Noncontrolling Interests	(19.3)	(22.6)
<i>Net Income Available to IPG Common Stockholders</i>	\$ 317.6	\$ 260.3
<i>Earnings per Share Available to IPG Common Stockholders:</i>		
Basic	\$ 0.81	\$ 0.65
Diluted	\$ 0.78	\$ 0.63
<i>Weighted-Average Number of Common Shares Outstanding:</i>		
Basic	393.5	403.4
Diluted	405.2	412.3
<i>Dividends Declared per Common Share</i>	\$ 0.15	\$ 0.12

Revenue

	Three Months Ended		Twelve Months Ended	
	\$	% Change	\$	% Change
December 31, 2015	\$ 2,196.2		\$ 7,613.8	
Total change	68.3	3.1%	232.8	3.1%
Foreign currency	(43.8)	(2.0%)	(159.7)	(2.1%)
Net acquisitions/(divestitures)	(4.5)	(0.2%)	15.3	0.2%
Organic	116.6	5.3%	377.2	5.0%
December 31, 2016	\$ 2,264.5		\$ 7,846.6	

	Three Months Ended				Twelve Months Ended			
	December 31,				December 31,			
			Change				Change	
	2016	2015	Total	Organic	2016	2015	Total	Organic
IAN	\$ 1,865.6	\$ 1,793.6	4.0%	6.7%	\$ 6,318.9	\$ 6,144.9	2.8%	5.3%
CMG	\$ 398.9	\$ 402.6	(0.9%)	(0.9%)	\$ 1,527.7	\$ 1,468.9	4.0%	3.6%

Integrated Agency Networks (“IAN”): McCann Worldgroup, FCB (Foote, Cone & Belding), MullenLowe Group, IPG Mediabrands, our digital specialist agencies and our domestic integrated agencies
 Constituency Management Group (“CMG”): Weber Shandwick, Golin, Jack Morton, FutureBrand, Octagon and our other marketing service specialists

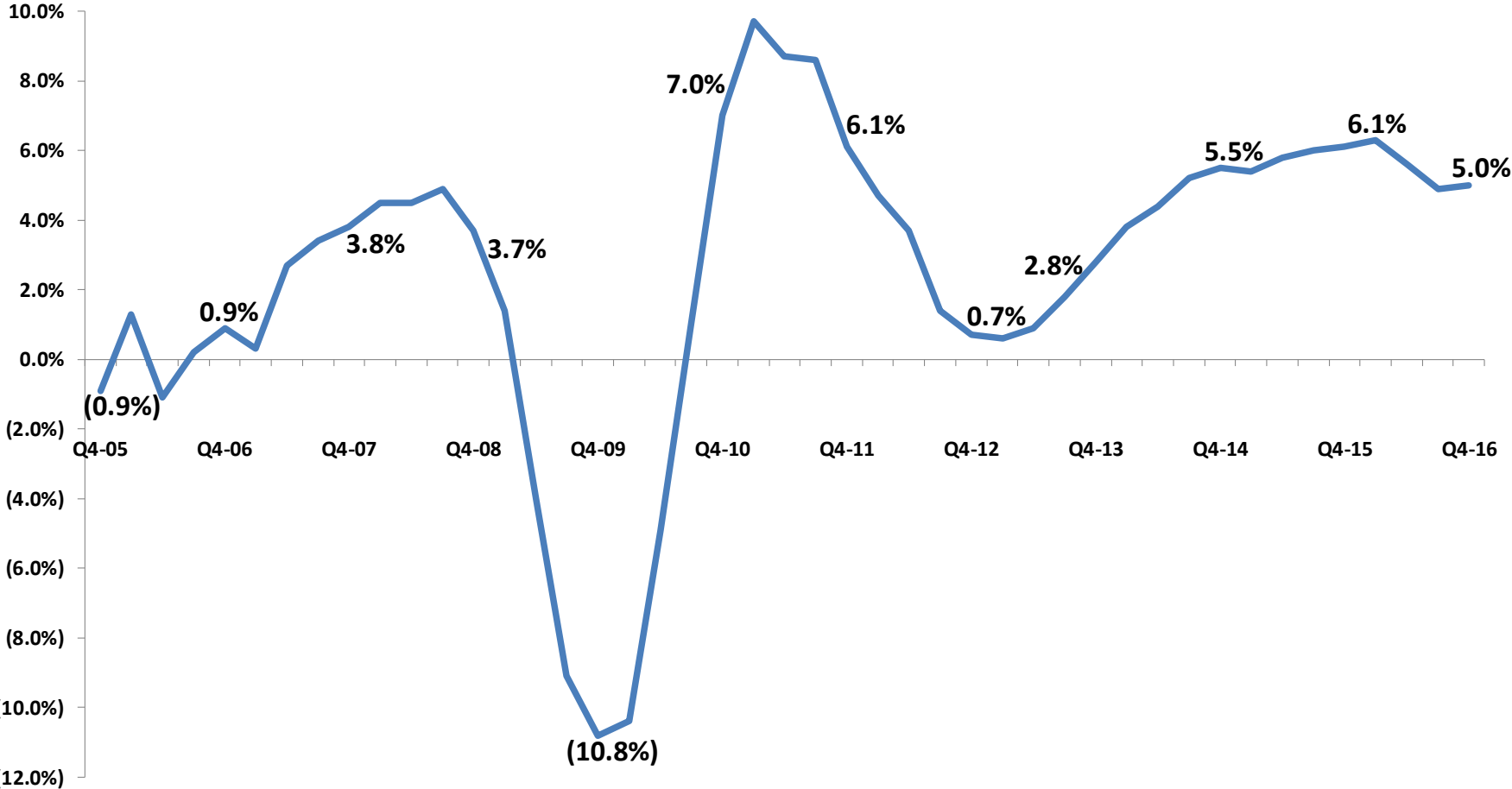
Geographic Revenue Change

	Three Months Ended December 31, 2016		Twelve Months Ended December 31, 2016	
	Total	Organic	Total	Organic
United States	3.1%	3.3%	4.7%	4.4%
International	3.2%	7.8%	0.7%	5.8%
United Kingdom	(0.1%)	11.7%	1.2%	8.5%
Continental Europe	4.2%	11.1%	0.4%	5.7%
Asia Pacific	8.8%	7.5%	0.7%	1.7%
Latin America	(0.7%)	5.0%	(2.8%)	12.2%
All Other Markets	(1.4%)	0.9%	3.9%	4.8%
Worldwide	3.1%	5.3%	3.1%	5.0%

“All Other Markets” includes Canada, Africa and the Middle East.

Organic Revenue Growth

Trailing Twelve Months



Operating Expenses

Salaries & Related

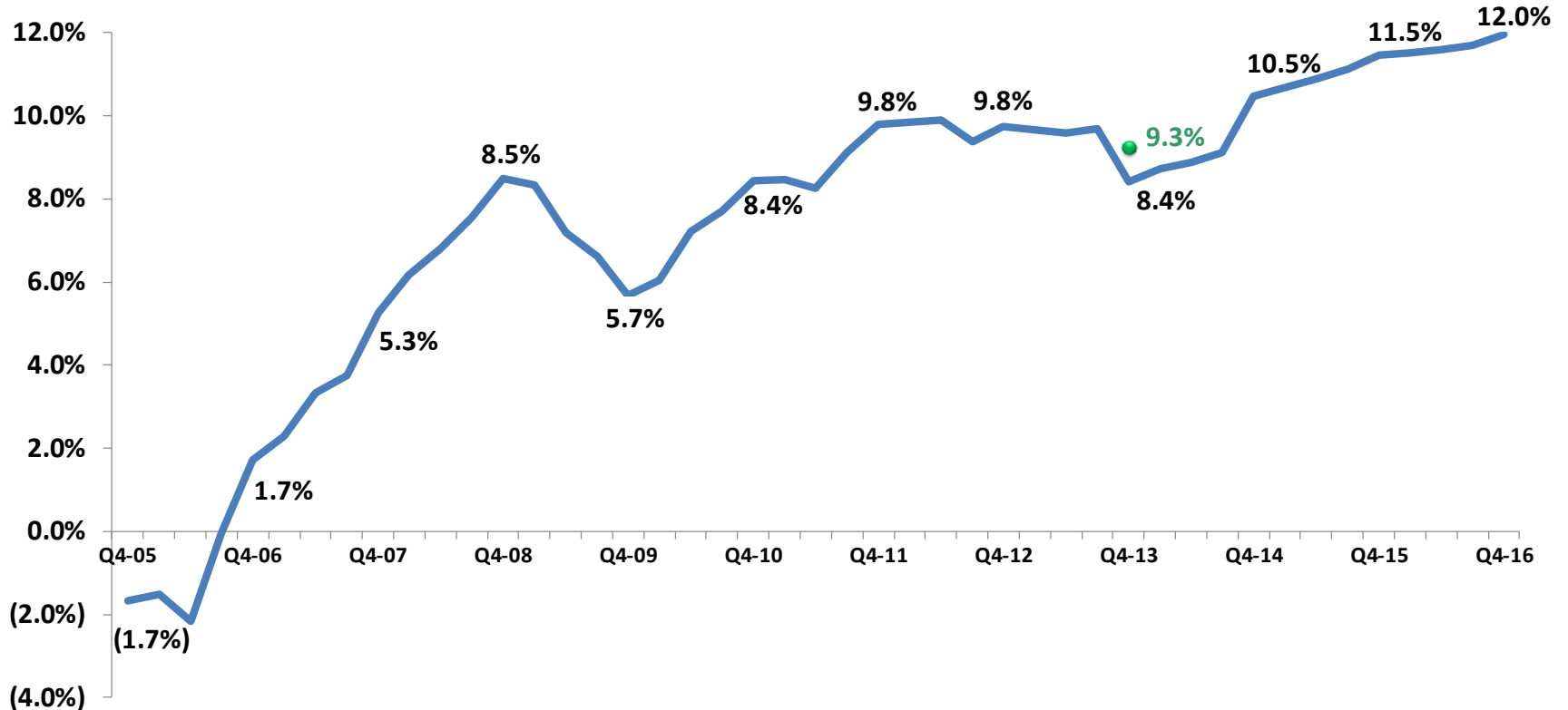
	2016	2015	Change		
			\$	Total	Organic
Three Months Ended December 31, <i>% of Revenue</i>	\$ 1,309.4 57.8%	\$ 1,235.1 56.2%	\$ 74.3	6.0%	8.2%
Three months severance <i>% of Revenue</i>	\$ 14.0 0.6%	\$ 22.1 1.0%	\$ (8.1)	(36.7%)	
Twelve Months Ended December 31, <i>% of Revenue</i>	\$ 5,038.1 64.2%	\$ 4,857.7 63.8%	\$ 180.4	3.7%	5.7%
Twelve months severance <i>% of Revenue</i>	\$ 70.0 0.9%	\$ 71.3 0.9%	\$ (1.3)	(1.8%)	

Office & General

	2016	2015	Change		
			\$	Total	Organic
Three Months Ended December 31, <i>% of Revenue</i>	\$ 470.0 20.8%	\$ 504.7 23.0%	\$ (34.7)	(6.9%)	(3.7%)
Three months occupancy expense (ex-D&A) <i>% of Revenue</i>	\$ 128.1 5.7%	\$ 127.2 5.8%	\$ 0.9	0.7%	
Twelve Months Ended December 31, <i>% of Revenue</i>	\$ 1,870.5 23.8%	\$ 1,884.2 24.7%	\$ (13.7)	(0.7%)	2.0%
Twelve months occupancy expense (ex-D&A) <i>% of Revenue</i>	\$ 507.1 6.5%	\$ 481.6 6.3%	\$ 25.5	5.3%	

Operating Margin

Trailing Twelve Months



For the twelve months ended December 31, 2013, reported operating income of \$598.3 includes our Q4 2013 restructuring charge of \$60.6. Excluding this charge, adjusted operating income was \$658.9, and adjusted operating margin is represented in green.

Adjusted Diluted Earnings Per Share

Three Months Ended December 31, 2016

	As Reported	Net Losses on Sales of Businesses ⁽¹⁾	Adoption of ASU 2016-09 ⁽²⁾	U.S. Federal Tax Credits ⁽³⁾	Adjusted Results
Income Before Income Taxes	\$ 441.1	\$ (25.3)			\$ 466.4
Provision for Income Taxes	106.1	2.0	\$ (0.1)	\$ 37.4	145.4
Effective Tax Rate	24.1%				31.2%
<u>Diluted EPS Components:</u>					
Net Income Available to IPG Common Stockholders	\$ 317.6	\$ (23.3)	\$ (0.1)	\$ 37.4	\$ 303.6
Weighted-Average Number of Common Shares Outstanding	405.2		1.0		404.2
Earnings Per Share Available to IPG Common Stockholders	\$ 0.78	\$ (0.06)	\$ (0.00)	\$ 0.09	\$ 0.75

(1) Includes losses on completed dispositions of businesses and the classification of certain assets as held for sale.

(2) In 2016 we early adopted Financial Accounting Standards Board Accounting Standards Update 2016-09.

(3) During Q4 2016, we recognized a benefit related to refunds to be claimed on future amended U.S. federal returns for tax years 2014 and 2015 primarily related to foreign tax credits and, to a lesser extent, research and development credits based on the conclusion of multi-year studies.



Adjusted Diluted Earnings Per Share

Twelve Months Ended December 31, 2016

	As Reported	Net Losses on Sales of Businesses ⁽¹⁾	Valuation Allowance Reversals ⁽²⁾	Adoption of ASU 2016-09 ⁽³⁾	Settlement of Certain Tax Positions ⁽⁴⁾	U.S. Federal Tax Credits ⁽⁵⁾	Adjusted Results
Income Before Income Taxes	\$ 830.2	\$ (41.4)					\$ 871.6
Provision for Income Taxes	198.0	2.4	\$ 12.2	\$ 10.4	\$ 23.4	\$ 44.6	291.0
Effective Tax Rate	23.8%						33.4%
Diluted EPS Components:							
Net Income Available to IPG Common Stockholders	\$ 608.5	\$ (39.0)	\$ 12.2	\$ 10.4	\$ 23.4	\$ 44.6	\$ 556.9
Weighted-Average Number of Common Shares Outstanding	408.0			1.0			407.0
Earnings Per Share Available to IPG Common Stockholders	\$ 1.49	\$ (0.10)	\$ 0.03	\$ 0.03	\$ 0.06	\$ 0.11	\$ 1.37

(1) Includes losses on completed dispositions of businesses and the classification of certain assets as held for sale.

(2) During Q1 2016, we recorded valuation allowance reversals as a consequence of the disposition of certain businesses in Continental Europe.

(3) In 2016 we early adopted Financial Accounting Standards Board Accounting Standards Update 2016-09.

(4) During Q2 2016, we released reserves related to the conclusion and settlement of a tax examination of previous tax years.

(5) In 2016 we recognized a benefit related to refunds to be claimed on future amended U.S. federal returns for tax years 2014 and 2015 primarily related to foreign tax credits and, to a lesser extent, research and development credits based on the conclusion of multi-year studies.



Balance Sheet – Current Portion

	December 31, 2016	December 31, 2015
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,097.6	\$ 1,502.9
Marketable securities	3.0	6.8
Accounts receivable, net	4,389.7	4,361.0
Expenditures billable to clients	1,518.1	1,594.4
Assets held for sale	203.2	12.1
Other current assets	226.4	215.9
Total current assets	\$ 7,438.0	\$ 7,693.1
CURRENT LIABILITIES:		
Accounts payable	\$ 6,303.6	\$ 6,689.2
Accrued liabilities	794.0	748.4
Short-term borrowings	85.7	132.9
Current portion of long-term debt ⁽¹⁾	323.9	1.9
Liabilities held for sale	198.8	11.9
Total current liabilities	\$ 7,706.0	\$ 7,584.3

Cash Flow

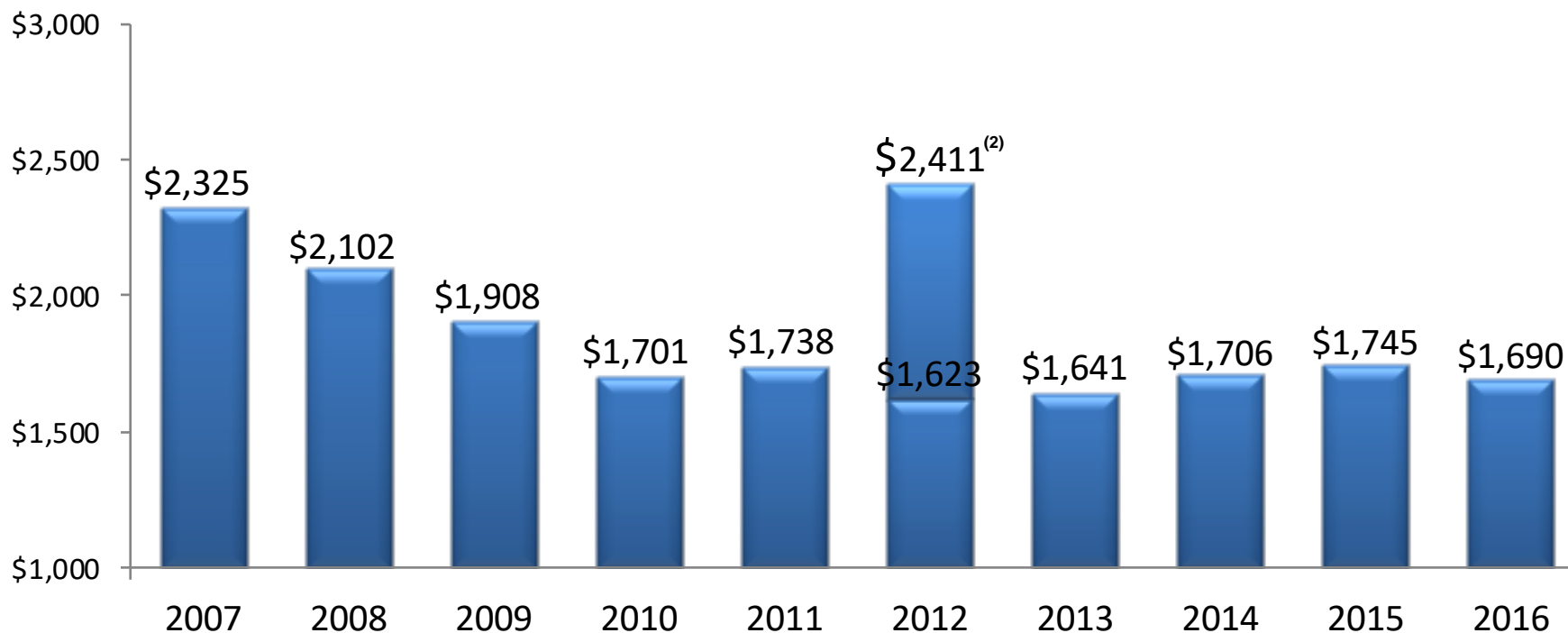
	Twelve Months Ended December 31,	
	2016	2015
NET INCOME	\$ 633	\$ 481
OPERATING ACTIVITIES		
Depreciation & amortization	251	233
Deferred taxes	46	49
Non-cash loss on sales of businesses	41	50
Other non-cash items	52	35
Change in working capital, net	(414)	(99)
Change in other non-current assets & liabilities	(96)	(60)
Net cash provided by Operating Activities	513	689
INVESTING ACTIVITIES		
Capital expenditures	(201)	(161)
Acquisitions, net of cash acquired	(52)	(29)
Other investing activities	(15)	(10)
Net cash used in Investing Activities⁽¹⁾	(268)	(200)
FINANCING ACTIVITIES		
Repurchase of common stock	(303)	(285)
Common stock dividends	(238)	(196)
Net (decrease) increase in short-term bank borrowings	(56)	52
Acquisition-related payments	(40)	(53)
Tax payments for employee shares withheld ⁽²⁾	(23)	(18)
Distributions to noncontrolling interests	(14)	(16)
Excess tax benefit from share-based payment arrangements ⁽²⁾	-	10
Exercise of stock options	10	14
Other financing activities	(2)	1
Net cash used in Financing Activities	(666)	(491)
Currency Effect	12	(156)
Decrease in Cash & S/T Marketable Securities	\$ (409)	\$ (158)

(1) Excludes net purchases, sales and maturities of short-term marketable securities. See reconciliation on page 23.

(2) As part of the adoption of FASB ASU 2016-09, we have reclassified the tax payments for employee shares withheld balance into Financing Activities in both periods presented. This amount was previously included in Change in working capital, net in Operating Activities. Additionally, the excess tax benefit from share-based payment arrangements amount is now reflected within Net Income for Q4 2016, as prospective adoption was required.

Total Debt ⁽¹⁾

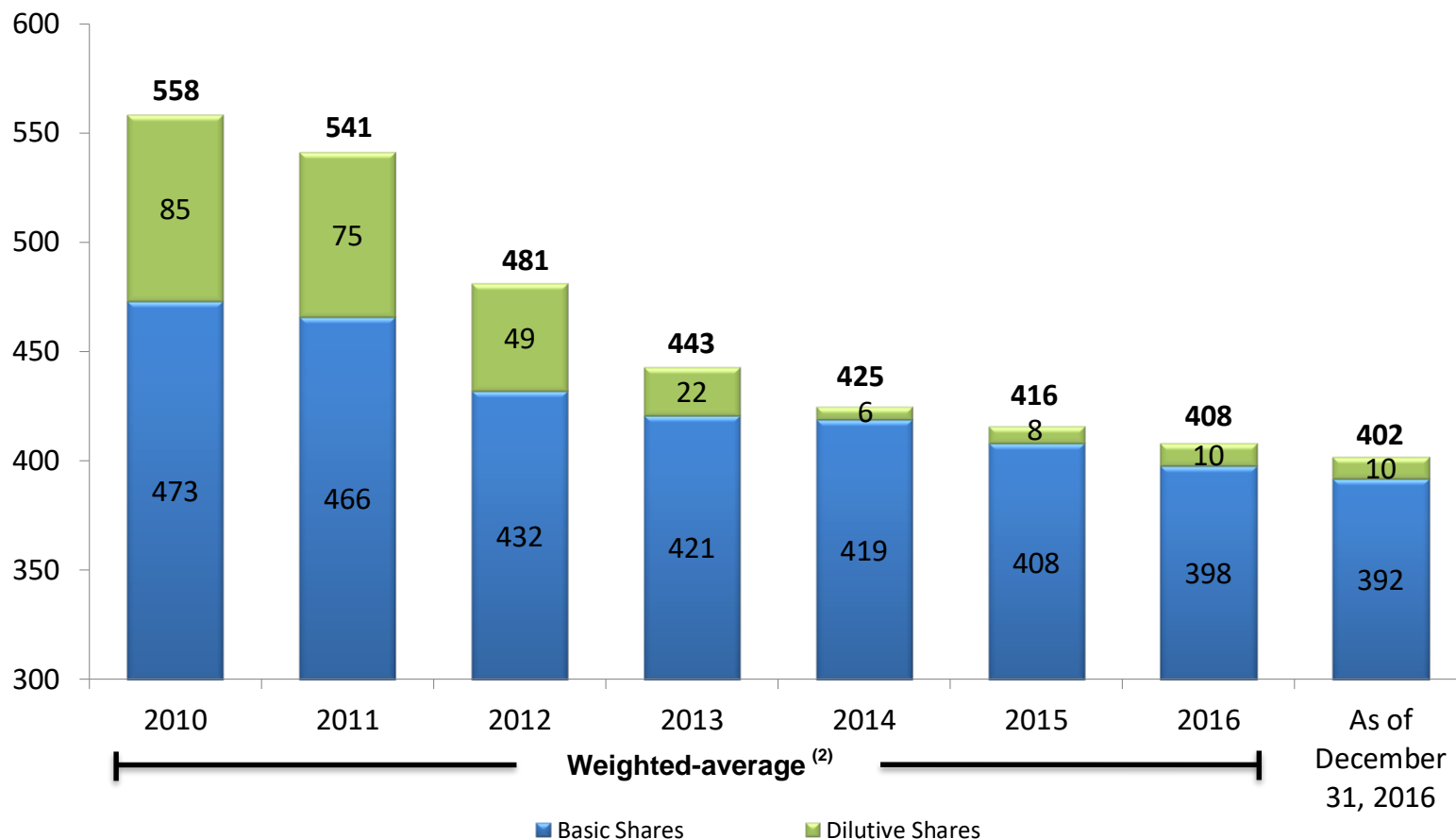
December 31,



⁽¹⁾ Includes current portion of long-term debt, short-term borrowings and long-term debt.

⁽²⁾ Includes our November 2012 debt issuances of \$800 aggregate principal amount of Senior Notes, which pre-funded our plan to redeem a similar amount of debt in 2013.

Total Shares: Basic and Eligible for Dilution ⁽¹⁾



(1) Includes basic common shares outstanding, restricted shares and in-the-money stock options, and convertible debt and preferred stock eligible for dilution.

(2) Equals weighted-average shares outstanding as defined above for the twelve months ending December 31st for the periods presented.

Summary

- Organic revenue growth at the high-end of our increased growth target along with strong operating margin expansion
- Continuing traction from key strategic initiatives
 - Quality of our agency offerings, creative talent, embedded and specialty digital, and “open architecture” solutions
 - Strength in high-growth disciplines and largest regions
 - Effective expense management
- Focus on additional margin improvement
- Financial strength continues to be a source of value creation
 - Increased dividend
 - New share repurchase authorization



Interpublic Group

Appendix

Operating Performance

	Twelve Months Ended December 31,	
	2016	2015
<i>Revenue</i>	\$ 7,846.6	\$ 7,613.8
Salaries and Related Expenses	5,038.1	4,857.7
Office and General Expenses	1,870.5	1,884.2
<i>Operating Income</i>	938.0	871.9
Interest Expense	(90.6)	(85.8)
Interest Income	20.1	22.8
Other Expense, net	(37.3)	(46.7)
<i>Income Before Income Taxes</i>	830.2	762.2
Provision for Income Taxes	198.0	282.8
Equity in Net Income of Unconsolidated Affiliates	0.3	1.1
<i>Net Income</i>	632.5	480.5
Net Income Attributable to Noncontrolling Interests	(24.0)	(25.9)
<i>Net Income Available to IPG Common Stockholders</i>	\$ 608.5	\$ 454.6

Earnings per Share Available to IPG Common Stockholders:

Basic	\$ 1.53	\$ 1.11
Diluted	\$ 1.49	\$ 1.09

Weighted-Average Number of Common Shares Outstanding:

Basic	397.9	408.1
Diluted	408.0	415.7

<i>Dividends Declared per Common Share</i>	\$ 0.60	\$ 0.48
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Cash Flow

	Three Months Ended December 31,	
	2016	2015
NET INCOME	\$ 337	\$ 283
OPERATING ACTIVITIES		
Depreciation & amortization	71	63
Deferred taxes	43	83
Non-cash loss on sales of businesses	25	12
Other non-cash items	9	9
Change in working capital, net	78	484
Change in other non-current assets & liabilities	(22)	(8)
Net cash provided by Operating Activities	541	926
INVESTING ACTIVITIES		
Capital expenditures	(87)	(80)
Acquisitions, net of cash acquired	(4)	(23)
Other investing activities	(6)	(9)
Net cash used in Investing Activities	(97)	(112)
FINANCING ACTIVITIES		
Repurchase of common stock	(110)	(113)
Common stock dividends	(59)	(49)
Net (decrease) increase in short-term bank borrowings	(22)	27
Acquisition-related payments	(4)	(21)
Distributions to noncontrolling interests	(3)	(3)
Exercise of stock options	-	2
Other financing activities	(1)	(1)
Net cash used in Financing Activities	(199)	(158)
Currency Effect	(39)	(28)
Increase in Cash & S/T Marketable Securities	\$ 206	\$ 628

Depreciation and Amortization

	2016				
	Q1	Q2	Q3	Q4	FY 2016
Depreciation and amortization of fixed assets and intangible assets	\$ 38.0	\$ 39.8	\$ 39.7	\$ 42.7	\$ 160.2
Amortization of restricted stock and other non-cash compensation	23.1	16.8	19.1	26.6	85.6
Net amortization of bond discounts and deferred financing costs	1.4	1.4	1.4	1.4	5.6
	2015				
	Q1	Q2	Q3	Q4	FY 2015
Depreciation and amortization of fixed assets and intangible assets	\$ 38.7	\$ 39.5	\$ 38.1	\$ 40.7	\$ 157.0
Amortization of restricted stock and other non-cash compensation	16.8	16.4	16.5	20.6	70.3
Net amortization of bond discounts and deferred financing costs	1.4	1.4	1.4	1.6	5.8

Reconciliation of Organic Measures

	Three Months Ended December 31, 2015	Components of Change			Three Months Ended December 31, 2016	Change	
		Foreign Currency	Net Acquisitions / (Divestitures)	Organic		Organic	Total
Segment Revenue							
IAN	\$ 1,793.6	\$ (32.3)	\$ (15.8)	\$ 120.1	\$ 1,865.6	6.7%	4.0%
CMG	402.6	(11.5)	11.3	(3.5)	398.9	(0.9%)	(0.9%)
Total	<u>\$ 2,196.2</u>	<u>\$ (43.8)</u>	<u>\$ (4.5)</u>	<u>\$ 116.6</u>	<u>\$ 2,264.5</u>	<u>5.3%</u>	<u>3.1%</u>
Geographic							
United States	\$ 1,221.1	\$ -	\$ (2.7)	\$ 40.2	\$ 1,258.6	3.3%	3.1%
International	\$ 975.1	\$ (43.8)	\$ (1.8)	\$ 76.4	\$ 1,005.9	7.8%	3.2%
United Kingdom	200.7	(34.7)	10.9	23.5	200.4	11.7%	(0.1%)
Continental Europe	222.4	(4.2)	(11.1)	24.6	231.7	11.1%	4.2%
Asia Pacific	280.5	1.5	2.3	21.0	305.3	7.5%	8.8%
Latin America	117.8	(3.0)	(3.7)	5.9	117.0	5.0%	(0.7%)
All Other Markets	153.7	(3.4)	(0.2)	1.4	151.5	0.9%	(1.4%)
Worldwide	<u>\$ 2,196.2</u>	<u>\$ (43.8)</u>	<u>\$ (4.5)</u>	<u>\$ 116.6</u>	<u>\$ 2,264.5</u>	<u>5.3%</u>	<u>3.1%</u>
Expenses							
Salaries & Related	\$ 1,235.1	\$ (23.6)	\$ (3.2)	\$ 101.1	\$ 1,309.4	8.2%	6.0%
Office & General	504.7	(10.6)	(5.4)	(18.7)	470.0	(3.7%)	(6.9%)
Total	<u>\$ 1,739.8</u>	<u>\$ (34.2)</u>	<u>\$ (8.6)</u>	<u>\$ 82.4</u>	<u>\$ 1,779.4</u>	<u>4.7%</u>	<u>2.3%</u>

Reconciliation of Organic Measures

	Twelve Months Ended December 31, 2015	Components of Change			Twelve Months Ended December 31, 2016	Change	
		Foreign Currency	Net Acquisitions / (Divestitures)	Organic		Organic	Total
Segment Revenue							
IAN	\$ 6,144.9	\$ (128.8)	\$ (21.7)	\$ 324.5	\$ 6,318.9	5.3%	2.8%
CMG	1,468.9	(30.9)	37.0	52.7	1,527.7	3.6%	4.0%
Total	<u>\$ 7,613.8</u>	<u>\$ (159.7)</u>	<u>\$ 15.3</u>	<u>\$ 377.2</u>	<u>\$ 7,846.6</u>	<u>5.0%</u>	<u>3.1%</u>
Geographic							
United States	\$ 4,475.5	\$ -	\$ 14.2	\$ 195.1	\$ 4,684.8	4.4%	4.7%
International	3,138.3	(159.7)	1.1	182.1	3,161.8	5.8%	0.7%
United Kingdom	687.7	(77.8)	27.6	58.2	695.7	8.5%	1.2%
Continental Europe	697.2	(8.1)	(29.2)	39.9	699.8	5.7%	0.4%
Asia Pacific	916.9	(13.4)	3.8	15.7	923.0	1.7%	0.7%
Latin America	383.5	(43.5)	(14.0)	46.7	372.7	12.2%	(2.8%)
All Other Markets	453.0	(16.9)	12.9	21.6	470.6	4.8%	3.9%
Worldwide	<u>\$ 7,613.8</u>	<u>\$ (159.7)</u>	<u>\$ 15.3</u>	<u>\$ 377.2</u>	<u>\$ 7,846.6</u>	<u>5.0%</u>	<u>3.1%</u>
Expenses							
Salaries & Related	\$ 4,857.7	\$ (99.7)	\$ 2.2	\$ 277.9	\$ 5,038.1	5.7%	3.7%
Office & General	1,884.2	(43.6)	(8.7)	38.6	1,870.5	2.0%	(0.7%)
Total	<u>\$ 6,741.9</u>	<u>\$ (143.3)</u>	<u>\$ (6.5)</u>	<u>\$ 316.5</u>	<u>\$ 6,908.6</u>	<u>4.7%</u>	<u>2.5%</u>

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)	\$ (56.2)	\$ 6,263.8
3/31/06	6,323.8	(10.9)	(132.6)	81.5	6,261.8
6/30/06	6,418.4	(8.8)	(157.5)	(68.5)	6,183.6
9/30/06	6,335.9	(13.9)	(140.4)	15.6	6,197.2
12/31/06	6,263.8	20.7	(165.5)	57.8	6,176.8
3/31/07	6,261.8	78.4	(147.2)	16.0	6,209.0
6/30/07	6,183.6	102.4	(124.7)	166.6	6,327.9
9/30/07	6,197.2	137.3	(110.9)	209.2	6,432.8
12/31/07	6,176.8	197.5	(70.7)	233.1	6,536.7
3/31/08	6,209.0	217.8	(45.9)	280.6	6,661.5
6/30/08	6,327.9	244.8	(12.6)	282.4	6,842.5
9/30/08	6,432.8	237.4	32.8	317.2	7,020.2
12/31/08	6,536.7	71.5	87.6	243.0	6,938.8
3/31/09	6,661.5	(88.3)	114.7	91.9	6,779.8
6/30/09	6,842.5	(286.2)	139.2	(275.3)	6,420.2
9/30/09	7,020.2	(390.1)	115.2	(636.4)	6,108.9
12/31/09	6,938.8	(251.6)	69.1	(748.9)	6,007.4
3/31/10	6,779.8	(88.2)	36.0	(705.4)	6,022.2
6/30/10	6,420.2	59.1	2.0	(316.9)	6,164.4
9/30/10	6,108.9	117.7	9.6	60.1	6,296.3
12/31/10	6,007.4	63.3	17.0	419.6	6,507.3
3/31/11	6,022.2	21.0	18.2	583.7	6,645.1
6/30/11	6,164.4	61.5	12.4	535.8	6,774.1
9/30/11	6,296.3	119.1	(7.7)	539.5	6,947.2
12/31/11	6,507.3	122.2	(8.6)	393.7	7,014.6
3/31/12	6,645.1	92.9	(1.4)	310.0	7,046.6
6/30/12	6,774.1	(14.3)	14.5	247.3	7,021.6
9/30/12	6,947.2	(117.2)	39.7	95.8	6,965.5
12/31/12	7,014.6	(147.6)	41.8	47.4	6,956.2
3/31/13	7,046.6	(143.7)	48.2	41.3	6,992.4
6/30/13	7,021.6	(111.4)	56.9	65.8	7,032.9
9/30/13	6,965.5	(80.3)	49.5	128.2	7,062.9
12/31/13	6,956.2	(80.4)	50.3	196.2	7,122.3
3/31/14	6,992.4	(89.9)	51.2	263.1	7,216.8
6/30/14	7,032.9	(80.6)	51.6	308.1	7,312.0
9/30/14	7,062.9	(53.5)	74.3	369.0	7,452.7
12/31/14	7,122.3	(75.5)	95.3	395.0	7,537.1
3/31/15	7,216.8	(125.7)	98.4	386.1	7,575.6
6/30/15	7,312.0	(223.5)	85.3	426.5	7,600.3
9/30/15	7,452.7	(336.2)	58.3	449.9	7,624.7
12/31/15	7,537.1	(408.5)	23.7	461.5	7,613.8
3/31/16	7,575.6	(388.5)	11.9	480.8	7,679.8
6/30/16	7,600.3	(315.6)	10.8	426.1	7,721.6
9/30/16	7,624.7	(237.5)	16.4	374.7	7,778.3
12/31/16	7,613.8	(159.7)	15.3	377.2	7,846.6

Reconciliation of Investing Cash Flow

	Twelve Months Ended December 31,	
	2016	2015
INVESTING ACTIVITIES		
Net cash used in Investing Activities per presentation	\$ (268)	\$ (200)
Net purchases, sales and maturities of short-term marketable securities, net	4	-
Net cash used in Investing Activities as reported	\$ (264)	\$ (200)

Reconciliation of Adjusted Results ⁽¹⁾

	Three Months Ended December 31, 2016					
	As Reported	Net Losses on Sales of Businesses	Adoption of ASU 2016-09	U.S. Federal Tax Credits	Adjusted Results	
Income Before Income Taxes	\$ 441.1	\$ (25.3)			\$	466.4
Provision for Income Taxes	106.1	2.0	\$ (0.1)	\$ 37.4	\$	145.4
Effective Tax Rate	24.1%					31.2%
Equity in Net Income of Unconsolidated Affiliates	1.9					1.9
Net Income Attributable to Noncontrolling Interests	(19.3)					(19.3)
Net Income Available to IPG Common Stockholders	\$ 317.6	\$ (23.3)	\$ (0.1)	\$ 37.4	\$	303.6
Weighted-Average Number of Common Shares Outstanding - Basic	393.5					393.5
Add: Effect of Dilutive Securities						
Restricted Stock, Stock Options and Other Equity Awards	11.7		1.0			10.7
Weighted-Average Number of Common Shares Outstanding - Diluted	405.2		1.0			404.2
Earnings Per Share Available to IPG Common Stockholders - Basic	\$ 0.81	\$ (0.06)	\$ (0.00)	\$ 0.10	\$	0.77
Earnings Per Share Available to IPG Common Stockholders - Diluted	\$ 0.78	\$ (0.06)	\$ (0.00)	\$ 0.09	\$	0.75

(1) The following table reconciles our reported results to our adjusted non-GAAP results that exclude the net losses on sales of businesses, the effect of the adoption of ASU 2016-09, and a benefit related to refunds to be claimed on future amended U.S. federal returns for tax years 2014 and 2015 primarily related to foreign tax credits and, to a lesser extent, research and development credits based on the conclusion of multi-year studies. Management believes the resulting comparisons provide useful supplemental data that, while not a substitute for GAAP measures, allow for greater transparency in the review of our financial and operational performance.

Reconciliation of Adjusted Results ⁽¹⁾

Twelve Months Ended December 31, 2016								
	As Reported	Net Losses on Sales of Businesses	Valuation Allowance Reversals	Adoption of ASU 2016-09	Settlement of Certain Tax Positions	U.S. Federal Tax Credits	Adjusted Results	
Income Before Income Taxes	\$ 830.2	\$ (41.4)					\$ 871.6	
Provision for Income Taxes	198.0	2.4	\$ 12.2	\$ 10.4	\$ 23.4	\$ 44.6	291.0	
Effective Tax Rate	23.8%						33.4%	
Equity in Net Income of Unconsolidated Affiliates	0.3						0.3	
Net Income Attributable to Noncontrolling Interests	(24.0)						(24.0)	
Net Income Available to IPG Common Stockholders	\$ 608.5	\$ (39.0)	\$ 12.2	\$ 10.4	\$ 23.4	\$ 44.6	\$ 556.9	
Weighted-Average Number of Common Shares Outstanding - Basic	397.9						397.9	
Add: Effect of Dilutive Securities								
Restricted Stock, Stock Options and Other Equity Awards	10.1			1.0			9.1	
Weighted-Average Number of Common Shares Outstanding - Diluted	408.0			1.0			407.0	
Earnings Per Share Available to IPG Common Stockholders - Basic	\$ 1.53	\$ (0.10)	\$ 0.03	\$ 0.03	\$ 0.06	\$ 0.11	\$ 1.40	
Earnings Per Share Available to IPG Common Stockholders - Diluted	\$ 1.49	\$ (0.10)	\$ 0.03	\$ 0.03	\$ 0.06	\$ 0.11	\$ 1.37	

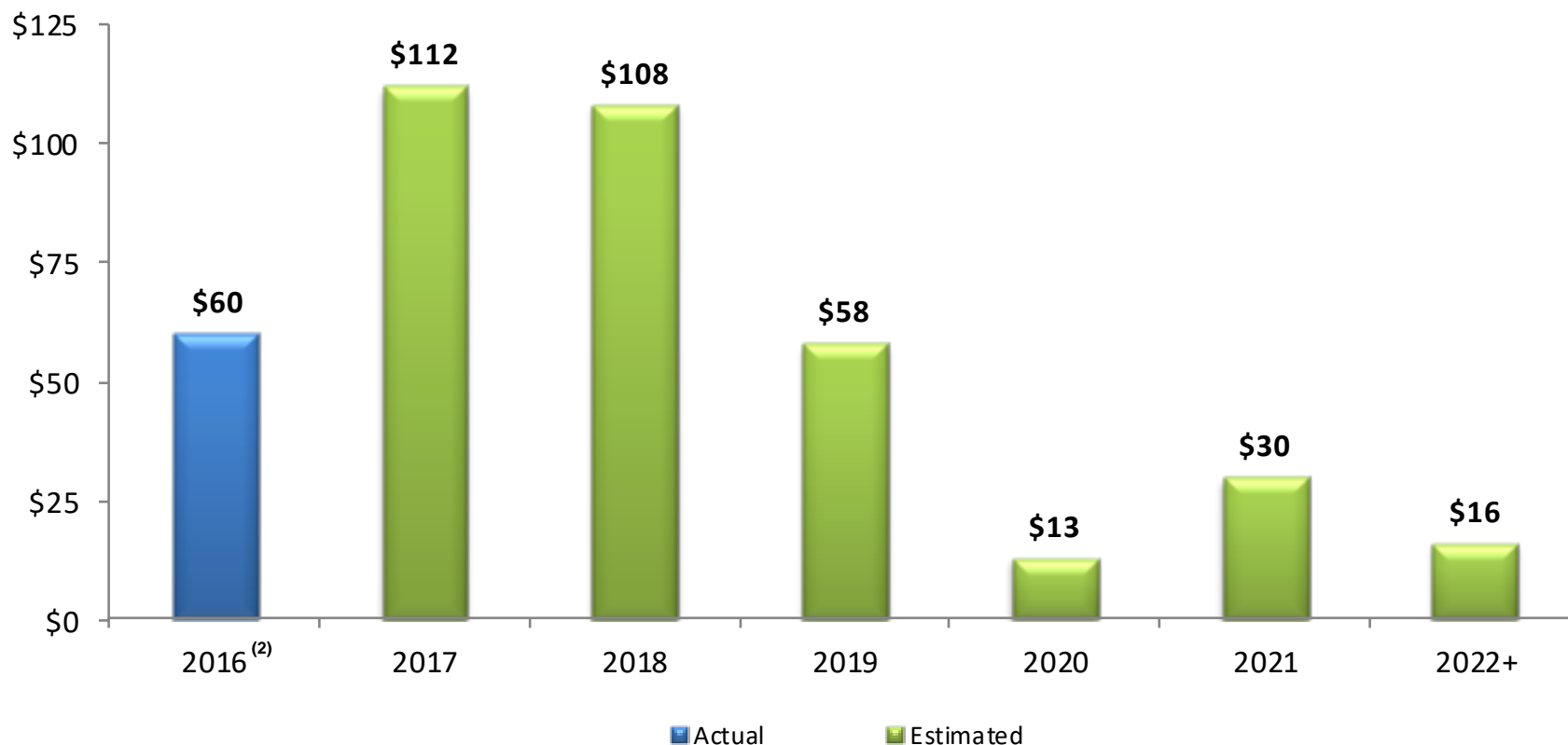
(1) The following table reconciles our reported results to our adjusted non-GAAP results that exclude the net losses on sales of businesses, valuation allowance reversals as a result of the disposition of businesses in Continental Europe, the effect of the adoption of ASU 2016-09, the release of reserves related to the conclusion and settlement of a tax examination of previous tax years, and a benefit related to refunds to be claimed on future amended U.S. federal returns for tax years 2014 and 2015 primarily related to foreign tax credits and, to a lesser extent, research and development credits based on the conclusion of multi-year studies. Management believes the resulting comparisons provide useful supplemental data that, while not a substitute for GAAP measures, allow for greater transparency in the review of our financial and operational performance.

Reconciliation of Adjusted Results ⁽¹⁾

	Three Months Ended December 31, 2015			Twelve Months Ended December 31, 2015		
	As Reported	Loss on Sales of Businesses	Adjusted Results	As Reported	Loss on Sales of Businesses	Adjusted Results
Income Before Income Taxes	\$ 427.8	\$ (12.0)	\$ 439.8	\$ 762.2	\$ (50.0)	\$ 812.2
Provision for Income Taxes	145.4	0.2	145.6	282.8	2.9	285.7
Effective Tax Rate	34.0%		33.1%	37.1%		35.2%
Equity in Net Income of Unconsolidated Affiliates	0.5		0.5	1.1		1.1
Net Income Attributable to Noncontrolling Interests	(22.6)		(22.6)	(25.9)		(25.9)
Net Income Available to IPG Common Stockholders	\$ 260.3	\$ (11.8)	\$ 272.1	\$ 454.6	\$ (47.1)	\$ 501.7
Weighted-Average Number of Common Shares Outstanding - Basic	403.4		403.4	408.1		408.1
Add: Effect of Dilutive Securities						
Restricted Stock, Stock Options and Other Equity Awards	8.9		8.9	7.6		7.6
Weighted-Average Number of Common Shares Outstanding - Diluted	412.3		412.3	415.7		415.7
Earnings Per Share Available to IPG Common Stockholders - Basic	\$ 0.65	\$ (0.03)	\$ 0.67	\$ 1.11	\$ (0.12)	\$ 1.23
Earnings Per Share Available to IPG Common Stockholders - Diluted	\$ 0.63	\$ (0.03)	\$ 0.66	\$ 1.09	\$ (0.12)	\$ 1.21

- (1) The following table reconciles our reported results to our adjusted non-GAAP results that exclude the losses on sales of businesses in our international markets, primarily in Latin America and Continental Europe. This amount includes losses on completed dispositions and the classification of certain assets as held for sale during the third and fourth quarters of 2015. Management believes the resulting comparisons provide useful supplemental data that, while not a substitute for GAAP measures, allow for greater transparency in the review of our financial and operational performance.

Acquisition Payment Obligations ⁽¹⁾



(1) Amounts represent payments related to our previous acquisitions. Amounts include deferred payments and payments we may be required to make in connection with our redeemable noncontrolling interests and call options with affiliates. With respect to redeemable noncontrolling interests and call options with affiliates, these estimated payment amounts are shown as an obligation in the earliest year in which they are exercisable, though some are eligible for exercise in multiple years. The payment amounts are based on current estimates of financial performance and are subject to change.

(2) 2016 payments include \$19 recorded within Operating Activities in our Statement of Cash Flows.



Interpublic Group

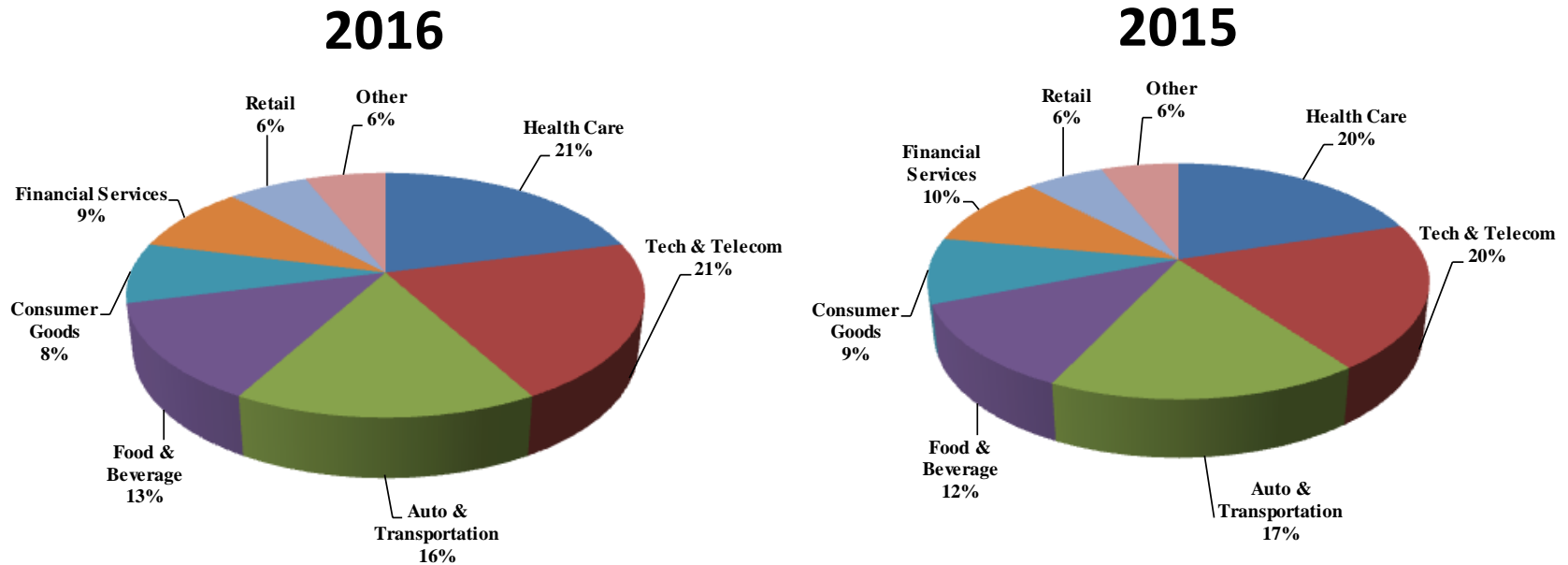
Metrics Update

Metrics Update

Category	Metric
REVENUE	By Client Sector
SALARIES & RELATED (% of revenue)	Twelve Months Ended Base, Benefits & Tax Incentive Expense Severance Expense Temporary Help
OFFICE & GENERAL (% of revenue)	Twelve Months Ended Professional Fees Occupancy Expense (ex-D&A) T&E, Office Supplies & Telecom All Other O&G
REAL ESTATE	Total Square Feet
FINANCIAL	Available Liquidity \$1.0 Billion 5-Year Credit Facility Covenants

Revenue By Client Sector

Top 100 Clients for the twelve months ended December 31

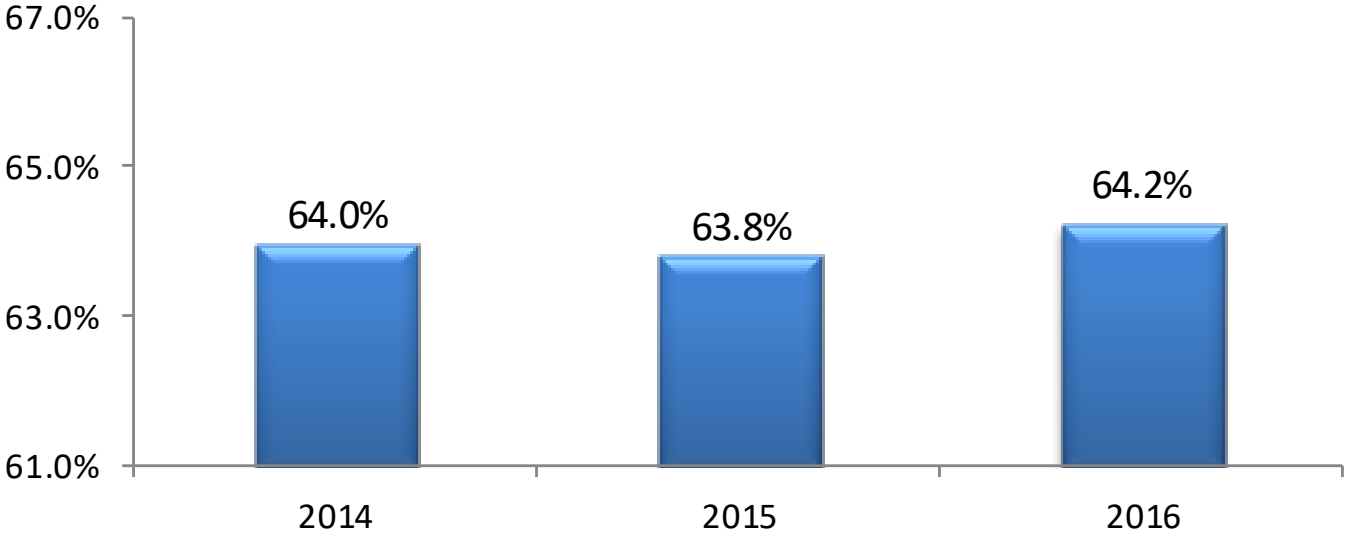


Approximately 55% of consolidated revenue

Salaries & Related Expenses

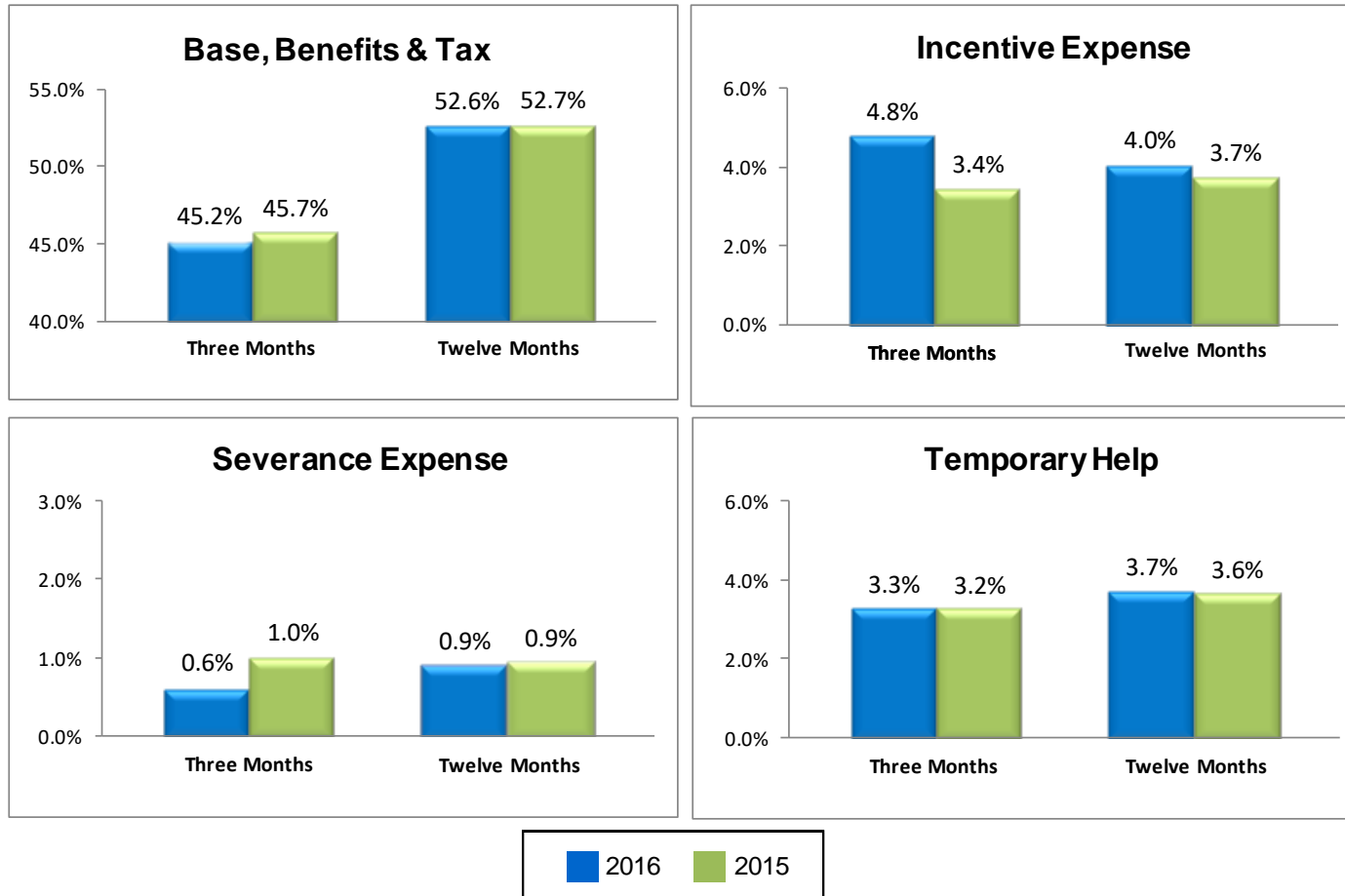
Twelve Months Ended December 31

% of Revenue



Salaries & Related Expenses (% of Revenue)

Three and Twelve Months Ended December 31



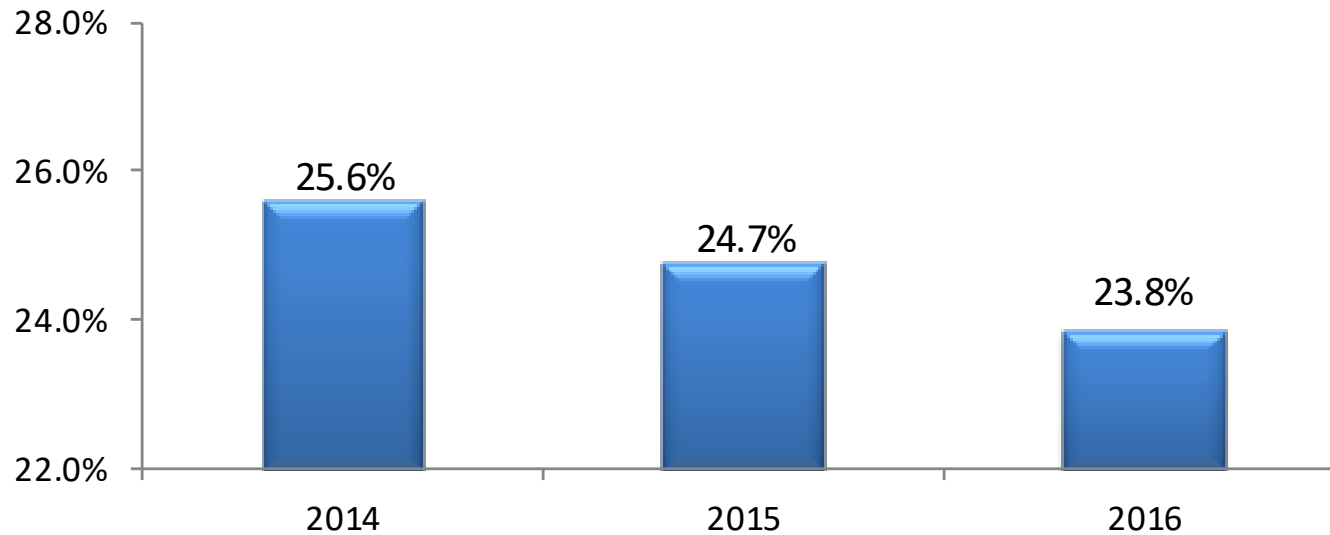
Page 32 "All Other Salaries & Related," not shown, was 3.9% and 2.9% for the three months ended December 31, 2016 and 2015, respectively, and 3.0% and 2.9% for the twelve months ended December 31, 2016 and 2015, respectively.



Office & General Expenses

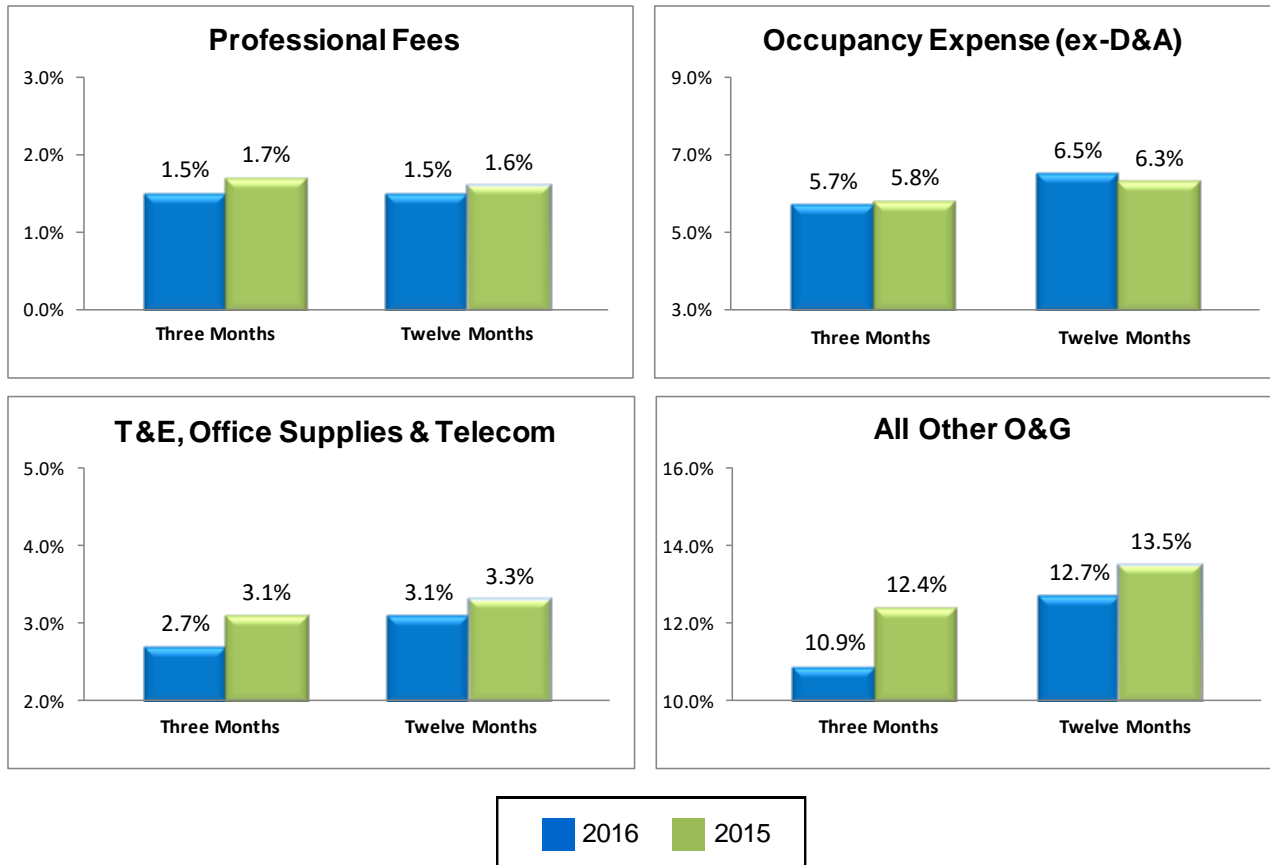
Twelve Months Ended December 31

% of Revenue



Office & General Expenses (% of Revenue)

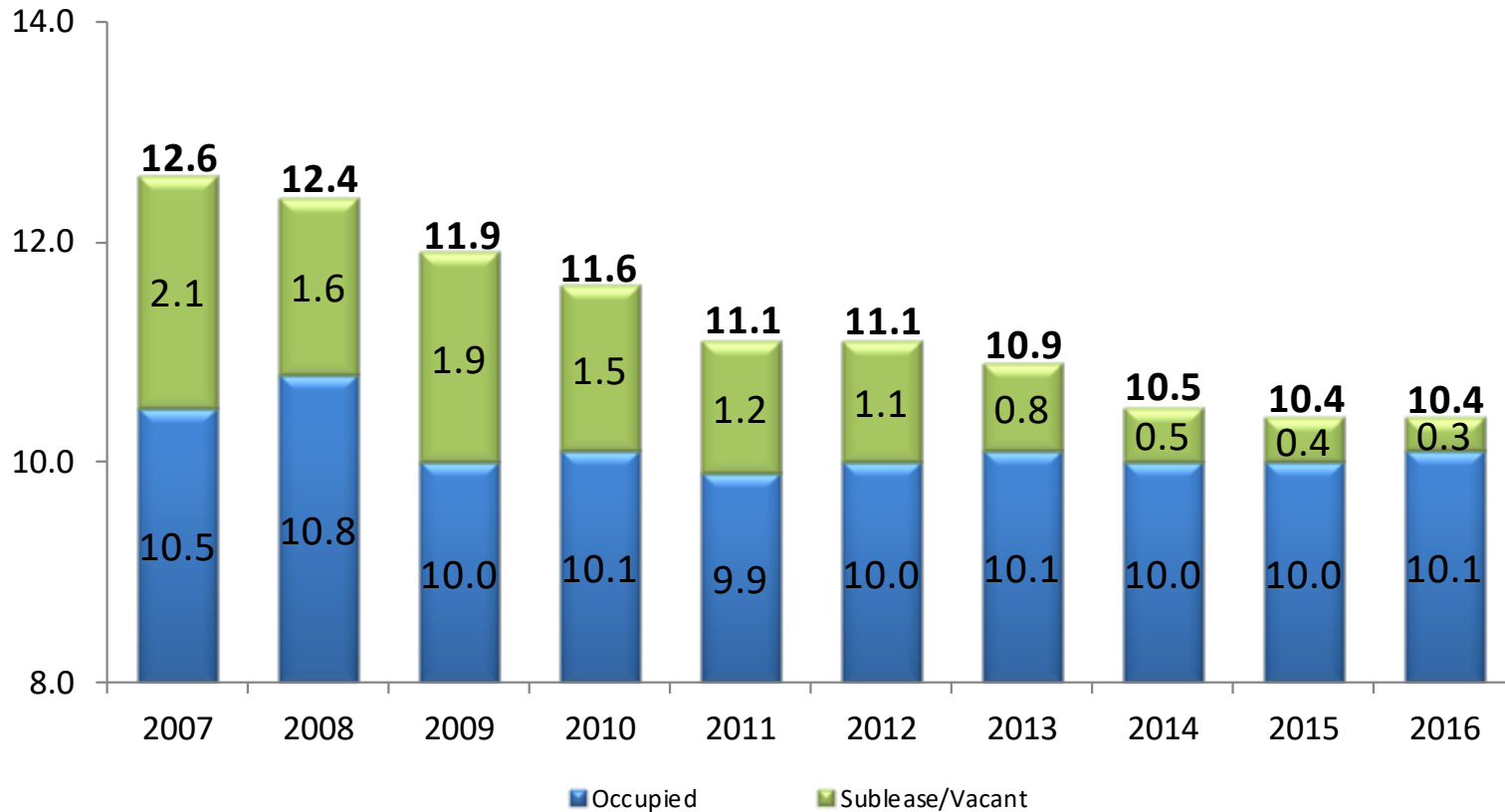
Three and Twelve Months Ended December 31



“All Other O&G” primarily includes production expenses and, to a lesser extent, depreciation and amortization, bad debt expense, adjustments to contingent acquisition obligations, foreign currency losses (gains), spending to support new business activity, net restructuring and other reorganization-related charges (reversals), long-lived asset impairments and other expenses.

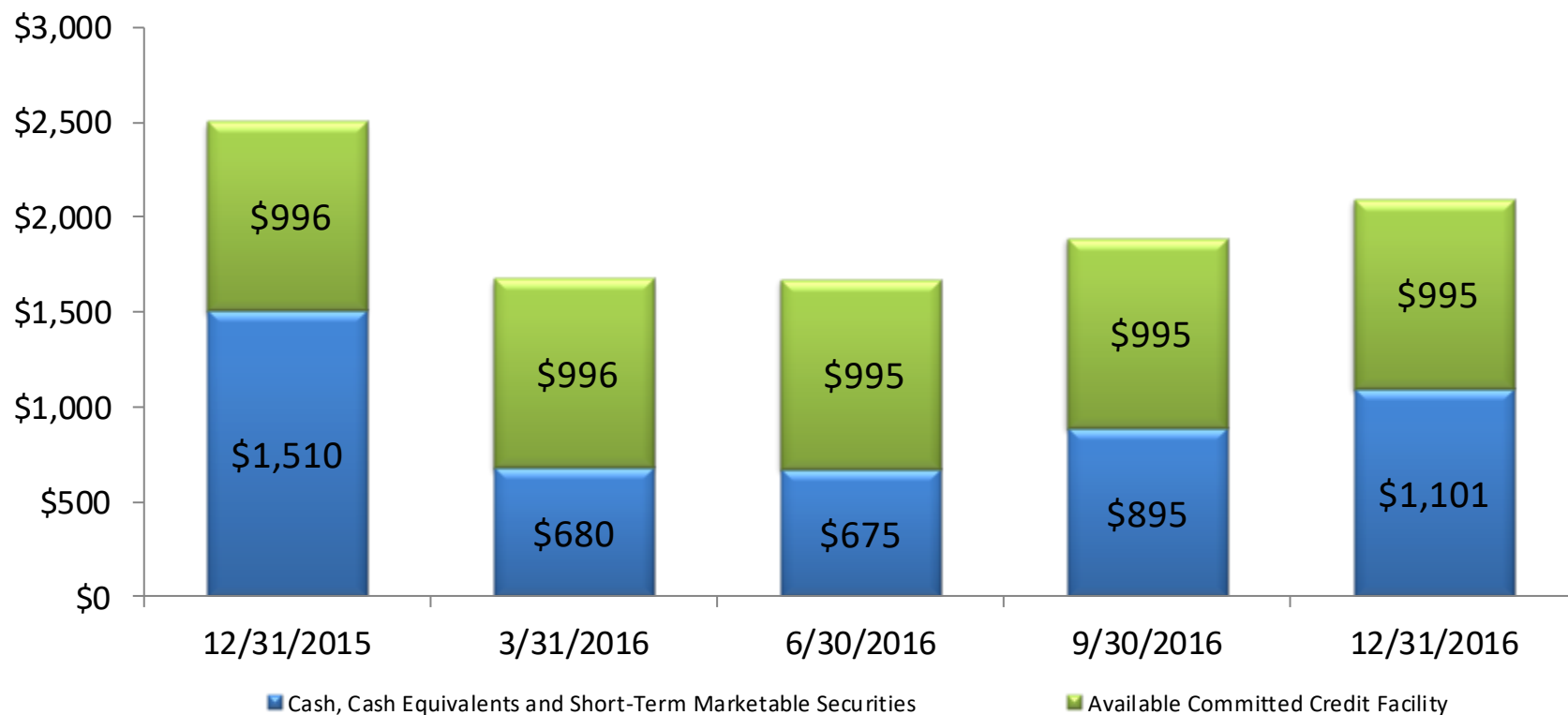
Real Estate

Total Square Feet as of December 31,



Available Liquidity

Cash, Cash Equivalents and Short-Term Marketable Securities + Available Committed Credit Facility



\$1.0 Billion 5-Year Credit Facility Covenants

<u>Covenants</u>	<u>Twelve Months Ending December 31, 2016</u>
I. Interest Coverage Ratio (not less than):	5.00x
Actual Interest Coverage Ratio:	18.53x
II. Leverage Ratio (not greater than):	3.50x
Actual Leverage Ratio:	1.43x
<u>Interest Coverage Ratio - Interest Expense Reconciliation</u>	<u>Twelve Months Ending December 31, 2016</u>
Interest Expense:	\$90.6
- Interest income	20.1
- Other	6.6
Net interest expense ⁽¹⁾ :	<u>\$63.9</u>
<u>EBITDA Reconciliation</u>	<u>Twelve Months Ending December 31, 2016</u>
Operating Income:	\$938.0
+ Depreciation and amortization	245.8
EBITDA ⁽¹⁾ :	<u>\$1,183.8</u>

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.