



Interpublic Group

Second Quarter 2011
Earnings Conference Call
July 28, 2011

Overview – Second Quarter 2011



- Revenue increased 8.0% from Q2-10, 4.7% on an organic basis
- Operating income was \$174 million compared with \$177 million a year ago
- Operating margin was 10.0% vs. 11.0% a year ago
- Diluted EPS was \$0.19 compared with \$0.15
- Repurchased approximately 11 million common shares, using \$130 million

See reconciliation of organic revenue change on page 17.

Operating Performance



| | Three Months Ended June 30, | |
|---|------------------------------------|-------------|
| | 2011 | 2010 |
| <i>Revenue</i> | \$ 1,740.7 | \$ 1,611.7 |
| Salaries and Related Expenses | 1,095.7 | 991.0 |
| Office and General Expenses | 470.8 | 442.9 |
| Restructuring and Other Reorganization-Related Charges, net | 0.2 | 0.6 |
| <i>Operating Income</i> | 174.0 | 177.2 |
| Interest Expense | (33.1) | (35.0) |
| Interest Income | 9.7 | 6.1 |
| Other Income (Expense), net | 5.3 | (2.1) |
| <i>Income Before Income Taxes</i> | 155.9 | 146.2 |
| Provision for Income Taxes | 47.6 | 63.3 |
| Equity in Net Income of Unconsolidated Affiliates | 0.6 | 0.2 |
| <i>Net Income</i> | 108.9 | 83.1 |
| Net Income Attributable to Noncontrolling Interests | (4.3) | (0.6) |
| <i>Net Income Attributable to IPG</i> | 104.6 | 82.5 |
| Dividends on Preferred Stock | (2.9) | (2.9) |
| Benefit from Preferred Stock Repurchased | - | 25.7 |
| <i>Net Income Available to IPG Common Stockholders</i> | \$ 101.7 | \$ 105.3 |
| <i>Earnings per Share Available to IPG Common Stockholders:</i> | | |
| Basic | \$ 0.21 | \$ 0.22 |
| Diluted | \$ 0.19 | \$ 0.15 |
| <i>Weighted-Average Number of Common Shares Outstanding:</i> | | |
| Basic | 473.1 | 473.0 |
| Diluted | 546.9 | 544.9 |
| <i>Dividends Declared per Common Share</i> | \$ 0.06 | \$ 0.00 |

(Amounts in Millions, except per share amounts)

Revenue

| | Three Months Ended | | Six Months Ended | |
|---------------------------------|--------------------|----------|-------------------|----------|
| | \$ | % Change | \$ | % Change |
| June 30, 2010 | \$ 1,611.7 | | \$ 2,948.7 | |
| Total change | 129.0 | 8.0% | 266.8 | 9.0% |
| Foreign currency | 57.5 | 3.6% | 70.7 | 2.4% |
| Net acquisitions/(divestitures) | (4.7) | (0.3%) | (5.0) | (0.2%) |
| Organic | 76.2 | 4.7% | 201.1 | 6.8% |
| June 30, 2011 | \$ 1,740.7 | | \$ 3,215.5 | |



| | Three Months Ended | | | | Six Months Ended | | | |
|------------|--------------------|-----------|--------|---------|------------------|-----------|--------|---------|
| | June 30, | | Change | | June 30, | | Change | |
| | 2011 | 2010 | Total | Organic | 2011 | 2010 | Total | Organic |
| IAN | \$ 1,471.7 | \$1,363.2 | 8.0% | 3.9% | \$2,707.6 | \$2,472.4 | 9.5% | 6.5% |
| CMG | \$ 269.0 | \$ 248.5 | 8.2% | 9.1% | \$ 507.9 | \$ 476.3 | 6.6% | 8.5% |

Integrated Agency Networks (“IAN”): McCann Worldgroup, Drafftcb, Lowe, Mediabrands and our domestic integrated agencies

Constituency Management Group (“CMG”): Weber Shandwick, GolinHarris, Jack Morton, FutureBrand, Octagon and our other marketing service specialists

See reconciliations of segment organic revenue change on pages 17 and 18.

(\$ in Millions)

Geographic Revenue Change

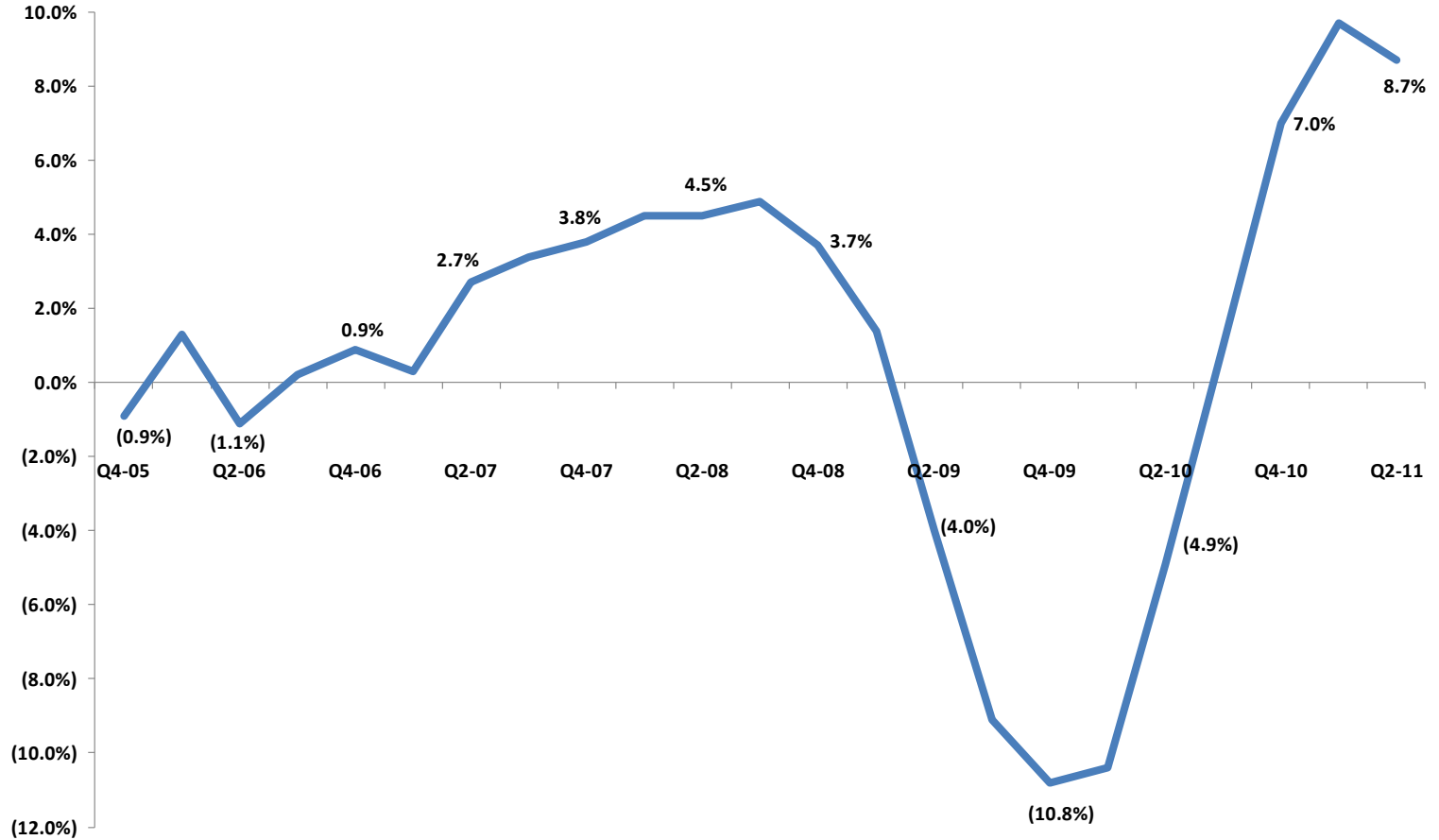


| | Three Months Ended June 30, 2011 | | Six Months Ended June 30, 2011 | |
|--------------------|-------------------------------------|-------------|-----------------------------------|-------------|
| | Total | Organic | Total | Organic |
| United States | 2.8% | 4.2% | 5.0% | 6.3% |
| International | 15.7% | 5.5% | 15.0% | 7.6% |
| United Kingdom | 32.8% | 15.3% | 24.0% | 12.1% |
| Continental Europe | 13.1% | 2.3% | 8.4% | 3.0% |
| Asia Pacific | 14.4% | 5.8% | 18.6% | 10.9% |
| Latin America | 7.4% | (1.4%) | 12.3% | 5.1% |
| All Other Markets | 14.9% | 8.3% | 16.5% | 9.7% |
| Worldwide | 8.0% | 4.7% | 9.0% | 6.8% |

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

See reconciliations of organic revenue change on pages 17 and 18.

Organic Revenue Growth



See reconciliation on page 19.

Expenses

Salaries & Related

| | 2011 | 2010 | Change | | |
|--|---------------------|---------------------|----------|-------|---------|
| | | | \$ | Total | Organic |
| Three Months Ended June 30, <i>% of Revenue</i> | \$ 1,095.7 62.9% | \$ 991.0 61.5% | \$ 104.7 | 10.6% | 6.9% |
| Three months severance <i>% of Revenue</i> | \$ 22.5 1.3% | \$ 17.2 1.1% | \$ 5.3 | 30.8% | |
| Six Months Ended June 30, <i>% of Revenue</i> | \$ 2,175.8 67.7% | \$ 1,970.3 66.8% | \$ 205.5 | 10.4% | 8.1% |
| Six months severance <i>% of Revenue</i> | \$ 45.6 1.4% | \$ 27.5 0.9% | \$ 18.1 | 65.8% | |



Office & General

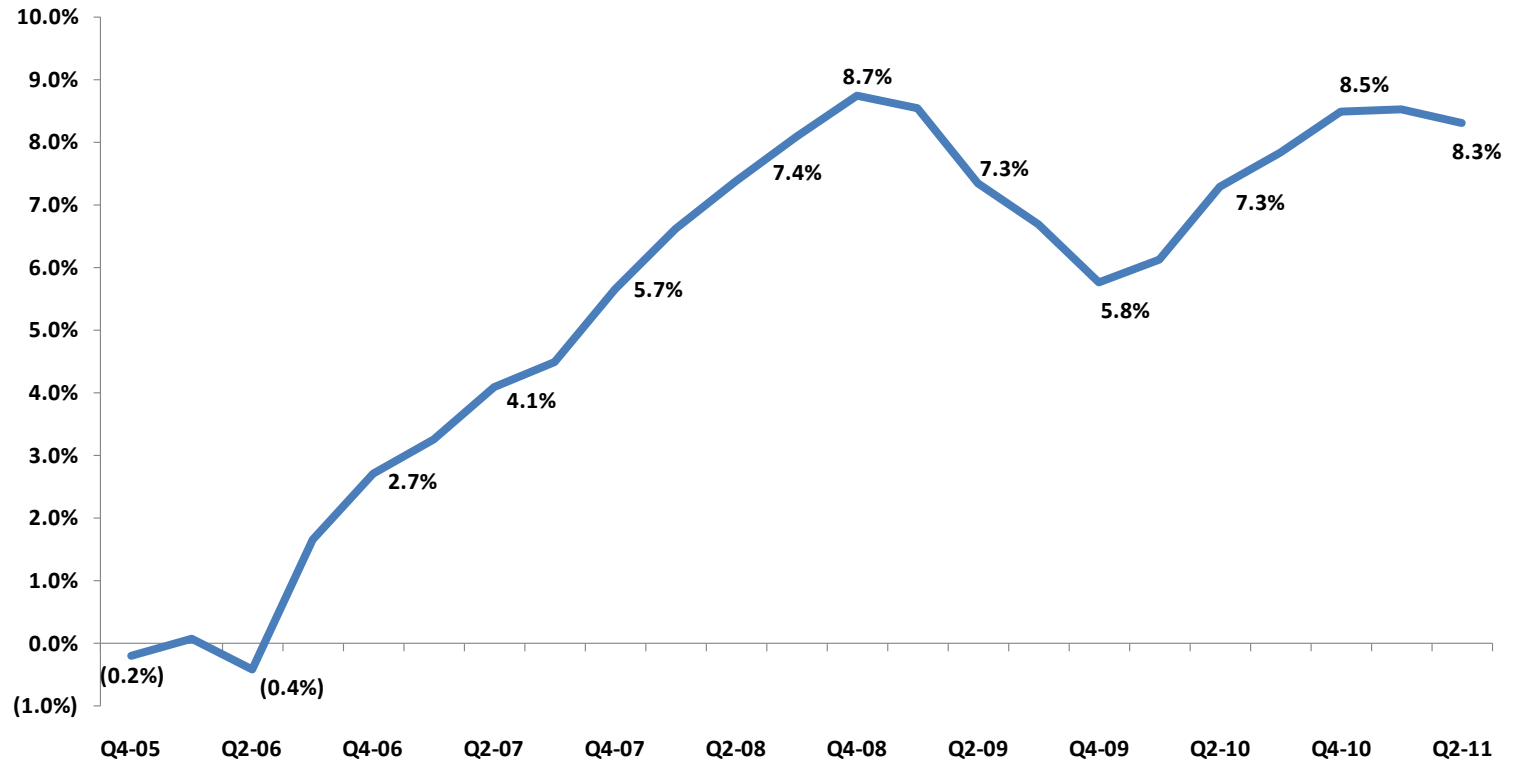
| | 2011 | 2010 | Change | | |
|---|-------------------|-------------------|---------|-------|---------|
| | | | \$ | Total | Organic |
| Three Months Ended June 30, <i>% of Revenue</i> | \$ 470.8 27.0% | \$ 442.9 27.5% | \$ 27.9 | 6.3% | 2.8% |
| Three months professional fees <i>% of Revenue</i> | \$ 30.0 1.7% | \$ 27.0 1.7% | \$ 3.0 | 11.1% | |
| Six Months Ended June 30, <i>% of Revenue</i> | \$ 910.0 28.3% | \$ 859.7 29.2% | \$ 50.3 | 5.9% | 3.5% |
| Six months professional fees <i>% of Revenue</i> | \$ 59.5 1.9% | \$ 55.1 1.9% | \$ 4.4 | 8.0% | |

See reconciliations of organic measures on pages 17 and 18.

(\$ in Millions)

Adjusted Operating Margin

Trailing Twelve Months



Excludes the effect of restructuring and other reorganization-related charges (reversals) and long-lived asset impairment and other charges.

See reconciliation on page 20.



Cash Flow



| | <u>Three Months Ended June 30,</u> | |
|--|------------------------------------|--------------|
| | <u>2011</u> | <u>2010</u> |
| NET INCOME | \$ 109 | \$ 83 |
| OPERATING ACTIVITIES | | |
| Depreciation & amortization | 50 | 49 |
| Deferred taxes | 17 | 43 |
| Other non-cash items | 5 | 13 |
| Change in working capital, net | 67 | 167 |
| Other non-current assets & liabilities | (49) | (1) |
| Net cash provided by Operating Activities | <u>199</u> | <u>354</u> |
| INVESTING ACTIVITIES | | |
| Acquisitions & deferred payments, net | (37) | (3) |
| Capital expenditures | (36) | (19) |
| Business & investment purchases/sales, net | 5 | - |
| Net cash used in Investing Activities⁽¹⁾ | <u>(68)</u> | <u>(22)</u> |
| FINANCING ACTIVITIES | | |
| Repurchase of common stock | (128) | - |
| Common stock dividends | (28) | - |
| Exercise of stock options | 4 | - |
| Repurchase of preferred stock | - | (266) |
| Purchase of long-term debt | - | (21) |
| Acquisition related payments | (44) | - |
| Net increase in short-term bank borrowings | 30 | 11 |
| Distributions to noncontrolling interests | (8) | (8) |
| Preferred stock dividends | (3) | (7) |
| Other financing activities | 2 | (9) |
| Net cash used in Financing Activities | <u>(175)</u> | <u>(300)</u> |
| Currency Effect | 13 | (30) |
| (Decrease) Increase in Cash & S/T Marketable Securities | <u>\$ (31)</u> | <u>\$ 2</u> |

⁽¹⁾ Excludes the net purchase, sale and maturities of short-term marketable securities. See reconciliation on page 21.

(\$ in Millions)

Balance Sheet – Current Portion

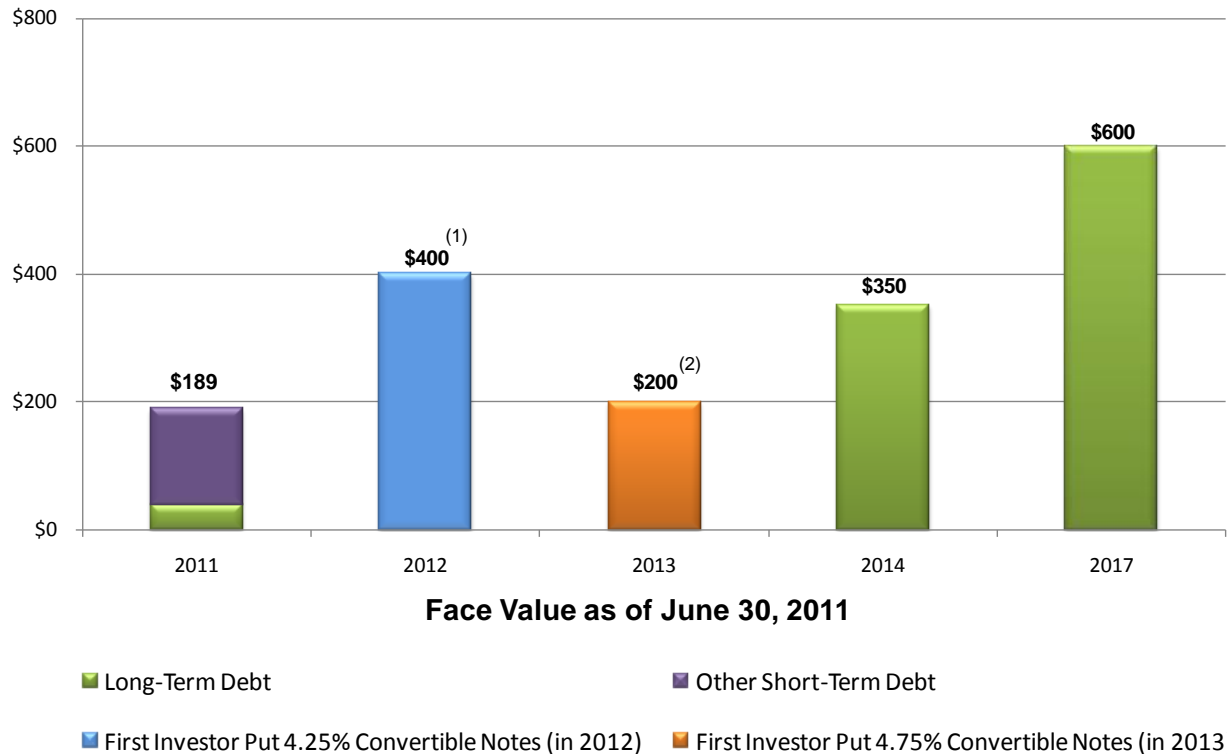
| | June 30, 2011 | December 31, 2010 | June 30, 2010 |
|-----------------------------------|-------------------|----------------------|-------------------|
| CURRENT ASSETS: | | | |
| Cash and cash equivalents | \$ 1,809.8 | \$ 2,675.7 | \$ 1,929.9 |
| Marketable securities | 14.2 | 13.7 | 12.5 |
| Accounts receivable, net | 4,160.9 | 4,317.6 | 3,724.5 |
| Expenditures billable to clients | 1,348.7 | 1,217.1 | 1,231.5 |
| Other current assets | 260.1 | 229.4 | 282.4 |
| Total current assets | \$ 7,593.7 | \$ 8,453.5 | \$ 7,180.8 |
| CURRENT LIABILITIES: | | | |
| Accounts payable | \$ 4,064.7 | \$ 4,474.5 | \$ 4,004.8 |
| Accrued liabilities | 2,849.4 | 3,112.7 | 2,445.0 |
| Short-term borrowings | 150.0 | 114.8 | 91.6 |
| Current portion of long-term debt | 448.6 | 38.9 | 194.3 |
| Total current liabilities | \$ 7,512.7 | \$ 7,740.9 | \$ 6,735.7 |



(\$ in Millions)

Debt Maturity Schedule

Total Debt including Convertible Notes = \$1.8 billion



- (1) Discrete option to put 4.25% Notes for cash in March 2012, and for cash, stock or a combination at Company's election, in March 2015 and March 2018. As a result, we have included the 4.25% Notes with a book value of \$410 in the current portion of long-term debt on our unaudited June 30, 2011 Consolidated Balance Sheet. We have an option to call for cash in March 2012. If the puts or calls are not exercised, the notes mature March 2023.
- (2) Discrete option to put 4.75% Notes for cash, stock or a combination at Company's election, in March 2013 and March 2018. We have an option to call for cash in March 2013. If the puts or calls are not exercised, the notes mature March 2023.

(\$ in Millions)

Summary



- Peer-level organic growth over the first six months of the year – our agency brands are fully competitive
- Moderating expense increases and normalized revenue growth in H2-11 expected to result in substantial full-year margin expansion
- Strong financial resources increasingly driving value creation



Interpublic Group

Appendix

Operating Performance



| | Six Months Ended June 30, | |
|---|----------------------------------|-------------|
| | 2011 | 2010 |
| <i>Revenue</i> | \$ 3,215.5 | \$ 2,948.7 |
| Salaries and Related Expenses | 2,175.8 | 1,970.3 |
| Office and General Expenses | 910.0 | 859.7 |
| Restructuring and Other Reorganization-Related Charges, net | 1.0 | 0.9 |
| <i>Operating Income</i> | 128.7 | 117.8 |
| Interest Expense | (65.0) | (67.6) |
| Interest Income | 18.0 | 12.6 |
| Other Expense, net | (0.8) | (1.6) |
| <i>Income Before Income Taxes</i> | 80.9 | 61.2 |
| Provision for Income Taxes | 26.1 | 48.0 |
| Equity in Net Income (Loss) of Unconsolidated Affiliates | 0.9 | (0.4) |
| <i>Net Income</i> | 55.7 | 12.8 |
| Net Loss Attributable to Noncontrolling Interests | 3.7 | 5.1 |
| <i>Net Income Attributable to IPG</i> | 59.4 | 17.9 |
| Dividends on Preferred Stock | (5.8) | (9.8) |
| Benefit from Preferred Stock Repurchased | - | 25.7 |
| <i>Net Income Available to IPG Common Stockholders</i> | \$ 53.6 | \$ 33.8 |
| <i>Earnings per Share Available to IPG Common Stockholders:</i> | | |
| Basic | \$ 0.11 | \$ 0.07 |
| Diluted | \$ 0.11 | \$ 0.02 |
| <i>Weighted-Average Number of Common Shares Outstanding:</i> | | |
| Basic | 474.6 | 472.1 |
| Diluted | 515.6 | 531.6 |
| <i>Dividends Declared per Common Share</i> | \$ 0.12 | \$ 0.00 |

(Amounts in Millions, except per share amounts)

Cash Flow



| | Six Months Ended June 30, | |
|--|----------------------------------|-----------------|
| | 2011 | 2010 |
| NET INCOME | \$ 56 | \$ 13 |
| OPERATING ACTIVITIES | | |
| Depreciation & amortization | 99 | 99 |
| Deferred taxes | (36) | 4 |
| Other non-cash items | 19 | 25 |
| Change in working capital, net | (669) | (316) |
| Other non-current assets & liabilities | (71) | (27) |
| Net cash used in Operating Activities | (602) | (202) |
| INVESTING ACTIVITIES | | |
| Acquisitions & deferred payments, net | (39) | (9) |
| Capital expenditures | (53) | (28) |
| Business & investment purchases/sales, net | 7 | 30 |
| Net cash used in Investing Activities⁽¹⁾ | (85) | (7) |
| FINANCING ACTIVITIES | | |
| Repurchase of common stock | (139) | - |
| Common stock dividends | (57) | - |
| Exercise of stock options | 12 | - |
| Repurchase of preferred stock | - | (266) |
| Purchase of long-term debt | - | (21) |
| Acquisition related payments | (48) | - |
| Net increase in short-term bank borrowings | 25 | 4 |
| Distributions to noncontrolling interests | (11) | (12) |
| Preferred stock dividends | (6) | (14) |
| Other | 4 | (7) |
| Net cash used in Financing Activities | (220) | (316) |
| Currency Effect | 41 | (38) |
| Decrease in Cash & S/T Marketable Securities | \$ (866) | \$ (563) |

¹ Excludes the net purchase, sale and maturities of short-term marketable securities. See reconciliation on page 21.

(\$ in Millions)

Depreciation and Amortization



| | 2011 | | | | |
|---|---------|---------|---------|---------|----------|
| | Q1 | Q2 | Q3 | Q4 | YTD 2011 |
| Depreciation and amortization of fixed assets and intangible assets | \$ 35.6 | \$ 37.7 | | | \$ 73.3 |
| Amortization of restricted stock and other non-cash compensation | 15.7 | 13.8 | | | 29.5 |
| Net amortization of bond premiums and deferred financing costs | (1.9) | (2.1) | | | (4.0) |
| | 2010 | | | | |
| | Q1 | Q2 | Q3 | Q4 | YTD 2010 |
| Depreciation and amortization of fixed assets and intangible assets | \$ 37.4 | \$ 36.8 | \$ 37.3 | \$ 36.9 | \$ 148.4 |
| Amortization of restricted stock and other non-cash compensation | 13.7 | 12.8 | 12.0 | 11.5 | 50.0 |
| Net amortization of bond premiums and deferred financing costs | (1.0) | (0.8) | (1.2) | (1.4) | (4.4) |

(\$ in Millions)

Reconciliation of Organic Measures

| | Three Months Ended June 30, 2010 | Components of Change | | | Three Months Ended June 30, 2011 | Change | |
|---------------------------|--|-----------------------|-------------------------------------|-----------------------|--|--------------------|--------------------|
| | | Foreign Currency | Net Acquisitions/ (Divestitures) | Organic | | Organic | Total |
| Segment Revenue | | | | | | | |
| IAN | \$ 1,363.2 | \$ 50.9 | \$ 3.9 | \$ 53.7 | \$ 1,471.7 | 3.9% | 8.0% |
| CMG | 248.5 | 6.6 | (8.6) | 22.5 | 269.0 | 9.1% | 8.2% |
| Total | <u>\$ 1,611.7</u> | <u>\$ 57.5</u> | <u>\$ (4.7)</u> | <u>\$ 76.2</u> | <u>\$ 1,740.7</u> | <u>4.7%</u> | <u>8.0%</u> |
| Geographic Revenue | | | | | | | |
| United States | \$ 961.0 | \$ - | \$ (13.9) | \$ 40.7 | \$ 987.8 | 4.2% | 2.8% |
| International | 650.7 | 57.5 | 9.2 | 35.5 | 752.9 | 5.5% | 15.7% |
| United Kingdom | 90.6 | 8.7 | 7.1 | 13.9 | 120.3 | 15.3% | 32.8% |
| Continental Europe | 210.4 | 23.1 | (0.3) | 4.8 | 238.0 | 2.3% | 13.1% |
| Asia Pacific | 160.9 | 13.8 | - | 9.3 | 184.0 | 5.8% | 14.4% |
| Latin America | 84.3 | 6.6 | 0.8 | (1.2) | 90.5 | (1.4%) | 7.4% |
| All Other Markets | 104.5 | 5.3 | 1.6 | 8.7 | 120.1 | 8.3% | 14.9% |
| Worldwide | <u>\$ 1,611.7</u> | <u>\$ 57.5</u> | <u>\$ (4.7)</u> | <u>\$ 76.2</u> | <u>\$ 1,740.7</u> | <u>4.7%</u> | <u>8.0%</u> |
| Expenses | | | | | | | |
| Salaries & Related | \$ 991.0 | \$ 37.4 | \$ (1.5) | \$ 68.8 | \$ 1,095.7 | 6.9% | 10.6% |
| Office & General | 442.9 | 17.3 | (2.0) | 12.6 | 470.8 | 2.8% | 6.3% |



(\$ in Millions)

Reconciliation of Organic Measures

| | Six Months Ended June 30, 2010 | Components of Change | | | Six Months Ended June 30, 2011 | Change | |
|---------------------------|--------------------------------------|----------------------|-------------------------------------|-----------------|--------------------------------------|-------------|--------------|
| | | Foreign Currency | Net Acquisitions/ (Divestitures) | Organic | | Organic | Total |
| Segment Revenue | | | | | | | |
| IAN | \$ 2,472.4 | \$ 62.6 | \$ 11.8 | \$ 160.8 | \$ 2,707.6 | 6.5% | 9.5% |
| CMG | 476.3 | 8.1 | (16.8) | 40.3 | 507.9 | 8.5% | 6.6% |
| Total | <u>\$ 2,948.7</u> | <u>\$ 70.7</u> | <u>\$ (5.0)</u> | <u>\$ 201.1</u> | <u>\$ 3,215.5</u> | <u>6.8%</u> | <u>9.0%</u> |
| Geographic Revenue | | | | | | | |
| United States | \$ 1,764.1 | \$ - | \$ (22.4) | \$ 111.4 | \$ 1,853.1 | 6.3% | 5.0% |
| International | 1,184.6 | 70.7 | 17.4 | 89.7 | 1,362.4 | 7.6% | 15.0% |
| United Kingdom | 192.9 | 10.1 | 12.8 | 23.3 | 239.1 | 12.1% | 24.0% |
| Continental Europe | 389.4 | 21.2 | (0.3) | 11.7 | 422.0 | 3.0% | 8.4% |
| Asia Pacific | 273.5 | 21.2 | - | 29.7 | 324.4 | 10.9% | 18.6% |
| Latin America | 149.2 | 9.7 | 1.1 | 7.6 | 167.6 | 5.1% | 12.3% |
| All Other Markets | 179.6 | 8.5 | 3.8 | 17.4 | 209.3 | 9.7% | 16.5% |
| Worldwide | <u>\$ 2,948.7</u> | <u>\$ 70.7</u> | <u>\$ (5.0)</u> | <u>\$ 201.1</u> | <u>\$ 3,215.5</u> | <u>6.8%</u> | <u>9.0%</u> |
| Expenses | | | | | | | |
| Salaries & Related | \$ 1,970.3 | \$ 46.7 | \$ (1.4) | \$ 160.2 | \$ 2,175.8 | 8.1% | 10.4% |
| Office & General | 859.7 | 21.7 | (1.6) | 30.2 | 910.0 | 3.5% | 5.9% |



(\$ in Millions)

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 |

During the first quarter of 2011, we changed the classification of taxes assessed by governmental authorities that are directly imposed on our revenue-producing transactions from a gross to a net basis in a country. This change was applied retrospectively and does not change previously reported operating income (loss) or net income (loss). Revenue and office and general expense decreased equally in each period presented.

(\$ in Millions)

Reconciliation of Adjusted Operating Margin

| <u>Last Twelve Months Ending</u> | <u>Operating Income (Loss)</u> | <u>Restructuring and Other Reorganization-Related Charges (Reversals), net</u> | <u>Long-Lived Asset Impairment and Other Charges</u> | <u>Adjusted Operating Income (Loss)</u> |
|----------------------------------|--------------------------------|--|--|---|
| 12/31/05 | \$ (104.2) | \$ (7.3) | \$ 98.6 | \$ (12.9) |
| 3/31/06 | (94.7) | - | 98.6 | 3.9 |
| 6/30/06 | (133.3) | 8.2 | 98.6 | (26.5) |
| 9/30/06 | (4.2) | 14.3 | 92.1 | 102.2 |
| 12/31/06 | 106.0 | 34.5 | 27.2 | 167.7 |
| 3/31/07 | 141.4 | 33.5 | 27.2 | 202.1 |
| 6/30/07 | 210.1 | 22.0 | 27.2 | 259.3 |
| 9/30/07 | 240.3 | 21.0 | 27.2 | 288.5 |
| 12/31/07 | 344.3 | 25.9 | - | 370.2 |
| 3/31/08 | 410.7 | 29.7 | - | 440.4 |
| 6/30/08 | 465.7 | 39.0 | - | 504.7 |
| 9/30/08 | 530.9 | 37.6 | - | 568.5 |
| 12/31/08 | 589.7 | 17.1 | - | 606.8 |
| 3/31/09 | 565.6 | 13.7 | - | 579.3 |
| 6/30/09 | 461.9 | 9.6 | - | 471.5 |
| 9/30/09 | 403.9 | 5.2 | - | 409.1 |
| 12/31/09 | 341.3 | 4.6 | - | 345.9 |
| 3/31/10 | 363.8 | 5.1 | - | 368.9 |
| 6/30/10 | 444.1 | 5.7 | - | 449.8 |
| 9/30/10 | 486.0 | 7.6 | - | 493.6 |
| 12/31/10 | 548.7 | 3.9 | - | 552.6 |
| 3/31/11 | 562.8 | 4.4 | - | 567.2 |
| 6/30/11 | 559.6 | 4.0 | - | 563.6 |

(\$ in Millions)



Reconciliation of Investing Cash Flow

| | <u>Three Months Ended June 30,</u> | | <u>Six Months Ended June 30,</u> | |
|--|------------------------------------|----------------|----------------------------------|---------------|
| | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2010</u> |
| INVESTING ACTIVITIES | | | | |
| Cash used in Investing Activities per presentation | \$ (68) | \$ (22) | \$ (85) | \$ (7) |
| Purchase, sale and maturities of short-term marketable securities, net | - | - | - | (2) |
| Cash used in Investing Activities as reported | <u>\$ (68)</u> | <u>\$ (22)</u> | <u>\$ (85)</u> | <u>\$ (9)</u> |



(\$ in Millions)



Interpublic Group

Metrics Update

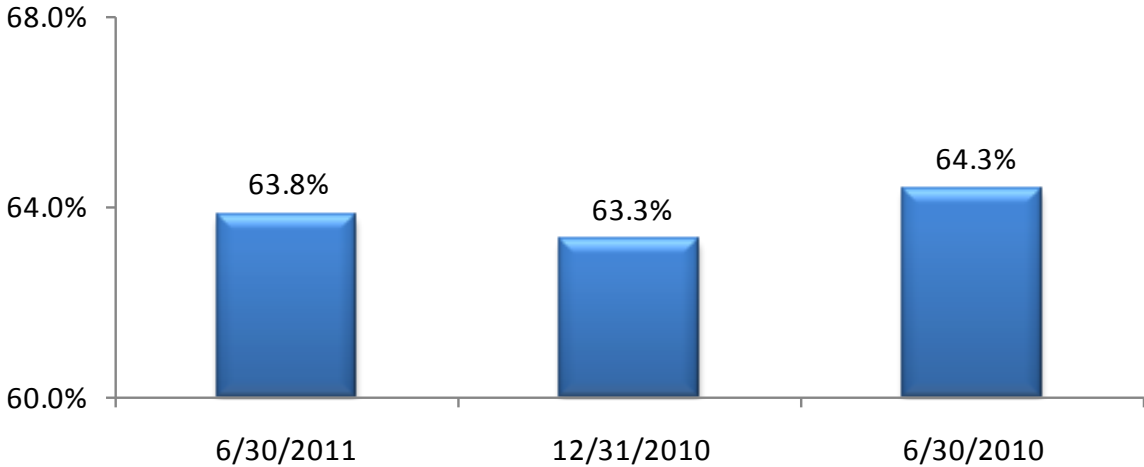
Metrics Update

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



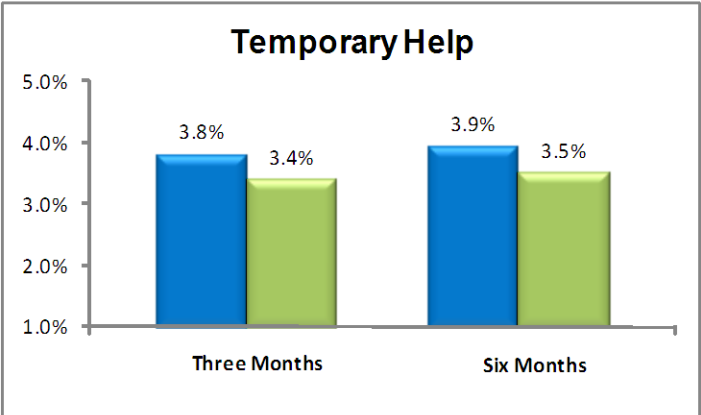
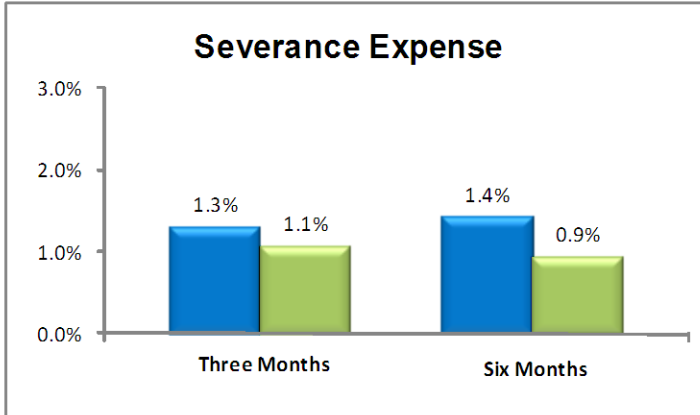
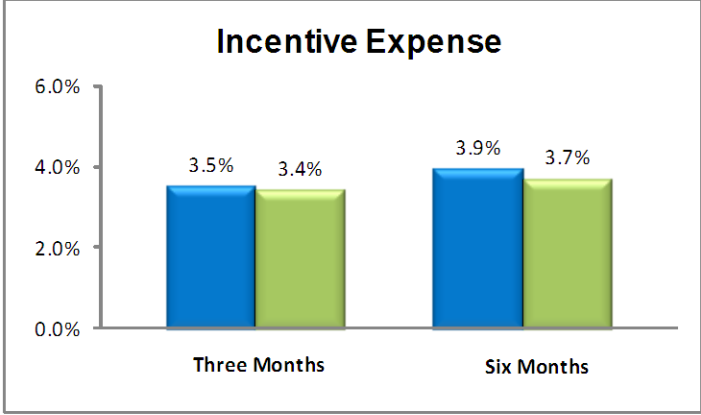
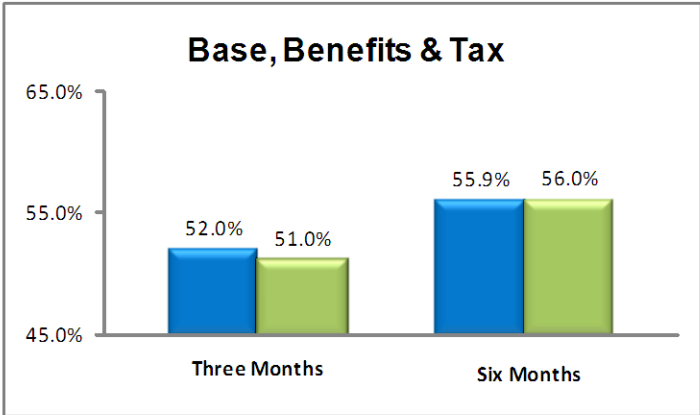
Salaries & Related Expenses

% of Revenue, Trailing Twelve Months



Salaries & Related Expenses (% of Revenue)

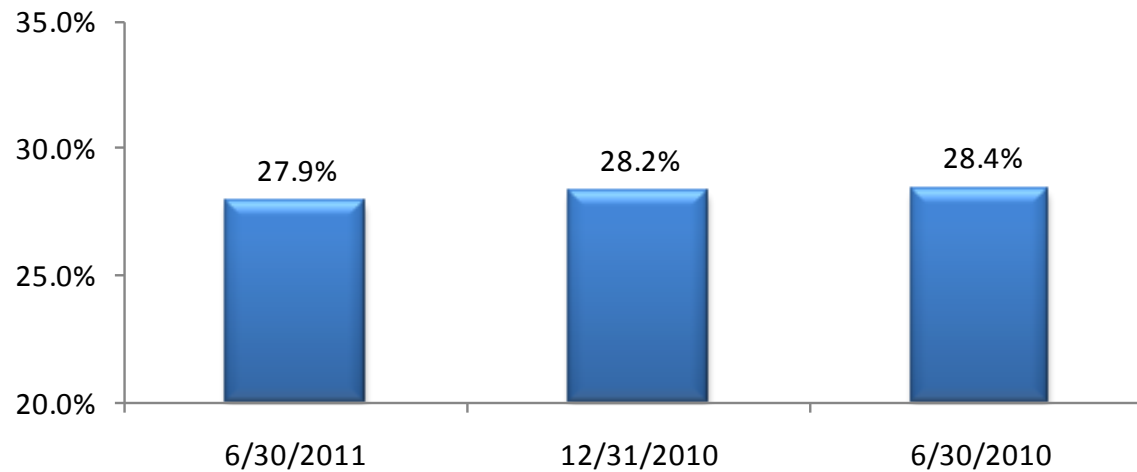
Three and Six Months Ended June 30



“All Other Salaries & Related,” not shown, was 2.3% and 2.6% for the three months ended June 30, 2011 and 2010, respectively, and 2.6% and 2.7% for the six months ended June 30, 2011 and 2010, respectively.

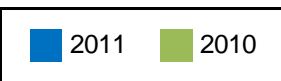
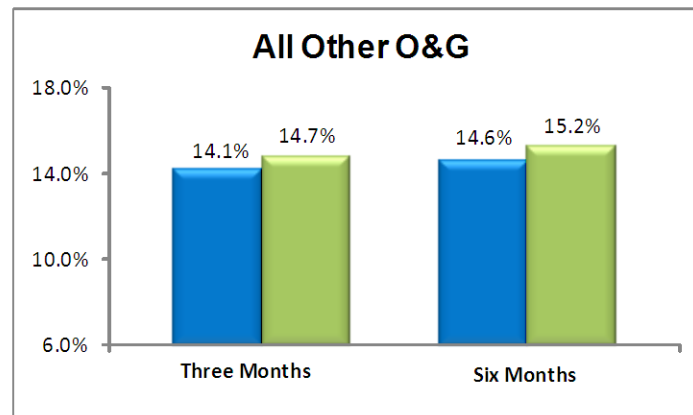
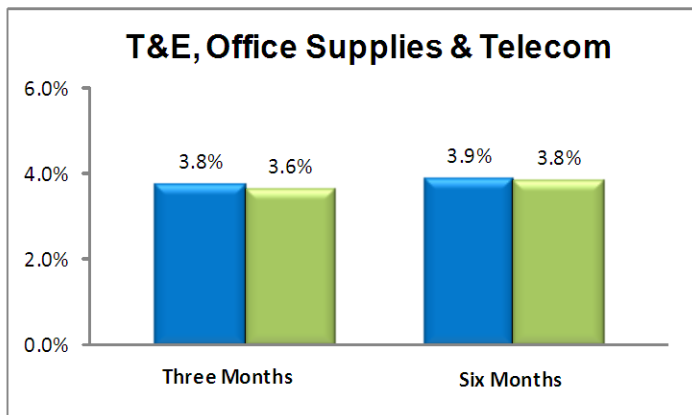
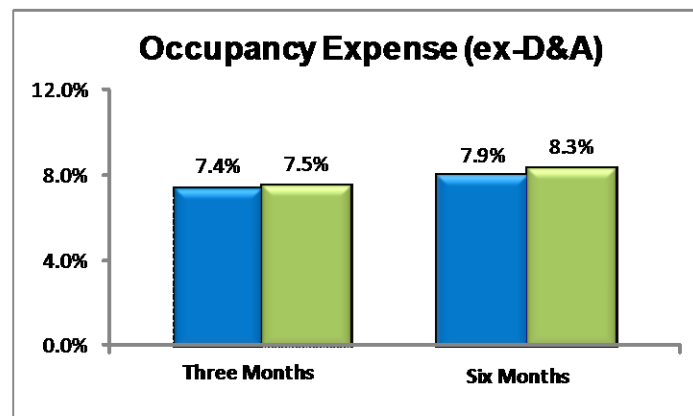
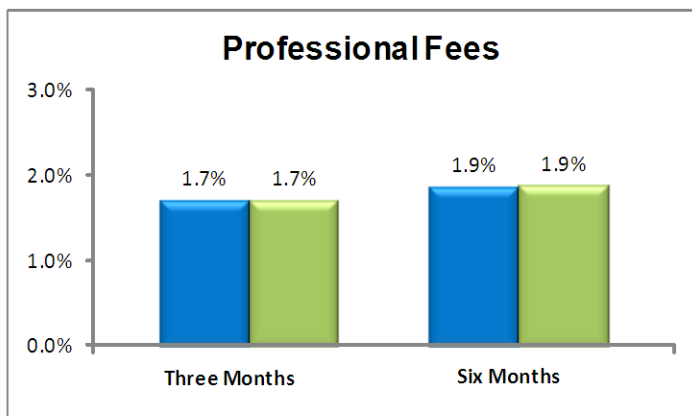
Office & General Expenses

% of Revenue, Trailing Twelve Months



Office & General Expenses (% of Revenue)

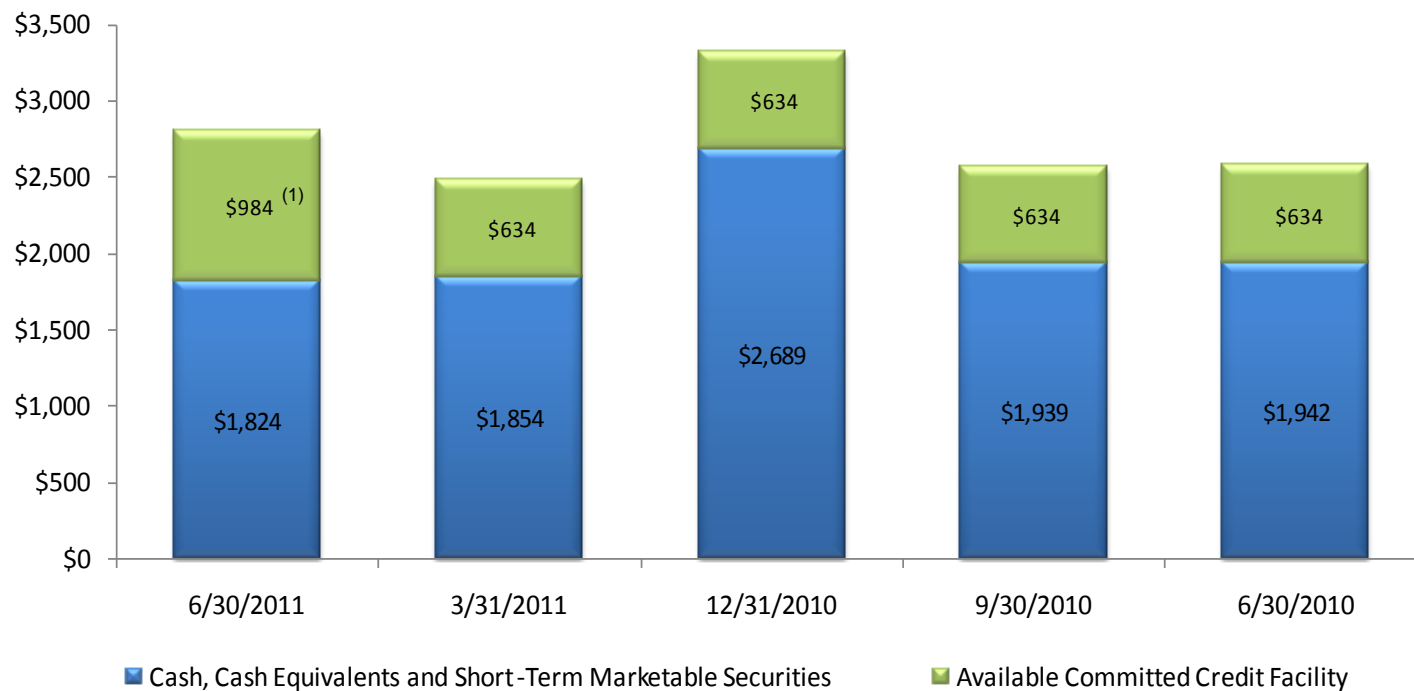
Three and Six Months Ended June 30



"All Other O&G" includes production expenses, depreciation and amortization, bad debt expense, foreign currency gains (losses) and other expenses.

Available Liquidity

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



⁽¹⁾ In May 2011, we increased our credit facility to \$1,000 from \$650, which is reflected above net of outstanding letters of credit.

(\$ in Millions)

\$1.0 Billion 5-Year Credit Facility Covenants ⁽¹⁾

| <u>Covenants ⁽²⁾</u> | <u>Last Twelve Months Ending June 30, 2011</u> |
|---|--|
| I. Interest Coverage Ratio (not less than): | 4.50x |
| Actual Interest Coverage Ratio: | 6.86x |
| II. Leverage Ratio (not greater than): | 3.25x |
| Actual Leverage Ratio: | 2.33x |

| <u>Interest Coverage Ratio - Interest Expense Reconciliation</u> | <u>Last Twelve Months Ending June 30, 2011</u> |
|--|--|
| Interest Expense: | \$137.1 |
| - Interest income | 34.0 |
| - Other | 4.1 |
| + Preferred stock dividends | 11.6 |
| Net interest expense as defined: | <u>\$110.6</u> |

| <u>EBITDA Reconciliation</u> | <u>Last Twelve Months Ending June 30, 2011</u> |
|---------------------------------|--|
| Operating Income: | \$559.6 |
| + Depreciation and amortization | 200.4 |
| + Other non-cash charges | (1.2) |
| EBITDA as defined: | <u>\$758.8</u> |

(1) Facility is not drawn on as of and for the six months ended June 30, 2011.

(2) Based on the terms of the Credit Facility and on our current debt ratings from the rating agencies, the EBITDA covenant is not applicable.

(\$ in Millions)



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.

