

SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

AMENDMENT NO. 1 TO  
 FORM S-3  
 REGISTRATION STATEMENT  
 UNDER  
 THE SECURITIES ACT OF 1933

The Interpublic Group of Companies, Inc.  
 (Exact name of Registrant as specified in its charter)

Delaware 13-1024020  
 (State or other jurisdiction of (I.R.S. Employer Identification No.)  
 incorporation or organization)

1271 Avenue of the Americas  
 New York, New York 10020  
 (212) 399-8000  
 (Address, including zip code, and telephone number,  
 including area code, of Registrant's principal executive offices)

Nicholas J. Camera, Esq.  
 Senior Vice President, General Counsel & Secretary  
 The Interpublic Group of Companies, Inc.  
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Approximate date of commencement of proposed sale to the public:  
 From time to time after the effective date of this Registration Statement.

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If delivery of the Prospectus is expected to be made pursuant to Rule 434, please check the following box.

CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	Amount to be Registered (1)	Proposed Maximum Offering Price Per Security (2)	Proposed Maximum Aggregate Offering Price (2)	Amount of Registration Fee
Zero-Coupon Convertible Senior Notes Due 2021	\$701,960,000	83.75%	\$587,891,500	\$54,086.02 (3)
Common Stock, \$.10 par value per share	(3)	(3)	(3)	(4)

- (1) The Notes were issued at an original price of \$819.14 per \$1,000 principal amount at maturity, which represents an aggregate initial issue price of approximately \$575,003,514.40 and an aggregate principal amount at maturity of \$701,960,000.
- (2) This estimate is made pursuant to Rule 457(c) of the Securities Act solely for the purpose of determining the registration fee. The above calculation is based on the average of the bid and ask prices for the Registrant's Notes on PORTAL at closing on February 6, 2002.
- (3) \$5,408.60 of this fee was previously paid, on February 8, 2002.
- (4) Includes shares of common stock issuable upon conversion of the Notes at the rate of 22.8147 shares of Common Stock for each \$1,000 principal amount at maturity of the Notes. This registration statement is registering the resale of the Notes and the underlying shares of common stock into which the Notes are convertible. Pursuant to Rule 416 under the Securities Act, the number of shares of common stock registered hereby shall include an indeterminate number of additional shares of common stock that may be issuable as a result of antidilution adjustments. Any shares of common stock issued upon conversion of the Notes will be issued for no additional consideration.
- (5) Pursuant to Rule 457(i), there is no additional filing fee with respect to the shares of common stock issuable upon conversion of the Notes because no additional consideration will be received in connection with the exercise of the conversion privilege.

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The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment that specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the U.S. Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the prospectus is delivered in final form. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to completion, dated April 5, 2002

PROSPECTUS

\$701,960,000  
THE INTERPUBLIC GROUP OF COMPANIES, INC.  
Zero-Coupon Convertible Senior Notes Due 2021  
and  
Common Stock Issuable upon Conversion of the Notes

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We issued the notes in a private placement in December 2001 at an issue price of \$819.14 per note. Selling securityholders may use this prospectus to resell their notes and the shares of our common stock issuable upon conversion of the notes.

Unless we are required to pay the contingent interest described in the next sentence or the U.S. tax laws change in ways described in this prospectus, we will not pay periodic cash interest on the notes. We will pay contingent interest to the holders of notes during the six-month period beginning on December 14, 2006, and during any following six-month period, if the average price of a note for a five trading day measurement period preceding the relevant six-month period equals 120% or more of the sum of the issue price plus the accrued original issue discount for a note. During any period in which we must pay contingent interest, the amount of contingent interest we will pay will be the greater of:

- (1) the per share amount of cash dividends we pay on our common stock during that period multiplied by the number of shares of common stock issuable upon conversion of a note and
- (2) .125% of the average price of a note for the related five trading day measurement period.

For a discussion of the special regulations governing contingent payment debt instruments, see "United States Federal Income Tax Considerations--Classification of the Notes."

Holders may convert each of their notes into 22.8147 shares of our common stock, subject to adjustment, when the sale price of the amount of common stock into which a note is convertible is above a set threshold. This threshold will decrease over time. In addition, the notes will be convertible if their credit rating is reduced below Ba1 or BB+, they are called for redemption or specified corporate transactions occur.

We may redeem the notes at any time on or after December 14, 2006 and holders may require us to purchase the notes on scheduled dates or, before December 14, 2006, at any time that we experience a change of control. The price

we will pay for any notes we redeem or are required to purchase will be equal to the accreted value of the notes, plus accrued and unpaid interest, if any. We may choose to pay the purchase price for any notes holders require us to purchase in cash, in shares of our common stock valued at their market price (determined as described in this prospectus) or any combination of cash and stock, except that we must pay cash for any notes we are required to purchase on the first scheduled purchase date.

The notes are not listed on any national securities exchange or automated quotation system. Our common stock is listed on the New York Stock Exchange under the symbol "IPG."

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Investing in the notes or shares of our common stock involves risks. See "Risk Factors" beginning on page 6 of this prospectus and "Special Note Regarding Forward-Looking Statements and Other Factors" beginning on page 8 of this prospectus.

We will not receive any of the proceeds from the sale of the notes or shares of common stock by any of the selling securityholders. The notes and the shares of common stock may be offered and sold from time to time directly by the selling securityholders or alternatively through underwriters or broker-dealers or agents. The notes and the shares of common stock may be sold in one or more transactions at fixed prices, at prevailing market prices at the time of sale, at varying prices determined at the time of sale, or at negotiated prices. See "Plan of Distribution."

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is                   , 2002.

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We have not authorized anyone to give any information or make any representation about the offering that is different from, or in addition to, that contained in this prospectus, the related registration statement or in any of the materials that we have incorporated by reference into this prospectus. Therefore, if anyone does give you information of this type, you should not rely on it. If you are in a jurisdiction where offers to sell, or solicitations of offers to purchase, the securities offered by this document are unlawful, or if you are a person to whom it is unlawful to direct these types of activities, then the offer presented in this document does not extend to you. The information contained in this document speaks only as of the date of this document unless the information specifically indicates that another date applies.

Definitions for the defined terms used in this prospectus are repeated together under the heading "Glossary" at the end of this prospectus for convenient reference.

SUMMARY

The Interpublic Group of Companies, Inc.

Interpublic is a group of advertising and specialized marketing and communication services companies that together represent one of the largest resources of marketing and advertising expertise in the world. With offices in more than 130 countries, we realized worldwide revenue in 2001 of approximately \$6.7 billion, 57% of which represented domestic revenue and 43% of which represented international revenue, after giving effect to our recent acquisition of True North Communications Inc. Our net loss in 2001 was approximately \$505 million.

In the last five years, we have grown to become one of the world's largest groups of global marketing services companies, providing our clients with communications expertise in four broad areas:

- o Advertising, which includes advertising and media management;
- o Marketing Communications, which includes client relationship management, public relations, sales promotion, event marketing, on-line marketing, and specialized sectors such as healthcare, diversity and corporate identity;
- o Marketing Intelligence, which includes custom marketing research, brand consultancy, and database management; and
- o Marketing Services, which includes sports and entertainment marketing, corporate meetings and events, retail marketing, and other marketing and business services.

We seek to be the best in quality, broadest in scope and leader in size in all of these areas.

We are organized into four global operating groups. Three of these groups, the WorldGroup, The FCB Group and The Partnership, are global marketing communications companies that provide a full complement of global marketing services and marketing communication services. Our fourth global operating group, The Advanced Marketing Services Group, is focused on growing our current marketing services and marketing intelligence services.

We believe this organizational structure allows us to provide comprehensive marketing communications solutions for clients, enables stronger organic growth among all our operating companies and allows us to bring improved operating efficiencies to our organization.

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Our principal executive offices are located at 1271 Avenue of the Americas, New York, New York 10020. Our telephone number at that address is (212) 399-8000.

The Offering

Notes Offered..... \$701,960,000 principal amount at maturity of Zero-Coupon Convertible Senior Notes Due 2021. We will not pay cash interest on the notes prior to maturity, other than as described below under "Description of the Notes--Optional Conversion to Semi-Annual Cash Pay Notes upon Tax Event" and "Description of the Notes--Contingent Interest." Each note was issued at a price of \$819.14 and a principal amount at maturity of \$1,000.

Maturity..... December 14, 2021.

Yield to Maturity of Notes..... 1.00% per year (computed on a semi-annual bond equivalent basis) calculated from December 14, 2001. This is the rate at which a note's original issue discount will accrue and be added to its accreted value, other than for tax purposes.

Conversion Rights..... Holders may convert their notes at any time prior to the close of business on December 14, 2021 if the average per share sale price of our common stock for the 20 trading days immediately prior to the conversion date is at or above a set threshold. This threshold will initially be 120% of the accreted value of a note, divided by the conversion rate, and will decline 1/2% each year until it reaches 110% at maturity in 2021. A note's accreted value is the sum of its issue price plus its accrued original issue discount.

On April 3, 2002, the threshold sale price for our common stock that would have allowed holders to convert their notes was \$43.21 and the closing sale price of our common stock was \$32.88.

Holders may also convert notes regardless of the sale price of our common stock at any time after:

- o the credit rating assigned to the notes by any two of Moody's Investors Service, Inc., Standard & Poor's Ratings Group and Fitch IBCA Duff & Phelps are Ba1, BB+ and BB+, respectively, or lower, or the notes are no longer rated by at least two of these ratings services;
- o we call the notes for redemption;
- o we make specified distributions to our shareholders (as described in "Conversion Rights"); or
- o we become a party to a consolidation, merger or binding share exchange pursuant to which our common stock would be converted into cash or property (other than securities).

For each note converted, we will deliver 22.8147 shares of our common stock. This conversion rate may be adjusted under some circumstances, but will not be adjusted for increases in accreted value or accrued and unpaid interest.

Your right to convert your notes will expire at the close of business on December 14, 2021.

Ranking..... The notes are our general obligations and are not secured by any collateral. Your right to payment under these notes is:

- o junior to the rights of our secured creditors to the extent of their security in our assets (we had no secured debt outstanding as of December 31, 2001);
- o equal with the rights of creditors under our other unsecured unsubordinated debt, including our credit facilities;
- o senior to the rights of creditors under debt expressly subordinated to these notes (we had \$548.5 million of subordinated indebtedness outstanding as of December 31, 2001); and
- o effectively subordinated to the rights of our subsidiaries' creditors (our subsidiaries had \$422 million of indebtedness outstanding as of December 31, 2001, as well as other liabilities).

Contingent Interest..... We will pay contingent interest to the holders of notes during the six-month period beginning on December 14, 2006, and during any following six-month period, if the average price of a note for a five trading day measurement period preceding the relevant six-month period equals 120% or more of its accreted value, which is the sum of its issue price and accrued original issue discount.

During any period in which we must pay contingent interest, the amount of contingent interest we will pay will be the greater of:

- o the per share amount of cash dividends we pay on our common stock during that period multiplied by the number of shares of common stock issuable upon conversion of a note; and
- o 125% of the average price of a note for the related five trading day measurement period.

Contingent interest, if any, will accrue and be payable to holders of notes as of the record date for the related common stock dividend or, if no cash dividend is paid by us during a quarter within the relevant six-month period, to holders of notes as of the fifteenth day preceding the last day of the relevant six-month period.

United States Federal Income Tax Considerations..... We and each holder agree in the indenture to treat the notes as contingent payment debt instruments for United States federal income tax purposes. As a holder of notes, you will agree to accrue original issue discount on a constant yield to maturity basis at a rate comparable to the rate at which we would borrow in a noncontingent, nonconvertible borrowing, 7.45%, even though the notes will have a significantly lower stated yield to maturity. You will recognize taxable income significantly in excess of cash received, if any, while the notes are outstanding. Additionally, you will generally be required to recognize ordinary income on the gain, if any, realized (including the fair market value of stock received) on a sale, exchange, conversion or redemption of the notes. See "United States Federal Income Tax Consequences." No ruling will be obtained from the Internal Revenue Service concerning the application of the contingent payment debt rules to the notes. You should consult your own tax advisor concerning the tax consequences of owning the notes.

Sinking Fund..... None.

Optional Redemption..... We may not redeem the notes before December 14, 2006. We may redeem all or part of the notes for cash on or after December 14, 2006 at their accreted value plus any accrued and unpaid interest. Indicative redemption prices are set forth in this prospectus on page 25.

Purchase of the Notes by Us at the

Option of the Holder..... Holders may require us to purchase their notes on any one of the following dates at the following purchase prices plus any accrued and unpaid interest: o on December 14, 2003 at a price of \$835.64 per note;

- o on December 14, 2003 at a price of \$835.64 per note;
- o on December 14, 2004 at a price of \$844.02 per note;
- o on December 14, 2005 at a price of \$852.48 per note;
- o on December 14, 2006 at a price of \$861.03 per note;
- o on December 14, 2011 at a price of \$905.06 per note; and
- o on December 14, 2016 at a price of \$951.35 per note.

We will pay cash for all notes so purchased on December 14, 2003. For any purchases on or after December 14, 2004, we may choose to pay the purchase price for any notes holders require us to purchase in cash, in shares of our common stock or any combination of cash and common stock. If we choose to pay for notes with common stock, it will be valued at the average closing sale price per share (as reported in composite transactions for the principal United States securities exchange on which our common stock is traded) for the 20 day period ending on the third business day prior to the date that the valuation is determined. If the tax law changes as described in the next paragraph and we elect to pay cash interest in lieu of accruing original issue discount on the notes, the purchase price will be adjusted as described in this prospectus.

Optional Conversion to Semi-Annual

Cash Pay Notes upon a Tax Event..... If we receive an opinion from independent tax counsel that (after the initial placement of the notes) because of an amendment, or change in the tax laws, rules or regulations, or because of an administrative pronouncement, action or judicial decision that there is a risk, which is greater than insubstantial, that interest from the notes would not be deductible, then at our option, the notes will cease to accrue original issue discount. Instead, cash interest will accrue on each note from the date on which we choose to exercise the option at the rate of 1.00% per year on the restated principal amount (i.e., the accreted value (as described above) of the notes on the later of the date of the event giving rise to the option and the date we exercise the option) and shall be payable semi-annually on the interest payment dates of June 14 and December 14 of each year to holders of record at the close of business on each regular record date immediately preceding the interest payment date. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months. In such an event, the redemption prices, purchase prices for



purchases of notes at the option of holders and purchase prices payable upon a fundamental change will be adjusted as described in this prospectus. If we exercise this option to pay cash interest, it will not change holders' rights to convert notes for common stock.

Fundamental Change..... Upon the occurrence of a fundamental change prior to December 14, 2006, each holder may require us to purchase all or a portion of the holder's notes. A fundamental change shall be limited to the following three events:

- o a "person" or "group" (as those terms are defined by Section 13(d) of the Exchange Act) gains greater than 50% of the voting power of our common equity;
- o we consummate any share exchange, consolidation or merger pursuant to which our common stock will be converted into cash, securities or other property or any sale, lease or other transfer of substantially all of our consolidated assets; or
- o the directors who either were members of our board on December 14, 2001 or became board members subsequent to that date, but were elected by members as of December 14, 2001 no longer constitute a majority of the total board.

The purchase price will be equal to the accreted value (as described above) of the notes on the date we purchase them, plus accrued and unpaid interest, if any. We may choose to pay the purchase price for any notes that the holders require us to purchase upon the occurrence of any of the three events described above in cash, in shares of our common stock or any combination of cash and common stock. If we choose to pay for notes with common stock, it will be valued at the average closing sale price per share (as reported in composite transactions for the principal United States securities exchange on which our common stock is traded) for the 20 day period ending on the third business day prior to the date that the valuation is determined.

Use of Proceeds..... We will not receive any of the proceeds from the sale by any selling securityholder of the notes or the shares of common stock issuable upon conversion of the notes.

Global Securities..... The notes have been issued only in book-entry form, which means that they are represented by one or more permanent global securities registered in the name of The Depository Trust Company, or DTC. The global securities have been deposited with the trustee as custodian for DTC.

Trading..... The notes issued in the initial placement are eligible for trading on the Private Offerings, Resales and Trading through Automatic Linkages Market, commonly referred to as the PORTAL Market. Notes sold using this prospectus, however, will no longer be eligible for trading in the PORTAL system. We have not listed, and do not intend to list, the notes on any national securities exchange or automated quotation system. Our common stock is listed on the New York Stock Exchange under the symbol "IPG."

## RISK FACTORS

You should consider carefully the following risks in addition to all the other information included or incorporated by reference in this prospectus, including the Special Note Regarding Forward-Looking Statements and Other Factors, before deciding to invest in the notes.

We may be required to purchase notes for cash on December 14, 2003.

Any purchase of notes at the option of the holder on December 14, 2003 must be paid for in cash. If we were required to purchase outstanding notes at the option of the holders on that date as described under "Description of the Notes--Purchase of Notes at the Option of the Holder," we might not at that time have sufficient funds to pay the purchase price for all notes that we may be required to purchase and such purchases could adversely affect our liquidity. Any failure by us to redeem the notes when required would result in an event of default with respect to the notes.

An active trading market for the notes and resale may not develop.

Prior to the initial placement of the notes, there was no trading market for the notes. Although the broker dealers that acted as initial purchasers when the notes were originally issued have advised us that they currently intend to make a market in the notes, they are not obligated to do so and may discontinue market making activities at any time without notice. In addition, their market making activity will be subject to the limits imposed by the Securities Act and the Exchange Act. Accordingly, we cannot assure you that any market for the notes will develop or be sustained. The price of the notes could be materially adversely affected as a result. The notes issued in the initial placement are eligible for trading on the PORTAL Market. Notes sold using this prospectus, however, will no longer be eligible for trading in the PORTAL system. We have not listed, and do not intend to list, the notes on any national securities exchange or automated quotation system.

Investment in the notes will result in the yearly inclusion in your taxable income of amounts significantly in excess of any cash received while the notes are outstanding.

We and each holder agree in the indenture to treat the notes as contingent payment debt instruments subject to the contingent payment debt regulations. As a result, you will be required to include amounts in income, as original issue discount, in advance of the cash you receive on the notes. The rate at which you will accrue the original issue discount will be comparable to the rate at which we would borrow in a noncontingent, nonconvertible borrowing, even though the notes have a significantly lower stated yield to maturity. You will recognize taxable income significantly in excess of any cash received while the notes are outstanding. In addition, under the indenture, you will recognize taxable income upon the conversion of the notes equal to the difference between the fair market value of the common stock received and your basis in the notes. Gain or loss upon a sale, exchange or conversion will be ordinary income. See "United States Federal Income Tax Consequences."

Your claim against us will be limited if a bankruptcy proceeding is commenced against us.

If a bankruptcy proceeding is commenced in respect of us, the claim of the holder of notes is, under Title 11 of the United States Code, limited to the issue price of the notes plus that portion of the original issue discount that has accrued from the date of issue to the commencement of the proceeding.

Our consolidated financials incorporated in this prospectus by reference, insofar as they relate to NFO Worldwide, Inc. and True North Communications Inc., were audited by Arthur Andersen LLP, which is the subject of litigation and has been indicted.

Arthur Andersen LLP is the subject of litigation and was indicted with respect to its activities in connection with Enron Corp. Arthur Andersen LLP may dissolve or liquidate, may merge with or have its assets sold to a third party, or may lose critical personnel. In the event that Arthur Andersen LLP dissolves, liquidates or does not otherwise continue in business, Arthur Andersen LLP may have insufficient assets to satisfy any claims that may be made by investors or by us with respect to this offering or the financial statements incorporated by reference in this prospectus and our periodic reports under the Securities Exchange Act in reliance on Arthur Andersen LLP's reports.

## WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any document that we file at the SEC's public reference rooms in Washington, D.C., New York, New York and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. Our SEC filings are also available to the public from the SEC's web site at <http://www.sec.gov>. Our SEC filings are also available at the offices of the New York Stock Exchange. For further information on obtaining copies of our public filings at the New York Stock Exchange, you should call (212) 656-5060.

This prospectus "incorporates by reference" information that we have

filed with the SEC under the Securities Exchange Act of 1934. This means that we are disclosing important information to you by referring you to those documents. Any statement contained in this prospectus or in any document incorporated or deemed to be incorporated by reference in this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus or any subsequently filed document which also is, or is deemed to be, incorporated by reference in this prospectus modifies or supersedes that statement. Any such statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus. We incorporate by reference

- o our Annual Report on Form 10-K for the year ended December 31, 2001 (File Number 001-06686; Film Number 02596498);
- o our Current Reports on Form 8-K dated February 13, 2002 (File Number 001-6686; Film Number 02539780) and March 4, 2002 (File Number 001-6686; Film Number 02566444);
- o any future filings made with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Exchange Act.

You may request a copy of these filings no cost, by writing or telephoning us at the following address:

The Interpublic Group of Companies, Inc.  
1271 Avenue of the Americas  
New York, New York 10020  
Attn: Susan V. Watson  
(212) 399-8000

Unless otherwise indicated, currency amounts in this prospectus and in any applicable supplement are stated in U.S. dollars.

SPECIAL NOTE REGARDING FORWARD-LOOKING  
STATEMENTS AND OTHER FACTORS

This prospectus contains and incorporates by reference forward-looking statements. Our representatives may also make forward-looking statements orally from time to time. Statements in this prospectus and statements incorporated by reference from our SEC reports that are not historical facts, including statements about our beliefs and expectations, particularly regarding recent business and economic trends, the integration of acquisitions and restructuring costs, constitute forward-looking statements. These statements are based on current plans, estimates and projections, and you should therefore not place undue reliance on them. 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, those associated with the effect of national and regional economic conditions, our ability to attract new clients and retain existing clients, the financial success of our clients, developments from changes in the regulatory and legal environment for advertising companies around the world, and the successful completion and integration of acquisitions which complement and expand our business capabilities.

This prospectus also contains and incorporates by reference certain financial information calculated on a "pro forma" basis (including information that is restated to exclude the impact of historical events). Because "pro forma" financial information by its very nature departs from traditional accounting conventions, the information should not be viewed as a substitute for the information prepared in accordance with Generally Accepted Accounting Principles contained in our financial statements that are incorporated into this prospectus by reference and should be read in conjunction therewith.

One of our business strategies is to acquire businesses that complement and expand our current business capabilities. Accordingly, we are usually engaged in evaluating potential acquisition candidates. We are frequently engaged in a number of preliminary discussions that may result in one or more substantial acquisitions. These acquisition opportunities require confidentiality and from time to time give rise to bidding scenarios that require quick responses by us. Although there is uncertainty that any of these discussions will result in definitive agreements or the completion of any transactions, the announcement of any such transaction may lead to increased volatility in the trading price of our securities.

Moreover, the success of recent or contemplated future acquisitions will depend on the effective integration of newly-acquired businesses into our current operations. Important factors for integration include realization of anticipated synergies and cost savings and the ability to retain and attract new personnel and clients.

The advertising agency and other marketing communications and marketing services businesses are highly competitive. Our agencies and media services must compete with other agencies and with other providers of creative or media services which are not themselves advertising agencies, in order to maintain existing client relationships and to obtain new clients. Competition in the advertising agency business depends to a large extent on the client's perception of the quality of an agency's "creative product." An agency's ability to serve clients, particularly large international clients, on a broad geographic basis is also an important competitive consideration. On the other hand, because an agency's principal asset is its people, freedom of entry into the business is almost unlimited and quite small agencies are, on occasion, able to take all or some portion of a client's account from a much larger competitor.

Moreover, increasing size may limit an agency's potential for securing new business, because many clients prefer not to be represented by an agency that represents a competitor. Also, clients frequently wish to have different products represented by different agencies. Our ability to retain existing clients and to attract new clients may, in some cases, be limited by clients' policies on or perceptions of conflicts of interest. These policies can in some cases prevent one agency and, in limited circumstances, different agencies within the same holding company, from performing similar services for competing products or companies. In addition, these perceived conflicts, following an acquisition by us of an agency or company, can result in clients terminating their relationship with us or reducing the number or scope of projects for which they retain those agencies. Moreover, after the True North Communications Inc. acquisition and the resulting larger number of clients, there could be a greater likelihood of conflicts with potential new clients in the future. If the combined company fails to maintain existing clients or attract new clients, its business may be materially and adversely impacted.

Employees, including creative, research, media, account and practice group specialists, and their skills and relationships with clients, are among our most important assets. An important aspect of our competitiveness is our ability to retain employee and management personnel. Our inability to hire and retain these employees in the future may have a material adverse effect on us.

Advertising and marketing communications businesses are subject to government regulation, both domestic and foreign. There has been an increasing tendency in the United States on the part of advertisers to resort to the

courts, industry and self-regulatory bodies to challenge comparative advertising on the grounds that the advertising is false and deceptive. Through the years, there has been a continuing expansion of specific rules, prohibitions, media restrictions, labeling disclosures and warning requirements with respect to the advertising for certain products. Representatives within government bodies, both domestic and foreign, continue to initiate proposals to ban the advertising of specific products and to impose taxes on or deny deductions for advertising which, if successful, may have an adverse effect on advertising expenditures and consequently our revenues.

Our international operations still remain exposed to risks which affect foreign operations of all kinds, such as local legislation, monetary devaluation, exchange control restrictions and unstable political conditions. In addition, international advertising agencies are still subject to ownership restrictions in some countries because they are considered an integral factor in the communications process.

Investors in the notes should evaluate any forward-looking statements and an investment in the notes in light of these important factors.

#### RATIO OF EARNINGS TO FIXED CHARGES

The following table shows the ratios of earnings to fixed charges for us and our consolidated subsidiaries for the periods indicated.

	Years Ended December 31,				
	2001	2000	1999	1998	1997
Ratio of earnings to fixed charges.....	-- (1)	4.07x	3.95x	4.44x	3.21x

(1) For the year ended December 31, 2001, we had a deficiency of earnings to fixed charges. Additional earnings of \$524,188,000 would have been necessary for the year ended December 31, 2001 to provide a one-to-one coverage ratio. The decline in the ratio of earnings to fixed charges for the year ended December 31, 2001 primarily relates to lower income from operations, including restructuring and merger related charges, as compared to prior periods.

In calculating the ratio of earnings to fixed charges, earnings are the sum of earnings before income taxes plus fixed charges. Fixed charges are the sum of interest on indebtedness, amortization of debt discount and that portion of net rental expense deemed representative of the interest component.

#### CAPITALIZATION

The following table sets forth our short-term debt, long-term debt and stockholders' equity as of December 31, 2001. The data is derived from our audited financial statements. You should read this table in conjunction with our consolidated financial statements and related notes and the description of our liquidity and capital resources as of December 31, 2001 incorporated by reference in this prospectus.

	December 31, 2001
	Actual
	(in millions)
Short-term debt:	
Short-term bank borrowings.....	\$ 318.5
Floating Rate Notes.....	100.0
Current portion of long-term debt.....	34.6
Long-term debt:	
Payable to financial institutions.....	356.8
Notes--7.25% due 2011.....	500.0
Notes--7.875%, due 2005.....	500.0
Convertible Subordinated Notes--1.80%, due 2004.....	228.5
Convertible Subordinated Notes--1.87%, due 2006.....	320.0
Zero-Coupon Convertible Senior Notes due 2021.....	575.3
Stockholders' equity:	
Total stockholders' equity.....	1,979.3
Total capitalization.....	\$ 4,913.0

PRICE RANGE OF COMMON STOCK AND DIVIDEND POLICY

Our common stock is listed and traded on the New York Stock Exchange ("NYSE") under the symbol "IPG." The following table provides, for the calendar quarters indicated, the high and low closing sales prices per share on the NYSE for the periods shown below as reported on the NYSE and dividends per share paid during those periods.

Period	NYSE Sale Price		Dividends on Common Stock
	High	Low	
1999:			
First Quarter.....	\$40.00	\$34.88	\$.075
Second Quarter.....	43.31	34.59	.085
Third Quarter.....	44.06	36.50	.085
Fourth Quarter.....	58.06	35.75	.085
2000:			
First Quarter.....	55.56	37.00	.085
Second Quarter.....	47.44	38.00	.095
Third Quarter.....	44.62	33.50	.095
Fourth Quarter.....	43.75	33.06	.095
2001:			
First Quarter.....	47.19	32.50	.095
Second Quarter.....	38.85	27.79	.095
Third Quarter.....	30.46	19.30	.095
Fourth Quarter.....	31.00	19.50	.095
2002:			
First Quarter.....	34.56	27.10	.095
Second Quarter (through April 3, 2002).....	34.98	32.88	--

The amount of future common stock dividends will depend on earnings, financial condition and other factors, and will be determined by the directors on a quarterly basis. On March 28, 2002, our Board of Directors declared a cash dividend of 9-1/2 cents per share payable on June 17, 2002, to shareholders of record at the close of business on March 30, 2002.

As of March 26, 2002, there were approximately 17,885 direct holders of our common stock.

## USE OF PROCEEDS

We will not receive any of the proceeds from the sale by any selling securityholder of the notes or the shares of common stock issuable upon conversion of the notes.

## INTERPUBLIC

Interpublic is a group of advertising and specialized marketing and communication services companies that together represent one of the largest resources of marketing and advertising expertise in the world. With offices in more than 130 countries, we realized worldwide revenue in 2001 of approximately \$6.7 billion, 57% of which represented domestic revenue and 43% of which represented international revenue, after giving effect to our recent acquisition of True North Communications Inc. Our net loss in 2001 was approximately \$505 million.

### Advertising and Specialized Marketing and Communications Services Businesses

In the last five years, we have grown to become one of the world's largest groups of global marketing services companies, providing our clients with communications expertise in four broad areas:

- o Advertising, which includes advertising and media management;
- o Marketing Communications, which includes client relationship management, public relations, sales promotion, event marketing, on-line marketing and specialized sectors such as healthcare, diversity and corporate identity;
- o Marketing Intelligence, which includes custom marketing research, brand consultancy and database management; and
- o Marketing Services, which includes sports and entertainment marketing, corporate meetings and events, retail marketing and other marketing and business services.

We seek to be the best in quality, broadest in scope and leader in size in all of these areas.

We are organized into four global operating groups. Three of these groups, the WorldGroup, the FCB Group and The Partnership, are global marketing communications companies. Each offers a distinctive range of marketing solutions for our clients. Our fourth global operating group is The Advanced Marketing Services Group. This group is focused on growing our current marketing services and marketing intelligence services.

We believe this organizational structure allows us to provide comprehensive marketing communications solutions for clients, enables stronger organic growth among all our operating companies and allows us to bring improved operating efficiencies to our organization.

A brief description of our four global operating groups follows:

The WorldGroup was founded on the global strength and quality of McCann-Erickson, one of the world's leading advertising agencies. It includes marketing communications companies spanning media, relationship marketing, events, sales promotion, public relations, brand equity, on-line marketing communications and healthcare communications. Launched in late 1997, the WorldGroup has expanded rapidly to become one of the world's leading networked marketing communications groups, now working with more than 25 key worldwide clients in three or more disciplines and with more than 40 U.S. clients in two or more disciplines. The WorldGroup includes the following agencies and public relations firms:

- o McCann-Erickson Worldwide (advertising),
- o MRM Partners Worldwide (direct marketing),
- o Momentum Worldwide (entertainment, event and promotional marketing),
- o FutureBrand (brand consultancy),
- o Torre Lazur McCann Healthcare Worldwide (healthcare advertising and marketing),
- o Universal McCann Worldwide (media planning and buying),
- o Nationwide Advertising Services (recruitment advertising), and
- o Aligned Agency Group, which includes the following independently branded general advertising agencies: Amster Yard (New York), Gotham (New York), Austin Kelly (Atlanta), Temerlin McClain (Dallas), Hill, Holliday (Boston, New York and San Francisco), Campbell Mithun (Minneapolis), and Avrett Free & Ginsberg (New York).

Weber Shandwick Worldwide is aligned with the WorldGroup to provide its clients with a global public relations capability and to enhance and broaden the

WorldGroup's offering to prospective clients.

The FCB Group is a single global integrated marketing communications network centered on Foote, Cone & Belding Worldwide and its advertising, direct marketing and sales promotion capabilities. This group also includes the following specialized services:

- o ANALYTICi (database marketing),
- o Marketing Drive Worldwide (integrated marketing),
- o R/GA (web design and development),
- o The Hacker Group (customer acquisition direct marketing),
- o FCB Media Services (media planning), and
- o FCB HealthCare (healthcare marketing).

Weber Shandwick Worldwide also is aligned with the FCB Group to provide its clients with a global public relations capability and to enhance and broaden the FCB Group's offering to prospective clients.

In addition, Campbell-Ewald, an independent marketing communications company, is affiliated with this group through a global strategic alliance to provide its clients with an international network for implementation of marketing communications programs.

The Partnership, a global, client-driven creative leader, is anchored on the quality advertising reputation of Lowe & Partners Worldwide. The Partnership provides collaboration across a global group of independent networks with creative capabilities across all areas of marketing communications. The partners seek to preserve their independence while creating the ability to interconnect seamlessly to better service clients. Senior Partners include:

- o Lowe & Partners Worldwide (advertising),
- o Draft Worldwide (direct and promotional marketing),
- o Golin/Harris International (public relations), and
- o Initiative Media (media planning and buying).

The Partnership also includes a group of Member Partners, which are independent advertising agencies that will now have more direct access to both global capabilities and increased marketing services. This group includes The Martin Agency, Mullen and Suissa Miller, as well as the following new Member Partners:

- o Bozell,
- o Carmichael Lynch,
- o Deutsch,
- o Howard Merrell & Partners,
- o Tierney Communications,
- o Delaney Lund (minority international partner), and
- o Springer & Jacoby (minority international partner).

The Advanced Marketing Services Group (AMS) is the management center for our specialized and advanced marketing services including:

- o NFO WorldGroup (marketing intelligence services),
- o Jack Morton Worldwide (specialized marketing services including corporate events, meetings and training/learning),
- o New America Strategies Group (multi-cultural marketing and communications), and
- o ISO Healthcare Group (strategic healthcare consulting).

Each of the companies in AMS is linked to one or more of the other three operating groups through affiliate relationships, ensuring access to the best, most innovative ideas and solutions for client communications needs. Additionally, our public relations networks, Weber Shandwick Worldwide, Golin/Harris International and DeVries Public Relations, are based within Advanced Marketing Services' Constituency Management Group, in order to maintain their professional affiliation with our other operating groups. AMS is also charged with expanding our business into new marketing intelligence, services, and communications areas.

We provide services for clients whose businesses are international in scope as well as for clients whose businesses are restricted to a single country or a small number of countries. Revenue for 2001 and 2000 is presented below by major geographic area:

Year Ended December 31,	
2001	2000
-----	-----

(in millions)



United States.....	\$ 3,805.8	\$ 4,244.2
International		
United Kingdom.....	679.7	604.9
All other Europe.....	1,161.0	1,233.6
Asia Pacific.....	478.9	508.9
Latin America.....	327.1	333.7
Other.....	274.3	257.4
	-----	-----
Total International.....	2,921.0	2,938.5
	-----	-----
Total Consolidated.....	\$ 6,726.8	\$ 7,182.7
	=====	=====

#### Sources of Revenue

We generate revenue from planning, creating and placing advertising in various media and from planning and executing other communications or marketing programs. Historically, the commission customary in the industry was 15% of the gross charge ("billings") for advertising space or time; more recently, lower commissions have been negotiated, but often with additional incentives paid for better performance. For example, an incentive component is frequently included in arrangements with clients based on improvements in an advertised brand's awareness or image, or increases in a client's sales or market share of the products or services being advertised. Under commission arrangements, media bill us at their gross rates. We bill these amounts to our clients, remit the net charges to the media and retain the balance as our commission. Some clients, however, prefer to compensate us on a fee basis, under which we bill our client for the net charges billed by the media plus an agreed-upon fee. These fees usually are calculated to reflect our hourly rates and out-of-pocket expenses incurred on behalf of clients, plus proportional overhead and a profit mark-up.

Like other agencies, we are primarily responsible for paying the media with respect to firm contracts for advertising time or space placed on behalf of our clients. This is a problem only if the client is unable to pay us because of insolvency or bankruptcy. We make serious efforts to reduce the risk from a client's insolvency including carrying out credit clearances, requiring in some cases payment of media in advance, or agreeing with the media that we will be solely liable to pay the media only after the client has paid us for the media charges.

We also receive commissions from clients for planning and supervising work done by outside contractors in the physical preparation of finished print advertisements and the production of television and radio commercials and other forms of advertising. This commission is customarily 17.65% of the outside contractor's net charge, which is the same as 15.0% of the outside contractor's total charges including commission. With the expansion of negotiated fees, the terms on which outstanding contractors' charges are billed are subject to wide variations and even include in some instances the elimination of commissions entirely, provided that there are adequate negotiated fees.

We also derive revenue in many other ways, including the planning and placement in media of advertising produced by unrelated advertising agencies; the maintenance of specialized media placement facilities; the creation and publication of brochures, billboards, point of sale materials and direct marketing pieces for clients; the planning and carrying out of specialized marketing research; public relations campaigns; creating and managing special events at which clients' products are featured; and designing and carrying out interactive programs for special uses.

#### Clients

The five clients that made the largest revenue contribution in 2001 accounted individually for approximately 1.5% to 6.79% of our revenue and in the aggregate accounted for approximately 14% of our revenue. Twenty of our clients accounted for approximately 25% of our revenue. Based on revenue, our largest clients currently include Coca-Cola, General Motors Corporation, Johnson & Johnson, Nestle and Unilever. General Motors Corporation first became a client of one of our agencies in 1916 in the United States. Predecessors of several of the Lintas agencies have supplied advertising services to Unilever since 1893. Our client relationship with Nestle began in 1940 in Argentina. While the loss of the entire business of one of our largest clients could significantly harm our business, we believe that it is very unlikely that the entire business of any of these clients would be lost at the same time, because we represent several different brands or divisions of each of these clients in a number of geographical markets in each case through more than one of our agency systems.

Representation of a client rarely means that we handle advertising for all brands or product lines of the client in all geographical locations. Any client may transfer its business from an agency within our Company to a competing agency, and a client may reduce its marketing budget at any time.

Our agencies in many instances have written contracts with their clients. As is customary in the industry, these contracts provide for termination by either party on relatively short notice, usually 90 days but sometimes shorter or longer.

#### Acquisition Strategy

We pursue acquisitions to complement and enhance our service offerings. In addition, we also seek to acquire businesses similar to our own that expand our geographic scope to better serve new and existing clients. Our acquisitions have historically been funded using stock, cash or a combination of both.

## DESCRIPTION OF THE NOTES

The Zero-Coupon Convertible Senior Notes Due 2021 (the "notes") were issued under an indenture dated as of October 20, 2000, between us and The Bank of New York, as trustee (the "trustee"), as supplemented by a supplemental indenture thereto, dated as of December 14, 2001 (as so supplemented, the "indenture"). The indenture has been filed as an exhibit to the registration statement of which this prospectus forms a part.

The following summary of certain provisions of the indenture does not purport to be complete and is subject to, and qualified in its entirety by reference to, all the provisions of the indenture. Because the following is only a summary, it does not contain all information that you may find useful. For further information you should read the indenture and the notes. The form of indenture and notes is available as set forth under "Where You Can Find More Information."

Definitions of certain terms are set forth under "Certain Definitions" and throughout this description. All definitions for the defined terms used in this prospectus are also repeated together under the heading "Glossary" at the end of this prospectus for convenient reference. As used in this "Description of the Notes," unless otherwise indicated, the words "we," "us" and "our" refer to The Interpublic Group of Companies, Inc. (and its successors) and not any of our subsidiaries.

### General

The notes:

- o are our unsecured senior obligations and rank equally with all of our other unsecured senior indebtedness;
- o are limited to \$701,960,000 aggregate principal amount at maturity; and
- o will mature on December 14, 2021.

As used in this prospectus, "note" means a note having, upon issuance, a principal amount at maturity of \$1,000. Except under circumstances described under "--Optional Conversion to Semi-Annual Cash Pay Notes Upon Tax Event" and "Contingent Interest," we will not pay cash interest on the notes; rather the notes will accrete to a principal amount of \$1,000 per note upon maturity, representing a yield to maturity of 1.00% per annum.

The notes are redeemable prior to maturity on or after December 14, 2006, as described below under "--Optional Redemption," and do not have the benefit of a sinking fund. Principal of the notes will be payable, and the transfer of notes will be registrable, at the office of the trustee.

The notes were originally offered at a substantial discount from their principal amount at maturity. Except as described below, we will not make periodic cash payments of interest on the notes. Each note of \$1,000 principal amount at maturity was issued at an issue price of \$819.14. For United States federal income tax purposes, we will report the accrual of original issue discount at the Comparable Yield (as defined below under "United States Federal Income Tax Considerations - U.S. Holders - Accrual of Interest on the Notes") of 7.45% under the contingent payment debt regulations while the notes remain outstanding. The issue date for the notes and the commencement date for the accrual of original issue discount was December 14, 2001. See "United States Federal Income Tax Considerations--United States Holders--Accrual of Interest on the Notes."

The notes were issued only in registered form without coupons in denominations of \$1,000 and integral multiples of \$1,000 above that amount. No service charge will be made for any registration of transfer or exchange of notes, but we may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with transfers or exchanges. The notes are represented by one or more global securities registered in the name of a nominee of DTC. See "--Book Entry, Delivery and Form."

### Ranking

The notes are our general unsecured obligations and rank senior in right of payment to all our existing and future indebtedness that is, by its terms, expressly subordinated in right of payment to the notes. The notes rank pari passu in right of payment with all our existing and future unsecured indebtedness that is not so subordinated. As of December 31, 2001, we had \$548.5 million of subordinated indebtedness outstanding. Because we are a holding company, our rights and the rights of our creditors, including the holders of the notes offered in this prospectus, to participate in the assets of any subsidiary during its liquidation or reorganization, will be subject to the prior claims of the subsidiary's creditors, unless we are ourselves a creditor with recognized claims against the subsidiary.

### Conversion Rights

Holders may convert notes, in multiples of \$1,000 principal amount at

maturity, into our common stock at any time prior to the close of business on December 14, 2021, if the average Sale Price (as defined below in "--Certain Definitions") of our common stock for the 20 trading days immediately prior to the conversion date is equal to or greater than a specified percentage, beginning at 120% in the year of issuance and declining 1/2% each year until it reaches 110% at maturity, of the Accreted Value (as defined below in "-- Certain Definitions") as of the date of conversion, divided by the conversion rate.

On April 3, 2002, the threshold average Sale Price for our common stock that would have allowed conversion of the notes was \$43.21 and the closing Sale Price of our common stock was \$ 32.88.

The table below shows the threshold average Sale Price for our common stock that would allow conversion of the notes on December 14, 2001 and at later specified dates. The threshold average Sale Price applicable between those dates would reflect the increase in Accreted Value since the next preceding date in the table.

Date	Accreted Value (1)	Conversion Rate (2)	Specified Percentage (3)	Threshold Price ((1)x(3))/(2)
December 14, 2001.....	819.14	22.8147	120%	43.085
December 14, 2002.....	827.35	22.8147	119.5%	43.517
December 14, 2003.....	835.65	22.8147	119%	43.770
December 14, 2004.....	844.02	22.8147	118.5%	44.024
December 14, 2005.....	852.48	22.8147	118%	44.278
December 14, 2006.....	861.03	22.8147	117.5%	44.533
December 14, 2007.....	869.66	22.8147	117%	44.789
December 14, 2008.....	878.38	22.8147	116.5%	45.046
December 14, 2009.....	887.19	22.8147	116%	45.303
December 14, 2010.....	869.08	22.8147	115.5%	45.561
December 14, 2011.....	905.06	22.8147	115%	45.819
December 14, 2012.....	914.14	22.8147	114.5%	46.078
December 14, 2013.....	923.30	22.8147	114%	46.338
December 14, 2014.....	932.56	22.8147	113.5%	46.598
December 14, 2015.....	941.91	22.8147	113%	46.859
December 14, 2016.....	951.35	22.8147	112.5%	47.120
December 14, 2017.....	960.89	22.8147	112%	47.382
December 14, 2018.....	970.52	22.8147	111.5%	47.644
December 14, 2019.....	980.25	22.8147	111%	47.907
December 14, 2020.....	990.08	22.8147	110.5%	48.170
December 14, 2021.....	1,000.00	22.8147	110%	48.434

Holders may also convert notes into our common stock, regardless of the Sale Price of our common stock, if any of the following three conditions applies, in multiples of \$1,000 principal amount at maturity.

Change in Credit Ratings. Holders may convert notes into our common stock at any time after the credit ratings assigned to the notes by any two of Moody's Investors Service, Inc., Standard & Poor's Ratings Group and Fitch IBCA Duff & Phelps are Bal, BB+ and BB+, respectively, or lower, or the notes are no longer rated by at least two of these ratings services.

Redemption of Notes. If we redeem the notes, holders may convert notes into our common stock at any time prior to the close of business on the business day prior to the redemption date.

Occurrence of Specified Corporate Transactions. Holders may convert notes into our common stock at any time if we elect to:

(1) become a party to a consolidation, merger or binding share exchange pursuant to which our common stock would be converted into cash or property (other than securities), in which case a holder may surrender notes for conversion at any time from and after the date which is 15 days prior to the anticipated effective date for the transaction until 15 days after the actual effective date of the transaction;

(2) distribute to all holders of our common stock assets, debt, securities or rights to purchase our securities, which distribution has a per share value as determined by our board of directors exceeding 15% of the Sale Price of our common stock on the day preceding the declaration date for the distribution; or

(3) distribute to all holders of our common stock rights entitling them to purchase, for a period expiring within 60 days after the date of the distribution, our common stock at less than the Sale Price at the time of the distribution.

In the case of clause (2) or (3), we must notify the holders of notes at least 20 days prior to the ex-dividend date for the distribution. Once we have given such notice, holders may surrender their notes for conversion at any time until the earlier of the close of business on the business day prior to the ex-dividend date or our announcement that the distribution will not take place. The ex-dividend date is the first date upon which a sale of the common stock does not automatically transfer the right to receive the relevant dividend from the seller of the common stock to its buyer.

Fundamental Change purchase notice requiring us to purchase the notes may be converted only if the notice is withdrawn in accordance with the indenture.

The initial conversion rate is 22.8147 shares of our common stock per note and is subject to adjustment if any of the events described below occurs. The conversion rate will not be adjusted for accrued original issue discount or accrued and unpaid interest, if any.

In lieu of issuing fractional shares, we will pay an amount of cash based on the Sale Price of our common stock on the trading day immediately preceding the conversion date. On conversion of notes, a holder will not receive any cash payment representing accrued original issue discount or accrued and unpaid interest, if any. Our delivery to the holder of the fixed number of shares of our common stock into which the notes are convertible, together with any cash payment for fractional shares, will be deemed:

- o to satisfy our obligation to pay the principal amount at maturity of the notes;
- o to satisfy any obligation to pay the increase in Accreted Value from December 14, 2001 through the conversion date; and
- o to satisfy any obligation to pay accrued and unpaid interest, if any.

As a result, Accreted Value is deemed to be paid in full rather than canceled, extinguished or forfeited.

A certificate for the number of full shares of our common stock into which any notes are converted, together with any cash payment for fractional shares, will be delivered through the conversion agent as soon as practicable following the conversion date.

The conversion rate will be adjusted for:

- o dividends or distributions on our common stock payable in our common stock or our other capital stock;
- o subdivisions, combinations or certain reclassifications of our common stock;
- o distributions to all holders of our common stock of certain rights to purchase our common stock for a period expiring within 60 days at less than the Sale Price at the time; and
- o distributions to all holders of our common stock of our assets, debt securities or certain rights to purchase our securities, which distribution has a per share value exceeding 15% of the Market Price on the day preceding the declaration of the distribution (aggregating distributions on an annual basis).

No adjustment in the conversion rate will be required unless the adjustment would require a change of at least 1% of the conversion rate then in effect; provided that any adjustment that would otherwise be required to be made shall be carried forward and taken into account in any subsequent adjustment. Except as stated above, the conversion rate will not be adjusted for the issuance of common stock or any securities convertible into or exchangeable for common stock or carrying the right to purchase any of the foregoing.

No adjustment need be made if holders may participate in the transaction that would otherwise give rise to such an adjustment. In cases where the fair market value of assets, debt securities or certain rights, warrants or options to purchase our securities distributed to shareholders (a) equals or exceeds the Sale Price of our common stock, or (b) the Sale Price exceeds the fair market value of the assets, debt securities or rights, warrants or options so distributed by less than \$1.00, rather than being entitled to an adjustment in the conversion rate, the holder will be entitled to receive upon conversion, in addition to the shares of our common stock, the kind and amount of assets, debt securities or rights, warrants or options comprising the distribution that the holder would have received if the holder had converted the holder's notes immediately prior to the record date for determining the shareholders entitled to receive the distribution. The indenture will permit us to increase the conversion rate from time to time.

If at any time we were to make a distribution of property to our stockholders that would be taxable to the stockholders as a dividend for United States federal income tax purposes and, in accordance with the anti-dilution provisions of the notes, the conversion rate of the notes is increased, such increase might be deemed to be the payment of a taxable dividend to holders of the notes.

If we are party to a consolidation, merger or binding share exchange or a transfer of all or substantially all of our assets, the right to convert notes into our common stock may be changed into a right to convert notes into the kind and amount of securities, cash or other assets of ours or of another person's which the holder would have received if the holder had converted the holder's notes immediately prior to the transaction.

If we exercise our option to have cash interest accrue on the notes following a Tax Event (as defined below in "--Optional Conversion to Semi-Annual Cash Pay Notes Upon Tax Event"), the holder will be entitled on conversion to receive the same number of shares of our common stock or other property that the holder would have received if we had not exercised this option. In this prospectus, when we refer to the notes as they would be following exercise of

our option to have cash interest accrue on the notes following a Tax Event, we call them "Cash Pay Notes."

If we exercise our option to have cash interest accrue on the notes following a Tax Event or are required to pay contingent interest, notes surrendered for conversion by a holder during the period from the close of business on any regular record date to the opening of business of the next interest payment date, except for notes to be redeemed on a date within this period or on the next interest payment date, must be accompanied by payment of an amount equal to the contingent interest or interest that the holder is to receive on the notes. See "--Contingent Interest" and "--Optional Conversion to Semi-Annual Cash Pay Notes Upon Tax Event."

Contingent Interest

Subject to the accrual and record date provisions described below, we will pay contingent interest to the holders of notes during any six-month period from December 14 to June 13 and from June 14 to December 13, beginning with the six-month period beginning December 14, 2006, if the average (the "Average Note Price") of the Note Prices for the Applicable Five Trading Day Period equals 120% or more of the Accreted Value of such notes on the day immediately preceding the relevant six-month period.

The table below shows the threshold Average Note Price that would cause contingent interest to be payable in respect of the six-month period beginning December 14, 2006 and each following six-month period.

Six-Month Period Beginning	Accreted Value on Reference Day (1)	Threshold Average Note Price (1) x 120%
December 14, 2006.....	861.03	1,033.24
June 14, 2007.....	865.34	1,038.40
December 14, 2007.....	869.66	1,043.60
June 14, 2008.....	874.01	1,048.81
December 14, 2008.....	878.38	1,054.06
June 14, 2009.....	882.77	1,059.33
December 14, 2009.....	887.19	1,064.62
June 14, 2010.....	891.62	1,069.95
December 14, 2010.....	869.08	1,075.30
June 14, 2011.....	900.56	1,080.67
December 14, 2011.....	905.06	1,086.08
June 14, 2012.....	909.59	1,091.51
December 14, 2012.....	914.14	1,096.96
June 14, 2013.....	918.71	1,102.45
December 14, 2013.....	923.30	1,107.96
June 14, 2014.....	927.92	1,113.50
December 14, 2014.....	932.56	1,119.07
June 14, 2015.....	937.22	1,124.66
December 14, 2015.....	941.91	1,130.29
June 14, 2016.....	946.62	1,135.94
December 14, 2016.....	951.35	1,141.62
June 14, 2017.....	956.11	1,147.33
December 14, 2017.....	960.89	1,153.06
June 14, 2018.....	965.69	1,158.83
December 14, 2018.....	970.52	1,164.62
June 14, 2019.....	975.37	1,170.45
December 14, 2019.....	980.25	1,176.30
June 14, 2020.....	985.15	1,182.18
December 14, 2020.....	990.08	1,188.09
June 14, 2021.....	995.03	1,194.03

We will pay contingent interest only in cash. "Applicable Five Trading Day Period" means the five trading days ending on the second trading day immediately preceding the relevant six-month period, unless we declare a dividend for which the record date falls prior to the first day of a six-month period but the payment date falls within such six-month period, in which case the "Applicable Five Trading Day Period" means the five trading days ending on the second trading day immediately preceding the record date for that dividend.

The amount of contingent interest payable per note in respect of any six-month period will equal the greater of:

- (1) cash dividends paid by us per share on our common stock during that six-month period multiplied by the number of shares of our common stock issuable upon conversion of notes at the then applicable conversion rate and
- (2) .125% of the Average Note Price for the Applicable Five Trading Day Period.

During any six month period in which we must pay contingent interest:

- o on any payment date for a cash dividend that falls within the relevant six-month period, we will pay contingent interest equal to:
  - (x) the amount of the cash dividend paid in respect of a share of common stock, multiplied by
  - (y) the number of shares of common stock into which a note is convertible;
- o on any additional payment date for a cash dividend that falls within the relevant six-month period, we will pay additional contingent interest equal

to:

(x) the amount of the cash dividend paid in respect of a share of common stock, multiplied by

(y) the number of shares of common stock into which a note is convertible;

or, if it is more:

(x) .125% of the average Note Price for the Applicable Five Trading Day Period that was used to calculate whether contingent interest would be payable during the relevant six-month period, minus

(y) the amount of contingent interest previously paid in respect of each note during the relevant six-month period;

o on the last day of the six-month period, we will pay contingent interest equal to:

(x) .125% of the average Note Price for the Applicable Five Trading Day Period that was used to calculate whether contingent interest would be payable during the relevant six-month period, minus

(y) the amount of any contingent interest previously paid in respect of each note during the relevant six-month period.

Contingent interest that is payable on the payment date for a cash dividend in respect of our common stock will be payable to holders of notes as of the record date for the related common stock dividend. Contingent interest that is payable on the last day of a six-month period (other than because that happens to be the payment date for a cash dividend in respect of our common stock) will be payable to holders of notes as of the fifteenth day preceding the last day of the relevant six-month period.

Original Issue Discount will continue to accrue at 1.00% per annum whether or not contingent interest is paid, other than for tax purposes. For United States federal income tax purposes, original issue discount will continue to accrue at the Comparable Yield, which we will report as 7.45% under the contingent debt payment regulations, subject to adjustment for actual payments of contingent interest. See "United States Federal Income Tax Considerations--United States Holders--Accrual of Interest on the Notes."

The contingent interest feature of the notes is designed to encourage holders to continue holding notes rather than converting them into our common stock, thereby postponing or avoiding equity dilution.

For financial accounting purposes, our obligation to pay contingent interest on the notes will constitute an embedded derivative, the initial value of which is not material to our consolidated financial position. Any material changes in its value will be reflected in our future income statements, in accordance with Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities." We do not believe that such future changes in value will have a significant effect on our future reported results of operations.

"cash dividends" means all cash dividends on our common stock (whether regular, periodic, extraordinary, special, nonrecurring or otherwise) as declared by our board of directors.

The "Note Price" on any date of determination means the average of the secondary market bid quotations per note obtained by the bid solicitation agent under the indenture for \$10 million principal amount at maturity of notes at approximately 4:00 p.m., New York City time, on the determination date from three unaffiliated securities dealers we select, provided that if:

o at least three such bids are not obtained by the bid solicitation agent, or

o in our reasonable judgment, the bid quotations are not indicative of the secondary market value of the notes,

then the Note Price will equal (a) the then applicable conversion rate of the notes multiplied by (b) the average Sale Price of our common stock on the five trading days ending on the determination date.

The bid solicitation agent will initially be the trustee. We may change the bid solicitation agent, but the bid solicitation agent will not be our affiliate. The bid solicitation agent will solicit bids from securities dealers that are believed by us to be willing to bid for the notes.

If we determine that holders will be entitled to receive contingent interest for a given six-month period, then on or prior to the start of that six-month period, we will issue a press release and publish the information on our corporate web site or such other reasonable media as we reasonably determine.

#### Optional Redemption

No sinking fund is provided for the notes. Beginning on December 14, 2006, at our option we may redeem the notes for cash at any time as a whole, or from time to time in part, at a price (the "redemption price") equal to the Accreted Value, plus accrued and unpaid interest, if any. If the notes are

converted to Cash Pay Notes following the occurrence of a Tax Event, they will be redeemable at the Restated Principal Amount plus accrued and unpaid interest from the date of the conversion through the redemption date. However, in no event may the notes be redeemed prior to December 14, 2006. See "--Optional Conversion to Semi-Annual Cash Pay Notes Upon Tax Event." We will give holders not less than 30-days' nor more than 60-days' notice of redemption.

The table below shows what the Accreted Value of a note would be on December 14, 2006, at later specified dates prior to maturity and at maturity on December 14, 2021. The Accreted Value, in dollars, of a note redeemed between those dates would include an additional amount reflecting the increase in Accreted Value since the next preceding date in the table.

Redemption Date	Issue Price (1)	Increase in Accreted Value at 1.00% (2)	Redemption Price (1+2)
December 14, 2006.....	\$819.14	\$ 41.89	\$ 861.03
December 14, 2007.....	\$819.14	\$ 50.52	\$ 869.66
December 14, 2008.....	\$819.14	\$ 59.24	\$ 878.38
December 14, 2009.....	\$819.14	\$ 68.05	\$ 887.19
December 14, 2010.....	\$819.14	\$ 76.94	\$ 896.08
December 14, 2011.....	\$819.14	\$ 85.92	\$ 905.06
December 14, 2012.....	\$819.14	\$ 95.00	\$ 914.14
December 14, 2013.....	\$819.14	\$104.16	\$ 923.30
December 14, 2014.....	\$819.14	\$113.42	\$ 932.56
December 14, 2015.....	\$819.14	\$122.77	\$ 941.91
December 14, 2016.....	\$819.14	\$132.21	\$ 951.35
December 14, 2017.....	\$819.14	\$141.75	\$ 960.89
December 14, 2018.....	\$819.14	\$151.38	\$ 970.52
December 14, 2019.....	\$819.14	\$161.11	\$ 980.25
December 14, 2020.....	\$819.14	\$170.94	\$ 990.08
December 14, 2021.....	\$819.14	\$180.86	\$1,000.00

If less than all of the outstanding notes are to be redeemed, the trustee will select the notes to be redeemed in principal amounts at maturity of \$1,000 or integral multiples thereof. In this case the trustee may select the notes by lot, pro rata or by any other method the trustee considers fair and appropriate. If a portion of a holder's notes is selected for partial redemption and the holder converts a portion of the notes, the converted portion will be deemed to be the portion selected for redemption.

#### Purchase of Notes at the Option of the Holder

On the purchase dates indicated below, we will, at the option of the holder, be required to purchase any outstanding notes for which a written purchase notice has been properly delivered by the holder to the trustee and not withdrawn, subject to specified additional conditions. Holders may submit their notes for purchase to the paying agent at any time from the opening of business on the date that is 30 business days prior to the purchase date until the close of business on the purchase date.

The purchase price of a note (in each case, plus accrued and unpaid interest, if any) will be:

- o \$835.64 per note on December 14, 2003;
- o \$844.02 per note on December 14, 2004;
- o \$852.48 per note on December 14, 2005;
- o \$861.03 per note on December 14, 2006;
- o \$905.06 per note on December 14, 2011; and
- o \$951.35 per note on December 14, 2016.

The foregoing dollar amounts equal the Accreted Value on the respective purchase dates.

If prior to a purchase date the notes have been converted to Cash Pay Notes, the purchase price will be equal to the Restated Principal Amount plus accrued and unpaid interest from the date of conversion to the purchase date. See "--Optional Conversion to Semi-Annual Cash Pay Notes Upon Tax Event."

We will pay cash for all notes purchased pursuant to the option described above on December 14, 2003. For purchases on or after December 14, 2004, we may, at our option, instead of paying the purchase price in cash, pay all or a portion of the purchase price in shares of our common stock, as long as our common stock is then listed on a national securities exchange or traded on the NASDAQ National Market System. For purchases on or after December 14, 2004, if we elect to pay the purchase price, in whole or in part, in shares of common stock, the number of shares of common stock to be delivered by us will be equal to the portion of the purchase price to be paid in common stock divided by the Market Price of a share of our common stock.

We will be required to give notice to all holders and beneficial owners as required by applicable law on a date not less than 30 business days prior to each purchase date, stating among other things:

- o for purchases on or after December 14, 2004, whether we will pay the purchase price of notes in cash, common stock or a combination of cash and common stock, specifying the percentages of each;
- o for purchases on or after December 14, 2004, if we elect to pay in common stock, the method of calculating the Market Price of the common stock; and
- o the procedures that holders must follow to require us to purchase their notes.

The purchase notice given by each holder electing to require us to purchase notes shall state:

- o if certificated, the certificate numbers of the holder's notes to be delivered for purchase;
- o the portion of the principal amount at maturity of notes to be purchased, which must be \$1,000 or an integral multiple of \$5,000;
- o for purchases on or after December 14, 2004, if we elect, pursuant to the notice that we are required to give, to pay all or part of the purchase price in common stock, but the purchase price is ultimately to be paid to the holder entirely in cash because any condition to payment of the repurchase price or portion of the purchase price in common stock is not satisfied prior to the close of business on the purchase date, as described below, whether the holder elects:
  - (1) to withdraw the purchase notice as to some or all of the notes to which it relates, or
  - (2) to receive cash in respect of the entire purchase price for all notes or portions of notes subject to such purchase notice; and
- o that the notes are to be purchased by us pursuant to the applicable provisions of the notes and the indenture.

For purchases on or after December 14, 2004, if the holder fails to indicate the holder's choice with respect to the election described in the sixth bullet point above, the holder will be deemed to have elected to receive cash in respect of the entire purchase price for all notes subject to the purchase notice in these circumstances.

Any purchase notice may be withdrawn by the holder by a written notice of withdrawal delivered to the paying agent prior to the close of business on the business day prior to the purchase date.

The notice of withdrawal shall state:

- o the principal amount at maturity being withdrawn;
- o if certificated, the certificate numbers of the notes being withdrawn; and
- o the principal amount at maturity of the notes that remain subject to the purchase notice, if any.

In connection with any purchase offer pursuant to these provisions, to the extent applicable we will:

- o comply with the provisions of Rule 13e-4, Rule 14e-1 and any other tender offer rules under the Exchange Act which may then be applicable; and
- o file Schedule TO or any other required schedule under the Exchange Act.

Payment of the purchase price for notes for which a purchase notice has been delivered and not validly withdrawn is conditioned upon delivery of the notes, together with necessary endorsements, to the paying agent at any time after delivery of the purchase notice. Payment of the purchase price for the notes will be made promptly following the later of the purchase date or the time of delivery of the notes.

Because the Market Price (as defined below in "-- Certain Definitions") of the common stock is determined prior to the applicable purchase date, holders of notes bear the market risk with respect to the value of the common stock to be received from the date the Market Price is determined to the purchase date. We may pay the purchase price or any portion of the purchase price in common stock only if the information necessary to calculate the Market Price is published in a daily newspaper of national circulation.

Our right to purchase notes, in whole or in part, with common stock for purchases on or after December 14, 2004, is subject to our satisfying various conditions, including:

- o the registration of the common stock under the Securities Act and the Exchange Act, if required; and



- o any necessary qualification or registration under applicable state securities law or the availability of an exemption from such qualification and registration.

If the conditions are not satisfied with respect to a holder prior to the close of business on the purchase date, we will pay the purchase price of the notes of the holder entirely in cash. We may not change the form or components or percentages of components of consideration to be paid for the notes once we have given the notice that we are required to give to holders of notes, except as described in the first sentence of this paragraph.

If the paying agent holds money or securities sufficient to pay the purchase price of a note on the business day following the purchase date in accordance with the terms of the indenture, then, immediately after the purchase date, the note will cease to be outstanding and will cease to accrete original issue discount, whether or not the note is delivered to the paying agent. Thereafter, all other rights of the holder shall terminate, other than the right to receive the purchase price upon delivery of the note.

Our ability to purchase notes may be limited by the terms of our then existing indebtedness or financing agreements.

No notes may be purchased at the option of holders if there has occurred and is continuing an event of default (as defined below in "--Events of Default"), other than an event of default that is cured by the payment of the purchase price of all the notes.

#### Fundamental Change Permits Holders to Require Us to Purchase Notes

If a Fundamental Change (as defined below in this section) occurs at any time prior to December 14, 2006, each holder will have the right, at the holder's option, to require us to purchase any or all of the holder's notes. The notes may be purchased in integral multiples of \$1,000 principal amount at maturity. We will purchase the notes at a price equal to the Accreted Value of the notes on the purchase date plus accrued and unpaid interest, if any. See the table under "--Optional Redemption." If, prior to the purchase date, we elect to convert the notes to Cash Pay Notes, the purchase price will be equal to the Restated Principal Amount plus accrued and unpaid interest from the date of conversion to the purchase date. See "--Optional Conversion to Semi-Annual Cash Pay Notes Upon Tax Event." If a Fundamental Change occurs on or after December 14, 2006, no holder will have a right to require us to purchase any notes, except as described above under "--Purchase of Notes at the Option of the Holders."

We may, at our option, instead of paying the purchase price in cash, pay all or a portion of the purchase price in shares of our common stock, as long as our common stock is then listed on a national securities exchange or traded on the NASDAQ National Market System. If we elect to pay the purchase price, in whole or in part, in shares of common stock, the number of shares of common stock to be delivered by us will be equal to the portion of the purchase price to be paid in common stock divided by the Market Price of a share of our common stock.

A "Fundamental Change" will be deemed to have occurred at the time after the original issuance of the notes as any of the following occurs:

- (1) a "person" or "group" within the meaning of Section 13(d) of the Exchange Act (other than us, our subsidiaries or our or their employee benefit plans) files a Schedule TO (or any schedule, form or report under the Exchange Act) disclosing that such person or group has become the direct or indirect ultimate "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act) of our common equity representing more than 50% of the voting power of our common equity;
- (2) consummation of any share exchange, consolidation or merger of us pursuant to which our common stock will be converted into cash, securities or other property or any sale, lease or other transfer (in one transaction or a series of transactions) of all or substantially all of our consolidated assets (considered together with our subsidiaries) to any person (other than one of our subsidiaries); provided, however, that a transaction where the holders of more than 50% of all classes of our common equity immediately prior to such transaction own, directly or indirectly, more than 50% of all classes of common equity of the continuing or surviving corporation or transferee immediately after such event shall not be a Fundamental Change; or
- (3) Continuing Directors cease to constitute at least a majority of our board of directors.

A Fundamental Change will not be deemed to have occurred, however, if either:

- (I) the Sale Price of our common stock for any five trading days within the 10 consecutive trading days ending immediately before the later of the Fundamental Change or the announcement thereof, shall equal or exceed 105% of the Accreted Value as of that date,

divided by the conversion rate, or

- (II) at least 90% of the consideration in the transaction or transactions constituting the Fundamental Change consists of shares of common stock traded on a national securities exchange or quoted on the Nasdaq Stock Market (or which will be so traded or quoted when issued or exchanged in connection with a Fundamental Change) (these securities being referred to as "publicly traded securities") and as a result of this transaction or transactions the notes become convertible into such publicly traded securities (excluding cash payments for fractional shares).

On or before the 20th day after the occurrence of a Fundamental Change, we will provide to all holders of the notes and the trustee a notice of the occurrence of the Fundamental Change and of the resulting purchase right. Such notice shall state, among other things:

- o whether we will pay the purchase price of notes in cash, common stock or a combination thereof, specifying the percentages of each;
- o if we elect to pay in common stock, the method of calculating the Market Price of the common stock; and
- o the procedures that holders must follow to require us to purchase their notes.

To exercise the purchase right, holders of notes must deliver, on or before the 35th day after the date of our notice of a Fundamental Change, subject to extension to comply with applicable law, the notes to be purchased, duly endorsed for transfer, together with a written purchase notice and the form entitled "Option to Elect Purchase Upon a Fundamental Change" on the reverse side of the notes duly completed, to the paying agent. The purchase notice given by each holder electing to require us to purchase notes shall state:

- o if certificated, the certificate numbers of the holder's notes to be delivered for purchase;
- o the portion of the principal amount at maturity of notes to be purchased, which must be \$1,000 or an integral multiple thereof;
- o in the event we elect, pursuant to the notice that we are required to give, to pay the purchase price in common stock, in whole or in part, but the purchase price is ultimately to be paid to the holder entirely in cash because any condition to payment of the repurchase price or portion of the purchase price in common stock is not satisfied prior to the close of business on the purchase date, as described below, whether the holder elects:

(1) to withdraw the purchase notice as to some or all of the notes to which it relates, or

(2) to receive cash in respect of the entire purchase price for all notes or portions of notes subject to the purchase notice; and

- o that the notes are to be purchased by us pursuant to the applicable provisions of the notes and the indenture.

If the holder fails to indicate the holder's choice with respect to the election described in the sixth bullet point above, the holder will be deemed to have elected to receive cash in respect of the entire repurchase price for all notes subject to the repurchase notice in these circumstances.

Any purchase notice may be withdrawn by the holder by a written notice of withdrawal delivered to the paying agent prior to the close of business on the business day prior to the purchase date. The notice of withdrawal shall state:

- o the principal amount at maturity being withdrawn;
- o if certificated, the certificate numbers of the notes being withdrawn; and
- o the principal amount at maturity of the notes that remain subject to the purchase notice, if any.

We will be required to purchase the notes no later than 35 business days after the occurrence of the relevant Fundamental Change subject to extension to comply with applicable law.

In connection with any purchase offer pursuant to these provisions, to the extent applicable we will:

- o comply with the provisions of Rule 13e-4, Rule 14e-1 and any other tender offer rules under the Exchange Act; and
- o file Schedule TO or any other required schedule under the Exchange Act.

The purchase rights of the holders could discourage a potential acquirer of us. The Fundamental Change purchase feature, however, is not the result of management's knowledge of any specific effort to obtain control of us by any means or part of a plan by management to adopt a series of anti-takeover provisions.

The term Fundamental Change is limited to specified transactions and may not include other events that might adversely affect our financial condition. In addition, the requirement that we offer to purchase the notes upon a Fundamental Change may not protect holders in the event of a highly leveraged transaction, reorganization, merger or similar transaction involving us.

No notes may be purchased at the option of holders upon a Fundamental Change if there has occurred and is continuing an event of default other than an event of default that is cured by the payment of the purchase price of all the notes.

Because the Market Price of the common stock is determined prior to the applicable purchase date, holders of notes bear the market risk with respect to the value of the common stock to be received from the date the Market Price is determined to the purchase date. We may pay the purchase price or any portion of the purchase price in common stock only if the information necessary to calculate the Market Price is published in a daily newspaper of national circulation.

Our right to purchase notes, in whole or in part, with common stock is subject to our satisfying various conditions, including:

- o the registration of the common stock under the Securities Act and the Exchange Act, if required; and
- o any necessary qualification or registration under applicable state securities law or the availability of an exemption from such qualification and registration.

If those conditions are not satisfied with respect to a holder prior to the close of business on the purchase date, we will pay the purchase price of the notes of the holder entirely in cash. We may not change the form or components or percentages of components of consideration to be paid for the notes once we have given the notice that we are required to give to holders of notes, except as described in the first sentence of this paragraph.

#### Optional Conversion to Semi-Annual Cash Pay Notes Upon Tax Event

From and after the date of the occurrence of a Tax Event, we will have the option to elect to have cash interest in lieu of future original issue discount accrue on all, and not less than all of, the notes at the rate of 1.00% per year. If we exercise this option to pay cash interest, the principal amount of each note will be restated (the "Restated Principal Amount") and will equal its Accreted Value on the date of the Tax Event or the date on which we exercise the option described in this prospectus, whichever is later (the "Option Exercise Date").

Such interest will accrue from the Option Exercise Date and will be payable in cash semi-annually on the interest payment dates of December 14 and June 14 of each year to holders of record at the close of business on November 30 or May 31 immediately preceding the interest payment date. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months. Interest will initially accrue from the Option Exercise Date and after such date, from the last date to which interest has been paid. If we exercise this option to pay cash interest, the redemption price, purchase price and Fundamental Change purchase price on the notes will be adjusted. However, there will be no change in the holder's conversion rights.

A "Tax Event" means that we shall have received an opinion from independent tax counsel experienced in such matters to the effect that, on or after the date of the initial placement of the notes, as a result of:

- (1) any amendment to, or change in (including any announced proposed change in), the laws, rules or regulations of the United States or any political subdivision or taxing authority thereof or therein, or
- (2) any official administrative pronouncement, action or judicial decision interpreting or applying those laws or regulations,

in each case which amendment or change is enacted, promulgated, issued or announced or which proposed change, pronouncement, action or decision is issued or announced, on or after the date of this prospectus, there is more than an insubstantial risk that interest (including interest calculated at the "Comparable Yield," original issue discount or contingent interest, if any) in respect of the notes either:

- o would not be deductible on a current accrual basis, or
- o would not be deductible under any other method,

in either case in whole or in part, by us (by reason of deferral, disallowance, or otherwise) for United States federal income tax purposes.

The modification of the terms of the notes by us upon a Tax Event, as described above, may alter the timing of income recognition by holders of the notes with respect to the semi-annual payments of interest due on the notes after the Option Exercise Date.

## Events of Default

Each of the following constitutes an event of default under the indenture:

- o default in payment of the principal amount at maturity (or if the notes have been converted to Cash Pay Notes following a Tax Event, the Restated Principal Amount), redemption price, purchase price or Fundamental Change purchase price with respect to any notes when that amount becomes due and payable;
- o if additional amounts are owing due to a breach of the Registration Rights Agreement, contingent interest is payable or the notes have been converted to Cash Pay Notes following a Tax Event, the failure to pay the additional amounts or interest due within 30 days of the due date;
- o a failure to comply with any of our other agreements contained in the indenture for a period of 60 days after notice to us by the trustee or to us and the trustee by the holders of at least 25% in principal amount at maturity of the notes;
- o the occurrence of an event of default within the meaning of another mortgage, indenture or debt, instrument under which there may be issued any of our indebtedness, other than the notes, in an amount in excess of \$20,000,000 and which results in the indebtedness becoming or being declared due and payable prior to the date on which it would otherwise become due and payable, and we have not cured the default in payment or the acceleration is not rescinded or annulled in each case within 10 days after written notice to us from trustee or to us and to the trustee from the holders of at least 25% in principal amount at maturity of the notes; provided, however, that if, prior to a declaration of acceleration of the maturity of the notes or the entry of judgment in favor of the trustee in a suit pursuant to the indenture, the default has been remedied or cured by us or waived by the holders of the indebtedness, then the event of default will be deemed likewise to have been remedied, cured or waived; and
- o the occurrence of an event of bankruptcy, insolvency or reorganization with respect to us or any of our subsidiaries that meet thresholds set out in the indenture. A subsidiary meets these thresholds if:
  - o our investment in and advances to the subsidiary (including indirectly through other subsidiaries) exceed ten percent of our total consolidated assets as of the end of the most recent completed fiscal year;
  - o our proportionate share of the total assets (including indirectly through other subsidiaries, and after intercompany elimination) of the subsidiary exceeds ten percent of our total consolidated assets as of the end of the most recent completed fiscal year; or
  - o our equity in the income from continuing operations of the subsidiary (including indirectly through other subsidiaries), calculated before income taxes, extraordinary items and cumulative effect of changes in accounting principles, exceeds ten percent of our total consolidated income (calculated on the same basis) as of the end of the most recent completed fiscal year.

No event of default with respect to a series of our debt securities other than the notes, except as to the occurrence of an event involving bankruptcy, insolvency or reorganization with respect to us, necessarily constitutes an event of default with respect to the notes.

In general, the indenture obligates the trustee to give notice of a default with respect to the notes to the holders of those notes. The trustee may withhold notice of a default, except a default in payment on any notes, if the trustee determines it is in the best interest of the holders of the notes to do so.

If there is a continuing event of default, the trustee or the holders of at least 25% in principal amount at maturity of the notes may require us to repay immediately the issue price of the notes plus the original issue discount on the notes accrued through the date of such declaration (or, if the notes have been converted to Cash Pay Notes, the Restated Principal Amount plus accrued and unpaid interest) on all notes. In the case of an event of default resulting from events of bankruptcy, insolvency or reorganization with respect to us (but not our subsidiaries), the issue price of the notes plus the original issue discount on the notes accrued through the date of such declaration on all notes will become immediately payable without any act on the part of the trustee or any holder of notes. The holders of a majority in principal amount at maturity of the notes may rescind our obligation to accelerate repayment and may waive past defaults if

- o all existing events of default (other than the nonpayment of the accelerated amounts) have been cured or are being waived,
- o any interest that has become due on overdue amounts (other than by virtue of acceleration) has been paid,
- o the rescission would not conflict with any judgement or decree of a competent court, and
- o all payments due the trustee have been made,

except that they may not waive:

- o a default in payment of the principal amount at maturity (or if the notes have been converted to Cash Pay Notes following a Tax Event, the Restated Principal Amount), redemption price, purchase price or Fundamental Change purchase price with respect to any notes when that amount becomes due and payable,
- o a default in the payment of additional amounts or interest due within 30 days of the due date (if additional amounts are owing due to a breach of the Registration Rights Agreement, contingent interest is payable or the notes have been converted to Cash Pay Notes following a Tax Event),
- o a default with respect to a provision of the indenture which cannot be amended without the consent of each holder affected by the amendment or
- o a default which constitutes a failure to convert any notes in accordance with its terms and the terms of the indenture.

Under the terms of the indenture, the trustee may refuse to enforce the indenture or the notes unless it first receives satisfactory security or indemnity from the holders of notes. Subject to limitations specified in the indenture, the holders of a majority in principal amount at maturity of the notes have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee.

No holder of notes has any right to institute any proceeding, judicial or otherwise, with respect to the indenture or for the appointment of a receiver or trustee, or for any other remedy under the indenture unless:

- o the holder has previously given to the trustee written notice of a continuing event of default with respect to the notes, and
- o the holders of at least 25% in principal amount at maturity of the notes have made written request, and offered indemnity reasonably satisfactory to the trustee to institute such proceeding as trustee, and the trustee has not received from the holders of a majority in principal amount of the notes a direction inconsistent with the request and has failed to institute the proceeding within 60 days.

Notwithstanding the foregoing, the holder of any notes has an absolute and unconditional right to receive payment of the principal of and interest and premium, if any, on the notes on or after the due dates expressed in the notes and to institute suit for the enforcement of any such payment.

We are required to furnish to the trustee annually a statement by some of our officers as to whether or not we, to their knowledge, are in default in the performance or observance of any of the terms, provisions and conditions of the indenture and, if so, specifying all the known defaults.

#### Modification and Waiver

The indenture permits us and the trustee to amend the indenture without the consent of the holders of notes:

- o to evidence the succession of another corporation and the assumption of our covenants under the indenture and the notes;
- o to add to our covenants or to the events of default or to make other changes which would not adversely affect in any material respect the holder of any outstanding notes;
- o to cure any ambiguity, defect or inconsistency;
- o to add or change any of the provisions of the indenture to the extent necessary to permit or facilitate the issuance of securities in bearer form;
- o to secure the securities or add guarantees with respect to any or all of the securities;
- o to establish the form or terms of securities of any series;
- o to evidence and provide for the acceptance of an appointment by a successor trustee with respect to one or more series of the securities and to change any provision of the indenture to accommodate the appointment;
- o to make any change that does not materially adversely affect the interests of the securities holders; and
- o to provide for uncertificated securities in addition to or in place of certificated securities.

The indenture also permits us and the trustee, with the consent of the holders of a majority in principal amount at maturity of the notes voting as a class, to add any provisions to or change or eliminate any of the provisions of the indenture or to modify the rights of the holders of notes, provided, however, that, without the consent of the holder of each of the notes so affected, no such amendment may:

- o reduce the principal amount at maturity, Restated Principal Amount or issue price, or extend the stated maturity, of any notes;
- o reduce the redemption price, purchase price or Fundamental Change purchase

price of any notes;

- o make any change that adversely affects the right to convert any notes;
- o except as otherwise provided in this prospectus and in the indenture, alter the manner or rate of accrual of original issue discount or interest on any notes, reduce the rate of interest upon the occurrence of a Tax Event, or extend the time for payment of original issue discount or interest, if any, on any notes;
- o reduce the amount of principal payable upon acceleration of maturity;
- o change the place of payment where, or the currency or currency unit in which, the notes are payable;
- o reduce the percentage in principal amount at maturity of affected notes the consent of whose holders is required for amendment of the indenture or for waiver of compliance with some provisions of the indenture or for waiver of some defaults;
- o change our obligation with respect to the redemption provisions of the indenture in a manner adverse to the holder; or
- o modify the provisions relating to waiver of some defaults or any of the provisions relating to amendment of the indenture except to increase the percentage required for consent or to provide that some other provisions of the indenture may not be modified or waived.

The holders of a majority in principal amount at maturity of the outstanding notes may waive compliance by us with certain restrictive provisions of the indenture. The holders of a majority in principal amount at maturity of the outstanding notes may also waive certain past defaults under the indenture. See "--Events of Default."

#### Consolidation, Merger and Sale of Assets

We may not consolidate or merge with or into any other person, including any other entity, or convey, transfer or lease all or substantially all of our properties and assets to any person or group of affiliated persons unless:

- o we are the continuing corporation or the person, if other than us, formed by such consolidation or with which or into which we are merged or the person to which all or substantially all our properties and assets are conveyed, transferred or leased is a corporation organized and existing under the laws of the United States, any of its states or the District of Columbia and expressly assumes our obligations under the notes and the indenture; and
- o immediately after giving effect to the transaction, there is no default and no event of default under the indenture.

If we consolidate with or merge into any other corporation or convey, transfer or lease all or substantially all of our property and assets as described in the preceding paragraph, the successor corporation shall succeed to and be substituted for us, and may exercise our rights and powers under the indenture, and after any such contemplated transaction, except in the case of a lease, we will be relieved of all obligations and covenants under the indenture and the notes.

Although these types of transactions are permitted under the indenture, certain of the foregoing transactions occurring on or prior to December 14, 2006 could constitute a Fundamental Change (as defined below in "--Fundamental Change Permits Holders to Require Us to Purchase Notes") permitting each holder to require us to purchase the notes of such holder as described above.

#### Discharge of the Indenture

We may satisfy and discharge our obligations under the indenture by delivering to the trustee for cancellation all outstanding notes or by depositing with the trustee, the paying agent or the conversion agent, if applicable, after the notes have become due and payable, whether at stated maturity, or any redemption date, or any purchase date, or a Fundamental Change purchase date, or upon conversion or otherwise, cash or shares of common stock (as applicable under the terms of the indenture) sufficient to pay all of the outstanding notes and paying all other sums payable under the indenture by us. Such discharge is subject to terms contained in the indenture.

#### Limitation of Claims in Bankruptcy

If a bankruptcy proceeding is commenced in respect of us, the claim of the holder of a note is, under Title 11 of the United States Code, limited to the issue price of the note plus that portion of the original issue discount that has accreted from the date of issue to the commencement of the proceeding.

## Regarding the Trustee

The indenture provides that, except during the continuance of an event of default, the trustee will perform only those duties as are specifically set forth in the indenture. During the existence of an event of default, the trustee will exercise those rights and powers vested in it under the indenture and use the same degree of care and skill in its exercise as a prudent person would exercise under the circumstances in the conduct of that person's own affairs.

The indenture and provisions of the Trust Indenture Act that will be incorporated by reference therein upon the effectiveness of the shelf registration statement of which this prospectus is a part contain limitations on the rights of the trustee, should it become one of our creditors, to obtain payment of claims in some cases or to realize on certain property received by it in respect of any such claim as security or otherwise. The trustee is permitted to engage in other transactions with us or any of our affiliates; provided, however, that if it acquires any conflicting interest (as defined in the indenture or in the Trust Indenture Act), it must eliminate the conflict or resign.

The trustee is a lender under our credit facility and in that respect will receive repayment of amounts outstanding under the facility from the net proceeds of the offering. The trustee under the indenture is also the trustee under other indentures relating to certain of our outstanding indebtedness. The trustee and its affiliates have performed banking, investment banking, custodial and advisory services for us from time to time for which it and they have received customary fees and expenses.

## Calculations in Respect of Notes

We or our agents will be responsible for making all calculations called for under the notes. These calculations include, but are not limited to, determination of the market prices of the notes and of the common stock and amounts of interest and contingent interest, if any, on the notes. We or our agents will make all these calculations in good faith and, absent manifest error, our and their calculations will be final and binding on holders of notes. We or our agents will provide a schedule of these calculations to the trustee, and the trustee is entitled to conclusively rely upon the accuracy of these calculations without independent verification.

## Certain Definitions

Set forth below is a summary of certain of the defined terms used in the indenture. Reference is made to the indenture for the full definition of all terms used in the indenture.

"Accreted Value" means, at any date of determination:

(1) if the notes have not been converted to Cash Pay Notes, the sum of:

(x) the initial offering price of each note, plus

(y) the portion of the excess of the principal amount of each note over the initial offering price which shall have been amortized by us in accordance with GAAP through such date, on a daily basis and compounded semi-annually on each December 14 and June 14 at the rate of 1.00% per annum from December 14, 2001 through the date of determination computed on the basis of a 360-day year of twelve 30-day months, and

(2) if the notes have been converted to Cash Pay Notes, the Restated Principal Amount.

"common equity" of any person means capital stock of such person that is generally entitled to:

(1) vote in the election of directors of such person or

(2) if such person is not a corporation, vote or otherwise participate in the selection of the governing body, partners, managers or others that will control the management or policies of such person.

"common stock" means our common stock, par value \$.10 per share, as it existed on December 14, 2001 and any shares of any class or classes of our capital stock resulting from any reclassification or reclassifications thereof and which have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding-up of us and which are not subject to redemption by us; provided, however, that if at any time there is more than one resulting class, the shares of each such class then so issuable on conversion of notes shall be substantially in the proportion which the total number of shares of the class resulting from all the reclassifications bears to the total number of shares of all the classes resulting from all the reclassifications.

"Continuing Director" means a director who either was a member of our board of directors on December 14, 2001 or who becomes a director of Interpublic subsequent to that date and whose election, or nomination for election by our stockholders, is duly approved by a majority of the Continuing Directors on the board of directors of Interpublic at the time of the approval, either by a specific vote or by approval of the proxy statement issued by Interpublic on

behalf of the entire board of directors of Interpublic in which the individual is named as nominee for director.

The "Market Price" as of any date means the average of the Sale Prices of our common stock for the 20 trading-day period ending on the third business day (if the third business day prior to the applicable date is a trading day or, if not, then on the last trading day) prior to that date, appropriately adjusted to take into account the occurrence, during the period beginning on the first of such trading days during the 20 trading day period and ending on that date, of certain events with respect to our common stock that would result in an adjustment of the conversion rate.

The "Sale Price" of our common stock on any date means the closing sale price per share (or if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and the average ask prices) on that date as reported in composite transactions for the principal United States securities exchange on which our common stock is traded or, if our common stock is not listed on a United States national or regional securities exchange, as reported on the Nasdaq Stock Market.

#### Governing Law

The indenture and the notes are governed by, and construed in accordance with, the law of the State of New York.

#### Book Entry, Delivery and Form

The notes are evidenced by fully registered global notes (the "global notes"). The global notes were deposited on December 14, 2001 on behalf of The Depository Trust Company, or DTC, and registered in the name of Cede & Co., as nominee of DTC. Upon resale of the notes in accordance with the registration statement of which this prospectus forms a part, beneficial interests in the global notes will be transferred from one or more restricted global securities to one or more unrestricted global securities. Owners of beneficial interests in the notes represented by the global notes will hold their interests pursuant to the procedures and practices of DTC. As a result, beneficial interests in any such securities will be shown on, and transfers will be effected only through, records maintained by DTC and its direct and indirect participants and any such interest may not be exchanged for certificated securities, except in limited circumstances. Owners of beneficial interests must exercise any rights in respect of their interests, including any right to convert or require purchase of their interests in the notes, in accordance with the procedures and practices of DTC.

So long as Cede & Co, as nominee of DTC, is the registered owner of any notes, Cede & Co. will be considered the sole owner or holder of the notes outstanding under the indenture. Except as provided below, owners of notes will not be entitled to have notes registered in their names, will not receive or be entitled to receive physical delivery of notes in definitive form, and will not be considered the holders thereof under the indenture for any purpose, including with respect to the giving of any directions, instructions or approvals to the trustee under the indenture. As a result, the ability of a person having a beneficial interest in notes represented by the global notes to pledge the interest to persons or entities that do not participate in DTC's system or to otherwise take actions in respect of the interest may be affected by the lack of a physical certificate evidencing the interest. You should be aware that the laws of some states require that certain persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer the notes may be limited.

DTC is a limited-purpose trust company which was created to hold securities for its participating organizations (collectively, the "Participants") and to facilitate the clearance and settlement of transactions in those securities between Participants through electronic book-entry changes in accounts of its Participants. Participants include securities brokers and dealers (including the Initial Purchasers), banks and trust companies, clearing corporations and certain other organizations. Access to DTC's system is also available to other entities such as banks, brokers, dealers and trust companies (collectively, the "Indirect Participants") that clear through or maintain a custodial relationship with a participant, either directly or indirectly. Persons who are not Participants may beneficially own securities held by or on behalf of DTC only through Participants or Indirect Participants.

Neither we nor the trustee, the paying agent or the registrar for the notes will have any responsibility or liability for any aspect of the records relating to or payments made on account of notes by DTC, or for maintaining, supervising or reviewing any records of DTC relating to those notes.

Payments in respect of the principal, premium, if any, and interest on any notes registered in the name of Cede & Co. on the applicable record date will be payable by the trustee to or at the direction of Cede & Co. in its capacity as the registered holder under the indenture. Under the terms of the indenture, we and the trustee may treat the persons in whose names the notes, including the global notes, are registered as the owners thereof for the purpose of receiving the payments and for any and all other purposes whatsoever. Consequently, neither we nor the trustee has or will have any responsibility or liability for the payment of the amounts to beneficial owners of notes (including principal, premium, if any, and interest).

We believe, however, that it is currently the policy of DTC to immediately credit the accounts of the relevant Participants with the payment,



in amounts proportionate to their respective holdings in principal amount at maturity of beneficial interests in the relevant security as shown on the records of DTC. Payments by DTC's Participants and Indirect Participants to the beneficial owners of notes will be governed by standing instructions and customary practice and will be the responsibility of DTC's Participants or Indirect Participants.

As long as the notes are represented by one or more global notes, DTC's nominee will be the holder of the notes and therefore will be the only entity that can exercise a right to repayment or repurchase of the notes. See "Purchase of Notes at the Option of the Holder," and "Fundamental Change Permits Holders to Require Us to Purchase Notes." Notice by Participants or Indirect Participants or by owners of beneficial interests in a global note held through the Participants or Indirect Participants of the exercise of the option to require purchase or conversion of beneficial interests in notes represented by a global note must be transmitted to DTC in accordance with its procedures on a form required by DTC and provided to Participants. In order to ensure that DTC's nominee will timely exercise a right to purchase or conversion with respect to particular notes, the beneficial owner of the notes must instruct the broker or the Participant or Indirect Participant through which it holds an interest in the notes to notify DTC of its desire to exercise a right to purchase or conversion. Different firms have cut-off times for accepting instructions from their customers and, accordingly, each beneficial owner should consult the broker or other Participant or Indirect Participant through which it holds an interest in notes in order to ascertain the cut-off time by which such an instruction must be given in order for timely notice to be delivered to DTC. We will not be liable for any delay in delivery of notices of the exercise of the option to elect purchase or conversion.

If DTC is at any time unwilling to continue as depository and a successor depository is not appointed by us within 90 days, we will issue definitive notes in exchange for the global notes.

#### Same-Day Settlement and Payment

The indenture requires that payments in respect of the notes (including principal, premium, if any, and interest) be made by wire transfer of immediately available funds to the accounts specified by Cede & Co.

#### Transfer and Exchange

A holder may transfer or exchange the notes in accordance with the procedures set forth in the indenture. The registrar may require a holder, among other things, to furnish appropriate endorsements and transfer documents, and to pay any taxes and fees required by law or permitted by the indenture. The registrar for the notes is not required to transfer or exchange any notes selected for redemption. Also, the registrar is not required to transfer or exchange any notes for a period of 15 days before a selection of the notes to be redeemed.

The registered holder of a note will be treated as the owner of it for all purposes.

### DESCRIPTION OF COMMON STOCK

#### General

The Interpublic Group of Companies, Inc. is incorporated in the State of Delaware. The terms of our common stock are therefore subject to Delaware law, including the Delaware General Corporation Law and the common and constitutional law of Delaware. Our certificate of incorporation and by-laws are filed as exhibits to the registration statement of which this prospectus forms a part and we encourage you to read them.

We are authorized to issue up to 550 million shares of common stock with a par value of \$0.10 per share. As of December 31, 2001, there were 378,500,000 shares of common stock outstanding. Our common stock is traded on the New York Stock Exchange under the symbol "IPG."

#### Voting Rights

Each share of common stock is entitled to one vote, and a majority of the votes cast with respect to a matter will be sufficient to authorize action upon that matter. Directors are elected by a majority of the votes cast. Stockholders do not have the right to cumulate their votes in the election of directors. For that reason, holders of a majority of the shares of common stock entitled to vote in any election of directors may elect all of the directors standing for election.

#### No Preemptive or Conversion Rights

Our common stock will not entitle its holders to any preemptive, redemption, conversion or other subscription rights.

#### Assets Upon Dissolution

In the event of liquidation, holders of common stock would be entitled to receive proportionately any assets legally available for distribution to our shareholders with respect to shares held by them, subject to any prior or equal

rights of any of our preferred stock then outstanding.

## Distributions

Holders of common stock will be entitled to receive ratably the dividends or distributions that our board of directors may declare out of funds legally available for these payments. The payment of distributions by us is subject to the restrictions of Delaware law applicable to the declaration of distributions by a corporation. Under Delaware law, a corporation may not pay a dividend out of net profits if the capital stock of the corporation is less than the stated amount of capital represented by the issued and outstanding stock of all classes having a preference upon the distribution of the corporation's assets. In addition, the payment of distributions to shareholders is subject to any prior or equal rights of outstanding preferred stock.

## UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

### General

This is a summary of the United States federal income tax consequences relevant to holders of notes, and where noted, the common stock issuable upon a conversion of the notes. This summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a particular investor, including tax considerations that arise from rules of general application to all taxpayers or to certain classes of investors or that are generally assumed to be known by investors. All references to "holders" (including U.S. Holders and Non-U.S. Holders) are to beneficial owners of notes. The discussion below deals only with notes held as capital assets and does not purport to deal with persons in special tax situations, including, for example, financial institutions, insurance companies, regulated investment companies, dealers in securities or currencies, tax exempt entities, persons holding notes in a tax-deferred or tax-advantaged account, or persons holding notes as a hedge against currency risks, as a position in a "straddle" or as part of a "hedging" or "conversion" transaction for tax purposes.

Except where specifically indicated below, we do not address all of the tax consequences that may be relevant to a holder. In particular, we do not address:

- o the United States federal income tax consequences to shareholders in, or partners or beneficiaries of, an entity that is a holder of notes;
- o the United States federal estate, gift or alternative minimum tax consequences of the purchase, ownership or disposition of notes;
- o persons who hold the notes whose functional currency is not the United States dollar;
- o any state, local or foreign tax consequences of the purchase, ownership or disposition of notes; or
- o any federal, state, local or foreign tax consequences of owning or disposing of the common stock.

Persons considering the purchase of notes should consult their own tax advisors concerning the application of the United States federal income tax laws to their particular situations as well as any consequences of the purchase, ownership and disposition of the notes arising under the laws of any other taxing jurisdiction.

This summary is based upon laws, regulations, rulings and decisions now in effect all of which are subject to change (including retroactive changes in effective dates) or possible differing interpretations. No statutory, administrative or judicial authority directly addresses the treatment of the notes or instruments similar to the notes for United States federal income tax purposes. No rulings have been sought or are expected to be sought from the Internal Revenue Service (which we refer to as the IRS) with respect to any of the United States federal income tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions. As a result, no assurance can be given that the IRS will agree with the tax characterizations and the tax consequences described below.

We urge prospective investors to consult their own tax advisors with respect to the tax consequences to them of the purchase, ownership and disposition of the notes and the common stock in light of their own particular circumstances, including the tax consequences under state, local, foreign and other tax laws and the possible effects of changes in United States federal or other tax laws.

### Classification of the Notes

We have been advised by our counsel, Cleary, Gottlieb, Steen & Hamilton, that the notes will be treated as indebtedness for United States federal income tax purposes and that the notes will be subject to the special regulations governing contingent payment debt instruments (which we refer to as the CPDI regulations). Moreover, pursuant to the terms of the indenture, we and

each holder of notes agree, for United States federal income tax purposes, to treat the notes as debt instruments that are subject to the CPDI regulations with a "Comparable Yield" calculated in the manner described below.

## U.S. Holders

The following discussion is a summary of United States federal income tax consequences that will apply to you if you are a citizen or resident of the United States or a domestic corporation or a person who is otherwise subject to United States federal income tax on a net income basis in respect of the notes (a "U.S. Holder").

### Accrual of Interest on the Notes

Pursuant to the CPDI regulations, U.S. Holders of notes are required to accrue interest income on notes, in the amounts described below, regardless of whether the U.S. Holder uses the cash or accrual method of tax accounting. Accordingly, U.S. Holders may be required to include interest in taxable income in each year in excess of the accruals on the notes for non-tax purposes and in excess of any contingent interest payments actually received in that year.

The CPDI regulations provide that a U.S. Holder must accrue an amount of ordinary interest income, as original issue discount for United States federal income tax purposes, for each accrual period prior to and including the maturity date of the notes that equals:

- (1) the product of (i) the adjusted issue price (as defined below) of the notes as of the beginning of the accrual period; and (ii) the Comparable Yield to maturity (as defined below) of the notes, adjusted for the length of the accrual period;
- (2) divided by the number of days in the accrual period; and
- (3) multiplied by the number of days during the accrual period that the U.S. Holder held the notes.

The issue price of the notes is the first price at which a substantial amount of the notes was sold to the public, excluding sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers. The adjusted issue price of a note is its issue price increased by any interest income previously accrued, determined without regard to any adjustments to interest accruals described below, and decreased by the projected amount of any payments previously made with respect to the notes.

The term "Comparable Yield" means the annual yield we would pay, as of the initial issue date (December 14, 2001), on a fixed-rate nonconvertible debt security with no contingent payments, but with terms and conditions otherwise comparable to those of the notes. We have determined that the Comparable Yield for the notes is an annual rate of 7.45%, compounded semiannually.

The CPDI regulations require that we provide to U.S. Holders, solely for United States federal income tax purposes, a schedule of the projected amounts of payments, which we refer to as projected payments, on the notes. These payments set forth on the schedule must produce total return on the notes equal to the Comparable Yield. The projected payment schedule includes estimates for certain contingent interest payments and an estimate for a payment at maturity taking into account the fair market value of the common stock that might be paid upon a conversion of the notes.

Pursuant to the terms of the indenture, each holder of notes has agreed to use the Comparable Yield and the schedule of projected payments as described above in determining its interest accruals, and the adjustments thereto described below, in respect of the notes. This Comparable Yield and the schedule of projected payments will be set forth in the indenture. You may also obtain the projected payment schedule by submitting a written request for the information to the address set forth under "Where You Can Find More Information."

The Comparable Yield and the schedule of projected payments are not determined for any purpose other than for the determination of a holder's interest accruals and adjustments thereof in respect of the notes for United States federal income tax purposes and do not constitute a projection or representation regarding the actual amounts payable on the notes.

Amounts treated as interest under the CPDI regulations are treated as original issue discount for all purposes of the Code.

### Adjustments to Interest Accruals on the Notes

If, during any taxable year, a U.S. Holder receives actual payments with respect to the notes that in the aggregate exceed the total amount of projected payments for that taxable year, the U.S. Holder will incur a "net positive adjustment" under the CPDI regulations equal to the amount of the excess. The U.S. Holder will treat a "net positive adjustment" as additional interest income. For this purpose, the payments in a taxable year include the fair market value of our common stock received in that year.

If a U.S. Holder receives in a taxable year actual payments with respect to the notes that in the aggregate were less than the amount of projected payments for that taxable year, the U.S. Holder will incur a "net negative adjustment" under the CPDI regulations equal to the amount of the deficit. This adjustment will (a) reduce the U.S. Holder's interest income on the notes for that taxable year, and (b) to the extent of any excess after the application of (a), give rise to an ordinary loss to the extent of the U.S. Holder's interest income on the notes during prior taxable years, reduced to the extent that the interest was offset by prior net negative adjustments. Any negative adjustment in excess of the amount described in (a) and (b) will be carried forward, as a negative adjustment to offset future interest income in respect of the notes or to reduce the amount realized on a sale, exchange or retirement of the notes.

#### Sale, Exchange, Conversion or Redemption

Upon the sale or exchange of a note, or the redemption of a note for cash, a U.S. Holder generally will recognize gain or loss. As described above, our calculation of the Comparable Yield and the schedule of projected payments for the notes includes the receipt of stock upon conversion as a contingent payment with respect to the notes. Accordingly, we intend to treat the receipt of our common stock by a U.S. Holder upon the conversion of a note, or upon the redemption of a note where we elect to pay in common stock, as a payment under the CPDI regulations. As described above, holders have agreed to be bound by our determination of the Comparable Yield and the schedule of projected payments.

The amount of gain or loss on a taxable sale, exchange, conversion or redemption will be equal to the difference between (a) the amount of cash plus the fair market value of any other property received by the U.S. Holder, including the fair market value of any of our common stock received, and (b) the U.S. Holder's adjusted tax basis in the note. A U.S. Holder's adjusted tax basis in a note will generally be equal to the U.S. Holder's original purchase price for the note, increased by any interest income previously accrued by the U.S. Holder (determined without regard to any adjustments to interest accruals described above), and decreased by the amount of any projected payments that have been previously scheduled to be made in respect of the note (without regard to the actual amount paid). Gain recognized upon a sale, exchange, conversion or redemption of a note will generally be treated as ordinary interest income; any loss will be ordinary loss to the extent of interest previously included in income, and as to any remainder, capital loss (which will be long-term if the note is held for more than one year). The deductibility of net capital losses is subject to limitations.

A U.S. Holder's tax basis in our common stock received upon a conversion of a note or upon a U.S. Holder's exercise of a put right that we elect to pay in common stock will equal the then current fair market value of that common stock. The U.S. Holder's holding period for the common stock received will commence on the day immediately following the date of conversion or redemption.

#### Purchasers of Notes at a price other than the adjusted issue price

If you purchase a note in the secondary market for an amount that differs from the adjusted issue price of the notes at the time of purchase, you will be required to accrue interest income on the note in accordance with the Comparable Yield even if market conditions have changed since the date of issuance. The rules for accruing bond premium, acquisition premium and market discount will not apply. Instead, you must reasonably determine whether the difference between the purchase price for a note and the adjusted issue price of a note is attributable to a change in expectations as to the contingent amounts potentially payable in respect of the notes, a change in interest rates since the notes were issued, or both, and reasonably allocate the difference accordingly.

If the purchase price of a note is less than its adjusted issue price, a positive adjustment will result, increasing the amount of interest that you would otherwise accrue and include in income each year, and the amount of ordinary income (or decreasing the amount of ordinary loss) recognized upon redemption or maturity by the amounts allocated to each of interest and projected payment schedule. If the purchase price is more than the adjusted issue price of a note, a negative adjustment will result, decreasing the amount of interest that you must include in income each year, and the amount of ordinary income (or increasing the amount of ordinary loss) recognized upon redemption or maturity by the amounts allocated to each of interest and projected payment schedule. To the extent that an adjustment is attributable to a change in interest rates, it must be reasonably allocated to the daily portions of interest over the remaining term of the notes. Any positive or negative adjustment that you are required to make if you purchase your notes at a price other than the adjusted issue price will increase or decrease, respectively, your tax basis in the notes.

Certain United States holders will receive Forms 1099-OID reporting interest accruals on their notes. Those forms will not, however, reflect the effect of any positive or negative adjustments resulting from your purchase of a note in the secondary market at a price that differs from its adjusted issue price on the date of purchase. You are urged to consult your tax advisor as to whether, and how, the adjustments should be made to the amounts reported on any Form 1099-OID.

#### Constructive Dividends

If at any time we were to make a distribution of property to our stockholders that would be taxable to the stockholders as a dividend for United States federal income tax purposes and, in accordance with the anti-dilution provisions of the notes, the conversion rate of the notes is increased, such increase might be deemed to be the payment of a taxable dividend to holders of the notes.

For example, an increase in the conversion rate in the event of distributions of our evidences of indebtedness or our assets or an increase in the event of an extraordinary cash dividend would generally result in deemed dividend treatment to holders of the notes, but generally an increase in the event of stock dividends or the distribution of rights to subscribe for common stock will not.

#### Tax Event

The modification of the terms of the notes by us upon a Tax Event as described in "Description of Notes--Optional Conversion to Semiannual Cash Pay Upon Tax Event," could possibly alter the timing and amount of income recognition by the holders with respect to the semiannual payments of interest due after the option exercise date.

#### Backup Withholding Tax and Information Reporting

Payments of principal, premium, if any, and interest (including original issue discount) on, and the proceeds of dispositions of, the notes may be subject to information reporting and United States federal backup withholding tax if the U.S. Holder thereof fails to supply an accurate taxpayer identification number or otherwise fails to comply with applicable United States information reporting or certification requirements. Any amounts so withheld will be allowed as a credit against the U.S. Holder's United States federal income tax liability.

#### Non-U.S. Holders

The following is a summary of United States federal tax consequences that will apply to you if you are a Non-U.S. Holder of the notes or shares of common stock. The term "Non-U.S. Holder" means a beneficial owner of a note that is not a U.S. Holder.

Non-U.S. Holders should consult their own tax advisors to determine the United States federal, state, local and foreign tax consequences that may be relevant to them.

#### Payments with respect to the Notes

Payments of contingent interest made to Non-U.S. Holders that are based on the cash dividends paid by us will not be exempt from United States federal income or withholding tax and, therefore, Non-U.S. Holders will be subject to withholding on the payments of contingent interest at a rate of 30%, subject to reduction by an applicable treaty or upon the receipt of a Form W-8ECI (or successor form) from a Non-U.S. Holder claiming that the payments are effectively connected with the conduct of a United States trade or business (or, where a tax treaty applies, are attributable to a United States permanent establishment).

All other payments on the notes made to a Non-U.S. Holder, including a payment in common stock pursuant to a conversion, and any gain realized on a sale or exchange of the notes (other than gain attributable to accrued contingent interest payments), will be exempt from United States income or withholding tax, provided that:

- (i) the Non-U.S. Holder does not own, actually or constructively, 10 percent or more of the total combined voting power of all classes of our stock entitled to vote, and is not a controlled foreign corporation related, directly or indirectly, to us through stock ownership;
- (ii) the beneficial owner of a note certifies on IRS Form W-8BEN (or successor form), under penalties of perjury, that it is not a United States person and provides its name and address or otherwise satisfies applicable documentation requirements;
- (iii) the payments and gain are not effectively connected with the conduct by the Non-U.S. Holder of a trade or business in the United States, and
- (iv) the notes and common stock are actively traded within the meaning of section 871(h)(4)(C)(v)(1) of the Code (which, for these purposes and subject to certain exceptions, includes trading on the NYSE).

If a Non-U.S. Holder of the notes is engaged in a trade or business in the United States, and if interest on the notes is effectively connected with the conduct of that trade or business, the Non-U.S. Holder, although exempt from the withholding tax discussed in the preceding paragraphs, will generally be subject to regular United States federal income tax on interest and on any gain

realized on the sale, exchange, conversion or redemption of the notes in the same manner as if it were a U.S. Holder. In lieu of the certificate described in the preceding paragraph, such a Non-U.S. Holder will be required to provide to the withholding agent a properly executed IRS Form W-8ECI (or successor form) in order to claim an exemption from withholding tax. In addition, if such a Non-U.S. Holder is a foreign corporation, the Holder may be subject to a branch profits tax equal to 30% (or a lower rate provided by an applicable treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments.

#### Payments on Common Stock and constructive dividends

Any dividends paid to you with respect to the shares of common stock (and any deemed dividends resulting from certain adjustments, or failure to make adjustments, to the number of shares of common stock to be issued upon conversion, see "Constructive Dividends" above) will be subject to withholding tax at a 30% rate or a lower rate as may be specified by an applicable income tax treaty. However, dividends that are effectively connected with the conduct of a trade or business within the United States and, where a tax treaty applies, are attributable to a United States permanent establishment, are not subject to the withholding tax, but instead are subject to United States federal income tax on a net income basis applicable graduated individual or corporate rates. Certain certification and disclosure requirements must be complied with in order for effectively connected income to be exempt from withholding tax. Any such effectively connected dividends received by a foreign corporation may, under certain circumstances, be subject to an additional "branch profits tax" at a 30% rate or a lower rate as may be specified by an applicable income tax treaty.

#### Sale, Exchange or Redemption of Shares of Common Stock

Any gain realized upon the sale, exchange, or redemption of a share of common stock generally will not be subject to United States federal income tax unless:

- o That gain is effectively connected with the conduct of a trade or business in the United States by you, or
- o You are an individual who is present in the United States for 183 days or more in the taxable year of that disposition and certain other conditions are met.

#### United States Federal Estate Tax

Notes held by a Non-U.S. Holder individual at the time of death will not be includible in the decedent's taxable estate for United States federal estate tax purposes (except to the extent a portion of the value of the notes is appropriately attributable to payments on the notes that are based on our dividends), provided that the holder or beneficial owner did not at the time of death actually or constructively own 10% or more of the combined voting power of all of our classes of stock entitled to vote, and provided that, at the time of death, payments with respect to the notes (including original issue discount) would not have been effectively connected with the conduct by the holder of a trade or business within the United States. If you are an individual, your common stock will be subject to United States estate tax when you die unless you are entitled to the benefits of an estate tax treaty.

#### Backup Withholding Tax and Information Reporting

In general, if you are a Non-U.S. Holder you will not be subject to backup withholding and information reporting with respect to payments made by us with respect to the notes if you have provided us with an IRS Form W-8BEN described above and we do not have actual knowledge or reason to know that you are a U.S. person. In addition, no backup withholding will be required regarding the proceeds of the sale of notes made within the United States or conducted through certain United States financial intermediaries if the payor receives the statement described above and does not have actual knowledge or reason to know that you are a United States person or you otherwise establish an exemption.

#### Selling Securityholders

The notes were originally issued by us and sold to Salomon Smith Barney Inc., J.P. Morgan Securities Inc., HSBC Securities (USA) Inc., Morgan Stanley & Co. Incorporated, Barclays Capital, Inc., Robertson Stephens, Inc. and SunTrust Capital Markets, Inc. (the "Initial Purchasers") and resold by the Initial Purchasers in transactions exempt from the registration requirements of the Securities Act to persons reasonably believed by the Initial Purchasers to be "qualified institutional buyers" as defined by Rule 144A under the Securities Act and outside the United States to non-United States persons in accordance with Regulation S under the Securities Act. The selling securityholders, including their transferees, pledgees, donees, assignees or successors, may from time to time offer and sell pursuant to this prospectus any or all of the notes listed below and the shares of common stock issued upon conversion of the notes.

Selling securityholders may be deemed to be "underwriters" as defined in the Securities Act of 1933, as amended. Any profits realized by the selling securityholders may be deemed to be underwriting commissions.

The table below sets forth the name of each selling securityholder, the

principal amount at maturity of notes that each selling securityholder may offer pursuant to this prospectus and the number of shares of common stock into which those notes are convertible. Unless set forth below, to the best of our knowledge, none of the selling securityholders has, or within the past three years has had, any material relationship with us or any of our predecessors or affiliates or beneficially owns in excess of 1% of our outstanding common stock.

We have prepared the table below based on information given to us by the selling securityholders on or prior to April 5, 2002. However, any or all of the notes or shares of common stock listed below may be offered for sale pursuant to this prospectus by the selling securityholders from time to time. Accordingly, no estimate can be given as to the amounts of notes or shares of common stock that will be held by the selling securityholders upon consummation of any sales. In addition, the selling securityholders listed in the table below may have acquired, sold or transferred, in transactions exempt from the registration requirements of the Securities Act, some or all of their notes since the date as of which the information in the table is presented.

Information about the selling securityholders may change over time. Any changed information will be set forth in prospectus supplements to this prospectus. From time to time, additional information concerning ownership of the notes and shares of common stock may rest with certain holders of the notes not named in the table below and of whom we are unaware.

Name	Aggregate Principal Amount at Maturity of Notes That May be Sold	Percentage of Notes Outstanding	Number of Shares of Common Stock That May be Sold(1)	Percentage of Common Stock Outstanding(2)
Absolute Return Fund Ltd.	95,000	*	2,167	*
Afra Health Fund	375,000	*	8,556	*
Aid Association for Lutherans, as successor to Lutheran Brotherhood	3,000,000	*	68,444	*
Akela Capital Master Fund, Ltd.	2,000,000	*	45,629	*
Aloha Airlines Non-Pilots Pension Trust	115,000	*	2,635	*
Aloha Pilots Retirement Trust	65,000	*	1,483	*
Argent LoeLev Convertible Arbitrage Fund, LLC	1,000,000	*	22,815	*
Argent Convertible Arbitrage Fund Ltd.	10,000,000	1.42%	228,147	*
Aristeia International Limited	15,600,000	2.22%	355,909	*
Aristeia Trading, LLC	4,400,000	*	100,385	*
Bank Austria Cayman Islands, Ltd.	1,000,000	*	22,815	*
BNP Paribas	42,000,000	5.98%	958,217	*
C & H Sugar Company, Inc.	155,000	*	3,536	*
CFFX, LLC	5,000,000	*	114,074	*
Chrysler Corporation Master Retirement Trust	4,980,000	*	113,617	*
CSFB Convertible and Quantitative Strategies, Ltd.	1,500,000	*	34,222	*
Delta Air Lines Master Trust (c/o Oaktree Capital Management, LLC)	1,280,000	*	29,203	*
Delta Pilots D&S Trust (c/o Oaktree Capital Management LLC)	625,000	*	14,259	*
Deutsche Banc Alex Brown Inc.	57,500,000	8.19%	1,311,845	*
Drury University	45,000	*	1,027	*
First Union Securities Inc.	25,000,000	3.56%	570,368	*
Gaia Offshore Master Fund Ltd.	10,800,000	1.54%	246,399	*
GDO Equity Arbitrage Master Fund	9,000,000	1.28%	205,332	*
Global Bermuda Limited Partnership	2,000,000	*	45,629	*
Goldman Sachs and Company	8,750,000	1.25%	199,629	*
Goldman, Sachs & Co. Profit Sharing Master Trust	109,000	*	2,487	*
Hawaiian Airlines Employees Pension Plan-IAM	50,000	*	1,141	*
Hawaiian Airlines Pension Plan for Salaried Employees	10,000	*	228	*
Hawaiian Airlines Pilots Retirement Plan	100,000	*	2,281	*
HFR TQA Master Trust	250,000	*	5,704	*
Highbridge International LLC	26,750,000	3.81%	610,293	*
Innovest Finanzdienstleistungs AG	600,000	*	13,688	*
JMG Convertible Investments, LP	1,500,000	*	34,222	*
JMG Triton Offshore Fund, Ltd.	1,500,000	*	34,222	*
KBC Financial Products USA Inc.	1,750,000	*	39,926	*
Lakeshore International, Ltd.	8,000,000	1.14%	182,518	*
LDG Limited	500,000	*	11,407	*
Lexington (IMA) Limited	893,000	*	20,374	*

Lyxor Master Fund	1,700,000	*	38,785	*
Lyxor Master Fund Ref: Argent/LowLev CB	1,000,000	*	22,815	*
Mainstay Convertible Fund	4,920,000	*	112,248	*
Mainstay VP Convertible Portfolio	1,500,000	*	34,222	*
Microsoft Corporation	1,635,000	*	37,302	*
Motion Picture Industry Health Plan-Active Member Fund	390,000	*	8,898	*
Motion Picture Industry Health Plan-Retiree Member Fund	185,000	*	4,221	*
New York Life Insurance Company	7,545,000	1.07%	172,137	*
New York Life Separate Account #7	660,000	*	15,058	*
NHS Services (Cayman) Inc.	35,000,000	4.99%	798,515	*
OCM Convertible Trust	2,750,000	*	62,740	*
OZ Convertible Master Fund, Ltd.	1,186,000	*	27,058	*
OZ Mac 13 Ltd.	99,000	*	2,239	*
OZ Master Fund, Ltd.	23,118,000	3.29%	527,430	*
Partner Reinsurance Company Ltd.	675,000	*	15,400	*
Qwest Occupational Health Trust	120,000	*	2,738	*
RCG Halifax Master Fund, Ltd.	500,000	*	11,407	*
RCG Latitude Master Fund Ltd.	2,500,000	*	57,037	*
RCG Multi Strategy, LP	1,000,000	*	22,814	*
S.A.C. Capital Associates, LLC	22,750,000	3.24%	519,034	*
San Diego County Employees Retirement Association	700,000	*	15,970	*
Southern Farm Bureau Life Insurance	900,000	*	20,533	*
Starvest Managed Portfolio	70,000	*	1,597	*
State Employee's Retirement Fund of the State of Delaware	1,860,000	*	42,435	*
State of Florida Division of Treasury	3,250,000	*	74,147	*
State of Oregon/SAIF Corporation	3,700,000	*	84,414	*
Teachers Insurance and Annuity Association	12,000,000	1.71%	273,776	*
TQA Master Fund, Ltd.	5,250,000	*	119,777	*
TQA Master Plus Fund, Ltd.	3,000,000	*	68,444	*
Tribeca Investments L.L.C.	12,500,000	1.78%	285,184	*
UFJ Investments Asia Ltd.	9,000,000	*	205,332	*
Wilmington Trust Company as Owner Trustee for the Forrestal Funding Master Trust	64,810,000	9.23%	1,478,621	*
Wolverine Trading LP	9,000,000	1.28%	205,332	*
Zazove Hedged Convertible Fund L.P.	1,500,000	*	34,222	*
Zurich Institutional Benchmark Master Fund Limited	250,000	*	5,704	*
Zurich Institutional Benchmarks Master Fund Ltd.	800,000	*	18,252	*
All other holders of notes or future transferees, pledgees, donees, assignees or successors of any holders(3) (4)	215,840,000	30.8	4,924,316	1.30
Total.....	701,960,000	100	16,015,006	4.23
	=====	=====	=====	=====

\* Less than one percent (1%).

(1) Assumes conversion of all of the holder's notes at a conversion rate of 22.8147 shares of common stock per \$1,000 principal amount at maturity of the notes. This conversion rate is subject to adjustment, however, as described under "Description of the Notes--Conversion rights." As a result, the number of shares of common stock issuable upon conversion of the notes may increase or decrease in the future.

(2) Calculated based on Rule 13d-3(d)(1)(i) of the Exchange Act, using 378,500,000 shares of common stock outstanding as of December 31, 2001. In calculating this amount for each holder, we treated as outstanding the number of shares of common stock issuable upon conversion of all of that holder's notes, but we did not assume conversion of any other holder's notes.

(3) Information about other selling securityholders will be set forth in prospectus supplements, if required.

(4) Assumes that any other holders of notes, or any future pledgees, donees, assignees, transferees or successors of or from any other holders of notes, do not beneficially own any shares of common stock other than the common stock issuable upon conversion of the notes at the initial conversion rate.



We are registering the notes and shares of common stock covered by this prospectus to permit holders to conduct public secondary trading of these securities from time to time after the date of this prospectus. We have agreed, among other things, to bear all expenses, other than underwriting discounts and selling commissions, in connection with the registration and sale of the notes and the shares of common stock covered by this prospectus.

We will not receive any of the proceeds from the offering of notes or the shares of common stock by the selling securityholders. We have been advised by the selling securityholders that the selling securityholders may sell all or a portion of the notes and shares of common stock beneficially owned by them and offered hereby from time to time:

- o directly; or
- o through underwriters, broker-dealers or agents, who may receive compensation in the form of underwriting discounts or commissions or agent's commissions from the selling securityholders or from the purchasers of the notes and common stock for whom they may act as agent.

The notes and the common stock may be sold from time to time in one or more transactions at:

- o fixed prices;
- o prevailing market prices at the time of sale;
- o varying prices determined at the time of sale; or
- o negotiated prices.

These prices will be determined by the holders of the securities or by agreement between these holders and underwriters or dealers who may receive fees or commissions in connection with the sale. The aggregate proceeds to the selling securityholders from the sale of the notes or shares of common stock offered by them hereby will be the purchase price of the notes or shares of common stock less discounts and commissions, if any.

The sales described in the preceding paragraph may be effected in transactions:

- o on any national securities exchange or quotation service on which the notes and common stock may be listed or quoted at the time of sale, including the NYSE in the case of the common stock;
- o in the over-the-counter market; or
- o through the writing of options.

These transactions may include block transactions or crosses. Crosses are transactions in which the same broker acts as an agent on both sides of the trade.

In connection with the sales of the notes and the shares of common stock or otherwise, the selling securityholders may enter into hedging transactions with broker-dealers, which may in turn engage in short sales of the notes and the shares of common stock, short and deliver notes and the shares of common stock to close out the short positions, or loan or pledge notes and the shares of common stock to broker-dealers that in turn may sell the notes and the shares of common stock.

To our knowledge, there are currently no plans, arrangements or understandings between any selling securityholders and any underwriter, broker-dealer or agent regarding the sale of the notes and the shares of common stock by the selling securityholders. Selling securityholders may not sell any, or may not sell all, of the notes and the shares of common stock offered by them pursuant to this prospectus. In addition, we cannot assure you that a selling securityholder will not transfer, devise or gift the notes and the shares of common stock by other means not described in this prospectus. In addition, any securities covered by this prospectus which qualify for sale pursuant to Rule 144 or Rule 144A of the Securities Act may be sold under Rule 144 or Rule 144A rather than pursuant to this prospectus.

The outstanding shares of common stock are listed for trading on the NYSE under the symbol "IPG."

The selling securityholders and any broker and any broker-dealers, agents or underwriters that participate with the selling securityholders in the distribution of the notes or the shares of common stock may be deemed to be "underwriters" within the meaning of the Securities Act. In this case, any commissions received by these broker-dealers, agents or underwriters and any profit on the resale of the notes or the shares of common stock purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act. In addition, any profits realized by the selling securityholders may be deemed to be underwriting commissions.

The notes were issued and sold in December 2001 in transactions exempt

from the registration requirements of the Securities Act to persons reasonably believed by the Initial Purchasers to be "qualified institutional buyers," as defined by Rule 144A under the Securities Act, and outside the United States to non-United States persons in accordance with Regulation S under the Securities Act. We have agreed to indemnify each selling securityholder (including the Initial Purchasers), and each selling securityholder's directors, officers, employees, representatives, agents, and each person, if any, who controls that selling securityholder within the meaning of either the Securities Act or the Exchange Act, and each selling securityholder (including the Initial Purchasers) has agreed to indemnify us, our directors, officers, employees, representatives, agents, and each person, if any, who controls us within the meaning of either the Securities Act or the Exchange Act, against specified liabilities arising under the Securities Act, the Exchange Act or other applicable law.

The selling securityholders and any other person participating in a distribution will be subject to the Exchange Act. The Exchange Act rules include, without limitation, Regulation M, which may limit the timing of purchases and sales of any of the notes and the underlying shares of common stock by the selling securityholders and any such other person. In addition, Regulation M of the Exchange Act may restrict the ability of any person engaged in the distribution of the notes and the underlying shares of common stock to engage in market-making activities with respect to the particular notes and the underlying shares of common stock being distributed for a period of up to five business days prior to the commencement of the distribution. This may affect the marketability of the notes and the underlying shares of common stock and the ability of any person or entity to engage in market-making activities with respect to the notes and the underlying shares of common stock.

We will use our reasonable efforts to keep the registration statement of which this prospectus is a part effective until the earliest of:

- o the time when the notes and the underlying shares of common stock can be sold pursuant to Rule 144 under the Securities Act or any successor provision;
- o the expiration of the holding period applicable to the notes and the underlying shares of common stock held by persons that are not our affiliates under Rule 144(k) under the Securities Act or any successor provision; and
- o the date on which all notes and the underlying shares of common stock are disposed of in accordance with the registration statement to which this prospectus relates.

We will be permitted to suspend the effectiveness of the shelf registration statement and the use of this prospectus during specified periods (not to exceed 120 days in the aggregate in any 12 month period) in specified circumstances, including circumstances relating to pending corporate developments. We need not specify the nature of the event giving rise to a suspension in any notice to holders of the notes of the existence of such a suspension. In these cases, we may prohibit offers and sales of notes and shares of common stock pursuant to the registration statement to which this prospectus relates.

VALIDITY OF SECURITIES

The validity of the notes offered hereby and the shares of common stock issuable upon conversion of the notes has been passed upon for Interpublic by Nicholas J. Camera, Esq., Senior Vice President, General Counsel and Secretary of Interpublic.

EXPERTS

The consolidated financial statements incorporated in this prospectus by reference to Interpublic's Annual Report on Form 10-K (Exhibit 13), except as they relate to NFO Worldwide, Inc. for the year ended December 31, 1999, Deutsch, Inc. and subsidiary and affiliates as of and for the two year period ended December 31, 2000, and True North Communications Inc. as of and for the two year period ended December 31, 2000, have been audited by PricewaterhouseCoopers LLP, independent accountants, and, insofar as they relate NFO Worldwide, Inc., Deutsch, Inc. and subsidiary and affiliates, and True North Communications Inc., by Arthur Andersen LLP, J.H. Cohn LLP, and Arthur Andersen LLP, respectively, independent accountants, whose reports thereon have been incorporated in this prospectus. The financial statements have been incorporated in reliance on the reports of these independent accountants given on the authority of these firms as experts in accounting and auditing.

GLOSSARY OF DEFINED TERMS

For your convenient reference in reading this prospectus, the definitions found in various sections of this prospectus are repeated in the glossary below. Defined terms that describe some of the more complicated aspects of the notes and have no equivalent expression in everyday speech have been capitalized to make clear that they are being used in a technical sense.

Defined Term	Definition
Accreted Value.....	At any date of determination:

(1) if the notes have not been converted to Cash Pay Notes, the sum of:

(x) the initial offering price of each note, plus

(y) the portion of the excess of the principal amount of each note over the initial offering price which shall have been amortized by us in accordance with GAAP through such date, on a daily basis and compounded semi-annually on each December 14 and June 14 at the rate of 1.00% per annum from December 14, 2001 through the date of determination computed on the basis of a 360-day year of twelve 30-day months, and

(2) if the notes have been converted to Cash Pay Notes, the Restated Principal Amount.

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Applicable Five Trading Day Period..... For purposes of determining whether contingent interest will be paid in respect of the notes during any six-month period, the five trading days ending on the second trading day immediately preceding the relevant six-month period, unless we declare a dividend for which the record date falls prior to the first day of a six-month period but the payment date falls within such six-month period, in which case the "Applicable Five Trading Day Period" means the five trading days ending on the second trading day immediately preceding the record date for that dividend.

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Average Note Price..... The average of the Note Prices for the Applicable Five Trading Day period.

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cash dividends..... All cash dividends on our common stock (whether regular, periodic, extraordinary, special, nonrecurring or otherwise) as declared by our board of directors.

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Cash Pay Notes..... The notes as they would be after exercise of our option to have cash interest accrue on the notes following a Tax Event.

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common equity..... The capital stock of any person that is generally entitled to:

(1) vote in the election of directors of such person or

(2) if such person is not a corporation, vote or otherwise participate in the selection of the governing body, partners, managers or others that will control the management or policies of such person.

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common stock..... Our common stock, par value \$.10 per share, as it existed on December 14, 2001 and any shares of any class or classes of our capital stock resulting from any reclassification or reclassifications thereof and which have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding-up of us and which are not subject to redemption by us; provided, however, that if at any time there is more than one resulting class, the shares of each such class then so issuable on conversion of notes shall be substantially in the proportion which the total number of shares of the class resulting from all the reclassifications bears to the total number of shares of all the classes resulting from all the reclassifications.

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Comparable Yield..... The annual yield we would pay, as of the initial issue date (December 14, 2001), on a fixed-rate nonconvertible debt security with no contingent payments, but with terms and conditions otherwise comparable to those of the notes.

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Continuing Director..... A director who either was a member of our board of directors on December 14, 2001 or who becomes a director of Interpublic subsequent to that date and whose election, or nomination for election by our stockholders, is duly approved by a majority of the Continuing Directors on

the board of directors of Interpublic at the time of the approval, either by a specific vote or by approval of the proxy statement issued by Interpublic on behalf of the entire board of directors of Interpublic in which the individual is named as nominee for director.

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Fundamental Change.....

Whenever any of the following has occurred at any time after the original issuance of the notes:

- o A "person" or "group" within the meaning of Section 13(d) of the Exchange Act (other than us, our subsidiaries or our or their employee benefit plans) files a Schedule TO (or any schedule, form or report under the Exchange Act) disclosing that such person or group has become the direct or indirect ultimate "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act) of our Common Equity representing more than 50% of the voting power of our Common Equity;
- o Consummation of any share exchange, consolidation or merger of us pursuant to which our common stock will be converted into cash, securities or other property or any sale, lease or other transfer (in one transaction or a series of transactions) of all or substantially all of our consolidated assets (considered together with our subsidiaries) to any person (other than one of our subsidiaries); provided, however, that a transaction where the holders of more than 50% of all classes of our Common Equity immediately prior to such transaction own, directly or indirectly, more than 50% of all classes of Common Equity of the continuing or surviving corporation or transferee immediately after such event shall not be a Fundamental Change; or
- o Continuing Directors cease to constitute at least a majority of our board of directors.

A Fundamental Change will not be deemed to have occurred, however, if either:

- o the Sale Price of our common stock for any five trading days within the 10 consecutive trading days ending immediately before the later of the Fundamental Change or the announcement thereof, shall equal or exceed 105% of the Accreted Value as of that date, divided by the conversion rate, or
- o at least 90% of the consideration in the transaction or transactions constituting the Fundamental Change consists of shares of common stock traded on a national securities exchange or quoted on the Nasdaq Stock Market (or which will be so traded or quoted when issued or exchanged in connection with a Fundamental Change) (these securities being referred to as "publicly traded securities") and as a result of this transaction or transactions the notes become convertible into such publicly traded securities (excluding cash payments for fractional shares).

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indenture.....

The indenture, dated as of October 20, 2000 between Interpublic Group of Companies, Inc. and the Bank of New York, as supplemented by a supplemental indenture, dated as of December 14, 2001.

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Initial Purchasers.....

Salomon Smith Barney Inc., J.P. Morgan Securities Inc., HSBC Securities (USA) Inc., Morgan Stanley & Co. Incorporated, Barclays Capital, In., Robertson Stephens, Inc. and SunTrust Capital markets, Inc., the broker dealers that acted as initial purchasers when the notes were originally issued.

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Market Price.....

As of any date, the average of the Sale Prices of our common stock for the 20 trading-day period ending on the third business day (if the third business day prior to the applicable date is a trading day or, if not, then on the last trading day) prior to that date, appropriately adjusted to take into account the occurrence, during the period beginning on the first of such trading days during the 20 trading day period and ending on that date, of certain events with respect to our common stock that

would result in an adjustment of the conversion rate.

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Non-U.S. Holder..... A beneficial owner of a note that is not a U.S. Holder.  
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Note Price..... The average of the secondary market bid quotations per note obtained by the bid solicitation agent under the indenture for \$10 million principal amount at maturity of notes at approximately 4:00 p.m., new York City time, on the determination date from three unaffiliated securities dealers we select, provided that if:  

- o at least three such bids are not obtained by the bid solicitation agent, or
- o in our reasonable judgment, the bid quotations are not indicative of the secondary market value of the notes,

then the Note Price will equal (a) the then applicable conversion rate of the notes multiplied by (b) the average Sale Price of our common stock on the five trading days ending on the determination date.  
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note..... A Zero-Coupon Convertible Senior Note Due 2021, having a principal amount at maturity of \$1,000, issued under the indenture.  
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Option Exercise Date..... The later of:  

- (1) the date upon which a Tax Event occurs or
- (2) the date upon which we exercise the option to elect to have cash interest in lieu of future original issue discount on the notes following a Tax Event.

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redemption price..... The price at which we may redeem the notes for cash at any time as a whole, or from time to time in part, which shall be equal to the Accreted Value, plus accrued and unpaid interest, if any.  
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Restated Principal Amount..... The principal amount of each note if we exercise the option to elect to have cash interest in lieu of future original issue discount accrue on the notes following a Tax Event.  
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Sale Price..... The closing sale price per share (or if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and the average ask prices) on a given date as reported in composite transactions for the principal United States securities exchange on which our common stock is traded or, if our common stock is not listed on a United States national or regional securities exchange, as reported on the Nasdaq Stock Market.  
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Tax Event..... Whenever we shall have received an opinion from independent tax counsel experienced in such matters to the effect that, on or after the date of the initial placement of the notes, as a result of:  

- o any amendment to, or change in (including any announced proposed change in), the laws, rules or regulations of the United States or any political subdivision or taxing authority thereof or therein, or
- o any official administrative pronouncement, action or judicial decision interpreting or applying those laws or regulations,

in each case which amendment or change is enacted, promulgated, issued or announced or which proposed change, pronouncement, action or decision is issued or announced, on or after the date of this prospectus, there is more than an insubstantial risk that interest (including interest calculated at the "comparable yield," original issue discount or contingent interest, if any) in respect of the notes either:  

- o would not be deductible on a current accrual basis, or
- o would not be deductible under any other

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method,

in either case in whole or in part, by us (by reason of deferral, disallowance, or otherwise) for United States federal income tax purposes.

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trustee.....	The trustee under the indenture, initially The Bank of New York.
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U.S. Holder.....	A citizen or resident of the United States or a domestic corporation or a person who is otherwise subject to United States federal income basis in respect of the notes.
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PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution

Interpublic is paying all of the selling securityholders' expenses related to this offering, except the selling securityholders will pay any applicable underwriting and broker's commissions and expenses. The following table sets forth the approximate amount of fees and expenses payable by Interpublic in connection with this registration statement and the distribution of the notes and shares of common stock registered hereby. All of the amounts shown are estimates except the SEC registration fee.

SEC registration fee.....	\$54,086
Accountant's Fees and Expenses.....	\$100,000
Attorneys' Fees and Expenses.....	\$175,000
Printing and engraving expenses.....	\$5,000
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Total.....	\$334,086
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Item 15. Indemnification of Directors and Officers.

Section 145 of Title 8 of the General Corporation Law of the State of Delaware ("GCL") gives a corporation power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding, provided that the director, officer, employee or agent acted in good faith and in a manner reasonably believed to be in or not opposed by the best interests of the corporation, and, with respect to any criminal action or proceeding, provided that the director, officer, employee or agent had no reasonable cause to believe his or her conduct was unlawful. The same Section also gives a corporation power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification shall be made in respect of any claim, issue or matter as to which the person shall have been adjudged to be liable to the corporation, unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for the expenses which the Court of Chancery or such other court shall deem proper. Section 145 of the GCL further provides that, to the extent that a director, officer, employee or agent of a corporation has been successful on the merits or otherwise in defense of any such action, suit or proceeding, or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith.

The Registrant's by-laws contain specific authority for indemnification by the Registrant of current and former directors, officers, employees or agents of the Registrant on terms that have been derived from Section 145 of Title 8 of the GCL.

Item 16. Exhibits.

The following is a list of all exhibits filed as a part of this registration statement on Form S-3, including those incorporated in this registration statement by reference.

Exhibit Number	Description of Exhibits
4.1***	Restated Certificate of Incorporation of the Registrant, as amended (incorporated by reference to Exhibit 3.1(i) to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2000 (File Number 001-06686; Film Number 1585503))
4.2***	Bylaws of the Registrant (incorporated by reference to Exhibit 3.1(ii) to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2000 (File Number 001-06686; Film Number 1585503))
4.3***	Senior Debt Indenture dated as of October 20, 2000 between the Registrant and The Bank of New York, as Trustee (incorporated by reference to Exhibit 99.1 to the Registrant's Current Report on Form 8-K dated October 24, 2000 (File Number 001-06686; Film Number 744846))
4.4*	Second Supplemental Indenture dated as of December 14, 2001 between the Registrant and The Bank of New York, as Trustee
4.5*	Form of Zero-Coupon Convertible Senior Notes Due 2021 (included in Exhibit 4.4)
4.6***	Registration Rights Agreement dated as of December 14, 2001 between the Registrant and Salomon Smith Barney Inc., as representative of the initial purchasers named therein.
5.1*	Opinion of Nicholas J. Camera, Esq., Senior Vice President, General Counsel and Secretary of the Registrant
8.1*	Opinion of Cleary, Gottlieb, Steen & Hamilton as to certain U.S. federal income tax matters
12.1*	Statement of Computation of Ratio of Earnings to Fixed Charges
23.5*	Consent of Nicholas J. Camera, Esq., Senior Vice President, General Counsel and Secretary of the Registrant (included in Exhibit 5.1)
23.6*	Consent of Cleary, Gottlieb, Steen & Hamilton (included in Exhibit 8.1)
23.7**	Consent of PricewaterhouseCoopers LLP
23.8**	Consent of Arthur Andersen LLP (with respect to NFO Worldwide, Inc.)
23.9**	Consent of Arthur Andersen LLP (with respect to True North Communications Inc.)
23.10**	Consent of J.H. Cohn LLP
24.1***	Power of Attorney
25.1***	Statement of Eligibility on Form T-1 under the Trust Indenture Act of 1939, as amended, of The Bank of New York under the Indenture

\* Filed herewith. The version of this exhibit filed with this amendment replaces the version originally filed.

\*\* Filed herewith.

\*\*\* Previously filed.

Item 17. Undertakings.

(a) The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) To reflect in the prospectus any facts or events arising after the effective date of this registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a Fundamental Change in the information set forth in this registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the SEC pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate



offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in this registration statement or any material change to the information in the registration statement;

provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the SEC by the Registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in the registration statement;

(2) That, for the purpose of determining any liability under the Securities Act, each post-effective amendment shall be deemed to be a new registration statement relating to the securities offered in this prospectus, and the offering of the securities at that time shall be deemed to be the initial bona fide offering thereof; and

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering; and

(4) That, for purposes of determining any liability under the Securities Act, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered in this prospectus, and the offering of the securities at that time shall be deemed to be the initial bona fide offering thereof.

(b) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to its articles, bylaws or otherwise, the Registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by the director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether the indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement amendment (number one) to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, State of New York, on April 5, 2002.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By: /s/ Nicholas J. Camera

Name: Nicholas J. Camera
Title: Senior Vice President, General Counsel and Secretary

Pursuant to the requirements of the Securities Act of 1933, this registration statement amendment (number one) has been signed by the following persons in the capacities on April 5, 2002.

Title
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- List of signatories: Sean F. Orr (Executive Vice President, Chief Financial Officer), John J. Dooner, Jr. (Chairman of the Board, President and Chief Executive Officer), Richard P. Sneider, Jr. (Vice President and Controller), Frank J. Borelli (Director), Reginald K. Brack (Director), Jill M. Considine (Director), H. John Greeniaus (Director), Richard A. Goldstein (Director), J. Phillip Samper (Director).

\* By: /s/ Nicholas J. Camera
Nicholas J. Camera
Attorney-in Fact

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\* Filed herewith. The version of this exhibit filed with this amendment replaces the version originally filed.

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THE INTERPUBLIC GROUP OF COMPANIES, INC.

and

THE BANK OF NEW YORK

Trustee

-----

Second Supplemental Indenture

Dated as of December 14, 2001

to the Senior Debt Indenture dated as of October 20, 2000

-----

Creating a series of Securities designated

Zero-Coupon Convertible Senior Notes Due 2021

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SECOND SUPPLEMENTAL INDENTURE, dated as of December 14, 2001, between THE INTERPUBLIC GROUP OF COMPANIES, INC., a Delaware corporation, and THE BANK OF NEW YORK, a New York banking corporation, as trustee.

RECITALS OF THE COMPANY

WHEREAS, the Company has heretofore executed and delivered to the Trustee a Senior Debt Indenture, dated as of October 20, 2000 (the "Base Indenture"), providing for the issuance from time to time of its senior unsecured debentures, notes or other evidences of indebtedness (the "Securities"), to be issued in one or more series as provided in the Base Indenture;

WHEREAS, Section 9.01(7) of the Base Indenture provides that the Company and the Trustee may from time to time enter into one or more indentures supplemental thereto to establish the form or terms of Securities of a new series;

WHEREAS, Section 3.01 of the Base Indenture provides that the Company may enter into supplemental indentures to establish the terms and provisions of a series of Securities issued pursuant to the Base Indenture;

WHEREAS, the Company, pursuant to the foregoing authority, proposes in and by this Second Supplemental Indenture (the "Supplemental Indenture" and, together with the Base Indenture, the "Indenture") to supplement the Base Indenture insofar as it will apply only to a series of Zero-Coupon Convertible Senior Notes Due 2021 (the "Notes") issued hereunder (and not to any other series); and

WHEREAS, all things necessary have been done to make the Notes, when executed by the Company and authenticated and delivered hereunder and duly issued by the Company, the valid obligations of the Company, and to make this Supplemental Indenture a valid agreement of the Company, in accordance with their and its terms.

NOW, THEREFORE, THIS SUPPLEMENTAL INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Securities by the Holders thereof, it is mutually covenanted and agreed, for the equal and ratable benefit of the Holders of the Securities, as follows:

ARTICLE 1  
DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

SECTION 1.01. Definitions. For all purposes of the Indenture relating to the series of Securities (consisting of the Notes) created hereby, except as otherwise expressly provided or unless the context otherwise requires:

- (1) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular;
- (2) each capitalized term that is used in this Supplemental Indenture but not defined herein shall have the meaning specified in the Base Indenture;
- (3) all other terms used herein which are defined in the Trust Indenture Act, either directly or by reference therein, or defined by Commission rule and not otherwise defined herein, have the meanings assigned to them therein;
- (4) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with GAAP;
- (5) the word "including" (and with correlative meaning "include") means including, without limiting the generality of, any description preceding such term; and
- (6) the words "herein," "hereof" and "hereunder" and other words of similar import refer to the Indenture as a whole and not to any particular Article, Section or other subdivision.

"Accreted Value" means, at any date of determination, (1) prior to such time as the Notes are converted to Cash Pay Notes, the sum of (x) the Issue Price of each Note and (y) the portion of the excess of the principal amount of each Note over such Issue Price which shall have been amortized on a daily basis and compounded semi-annually on each December 14 and June 14 at the rate of 1.00% per annum from the Issue Date through the date of determination computed on the basis of a 360-day year of twelve 30-day months and (2) at or after such time as the notes are converted to Cash Pay Notes, the Restated Principal Amount.

"Beneficial Owner" shall be determined in accordance with Rule 13d-3 promulgated by the Commission under the Exchange Act.

"Bid Agent" means a bid solicitation agent appointed by the Company to act in such capacity pursuant to Section 2.01.

"Business Day" means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in New York, New York are authorized or obligated by law or executive order to close.

"Cash" has the meaning provided in Section 2.05(6).

"Cash Pay Notes" has the meaning provided in Section 2.09.

"Closing Date" means the date of this Supplemental Indenture.

"Closing Price" with respect to any securities on any day means the closing sale price regular way on such day or, in case no such sale takes place on such day, the average of the reported closing bid and asked prices, regular way, in each case on the New York Stock Exchange, or, if such security is not listed or admitted to trading on such Exchange, on the principal national security exchange or quotation system on which such security is quoted or listed or admitted to trading, or, if not quoted or listed or admitted to trading on any national securities exchange or quotation system, the average of the closing bid and asked prices of such security on the over-the-counter market on the day in question as reported by the National Quotation Bureau Incorporated, or a similar generally accepted reporting service, or if not so available, in such manner as furnished by any New York Stock Exchange member firm selected from time to time by the Board of Directors for that purpose, or a price determined in good faith by the Board of Directors or, to the extent permitted by applicable law, a duly authorized committee thereof, whose determination shall be conclusive.

"Common Equity" of any Person means capital stock of such Person that is generally entitled to (1) vote in the election of directors of such Person or (2) if such Person is not a corporation, vote or otherwise participate in the selection of the governing body, partners, managers or others that will control the management or policies of such Person.

"Common Stock" means the Company's Common Stock, par value \$.10 per share.

"Company Notice" has the meaning provided in Section 2.05(1).

"Company Notice Date" has the meaning provided in Section 2.05(1).

"Contingent Debt Regulations" has the meaning provided in Section 2.10.

"Contingent Interest Record Date" has the meaning provided in paragraph 5 of the Notes.

"Continuing Director" means a director who either was a member of the Company's Board of Directors on the date of this Indenture or who becomes a director of the Company subsequent to such date and whose election, or nomination for election by the Company's stockholders, is duly approved by a majority of the Continuing Directors on the Board of Directors at the time of such approval, either by a specific vote or by approval of the proxy statement issued by the Company on behalf of the entire Board of Directors of the Company in which such individual is named as nominee for director.

"Controlled" means ownership or control of more than 50% of the voting power of such entity.

"Conversion Agent" means the office or agency designated by the Company where Notes may be presented for conversion.

"Conversion Date" has the meaning provided in Section 2.06(2).

"Conversion Rate" has the meaning provided in Section 2.06(1).

"Defaulted Interest" has the meaning specified in Section 2.11(3)(b).

"Depositary" has the meaning provided in Section 3.01.

"Distributed Securities" has the meaning provided in Section 2.07.

"Event of Default" has the meaning provided in Section 4.01.

"Fair Market Value" means the amount which a willing buyer would pay a willing seller in an arm's length transaction.

"Final Maturity" or "Final Maturity Date" shall be December 14, 2021.

A "Fundamental Change" shall be deemed to have occurred at such time after the original issuance of the Notes as any of the following occurs: (a) any "person" or "group" within the meaning of Section 13(d) of the Exchange Act, other than the Company, any Subsidiary of the Company, any employee benefit plan of the Company or any such Subsidiary, files a Schedule TO (or any other schedule, form or report under the Exchange Act) disclosing that such person or group has become the direct or indirect ultimate Beneficial Owner, of Common Equity of the Company representing more than 50% of the voting power of the Company's Common Equity; (b) consummation of any share exchange, consolidation or merger of us pursuant to which the Common Stock will be converted into cash, securities or other property or any sale, lease or other transfer (in one transaction or a series of transactions) of all or substantially all of the Company's consolidated assets (considered together with the Company's Subsidiaries) to any Person (other than one of the Company's Subsidiaries); provided, however, that a transaction where the holders of more than 50% of all classes of the Company's Common Equity immediately prior to such transaction own, directly or indirectly, more than 50% of all classes of Common Equity of the continuing or surviving corporation or transferee immediately after such event shall not be a Fundamental Change; or (c) Continuing Directors cease to constitute at least a majority of the Company's Board of Directors; provided, however, that a Fundamental Change shall not be deemed to have occurred if either (I) the Sale Price per share of the Common Stock for any five Trading Days within the period of 10 consecutive Trading Days ending immediately before the later of the Fundamental Change or the announcement thereof shall equal or

exceed 105% of the Accreted Value divided by the Conversion Rate or (II) at least 90% of the consideration (excluding Cash payments for fractional shares) in the transaction or transactions constituting the Fundamental Change consists of shares of common stock with full voting rights traded on a national securities exchange or quoted on the NASDAQ National Market (or which shall be so traded or quoted when issued or exchanged in connection with such Fundamental Change) (such securities being referred to as "Publicly Traded Securities") and as a result of such transaction or transactions such Notes become convertible into such Publicly Traded Securities (excluding Cash payments for fractional shares).

"Fundamental Change Purchase Date" has the meaning provided in Section 2.03.

"Fundamental Change Purchase Notice" has the meaning provided in Section 2.03(2).

"Fundamental Change Purchase Price" has the meaning provided in Section 2.03.

"Global Securities" means with respect to the Notes issued hereunder, a global note which is executed by the Company and authenticated and delivered by the Trustee to the Depository or pursuant to the Depository's instruction, all in accordance with this Supplemental Indenture, which shall be registered in the name of the Depository or its nominee and which shall represent, and shall be denominated in an amount equal to the aggregate Principal Amount at Final Maturity of, all of the outstanding Notes or any portion thereof.

"Indenture" has the meaning provided in the Recitals.

"Interest Payment Date" has, with respect to any cash interest in lieu of future Original Issue Discount, the meaning specified in Section 2.09 of this Supplemental Indenture and, with respect to any contingent interest, the meaning specified in paragraph 5 of the Notes.

"Issue Date" of any Note means the date on which the Note was originally issued or deemed issued as set forth on the face of the Note.

"Issue Price" of any Note means, in connection with the original issuance of such Note, the initial issue price at which the Note is issued as set forth on the face of the Note.

"Market Price" means the average of the Sale Prices of the Common Stock for the 20 Trading Day period ending on the third Business Day (if the third Business Day prior to the applicable Purchase Date is a Trading Day, or if not, then on the last Trading Day prior to such third Business Day) prior to the applicable Purchase Date, appropriately adjusted to take into account the occurrence, during the period commencing on the first of such Trading Days during such 20 Trading Day period and ending on such Purchase Date, of any event requiring adjustment of the Conversion Rate under this Supplemental Indenture.

"Option Exercise Date" has the meaning specified in Section 2.09.

"Original Issue Discount" of any Note means the difference between the Issue Price and the Principal Amount at Final Maturity of the Note as set forth on the face of the Note.

"Notes" has the meaning provided in the Recitals.

"Principal", "Principal Amount" or "principal" of a debt security, including the Notes, means the principal of the security, including any accrued Original Issue Discount on the security.

"Publicly Traded Securities" has the meaning provided in the definition of Fundamental Change in this Section 1.01.

"Purchase Date" has the meaning provided in Section 2.04(1).

"Purchase Notice" has the meaning provided in Section 2.04(1).

"Purchase Price" has the meaning provided in Section 2.04(1).

"Record Date" means, with respect to any dividend, distribution or other transaction or event in which the holders of Common Stock have the right to receive any Cash, securities or other property or in which the Common Stock (or other applicable security) is exchanged for or converted into any combination of Cash, securities or other property, the date fixed for determination of shareholders entitled to receive such Cash, securities or other property (whether such date is fixed by the Board of Directors or by statute, contract or otherwise).

"Redemption Date" when used with respect to any Note to be redeemed, means the date fixed for such redemption by or pursuant to this Supplemental Indenture.

"Redemption Price" when used with respect to any Note to be redeemed, means the price at which it is to be redeemed pursuant to this Supplemental Indenture.

"Registration Rights Agreement" has the meaning specified in Section 3.03.

"Regular Record Date" has the meaning specified in Section 2.09.

"Restated Principal Amount" has the meaning specified in Section 2.09.



"Restricted Common Stock Legend" means the legend labeled as such, substantially in the form set forth in Exhibit B.

"Sale Price" of the Common Stock on any date means the closing sale price per share (or, if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and average ask prices) on such date as reported in the composite transactions for the principal United States securities exchange on which the Common Stock is traded or, if the Common Stock is not listed on a United States national or regional securities exchange, as reported by the National Association of Securities Dealers Automated Quotation System.

If the Common Stock is not listed for trading on a United States national or regional securities exchange and not reported by the National Association of Securities Dealers Automated Quotation System on the relevant date, the Sale Price shall be the last quoted bid price for the Common Stock in the over-the-counter market on the relevant date as reported by the National Quotation Bureau or similar organization.

If the Common Stock is not so quoted, the Sale Price shall be the average of the mid-point of the last bid and ask prices for the Common Stock on the relevant date from each of at least three nationally recognized independent investment banking firms selected by the Company for this purpose.

"Special Record Date" has the meaning specified in Section 2.11(3)(b)(i).

"Specified Percentage" means 120% reduced by increments of 1/2% on each anniversary of the Issue Date, until such percentage reaches 110% on the Final Maturity Date.

"Stated Maturity" when used with respect to any Note or any installment of semiannual or contingent interest thereon, means the date specified in such Note as the fixed date on which an amount equal to the Principal Amount at Final Maturity of such Note or such installment of semiannual or contingent interest is due and payable.

"Subsidiary" means (i) a corporation or other entity of which a majority in voting power of the stock or other interests is owned by the Company, by a Subsidiary of the Company or by the Company and one or more Subsidiaries of the Company or (ii) a partnership, the sole general partner of which is the Company or any Subsidiary.

"Supplemental Indenture" has the meaning provided in the Preamble.

"Tax Event" means that the Company shall have received an opinion from independent tax counsel experienced in such matters to the effect that, on or after December 10, 2001, as a result of (a) any amendment to, or change (including any announced proposed change) in, the laws or regulations thereunder of the United States or any political subdivision or taxing authority thereof or therein or (b) any official administrative pronouncement, action or judicial decision interpreting or applying such laws or regulations, in each case which amendment or change is enacted, promulgated, issued or announced or which proposed change, pronouncement, action or decision is issued or announced on or after December 10, 2001, there is more than an insubstantial risk that interest (including interest calculated at the "comparable yield," Original Issue Discount and contingent interest, if any) in respect of the Notes either (i) would not be deductible on a current accrual basis or (ii) would not be deductible under any other method, in either case in whole or in part, by the Company (by reason of deferral, disallowance, or otherwise) for United States federal income tax purposes.

"Tax Event Date" has the meaning specified in Section 2.09.

"Trading Day" means (a) if the applicable security is listed or admitted for trading on the New York Stock Exchange, the NASDAQ National Market or another national security exchange, a day on which the New York Stock Exchange, the NASDAQ National Market or another national security exchange is open for business, (b) if the applicable security is quoted on the NASDAQ National Market, a day on which trades may be made thereon or (c) if the applicable security is not so listed, admitted for trading or quoted, any day other than a Saturday or Sunday or a day on which banking institutions in the State of New York are authorized or obligated by law or executive order to close.

"Trustee" means the person named as such in this Supplemental Indenture and, subject to the provisions of Article Six of the Base Indenture, any successor to that person.

"Uniform Commercial Code" means the New York Uniform Commercial Code as in effect from time to time.

## ARTICLE 2 THE NOTES

SECTION 2.01. Creation of Series; Establishment of Form. In accordance with Section 3.01 of the Base Indenture, there is hereby created a series of Securities under the Indenture entitled "Zero-Coupon Convertible Senior Notes Due 2021".

(1) The form of the Notes, including the form of the certificate of authentication, is attached hereto as Exhibit A.

(2) Subject to Section 3.01 of the Base Indenture and applicable law, the aggregate Principal Amount at Final Maturity of the Notes which may be authenticated and delivered under this Supplemental Indenture is limited to

\$610,400,000 (subject to increase without any further action by up to \$91,560,000 if, and to the extent, the overallotment option granted under the Purchase Agreement between the Company and the initial purchasers of the Notes as set forth therein, dated December 10, 2001, is exercised).

(3) The aggregate Principal Amount at Final Maturity of the Notes shall be payable on the Final Maturity Date unless earlier repaid or converted in accordance with this Supplemental Indenture, provided, however, that if the Notes are converted to Cash Pay Notes as provided in Section 2.09, the amount due on the Final Maturity Date shall be the Restated Principal Amount thereof. If any of the conditions allowing conversion of Notes by their Holder set forth in paragraph 10 of the Notes are met on the Final Maturity Date and the Sale Price of the Notes on the preceding Trading Day is greater than the Accreted Value, the Company may make payment of the Principal Amount at Final Maturity or Restated Principal Amount, as the case may be, and any accrued and unpaid interest, on the next succeeding Business Day.

(4) The Notes shall be issued at an Issue Price of \$819.14 per \$1,000 Principal Amount at Final Maturity. Except as provided for in Sections 2.09 and 2.11 herein and paragraph 1 of the Notes, there shall be no periodic payments of interest on the Notes. The calculation of the accrual of Original Issue Discount in the period during which each Note remains outstanding shall be on a semiannual bond equivalent basis using a 360-day year composed of twelve 30-day months, and such accrual shall commence on the Issue Date of the Notes. In the event of the maturity, conversion, conversion to Cash Pay Notes, purchase by the Company at the option of a Holder or redemption of a Note, Original Issue Discount, if any, shall cease to accrue on such Note, under the terms and subject to the conditions of this Supplemental Indenture.

(5) All amounts payable in connection with the Notes shall be denominated and payable in the lawful currency of the United States.

(6) The Notes shall be payable and may be presented for conversion, registration of transfer and exchange, without service charge, at the office of the Company maintained for such purpose in New York, New York, which shall initially be the office or agency of the Trustee.

(7) The Company may appoint and change any Paying Agent, Conversion Agent, Bid Agent, Security Registrar or co-registrar without notice, other than notice to the Trustee, except that the Company will maintain at least one Paying Agent in the State of New York, City of New York, Borough of Manhattan. The Company shall enter into an appropriate agency agreement with any Agent not a party to the Indenture. The agreement shall implement the provisions of the Indenture that relate to such Agent. The Company shall give prompt written notice to the Trustee of the name and address of any such Agent and any change in the address of such Agent. If the Company fails to maintain a Paying Agent, Conversion Agent, Bid Agent, Security Registrar and/or agent for service of notices and demands, the Trustee shall act as such Security Paying Agent, Conversion Agent, Bid Agent, Security Registrar or agent for service of notices and demands. The Company may remove any Paying Agent, Conversion Agent, Bid Agent or Security Registrar upon written notice to such Paying Agent, Conversion Agent, Bid Agent or Security Registrar and the Trustee; provided that no such removal shall become effective until (i) the acceptance of an appointment by a successor Paying Agent, Conversion Agent, Bid Agent or Security Registrar as evidenced by an appropriate agency agreement entered into by the Company and such successor and delivered to the Trustee or (ii) notification to the Trustee that the Trustee shall serve as such Paying Agent, Conversion Agent, Bid Agent or Security Registrar until the appointment of a successor Agent in accordance with clause (i) of this proviso. The Company or any of its Subsidiaries or any of their Affiliates may act as Paying Agent, Conversion Agent, Security Registrar or co-registrar.

(8) Sections 10.09, 10.10 and 10.11 and Articles 12 and 13 of the Base Indenture shall have no force or effect in respect of, or application to, the Notes.

#### SECTION 2.02. Optional Redemption by the Company.

(1) Right to Redeem; Notice to Trustee and Paying Agent. The Company, at its option, may redeem the Notes in accordance with the provisions of paragraphs 6 and 8 of the Notes. If the Company elects to redeem Notes pursuant to paragraph 6 of the Notes, it shall notify the Trustee and Paying Agent in writing of the Redemption Date, the Principal Amount at Final Maturity of Notes to be redeemed or Restated Principal Amount in the case of Cash Pay Notes, the Redemption Price and the amount of interest (including contingent interest), if any, payable on the Redemption Date. The Company shall give the notice to the Trustee and Paying Agent provided for in this Section 2.02(1) at least 30 days but not more than 60 days before the Redemption Date.

(2) Less Than All Outstanding Notes to Be Redeemed. If less than all of the outstanding Notes are to be redeemed, the Paying Agent shall select the Notes to be redeemed in original Principal Amounts at Final Maturity of \$1,000 or integral multiples thereof. In the case that the Paying Agent shall select the Notes to be redeemed, the Paying Agent may effectuate such selection by lot, pro rata, or by any other method that the Paying Agent considers fair and appropriate.

(3) Selection of Notes to Be Redeemed. If any Notes selected for partial redemption is thereafter surrendered for conversion in part before termination of the conversion right with respect to the portion of the Notes so selected, the converted portion of such Notes shall be deemed (so far as may be), solely for purposes of determining the aggregate original Principal Amount at Final Maturity of Notes to be redeemed by the Company, to be the portion selected for redemption. Notes which have been converted during a selection of Notes to be redeemed may be treated by the Paying Agent as outstanding for the purpose of such selection. Nothing in this Section 2.02(3) shall affect the

right of any Holder to convert any Notes pursuant to Sections 2.06, 2.07 and 2.08 before the termination of the conversion right with respect thereto.

(4) Notice of Redemption. At least 30 days but not more than 60 days before a Redemption Date, the Company shall mail or cause to be mailed a notice of redemption by first-class mail to the Trustee, the Paying Agent and each Holder of Notes to be redeemed at such Holder's address as it appears on the Note register.

The notice shall identify the Notes to be redeemed and shall state:

(a) the Redemption Date;

(b) the Redemption Price and, to the extent known at the time of such notice, the amount of interest (including contingent interest), if any, payable on the Redemption Date;

(c) the then current Conversion Rate;

(d) the name and address of the Paying Agent and the Conversion Agent;

(e) that Notes called for redemption must be presented and surrendered to the Paying Agent to collect the Redemption Price and interest (including contingent interest), if any;

(f) that the Notes called for redemption may be converted at any time before the close of business on the Business Day prior to the Redemption Date;

(g) that Holders who wish to convert Notes must comply with the procedures in paragraph 10 of the Notes;

(h) that, unless the Company defaults in making payment of such Redemption Price, Original Issue Discount and interest, if any, on the Notes called for redemption will cease to accrue on and after the Redemption Date, and the only remaining right of the Holder will be to receive payment of the Redemption Price upon presentation and surrender to the Paying Agent of the Notes;

(i) if fewer than all the outstanding Notes are to be redeemed, the certificate number and the original Principal Amounts at Final Maturity of the particular Notes to be redeemed; and

(j) the CUSIP and ISIN number or numbers for the Notes called for redemption.

At the Company's request, the Paying Agent shall give the notice of redemption in the Company's name and at the Company's expense.

(5) Effect of Notice of Redemption. Once notice of redemption is mailed, Notes called for redemption become due and payable on the Redemption Date and at the Redemption Price, except for Notes that are converted in accordance with the provisions of Sections 2.06, 2.07 and 2.08. Upon presentation and surrender to the Paying Agent, Notes called for redemption shall be paid at the Redemption Price.

(6) Sinking Fund. There shall be no sinking fund provided for the Notes.

(7) Deposit of Redemption Price. On or before 10:00 a.m. (New York City time) on the Redemption Date, the Company shall deposit with the Paying Agent (or, if the Company or an Affiliate of the Company is acting as the Paying Agent, shall segregate and hold in trust) an amount of money sufficient to pay the aggregate Redemption Price of, and any accrued and unpaid interest (including contingent interest) with respect to, all the Notes to be redeemed on that date other than the Notes or portions thereof called for redemption which on or prior thereto have been delivered by the Company to the Security Registrar for cancellation or have been converted. The Trustee and the Paying Agent shall, as promptly as practicable, return to the Company any money not required for that purpose because of conversion of the Notes in accordance with the provisions of Sections 2.06, 2.07 and 2.08. If such money is then held by the Company or a Subsidiary in trust and is not required for such purpose, it shall be discharged from such trust.

SECTION 2.03. Repurchase at Option of the Holder Upon a Fundamental Change. If a Fundamental Change shall occur at any time prior to December 14, 2006, each Holder of Notes shall have the right, at such Holder's option, to require the Company to purchase any or all of such Holder's Notes on the date that is 35 Business Days after the date of the Fundamental Change (subject to extension to apply with applicable law, as provided in Section 2.04) (the "Fundamental Change Purchase Date"). The Notes shall be repurchased in integral multiples of \$1,000 of original Principal Amount at Final Maturity. The Company shall purchase such Notes at a price (the "Fundamental Change Purchase Price") equal to the Accreted Value of the Notes on the Fundamental Change Purchase Date plus accrued and unpaid interest, including contingent interest. No Notes may be repurchased at the option of the Holders due to a Fundamental Change if there has occurred and is continuing an Event of Default (other than an Event of Default that is cured by the payment of the purchase price of all such Notes).

(1) Notice of Fundamental Change. The Company, or at its request (which must be received by the Paying Agent at least three Business Days (or such lesser period as agreed to by the Paying Agent) prior to the date the Paying Agent is requested to give such notice as described below), the Paying Agent in the name of and at the expense of the Company, shall mail to all Holders of record of the Notes and the Trustee a Company Notice of the occurrence of a Fundamental Change and of the purchase right arising as a result thereof, including the information required by Section 2.05(1) hereof, on or

before the 14th day after the occurrence of such Fundamental Change. The Company shall promptly furnish to the Paying Agent a copy of such Company Notice.

(2) Exercise of Option. For a Note to be so purchased at the option of the Holder, the Paying Agent must receive such Note duly endorsed for transfer, together with a written notice of purchase (a "Fundamental Change Purchase Notice") and the form entitled "Option to Elect Purchase Upon a Fundamental Change" on the reverse thereof duly completed, on or before the Fundamental Change Purchase Date. The Fundamental Change Purchase Notice shall state:

(a) if certificated, the certificate numbers of the Notes which the Holder shall deliver to be purchased;

(b) the portion of the original Principal Amount at Final Maturity of the Notes which the Holder shall deliver to be purchased, which portion must be \$1,000 in original Principal Amount at Final Maturity or a multiple thereof;

(c) that such Notes shall be purchased as of the Fundamental Change Purchase Date pursuant to the terms and conditions specified in paragraph 7 of the Notes and in this Supplemental Indenture; and

(d) if the Company elects, pursuant to a Company Notice, to pay the Fundamental Change Purchase Price to be paid, in whole or in part, in Common Stock but such portion of the Purchase Price shall ultimately be payable to such Holder in Cash because any of the conditions to the payment of the Fundamental Change Purchase Price in Common Stock are not satisfied prior to or on the Purchase Date, as set forth herein, whether such Holder elects (x) to withdraw such Fundamental Change Purchase Notice as to some or all of the Notes to which such Fundamental Change Purchase Notice relates (stating the Principal Amount at Final Maturity and certificate numbers of the Notes as to which such withdrawal shall relate), or (y) to receive Cash in respect of the entire Fundamental Change Purchase Price for all Notes (or portions thereof) to which such Fundamental Change Purchase Notice relates. If a Holder, in such Holder's Fundamental Change Purchase Notice (and in any written notice of withdrawal of a portion of a Holder's Notes previously submitted for purchase pursuant to a Fundamental Change Purchase Notice, the portion that remains subject to the Fundamental Change Purchase Notice), fails to indicate such Holder's choice with respect to the foregoing election, such Holder shall be deemed to have elected to receive Cash in respect of all Notes subject to such Purchase Notice or Fundamental Change Purchase Notice in the circumstances described in the preceding sentence.

(3) Procedures. The Company shall purchase from a Holder of Notes, pursuant to this Section 2.03, Notes if the original Principal Amount at Final Maturity of such Notes is \$1,000 or a multiple of \$1,000 if so requested by such Holder.

Any purchase by the Company contemplated pursuant to the provisions of this Section 2.03 shall be consummated by the delivery of the consideration to be received by the Holder (together with accrued and unpaid interest (including contingent interest), if any) promptly following the later of the Fundamental Purchase Date and the time of delivery or book-entry transfer of the Notes.

Notwithstanding anything herein to the contrary, any Holder delivering to the Paying Agent the Fundamental Change Purchase Notice contemplated by this Section 2.03 shall have the right at any time prior to the close of business on the Business Day prior to the Fundamental Change Purchase Date to withdraw such Fundamental Change Purchase Notice (in whole or in part) by delivery of a written notice of withdrawal to the Paying Agent in accordance with Section 2.05(2).

The Paying Agent shall promptly notify the Company of the receipt by it of any Fundamental Change Purchase Notice or written notice of withdrawal thereof.

On or before 10:00 a.m. (New York City time) on the Fundamental Change Purchase Date, the Company shall deposit with the Paying Agent Cash or Common Stock sufficient to pay the aggregate Fundamental Change Purchase Price of the Notes to be purchased pursuant to this Section 2.03. Payment of the Fundamental Change Purchase Price for such Notes shall be made as soon as practicable following the later of the Fundamental Change Purchase Date or the time of book-entry transfer or delivery of such Notes. If the Company is delivering Common Stock, the Company shall deliver to each Holder entitled to receive Common Stock, through the Paying Agent, a certificate for the number of full shares of Common Stock, as applicable, issuable in payment of such Fundamental Change Purchase Price and Cash in lieu of any fractional interests. The Person in whose name the certificate for Common Stock is registered shall be treated as a holder of record following the Fundamental Change Purchase Date. Subject to Section 2.07 herein, no payment or adjustment shall be made for dividends on the Common Stock the record date for which occurred on or prior to the Fundamental Change Purchase Date. If the Paying Agent holds, in accordance with the terms of the Indenture, money sufficient to pay the Fundamental Change Purchase Price of such Notes on the Business Day following the Fundamental Change Purchase Date, then, on and after such date, such Notes shall cease to be outstanding and Original Issue Discount and interest on such Notes shall cease to accrue, whether or not book-entry transfer of such Notes is made or such Notes are delivered to the Paying Agent, and all other rights of the Holder shall terminate (other than the right to receive the Fundamental Change Purchase Price upon delivery or transfer of the Notes). If a Holder of a Note is paid in Common Stock, the Company shall pay any documentary, stamp or similar issue or transfer tax due on such issue of shares of Common Stock. However, the Holder shall pay any such tax which is due because the Holder requests the shares of Common Stock to be issued in a name other than the Holder's name. The Paying Agent may refuse to deliver the certificates representing the Common Stock being issued in a name other than the Holder's name until the Paying Agent receives a sum sufficient to pay any tax which shall be due because the shares of Common Stock are to be

issued in a name other than the Holder's name. Nothing herein shall preclude any income tax withholding required by law or regulations.

All questions as to the validity, eligibility (including time of receipt) and acceptance of any Notes for redemption shall be determined by the Company, whose determination shall be final and binding.

#### SECTION 2.04. Purchase of Notes at the Option of the Holder.

(1) On each of December 14, 2003, December 14, 2004, December 14, 2005, December 14, 2006, December 14, 2011 and December 14, 2016 (each, a "Purchase Date"), at the applicable purchase price specified in paragraph 7 of the Notes, plus accrued and unpaid interest, including contingent interest (each, a "Purchase Price"), a Holder of Notes shall have the option to require the Company to purchase any outstanding Notes, upon:

(a) delivery to the Trustee or Paying Agent by the Holder of a written notice of purchase (a "Purchase Notice") at any time from the opening of business on the date that is 30 Business Days prior to a Purchase Date until the close of business on such Purchase Date, stating:

- (i) if certificated, the certificate numbers of the Notes which the Holder shall deliver to be purchased;
- (ii) the portion of the Principal Amount at Final Maturity of the Notes which the Holder shall deliver to be purchased, which portion must be \$1,000 in Principal Amount at Final Maturity or a multiple thereof;
- (iii) that such Notes shall be purchased as of the Purchase Date pursuant to the terms and conditions specified in paragraph 7 of the Notes and in this Supplemental Indenture; and
- (iv) if the Company elects, pursuant to a Company Notice, to pay the Purchase Price to be paid as of any such Purchase Date occurring on or after December 14, 2004, in whole or in part, in Common Stock but such portion of the Purchase Price shall ultimately be payable to such Holder in Cash because any of the conditions to the payment of the Purchase Price in Common Stock are not satisfied prior to or on the Purchase Date, whether such Holder elects (x) to withdraw such Purchase Notice as to some or all of the Notes to which such Purchase Notice relates (stating the Principal Amount at Final Maturity and certificate numbers of the Notes as to which such withdrawal shall relate), or (y) to receive Cash in respect of the entire Purchase Price for all Notes (or portions thereof) to which such Purchase Notice relates (provided, that if a Holder, in such Holder's Purchase Notice (and in any written notice of withdrawal of a portion of a Holder's Notes previously submitted for purchase pursuant to a Purchase Notice, the portion that remains subject to the Purchase Notice), fails to indicate such Holder's choice with respect to the foregoing election, such Holder shall be deemed to have elected to receive Cash in respect of all Notes subject to such Purchase Notice under the foregoing circumstances); and

(b) delivery or book-entry transfer of such Notes to the Paying Agent prior to, on or after the Purchase Date (together with all necessary endorsements) at the offices of the Paying Agent, such delivery or transfer being a condition to receipt by the Holder of the Purchase Price therefor; provided, however, that such Purchase Price shall be so paid pursuant to this Section 2.04 only if the Notes so delivered or transferred to the Paying Agent shall conform in all respects to the description thereof in the related Purchase Notice.

(2) The Company shall purchase from a Holder of Notes, pursuant to this Section 2.04, Notes if the original Principal Amount at Final Maturity of such Notes is \$1,000 or a multiple of \$1,000 if so requested by such Holder.

(3) Any purchase by the Company contemplated pursuant to the provisions of this Section 2.04 shall be consummated by the delivery of the consideration to be received by the Holder (together with accrued and unpaid interest (including contingent interest), if any) promptly following the later of the Purchase Date and the time of delivery or book-entry transfer of the Notes.

(4) Notwithstanding anything herein to the contrary, any Holder delivering to the Paying Agent the Purchase Notice contemplated by this Section 2.04 shall have the right at any time prior to the close of business on the Business Day prior to the Purchase Date to withdraw such Purchase Notice (in whole or in part) by delivery of a written notice of withdrawal to the Paying Agent in accordance with Section 2.05(2).

(5) The Paying Agent shall promptly notify the Company of the receipt by it of any Purchase Notice or written notice of withdrawal thereof.

(6) On or before 10:00 a.m. (New York City time) on the Purchase Date, the Company shall deposit with the Paying Agent Cash or Common Stock sufficient to pay the aggregate Purchase Price or Fundamental Change Purchase Price of, and any accrued and unpaid interest with respect to, the Notes to be purchased pursuant to this Section 2.04. Payment of the Purchase Price for such Notes shall be made as soon as practicable following the later of the Purchase Date or the time of book-entry transfer or delivery of such Notes. If the Company is delivering Common Stock, the Company shall deliver to each Holder entitled to receive Common Stock, through the Paying Agent, a certificate for the number of full shares of Common Stock, as applicable, issuable in payment of such Purchase Price and Cash in lieu of any fractional interests. The Person in whose name the certificate for Common Stock is registered shall be treated as a holder of record following the Purchase Date. Subject to Section 2.07 herein, no payment

or adjustment shall be made for dividends on the Common Stock the record date for which occurred on or prior to the Purchase Date. If the Paying Agent holds, in accordance with the terms of the Indenture, money sufficient to pay the Purchase Price of such Notes on the Purchase Date, then, on and after such date, such Notes shall cease to be outstanding and Original Issue Discount and interest on such Notes shall cease to accrue, whether or not book-entry transfer of such Notes is made or such Notes are delivered to the Paying Agent, and all other rights of the Holder shall terminate (other than the right to receive the Purchase Price upon delivery or transfer of the Notes). If a Holder of a Note is paid in Common Stock, the Company shall pay any documentary, stamp or similar issue or transfer tax due on such issue of shares of Common Stock. However, the Holder shall pay any such tax which is due because the Holder requests the shares of Common Stock to be issued in a name other than the Holder's name. The Paying Agent may refuse to deliver the certificates representing the Common Stock being issued in a name other than the Holder's name until the Paying Agent receives a sum sufficient to pay any tax which shall be due because the shares of Common Stock are to be issued in a name other than the Holder's name. Nothing herein shall preclude any income tax withholding required by law or regulations.

SECTION 2.05. Further Conditions and Procedures for Purchase at the Option of Holders Upon a Fundamental Change and Purchase of Notes at the Option of the Holder.

(1) Notice of Purchase Date or Fundamental Change. The Company shall send notices (each a "Company Notice") to the Holders (and to beneficial owners as required by applicable law) at their addresses shown in the Note register maintained by the Security Registrar, and delivered to the Trustee and Paying Agent, not less than 30 Business Days prior to each Purchase Date (the "Company Notice Date") or on or before the 14th day after the occurrence of the Fundamental Change, as the case may be. Each Company Notice shall include a form of Purchase Notice or Fundamental Change Repurchase Notice to be completed by a Holder and shall state:

(a) the Purchase Price, excluding accrued and unpaid interest, Conversion Rate and, to the extent known at the time of such notice, the amount of interest (including contingent interest), if any, that will be payable with respect to the Notes on the Purchase Date;

(b) the name and address of the Paying Agent and the Conversion Agent;

(c) that Notes must be surrendered to the Paying Agent to collect payment of the Purchase Price or Fundamental Change Purchase Price;

(d) that Notes as to which a Purchase Notice or Fundamental Change Purchase Notice has been given may be converted only if the applicable Purchase Notice has been withdrawn in accordance with the terms of this Supplemental Indenture;

(e) that the Purchase Price or Fundamental Change Purchase Price for any Notes as to which a Purchase Notice has been given and not withdrawn shall be paid promptly following the later of the Purchase Date or Fundamental Change Purchase Date and the time of surrender of such Notes;

(f) whether the Company will pay the Purchase Price or Fundamental Change Purchase Price, as the case may be, in Cash, in Common Stock or in a combination thereof (specifying the percentages of each) and, if Common Stock is to be issued the method for calculating the Market Price of the Common Stock;

(g) the procedures the Holder must follow under Section 2.04 and 2.05;

(h) briefly, the conversion rights of the Notes;

(i) that, unless the Company defaults in making payment of such Purchase Price or Fundamental Change Purchase Price on Notes covered by any Purchase Notice or Fundamental Change Purchase Notice, Original Issue Discount and interest will cease to accrue on and after the Purchase Date or Fundamental Change Purchase Date; and

(j) the CUSIP or ISIN number of the Notes.

(k) the procedures for withdrawing a Purchase Notice or Fundamental Change Purchase Notice.

At the Company's request and at the Company's expense, the Paying Agent shall give the Company Notice in the Company's name; provided, however, that, in all cases, the text of the Company Notice shall be prepared by the Company.

(2) Effect of Purchase Notice or Fundamental Change Purchase Notice. Upon receipt by the Company of the Purchase Notice or Fundamental Change Purchase Notice specified in Section 2.04(1) or Section 2.03(2), as applicable, the Holder of the Notes in respect of which such Purchase Notice or Fundamental Change Purchase Notice, as the case may be, was given shall (unless such Purchase Notice or Fundamental Change Purchase Notice is withdrawn as specified in the following two paragraphs) thereafter be entitled to receive solely the Purchase Price or Fundamental Change Purchase Price with respect to such Notes. Such Purchase Price or Fundamental Change Purchase Price shall be paid to such Holder promptly following the later of (x) the Purchase Date or the Fundamental Change Purchase Date, as the case may be, with respect to such Notes (provided the conditions in Section 2.04(1) or Section 2.03(2), as applicable, have been satisfied) and (y) the time of delivery or book-entry transfer of such Notes to the Paying Agent by the Holder thereof in the manner required by Section 2.04(1) or Section 2.03(2), as applicable. Notes in respect of which a Purchase Notice or Fundamental Change Purchase Notice, as the case may be, has been given by the Holder thereof may not be converted for shares of Common Stock on or after the date of the delivery of such Purchase Notice (or Fundamental Change Purchase

Notice, as the case may be), unless such Purchase Notice (or Fundamental Change Purchase Notice, as the case may be) has first been validly withdrawn as specified in the following two paragraphs. A Purchase Notice or Fundamental Change Purchase Notice, as the case may be, may be withdrawn by means of a written notice of withdrawal delivered to the office of the Paying Agent at any time prior to the close of business on the Business Day prior to the Purchase Date or the Fundamental Change Purchase Date, as the case may be, to which it relates specifying:

(a) if certificated, the certificate number of the Notes in respect of which such notice of withdrawal is being submitted;

(b) the original Principal Amount at Final Maturity of the Notes with respect to which such notice of withdrawal is being submitted; and

(c) the original Principal Amount at Final Maturity, if any, of such Notes which remains subject to the original Purchase Notice or Company Fundamental Change Notice, as the case may be, and which has been or shall be delivered for purchase by the Company.

There shall be no purchase of any Notes pursuant to Section 2.03 or Section 2.04 or redemption pursuant to Section 2.02 if an Event of Default is continuing (other than a default that is cured by the payment of the Purchase Price or Fundamental Change Purchase Price, as the case may be). The Paying Agent shall promptly return to the respective Holders thereof any Notes (x) with respect to which a Purchase Notice or Fundamental Change Purchase Notice, as the case may be, has been withdrawn in compliance with this Supplemental Indenture, or (y) held by it during the continuance of an Event of Default (other than a default that is cured by the payment of the Purchase Price or Fundamental Change Purchase Price, as the case may be) in which case, upon such return, the Purchase Notice or Fundamental Change Purchase Notice with respect thereto shall be deemed to have been withdrawn.

(3) Notes Purchased in Part. Any Notes that are to be purchased only in part shall be surrendered at the office of the Paying Agent (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing) and the Company shall execute and the Trustee or the Authenticating Agent shall authenticate and deliver to the Holder of such Notes, without service charge, a new Note or Notes, of any authorized denomination as requested by such Holder in aggregate Principal Amount at Final Maturity equal to, and in exchange for, the portion of the principal amount of the Notes so surrendered which is not purchased or redeemed.

(4) Covenant to Comply with Securities Laws Upon Purchase of Notes. In connection with any offer to purchase Notes under Sections 2.03 or 2.04 hereof, the Company shall, to the extent applicable, (a) comply with Rules 13e-4 and 14e-1 (and any successor provisions thereto) under the Exchange Act, if applicable; (b) file the related Schedule TO (or any successor schedule, form or report) under the Exchange Act, if applicable; and (c) otherwise comply with all applicable federal and state securities laws so as to permit the rights and obligations under Sections 2.03 and 2.04 to be exercised in the time and in the manner specified in Sections 2.03 and 2.04.

(5) Repayment to the Company. The Trustee and the Paying Agent shall return to the Company any cash that remains unclaimed as provided in paragraph 15 of the Notes, together with interest that the Trustee or Paying Agent, as the case may be, has agreed to pay, if any, held by them for the payment of a Purchase Price or Fundamental Change Purchase Price, as the case may be; provided, however, that to the extent that the aggregate amount of cash deposited by the Company pursuant to Section 2.05(2) exceeds the aggregate Purchase Price or Fundamental Change Purchase Price, as the case may be, of the Notes or portions thereof which the Company is obligated to purchase as of the Purchase Date or Fundamental Change Purchase Date, as the case may be, then promptly on and after the Business Day following the Purchase Date or Fundamental Change Purchase Date, as the case may be, the Trustee and the Paying Agent shall return any such excess to the Company together with interest that the Trustee or Paying Agent, as the case may be, has agreed to pay, if any.

(6) Company's Right to Elect Manner of Payment of Purchase Price. The Company may elect with respect to any Purchase Date occurring on or after December 14, 2004, or with respect to any Fundamental Change Purchase Date, to pay the Purchase Price or Fundamental Change Purchase Price in respect of the Notes to be purchased pursuant to this Indenture as of such Purchase Date or Fundamental Change Purchase Date, (a) in U.S. legal tender ("Cash") or (b) Common Stock (by the issuance of a number of shares of Common Stock equal to the quotient obtained by dividing (x) the amount of Cash to which the Holders would have been entitled had the Company elected to pay all or such specified percentage, as the case may be, of the Purchase Price or Fundamental Change Purchase Price of such Notes in Cash by (y) the Market Price of a share of Common Stock), or (c) in any combination of Cash and Common Stock, subject to the conditions set forth herein. The Company shall designate, in the Company Notice delivered pursuant hereto, whether the Company shall purchase the Notes for Cash or Common Stock, or, if a combination thereof, the percentages of the Purchase Price or Fundamental Change Purchase Price of Notes in respect of which it shall pay in Cash and/or Common Stock; provided that the Company shall pay Cash for fractional interests in Common Stock. For purposes of determining the existence of potential fractional interests, all Notes subject to purchase by the Company held by a Holder shall be considered together (no matter how many separate certificates are to be presented). Each Holder whose Notes are purchased pursuant to this Section 2.05 shall receive the same percentage of Cash and/or Common Stock in payment of the Purchase Price or Fundamental Change Purchase Price for such Notes, except (a) as provided herein with regard to the payment of Cash in lieu of fractional interests in Common Stock and (b) in the event that the Company is unable to purchase the Notes of a Holder or Holders

for Common Stock because any necessary qualifications or registrations of the Common Stock under applicable federal or state securities laws cannot be obtained, the Company may purchase the Notes of such Holder or Holders for Cash.

(7) At least five Business Days before the Company Notice Date, the Company shall deliver an Officers' Certificate to the Trustee (provided, that at the Company's option, the matters to be addressed in such Officers' Certificate may be divided among two such certificates) specifying:

(a) the manner of payment selected by the Company;

(b) the information required by Section 2.04(6) herein;

(c) if the Company elects to pay the Purchase Price or Fundamental Change Purchase Price, or a specified percentage thereof, in Common Stock pursuant to Section 2.05(6), that the conditions to such manner of payment set forth in Section 2.05(9) herein have been or shall be complied with; and

(d) whether the Company desires the Trustee to give the Company Notice required by Section 2.05(1) herein.

(8) The Company shall not issue a fractional share of Common Stock in payment of the Purchase Price or Fundamental Change Purchase Price. Instead the Company shall pay Cash for the current market value of the fractional share. The current market value of a fraction of a share shall be determined by multiplying the Market Price by such fraction and rounding the product to the nearest whole cent. It is understood that if a Holder elects to have more than one Note purchased, the number of shares of Common Stock shall be based on the aggregate amount of Notes to be purchased.

(9) The Company's right to exercise its election to purchase the Notes pursuant to Section 2.03 or Section 2.04 herein through the issuance of shares of Common Stock shall be conditioned upon:

(a) the Company having given timely written notice in accordance with Section 2.05(1) herein of its election to purchase all or a specified percentage of the Notes with Common Stock as provided herein;

(b) the Common Stock being traded on a national securities exchange or quoted on the NASDAQ National Market System at such time;

(c) (i) (A) the registration of the shares of Common Stock to be issued in respect of the payment of the specified percentage of the Purchase Price or Fundamental Change Purchase Price under the Securities Act of 1933 or (B) the issuance of the shares of Common Stock in an action which is exempt from the registration requirements of the Securities Act of 1933 and which will not result in such shares of Common Stock being deemed "restricted securities" under the Securities Act of 1933 or otherwise and (ii) the registration of the shares of Common Stock under the Securities Exchange Act of 1934;

(d) any necessary qualification or registration under applicable state securities laws or the availability of an exemption from such qualification and registration; and

(e) the receipt by the Trustee of an Officers' Certificate (provided, that at the Company's option, the matters to be addressed in such Officers' Certificate may be divided among two such certificates) and an Opinion of Counsel each stating that (i) the terms of the issuance of the Common Stock are in conformity with this Supplemental Indenture and (ii) the shares of Common Stock to be issued by the Company in payment of the specified percentage of the Purchase Price or Fundamental Change Purchase Price in respect of Notes have been duly authorized and, when issued and delivered pursuant to the terms of this Supplemental Indenture in payment of the specified percentage of the Purchase Price or Fundamental Change Purchase Price in respect of Notes, shall be validly issued, fully paid and nonassessable, and, to the best of such counsel's knowledge, free from preemptive rights, and in the case of such Officers' Certificate, stating that conditions (a), (b), (c) and (d) above have been satisfied and, in the case of such Opinion of Counsel, stating that conditions (c) and (d) above have been satisfied.

Such Officers' Certificate shall also set forth the number of shares of Common Stock to be issued for each \$1,000 Principal Amount at Final Maturity of Notes and the Sale Price of a share of Common Stock on each Trading Day during the period during which the Market Price is calculated and ending on the applicable Purchase Date or Fundamental Change Purchase Date. The Company may elect to pay the Purchase Price or Fundamental Change Purchase Price (or any portion thereof) in Common Stock only if the information necessary to calculate the Market Price is reported in a daily newspaper of national circulation. If any of the conditions set forth in this Section 2.05(9) are not satisfied with respect to a Holder or Holders prior to or on the Purchase Date or Fundamental Change Repurchase Date and the Company elected to purchase the Notes to be purchased as of such Purchase Date or Fundamental Change Repurchase Date pursuant to Section 2.03 or Section 2.04 herein through the issuance of shares of Common Stock, the Company shall pay the entire Purchase Price or Fundamental Change Purchase Price in respect of such Notes of such Holder or Holders in Cash.

(10) Upon determination of the actual number of shares of Common Stock which the Holder of each \$1,000 Principal Amount at Final Maturity of the Notes shall receive, the Company shall publish such determination in a daily newspaper of national circulation and on the Company's then existing website or such other reasonable media as the Company shall determine.

#### SECTION 2.06. Conversion of Notes.

(1) Right to Convert. A Holder of Notes may convert such Notes for



Common Stock at any time during which the conditions stated in paragraph 10 of the Notes are met. The number of shares of Common Stock issuable upon conversion of a Note per \$1,000 of original Principal Amount at Final Maturity (the "Conversion Rate") shall be that set forth in paragraph 10 in the Notes, subject to adjustment as herein set forth.

A Holder may convert a portion of the original Principal Amount at Final Maturity of Notes if the portion is \$1,000 or a multiple of \$1,000.

(2) Conversion Procedures. To convert Notes a Holder must satisfy the requirements in paragraph 10 of the Notes. The date on which the Holder of Notes satisfies all those requirements is the conversion date (the "Conversion Date"). As soon as practicable, but in no event later than the fifth Business Day following the Conversion Date the Company shall deliver to the Holder, through the Conversion Agent, a certificate for the number of full shares of Common Stock issuable upon the conversion and cash in lieu of any fractional share determined pursuant to Section 2.06(3). The Person in whose name the certificate is registered shall be treated as a stockholder of record on and after the Conversion Date; provided, however, that no surrender of Notes on any date when the stock transfer books of the Company shall be closed shall be effective to constitute the Person or Persons entitled to receive the shares of Common Stock upon such conversion as the record holder or holders of such shares of Common Stock on such date, but such surrender shall be effective to constitute the Person or Persons entitled to receive such shares of Common Stock as the record holder or holders thereof for all purposes at the close of business on the next succeeding day on which such stock transfer books are open; such conversion shall be at the Conversion Rate in effect on the date that such Notes shall have been surrendered for conversion, as if the stock transfer books of the Company had not been closed. Upon conversion of Notes, such Person shall no longer be a Holder of such Notes.

No payment or adjustment shall be made for dividends on or other distributions with respect to any Common Stock except as provided in Section 2.07. On conversion of Notes, that portion of accrued Original Issue Discount (or interest, if the Company has exercised its option pursuant to Section 2.09) attributable to the period from the Issue Date of the Notes to the Conversion Date and (except as provided below) accrued contingent interest with respect to the converted Notes shall not be canceled, extinguished or forfeited, but rather shall be deemed to be paid in full to the Holder thereof through delivery of the Common Stock (together with the cash payment, if any, in lieu of fractional shares) in exchange for the Notes being converted pursuant to the provisions hereof, and the fair market value of such shares of Common Stock (together with any such cash payment in lieu of fractional shares) shall be treated as issued, to the extent thereof, first in exchange for Original Issue Discount (or interest, if the Company has exercised its option provided for in Section 2.09) accrued through the Conversion Date and accrued contingent interest, and the balance, if any, of such fair market value of such Common Stock (and any such cash payment) shall be treated as issued in exchange for the Issue Price of the Notes being converted pursuant to the provisions hereof.

If a Holder converts more than one Note at the same time, the number of shares of Common Stock issuable upon the conversion shall be based on the total original Principal Amount at Final Maturity of the Notes converted.

Upon surrender of a Note that is converted in part, the Company shall execute, and the Trustee or the Authenticating Agent shall authenticate and deliver to the Holder, a new Note in an authorized denomination equal in Principal Amount at Final Maturity to the unconverted portion of the Note surrendered.

If the last day on which Notes may be converted is a legal holiday in a place where a Conversion Agent is located, the Notes may be surrendered to that Conversion Agent on the next succeeding day that it is not a legal holiday.

(3) Cash Payments in Lieu of Fractional Shares. The Company shall not issue a fractional share of Common Stock upon conversion of Notes. Instead the Company shall deliver cash for the current market value of the fractional share. The current market value of a fractional share shall be determined to the nearest 1/10,000th of a share by multiplying the Sale Price of a full share of Common Stock on the Trading Day immediately preceding the Conversion Date by the fractional amount and rounding the product to the nearest whole cent.

(4) Taxes on Conversion. If a Holder converts Notes, the Company shall pay any documentary, stamp or similar issue or transfer tax due on the issue of shares of Common Stock upon the conversion. However, the Holder shall pay any such tax which is due because the Holder requests the shares to be issued in a name other than the Holder's name. The Conversion Agent may refuse to deliver the certificates representing the Common Stock being issued in a name other than the Holder's name until the Conversion Agent receives a sum sufficient to pay any tax which shall be due because the shares are to be issued in a name other than the Holder's name. Nothing herein shall preclude any tax withholding required by law or regulations.

(5) Covenants of the Company. The Company shall, prior to issuance of any Notes hereunder, and from time to time as may be necessary, reserve out of its authorized but unissued Common Stock a sufficient number of shares of Common Stock to permit the conversion of the Notes.

All shares of Common Stock delivered upon conversion of the Notes shall be newly issued shares or treasury shares, shall be duly and validly issued and fully paid and nonassessable and shall be free from preemptive rights and free of any lien or adverse claim.

The Company shall endeavor promptly to comply with all federal and state securities laws regulating the order and delivery of shares of Common Stock upon the conversion of Notes, if any, and shall cause to have listed or

quoted all such shares of Common Stock on each United States national securities exchange or over-the-counter or other domestic market on which the Common Stock is then listed or quoted.

SECTION 2.07. Adjustments to Conversion Rate. The Conversion Rate shall be adjusted from time to time by the Company as follows:

(1) In case the Company shall (a) pay a dividend, or make a distribution, in shares of its capital stock, on its Common Stock; (b) subdivide its outstanding Common Stock into a greater number of shares; (c) combine its outstanding Common Stock into a smaller number of shares; or (d) reclassify its Common Stock, the Conversion Rate in effect immediately prior thereto shall be adjusted so that the holder of any Notes thereafter surrendered for conversion shall be entitled to receive the number of shares of Common Stock of the Company which such holder would have owned or have been entitled to receive after the happening of any of the events described above had such Notes been converted immediately prior to the happening of such event. If any dividend or distribution of the type described in clause (a) above is not so paid or made, the Conversion Rate shall again be adjusted to the Conversion Rate which would then be in effect if such dividend or distribution had not been declared. An adjustment made pursuant to this Section 2.07(1) shall become effective immediately after the applicable Record Date in the case of a dividend and shall become effective immediately after the applicable effective date in the case of subdivision, combination or reclassification of the Company's Common Stock.

(2) In case the Company shall issue rights or warrants to all holders of its Common Stock entitling them (for a period expiring within 60 days after the date fixed for determination of stockholders entitled to receive such rights or warrants) to subscribe for or purchase Common Stock at a price per share less than the Sale Price per share of Common Stock at the Record Date for the determination of stockholders entitled to receive such rights or warrants, the Conversion Rate in effect immediately prior thereto shall be adjusted so that the same shall equal the Conversion Rate determined by multiplying the Conversion Rate in effect immediately prior to the date of the issuance of such rights or warrants by a fraction of which the numerator shall be the number of shares of Common Stock outstanding on the date of issuance of such rights or warrants plus the number of additional shares of Common Stock offered for subscription or purchase, and of which the denominator shall be the number of shares of Common Stock outstanding on the date of issuance of such rights or warrants plus the number of shares which the aggregate offering price of the total number of shares so offered would purchase at such Sale Price. Such adjustment shall be made successively whenever any such rights or warrants are issued, and shall become effective immediately after the opening of business on the day following the Record Date for the determination of the stockholders entitled to receive such rights or warrants. To the extent that shares of Common Stock are not delivered after the expiration of such rights or warrants, the Conversion Rate shall be readjusted to the Conversion Rate which would then be in effect had the adjustments made upon the issuance of such rights or warrants been made on the basis of delivery of only the number of shares of Common Stock actually delivered. If such rights or warrants are not so issued, the Conversion Rate shall again be adjusted to be the Conversion Rate which would then be in effect if such Record Date for the determination of stockholders entitled to receive such rights or warrants had not been fixed. In determining whether any rights or warrants entitle the holders to subscribe for or purchase shares of Common Stock at less than such Sale Price, and in determining the aggregate offering price of such shares of Common Stock, there shall be taken into account any consideration received by the Company for such rights or warrants, the value of such consideration, if other than cash, to be determined by the Board of Directors.

(3) In case the Company shall, by dividend or otherwise, distribute to all holders of its Common Stock (excluding any distribution in connection with the liquidation, dissolution or winding up of the Company, whether voluntary or involuntary) any evidences of its indebtedness or assets or rights or warrants to subscribe for or purchase any of its securities (excluding those referred to in Section 2.07(2) hereof) (any of the foregoing hereinafter in this Section 2.07(3) called the "Distributed Assets or Securities") in an aggregate amount that, combined together with the aggregate amount of any other such distributions to all holders of its Common Stock made within the 12 months preceding the date of payment of such distribution, and in respect of which no adjustment pursuant to this Section 2.07(3) has been made, exceeds 15% of the product of the Market Price on the day preceding the declaration of such distribution times the number of shares of Common Stock outstanding on such date, then, the Conversion Rate shall be adjusted so that the same shall equal the Conversion Rate determined by multiplying the Conversion Rate in effect immediately prior to the date of such distribution by a fraction of which the numerator shall be the Market Price per share of the Common Stock on the Record Date mentioned below, and the denominator shall be the Market Price per share of the Common Stock on such Record Date less the fair market value on such Record Date (as determined by the Board of Directors, whose determination shall be conclusive, and described in a certificate filed with the Trustee and the Paying Agent) of the Distributed Assets or Securities so distributed applicable to one share of Common Stock. Such adjustment shall become effective immediately after the Record Date for the determination of stockholders entitled to receive such distribution; provided, however, that no adjustment will be made in respect of any such dividends and distributions that result in the payment of any contingent interest to the Holders; provided, further, that, if the portion of the Distributed Assets or Securities so distributed applicable to one share of Common Stock is (a) equal to or greater than the Sale Price of the Common Stock on the Record Date or (b) the Sale Price of the Common Stock on the Record Date is greater than the fair market value of the Distributed Assets or Securities by less than \$1.00, then, in lieu of the foregoing adjustment, adequate provision shall be made so that each Holder shall have the right to receive upon conversion, in addition to the shares of Common Stock, the kind and amount of assets, debt securities, or rights warrants or options the Holder would have received had such Holder converted such Notes immediately prior to such Record

Date. In the event that such distribution is not so paid or made, the Conversion Rate shall again be adjusted to the Conversion Rate which would then be in effect if such distribution had not been declared.

Notwithstanding the foregoing provisions of Section 2.07(2) or (3), no adjustment shall be made thereunder for any distribution described therein if the Company makes proper provision so that each Holder of Notes who converts such Notes (or any portion thereof) after the Record Date for such distribution shall be entitled to receive upon such conversion, in addition to the shares of Common Stock issuable upon such conversion, the amount and kind of assets or Securities that such Holder would have been entitled to receive if such Holder had, immediately prior to such Record Date, converted such Notes for Common Stock; provided that, with respect to any Distributed Securities that are convertible, exchangeable or exercisable, the foregoing provision shall only apply to the extent (and so long as) the Distributed Securities receivable upon conversion of such Notes would be convertible, exchangeable or exercisable, as applicable, without any loss of rights or privileges for a period of at least 60 days following conversion of such Notes.

Upon conversion of the Notes the Holders shall receive, in addition to the Common Stock issuable upon such conversion, the rights issued under the Company's existing stockholder rights plan and any future stockholder rights plan the Company implements (notwithstanding the occurrence of an event causing such rights to separate from the Common Stock at or prior to the time of conversion). No adjustment pursuant to this Section 2.07 shall be made in connection with such stockholder rights plans.

(4) For purposes of this Section 2.07, the number of shares of Common Stock at any time outstanding shall not include shares held in the treasury of the Company but shall include shares issuable in respect of scrip certificates issued in lieu of fractions of shares of Common Stock. The Company shall not pay any dividend or make any distribution on shares of Common Stock held in the treasury of the Company.

#### SECTION 2.08. Miscellaneous Provisions Relating to Conversion

(1) Calculation Methodology. No adjustment in the Conversion Rate need be made unless the adjustment would require an increase or decrease of at least 1% in the Conversion Rate then in effect provided that any adjustment that would otherwise be required to be made shall be carried forward and taken into account in any subsequent adjustment. Except as stated in Section 2.07, the Conversion Rate will not be adjusted for the issuance of Common Stock or any securities convertible into or exchangeable for Common Stock or carrying the right to purchase any of the foregoing. Any adjustments that are made shall be carried forward and taken into account in any subsequent adjustment. All calculations under Sections 2.06, 2.07 and this Section 2.08 shall be made to the nearest cent or to the nearest 1/10,000th of a share, as the case may be.

(2) When No Adjustment Required. No adjustment shall be made for rights to purchase Common Stock pursuant to a Company plan for reinvestment of dividends or interest. No adjustment shall be made for a change in the par value or no par value of the Common Stock. No adjustment shall be made for accrued Original Issue Discount or accrued and unpaid interest (including contingent interest). To the extent the Notes become convertible into cash, assets, property or securities (other than capital stock of the Company), no adjustment shall be made thereafter as to the cash, assets, property or such securities. Interest shall not accrue on such cash.

In the event the Company exercises its option pursuant to Section 2.09 of this Supplemental Indenture to have interest in lieu of Original Issue Discount accrue on the Notes following a Tax Event, the Holder will be entitled on conversion to receive the same number of shares of Common Stock or other property in respect of Notes in a given original Principal Amount at Final Maturity that such Holder would have received if the Company had not exercised such option.

(3) Notice of Adjustment. Whenever the Conversion Rate is adjusted, the Company shall promptly mail to Holders a notice of the adjustment. The Company shall file with the Trustee and the Conversion Agent such notice. The certificate shall, absent manifest error, be conclusive evidence that the adjustment is correct. Neither the Trustee nor any Conversion Agent shall be under any duty or responsibility with respect to any such certificate except to exhibit the same to any Holder desiring inspection thereof.

(4) Voluntary Increase. The Company may make such increases in the Conversion Rate, in addition to those required by Section 2.07, as the Board of Directors considers to be advisable to avoid or diminish any income tax to holders of Common Stock or rights to purchase Common Stock resulting from any dividend or distribution of stock (or rights to acquire stock) or from any event treated as such for income tax purposes. To the extent permitted by applicable law, the Company may from time to time increase the Conversion Rate by any amount for any period of time if the period is at least 20 days, the increase is irrevocable during the period and the Board of Directors shall have made a determination that such increase would be in the best interests of the Company, which determination shall be conclusive. Whenever the Conversion Rate is so increased, the Company shall mail to Holders and file with the Trustee and the Conversion Agent a notice of such increase. Neither the Trustee nor any Conversion Agent shall be under any duty or responsibility with respect to any such notice except to exhibit the same to any holder desiring inspection thereof. The Company shall mail the notice at least 15 days before the date the increased Conversion Rate takes effect. The notice shall state the increased Conversion Rate and the period it shall be in effect.

(5) Notice to Holders Prior to Certain Actions. In case:

(a) the Company shall declare a dividend (or any other distribution)

on its Common Stock that would require an adjustment in the Conversion Rate pursuant to Section 2.07;

(b) the Company shall authorize the granting to all or substantially all the Holders of its Common Stock of rights or warrants to subscribe for or purchase any share of any class or any other rights or warrants;

(c) of any reclassification or reorganization of the Common Stock of the Company (other than a subdivision or combination of its outstanding Common Stock, or a change in par value, or from par value to no par value, or from no par value to par value), or of any consolidation or merger to which the Company is a party and for which approval of any shareholders of the Company is required, or of the sale or transfer of all or substantially all of the assets of the Company; or

(d) of the voluntary or involuntary dissolution, liquidation or winding-up of the Company,

the Company shall cause to be filed with the Trustee and to be mailed to each Holder of Notes at his address appearing on the Note register, as promptly as possible but in any event at least 15 days prior to the applicable date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution or rights or warrants, or, if a record is not to be taken, the date as of which the holders of Common Stock of record to be entitled to such dividend, distribution, or rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding-up is expected to become effective or occur, and the date as of which it is expected that holders of Common Stock of record shall be entitled to exchange their Common Stock for securities or other property deliverable upon such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding-up. Failure to give such notice, or any defect therein, shall not affect the legality or validity of such dividend, distribution, reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding-up.

(6) Effect of Reclassification, Consolidation, Merger or Sale. If any of the following events occur, namely (a) any reclassification or change of outstanding shares of Common Stock (other than a change in par value, or from par value to no par value, or from no par value to par value, or as a result of a subdivision or combination); (b) any consolidation, merger or combination of the Company with another corporation as a result of which holders of Common Stock shall be entitled to receive stock, securities or other property or assets (including cash) with respect to or in exchange for such Common Stock; or (c) any sale or conveyance of the properties and assets of the Company as, or substantially as, an entirety to any other corporation as a result of which holders of Common Stock shall be entitled to receive stock, securities or other property or assets (including cash) with respect to or in exchange for such Common Stock, then the Company or the successor or purchasing corporation, as the case may be, shall execute with the Trustee a supplemental indenture, providing that each Note shall be convertible into the kind and amount of shares of stock and other securities or property or assets (including cash) receivable upon such reclassification, change, consolidation, merger, combination, sale or conveyance by a holder of a number of shares of Common Stock issuable upon conversion of such Note immediately prior to such reclassification, change, consolidation, merger, combination, sale or conveyance. Such supplemental indenture shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Section 2.08(6).

The Company shall cause notice of the execution of such supplemental indenture to be mailed to each Holder of Notes, at his address appearing on the Note register, within 20 days after execution thereof. Failure to deliver such notice shall not affect the legality or validity of such supplemental indenture.

The above provisions of this Section shall similarly apply to successive reclassifications, changes, consolidations, mergers, combinations, sales and conveyances.

If this Section 2.08(6) applies to any event or occurrence, Section 2.07 shall not apply.

(7) Responsibility of Trustee. The Trustee and any other Conversion Agent shall not at any time be under any duty or responsibility to any Holder of Notes to either calculate the Conversion Rate or determine whether any facts exist which may require any adjustment of the Conversion Rate, or with respect to the nature or extent or calculation of any such adjustment when made, or with respect to the method employed, or herein or in any supplemental indenture provided to be employed, in making the same and shall be protected in relying upon an Officers' Certificate with respect to the same. The Trustee and any other Conversion Agent shall not be accountable with respect to the validity or value (or the kind or amount) of any shares of Common Stock, or of any securities or property, which may at any time be issued or delivered upon the conversion of any Notes and the Trustee and any other Conversion Agent make no representations with respect thereto. Subject to the provisions of Article Six of the Base Indenture, neither the Trustee nor any Conversion Agent shall be responsible for any failure of the Company to issue, transfer or deliver any shares of Common Stock or stock certificates or other securities or property or cash upon the surrender of any Notes for the purpose of conversion or to comply with any of the duties, responsibilities or covenants of the Company contained in this Section. Without limiting the generality of the foregoing, neither the Trustee nor any Conversion Agent shall be under any responsibility to determine the correctness of any provisions contained in any supplemental indenture entered into pursuant to Section 2.08(6) relating either to the kind or amount of shares of stock or securities or property (including cash) receivable by Holders upon the conversion of their Notes after any event referred to in such Section 2.08(6) or to any adjustment to be made with respect thereto, but,

subject to the provisions of Article Six of the Base Indenture, may accept as conclusive evidence of the correctness of any such provisions, and shall be protected in relying upon, the Officers' Certificate (which the Company shall be obligated to file with the Trustee prior to the execution of any such supplemental indenture) with respect thereto.

(8) Simultaneous Adjustments. In the event that Section 2.07 requires adjustments to the Conversion Rate under more than one of Sections 2.07(1), (2) or (3), and the Record Dates for the distributions giving rise to such adjustments shall occur on the same date, then such adjustments shall be made by applying, first, the provisions of Section 2.07(3), second, the provisions of Section 2.07(1), and third, the provisions of Section 2.07(2).

(9) Successive Adjustments. After an adjustment to the Conversion Rate under Section 2.07, any subsequent event requiring an adjustment under Section 2.07 shall cause an adjustment to the Conversion Rate as so adjusted.

(10) General Considerations. Whenever successive adjustments to the Conversion Rate are called for pursuant to Sections 2.07 or 2.08, such adjustments shall be made to the Market Price as may be necessary or appropriate to effectuate the intent of Section 2.07 and 2.08 and to avoid unjust or inequitable results as determined in good faith by the Board of Directors.

(11) Restriction on Common Stock Issuable Upon Conversion. (a) Shares of Common Stock to be issued upon conversion of Notes prior to the effectiveness of a shelf registration statement shall be physically delivered in certificated form to the Holders converting such Notes and the certificate representing such shares of Common Stock shall bear the Restricted Common Stock Legend unless removed in accordance with Section 2.08(11)(c).

(b) If (i) shares of Common Stock to be issued upon conversion of Notes prior to the effectiveness of a shelf registration statement are to be registered in a name other than that of the Holder of such Notes or (ii) shares of Common Stock represented by a certificate bearing the Restricted Common Stock Legend are transferred subsequently by such Holder, then, unless the shelf registration statement has become effective and such shares are being transferred pursuant to the shelf registration statement, the Holder must deliver to the transfer agent for the Common Stock a certificate in substantially the form of Exhibit C as to compliance with the restrictions on transfer applicable to such shares of Common Stock and neither the transfer agent nor the registrar for the Common Stock shall be required to register any transfer of such Common Stock not so accompanied by a properly completed certificate.

(c) Except in connection with a shelf registration statement, if certificates representing shares of Common Stock are issued upon the registration of transfer, exchange or replacement of any other certificate representing shares of Common Stock bearing the Restricted Common Stock Legend, or if a request is made to remove such Restricted Common Stock Legend from certificates representing shares of Common Stock, the certificates so issued shall bear the Restricted Common Stock Legend, or the Restricted Common Stock Legend shall not be removed, as the case may be, unless there is delivered to the Company such satisfactory evidence, which, in the case of a transfer made pursuant to Rule 144 under the Securities Act of 1933, may include an opinion of counsel pursuant to the laws in the State of New York, as may be reasonably required by the Company, that neither the legend nor the restrictions on transfer set forth therein are required to ensure that transfers thereof comply with the provisions of Rule 144A, Rule 144 or Regulation S under the Securities Act of 1933 and that such shares of Common Stock are securities that are not "restricted" within the meaning of Rule 144 under the Securities Act of 1933. Upon provision to the Company of such reasonably satisfactory evidence, the Company shall cause the transfer agent for the Common Stock to countersign and deliver certificates representing shares of Common Stock that do not bear the legend.

SECTION 2.09. Optional Conversion to Cash Pay Notes Upon Tax Event. From and after the date (the "Tax Event Date") of the occurrence of a Tax Event, at the option of the Company, cash interest in lieu of future Original Issue Discount shall accrue after the date (which shall be on or after the Tax Event Date) the Company exercises the option set forth in this Section 2.09 (the "Option Exercise Date") at the rate of 1.00% per annum on a restated principal amount per \$1,000 original Principal Amount at Final Maturity (the "Restated Principal Amount") which shall be equal to the Accreted Value on the Option Exercise Date, and shall be payable in Cash semiannually on December 14 and June 14 of each year (each an "Interest Payment Date") to holders of record at the close of business on November 30 or May 31 (each a "Regular Record Date") immediately preceding such Interest Payment Date. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months and will accrue from the most recent date on which interest has been paid or, if no interest has been paid, from the Option Exercise Date. Within 30 days of the occurrence of a Tax Event, the Company shall deliver a written notice of such Tax Event by facsimile and first-class mail to the Trustee. Within 15 days of the exercise of such option the Company shall deliver a written notice of the Option Exercise Date by facsimile and first-class mail to the Trustee and by first class mail to the Holders of the Notes. From and after the Option Exercise Date, (i) the Company shall be obligated to pay at Final Maturity or upon a Redemption Date, Purchase Date or Fundamental Change Purchase Date, in lieu of the Principal Amount at Final Maturity or Accreted Value, as the case may be, of Notes, the Restated Principal Amount thereof (plus accrued and unpaid interest, including contingent interest, if any) and (ii) "Issue Price and accrued Original Issue Discount," "Issue Price plus Original Issue Discount" or similar words, as used herein, mean Restated Principal Amount plus accrued and unpaid interest with respect to any Notes. Notes authenticated and delivered after the Option Exercise Date may, and shall if required by the Trustee, bear a notation in a form approved by the Trustee as to the conversion of the Notes to Cash Pay Notes. The Notes as modified after the Option Exercise Date are referred to

herein as "Cash Pay Notes."

SECTION 2.10. Tax Treatment of Notes. The Company agrees, and by acceptance of a beneficial ownership interest in the Notes each beneficial holder of Notes will be deemed to have agreed, for United States federal income tax purposes, (i) to treat the Notes as debt instruments that are subject to Section 1.1275-4(b) of the Treasury Regulations (the "Contingent Debt Regulations"), and, for purposes of the Contingent Debt Regulations, to treat the fair market value of any stock beneficially received by a beneficial holder upon any conversion of the Notes as a contingent payment and (ii) to be bound by the Company's determination of the "comparable yield" and "projected payment schedule," within the meaning of the Contingent Debt Regulations, with respect to the Notes. The comparable yield and the schedule of projected payments are not determined for any purpose other than for the determination of interest accruals and adjustment thereof in respect of the Notes for United States federal income tax purposes. The comparable yield and the schedule of projected payments do not constitute a projection or representation regarding the future stock price or the amounts payable on the Notes. For purposes of the foregoing, the Company's determination of the "comparable yield" is 7.45 % per annum, compounded semiannually. The projected payment schedule, determined by the Company, is attached hereto as Exhibit D. A Holder of Notes may obtain the amount of Original Issue Discount, Issue Date, yield to maturity, comparable yield and a copy of the projected payment schedule attached hereto as Exhibit D for the Notes by telephoning the Company's Investor Relations Department at (212) 399-8000 or submitting a written request for such information to The Interpublic Group of Companies, Inc., 1271 Avenue of the Americas, New York, New York 10020, Attn: Susan V. Watson.

#### SECTION 2.11. Payment of Principal or Interest

(1) Paying Agent To Hold Money in Trust. Prior to 10:00 a.m. (New York City time) on any applicable payment date, the Company shall deposit with the Paying Agent (or if the Company or a Subsidiary of the Company is acting as Paying Agent, segregate and hold in trust for the benefit of the Persons entitled thereto) a sum sufficient to pay semiannual or contingent interest, if any, when due. The Company shall require each Paying Agent (other than the Trustee) to agree in writing that the Paying Agent shall hold in trust for the benefit of Holders or the Trustee all money held by the Paying Agent for the payment of principal or interest on the Notes and shall notify the Trustee of any default by the Company in making any such payment. If the Company or a Subsidiary acts as Paying Agent, it shall segregate the money held by it as Paying Agent and hold it as a separate trust fund. The Company at any time may require a Paying Agent to pay all money held by it to the Trustee and to account for any funds disbursed by the Paying Agent. Upon complying with this Section, the Paying Agent shall have no further liability for the money delivered to the Trustee.

(2) Holder Lists. The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Holders. If the Trustee is not the Security Registrar, the Company shall furnish, or cause the Security Registrar to furnish, to the Trustee, in writing at least five Business Days before each Interest Payment Date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of Holders.

(3) Payment of Interest; Interest Rights Preserved. (a) Semiannual or contingent interest on any Notes that is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name such Notes are registered at the close of business on the Regular Record Date or Contingent Interest Record Date, as the case may be, for such interest at the office or agency of the Company maintained for such purpose. Each installment of semiannual or contingent interest on any Notes shall be paid in same-day funds by transfer to an account maintained by the payee located inside the United States. In the case of a Global Security, semiannual or contingent interest payable on any applicable payment date will be paid to the Depository, with respect to that portion of such Global Security held for its account by Cede & Co. for the purpose of permitting such party to credit the interest received by it in respect of such Global Security to the accounts of the beneficial owners thereof.

(b) Except as otherwise specified with respect to the Notes, any semiannual or contingent interest on any Notes that is payable, but is not punctually paid or duly provided for, within 30 days following any applicable payment date (herein called "Defaulted Interest", which term shall include any accrued and unpaid interest that has accrued on such defaulted amount in accordance with paragraph 1 of the Notes), shall forthwith cease to be payable to the registered Holder thereof on the relevant Regular Record Date or Contingent Interest Record Date, as the case may be, by virtue of having been such Holder, and such Defaulted Interest may be paid by the Company, at its election in each case, as provided in clause (i) or (ii) below.

(i) The Company may elect to make payment of any Defaulted Interest to the Persons in whose names the Notes are registered at the close of business on a date for the payment of such Defaulted Interest (the "Special Record Date"), which shall be fixed in the following manner: The Company shall notify the Trustee and Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on Notes and the date of the proposed payment (which shall not be less than 20 days after such notice is received by the Trustee and Paying Agent), and at the same time the Company shall deposit with the Paying Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Paying Agent for such deposit on or prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted

Interest as in this clause provided. Thereupon the Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 days and not less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee and Paying Agent of the notice of the proposed payment. The Paying Agent shall promptly notify the Company of such Special Record Date and, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder of Notes at his address as it appears on the list of Holders maintained pursuant to this Supplemental Indenture not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the Persons in whose names the Notes are registered at the close of business on such Special Record Date and shall no longer be payable pursuant to the following clause (ii).

- (ii) Alternatively, the Company may make payment of any Defaulted Interest on the Notes in any other lawful manner not inconsistent with the requirements of any exchange on which such Notes may be listed, and upon such notice as may be required by such exchange, if, after notice given by the Company to the Trustee and Paying Agent of the proposed payment pursuant to this clause, such manner of payment shall be deemed practicable by the Paying Agent.

Subject to the foregoing provisions of this Section 2.11 and Section 3.05 of the Base Indenture, Notes delivered under this Supplemental Indenture upon registration of transfer of or in exchange for or in lieu of any other Notes shall carry the rights to semiannual or contingent interest accrued and unpaid to, and to accrue, which were carried by such other Notes.

### ARTICLE 3 GLOBAL SECURITIES

SECTION 3.01. Form. The Notes shall initially be issued in the form of one or more Global Securities, and the Company shall execute and the Trustee or the Authenticating Agent shall authenticate and deliver such Global Security or Securities which (1) shall represent, and shall be denominated in an amount equal to the aggregate Principal Amount at Final Maturity of, the outstanding Notes to be represented by such Global Security or Securities, or such portion thereof as the Company shall specify in writing to the Trustee or Authenticating Agent, (2) shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company (the "Depository"), (3) shall be delivered by the Trustee or the Authentication Agent to the Depository or pursuant to the Depository's instruction and (4) shall bear a global securities legend substantially to the following effect:

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR THE INDIVIDUAL NOTES REPRESENTED HEREBY, THIS GLOBAL SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY

and shall bear a restricted securities legend (a "Restricted Securities Legend") substantially to the following effect:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY STATE SECURITIES LAWS, AND ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A ADOPTED UNDER THE SECURITIES ACT) OR (B) IT IS NOT A UNITED STATES PERSON AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S ADOPTED UNDER THE SECURITIES ACT; (2) AGREES THAT IT WILL NOT WITHIN TWO YEARS AFTER THE ORIGINAL ISSUANCE OF THIS SECURITY RESELL OR OTHERWISE TRANSFER THE SECURITY EVIDENCED HEREBY OR THE COMMON STOCK ISSUABLE UPON CONVERSION OF SUCH SECURITY, EXCEPT (A) TO THE ISSUER OR A SUBSIDIARY THEREOF; (B) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A ADOPTED UNDER THE SECURITIES ACT (IF AVAILABLE); (C) TO PERSONS OTHER THAN UNITED STATES PERSONS OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, (D) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 ADOPTED UNDER THE SECURITIES ACT OR ANOTHER AVAILABLE EXEMPTION UNDER THE SECURITIES ACT NOT REFERRED TO ABOVE (IF AVAILABLE), OR (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT; AND (3) AGREES THAT IT WILL, PRIOR TO ANY TRANSFER OF THIS SECURITY WITHIN TWO YEARS AFTER THE ORIGINAL ISSUANCE OF THIS SECURITY, FURNISH TO THE TRUSTEE AND THE ISSUER SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS MAY BE REQUIRED PURSUANT TO THE INDENTURE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION," "UNITED STATES" AND "UNITED STATES PERSON" HAVE THE MEANING GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT. IN ANY CASE THE HOLDER HEREOF WILL NOT, DIRECTLY OR INDIRECTLY, ENGAGE IN ANY HEDGING TRANSACTION WITH REGARD TO THIS SECURITY EXCEPT AS PERMITTED BY THE SECURITIES ACT.

Interests in the Global Securities shall be issued only in denominations of \$1,000 or integral multiples thereof.

SECTION 3.02. Transfer. Notwithstanding any other provisions herein but subject to the provisions of Section 3.03 below, unless the terms of a Global Security expressly permit such Global Security to be exchanged in whole or in part for individual Notes, a Global Security may be transferred, in whole but not in part and in the manner provided in Section 3.05 of the Base Indenture, only to a nominee of the Depository for such Global Security, or to the Depository, or a successor Depository for such Global Security selected or approved by the Company, or to a nominee of such successor Depository.

SECTION 3.03. Restricted Securities Legend. Except in connection with a shelf registration statement contemplated by and in accordance with the terms of the Registration Rights Agreement by and between the Company and the initial purchasers of the Notes as set forth in such agreement, dated as of December 14, 2001 (the "Registration Rights Agreement"), if Notes are issued upon the registration of transfer, exchange or replacement of Notes bearing a Restricted Securities Legend, or if a request is made to remove such a Restrictive Securities Legend on Notes, the Notes so issued shall bear the Restricted Securities Legend, or a Restricted Securities Legend shall not be removed, as the case may be, unless there is delivered to the Company such satisfactory evidence, which, in the case of a transfer made pursuant to Rule 144 under the Securities Act of 1933, may include an opinion of counsel given in accordance with the laws in the State of New York, as may be reasonably required by the Company, that neither the legend nor the restrictions on transfer set forth therein are required to ensure that transfers thereof comply with the provisions of Rule 144A, Rule 144 or Regulation S under the Securities Act of 1933 and that such Notes are not "restricted" within the meaning of Rule 144 under the Securities Act of 1933. Upon provision to the Company of such satisfactory evidence, the Trustee or Authenticating Agent, at the written direction of the Company, shall authenticate and deliver Notes that do not bear the legend.

SECTION 3.04. Individual Notes. (1) If at any time the Depository for a Global Security notifies the Company that it is unwilling or unable to continue as Depository for such Global Security or if at any time the Depository for the Notes ceases to be a clearing agency registered under the Exchange Act or other applicable statute or regulation, the Company shall appoint a successor Depository with respect to such Global Security. If a successor Depository for such Global Security is not appointed by the Company within 90 days after the Company receives such notice or becomes aware of such ineligibility, the Company shall execute, and the Trustee or the Authenticating Agent, upon receipt of a written request by the Company for the authentication and delivery of individual Notes in exchange for such Global Security, shall authenticate and deliver, individual Notes in definitive form in an aggregate principal amount equal to the principal amount of the Global Security in exchange for such Global Security.

(2) The Company may at any time and in its sole discretion determine that the Notes or portion thereof issued or issuable in the form of one or more Global Securities shall no longer be represented by such Global Security or Securities. In such event the Company shall execute, and the Trustee or the Authenticating Agent, upon receipt of a written request by the Company for the authentication and delivery of individual Notes in exchange in whole or in part for such Global Security, shall authenticate and deliver individual Notes in definitive form in an aggregate Principal Amount at Final Maturity equal to the Principal Amount at Final Maturity of such Global Security or Securities representing such series or portion thereof in exchange for such Global Security or Securities.

(3) If specified by the Company with respect to Notes issued or issuable in the form of a Global Security, the Depository for such Global Security may surrender such Global Security in exchange in whole or in part for individual Notes in definitive form on such terms as are acceptable to the Company and such Depository. Thereupon the Company shall execute, and the Trustee or the Authenticating Agent shall authenticate and deliver, without service-charge, (a) to each Person specified by such Depository a new Note or Notes of any authorized denomination as requested by such Person in an aggregate principal amount equal to and in exchange for such Person's beneficial interest in the Global Security; and (b) to such Depository a new Global Security in an authorized denomination equal to the difference, if any, between the Principal Amount at Final Maturity of the surrendered Global Security and the aggregate Principal Amount at Final Maturity of Notes delivered to the Holders thereof.

(4) In any exchange provided for in any of the preceding three paragraphs, the Company shall execute and the Trustee or the Authenticating Agent shall authenticate and deliver individual Notes in definitive registered form in authorized denominations. Upon the exchange of the entire principal amount of a Global Security for individual Notes, such Global Security shall be canceled by the Trustee or the Security Registrar. Except as provided in the preceding paragraph, Notes issued in exchange for a Global Security pursuant to this Section shall be registered in such names and in such authorized denominations as the Depository for such Global Security, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Trustee or the Security Registrar. The Trustee or the Security Registrar shall deliver such Notes to the Persons in whose names such Notes are so registered.

#### ARTICLE 4 REMEDIES

SECTION 4.01. Additional Events of Default. Any Event of Default set forth in Section 5.01 of the Base Indenture, other than those contained in clauses (1)-(3) thereof, which shall not apply to the Notes, and any one of the following events shall constitute an "Event of Default" hereunder and thereunder



whenever used with respect to the Notes in this Indenture (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(1) a default by the Company in the payment of the any Principal Amount at Final Maturity (or, if the Notes have been converted to Cash Pay Notes following the occurrence of a Tax Event, the Restated Principal Amount), Redemption Price, Purchase Price or Fundamental Change Purchase Price due with respect to any Notes when such amount becomes due and payable; or

(2) failure by the Company to pay "additional amounts" (as defined in the Registration Rights Agreement) or a default by the Company in the payment of any contingent interest or of interest which becomes payable after the Notes have been converted to Cash Pay Notes following the occurrence of a Tax Event, which failure or default, in either case, continues for 30 days.

(3) The Indenture is hereby amended, with respect to the Notes only, by replacing the words, "other than the Securities of such series" with the words "other than the Zero-Coupon Convertible Senior Notes Due 2021 in paragraph (5) of Section 5.01 and by inserting the phrase "or stayed" after the word "dismissed" in clause (ii) of paragraph (7) of Section 5.01.

SECTION 4.02. Acceleration of Maturity; Rescission and Annulment. The portion of principal amount of the Notes that shall become due and payable pursuant to any acceleration under Section 5.02 of the Base Indenture is the Accreted Value plus accrued and unpaid interest (including contingent interest) through the date of such acceleration. If an Event of Default specified in Section 5.01(6) or (7) of the Base Indenture occurs and is continuing, the Accreted Value of all of the Notes plus accrued and unpaid interest (including contingent interest) to the date of the occurrence of the bankruptcy or insolvency, shall automatically become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holders.

#### ARTICLE 5 DISCHARGE OF SUPPLEMENTAL INDENTURE

SECTION 5.01. Discharge of Supplemental Indenture. When (1) the Company shall deliver to the Security Registrar for cancellation all Notes theretofore authenticated (other than any Notes which have been destroyed, lost or stolen and in lieu of or in substitution for which other Notes shall have been authenticated and delivered) and not theretofore canceled, or (2) all the Notes not theretofore canceled or delivered to the Security Registrar for cancellation shall have become due and payable on the Purchase Date, Fundamental Change Purchase Date, Final Maturity Date or Redemption Date, as applicable, and the Company shall deposit with the Trustee cash or shares of Common Stock, as applicable, sufficient to pay all amounts owing in respect of all Notes (other than any Notes which shall have been mutilated, destroyed, lost or stolen and in lieu of or in substitution for which other Notes shall have been authenticated and delivered) not theretofore canceled or delivered to the Security Registrar for cancellation, including the Accreted Value and interest (including contingent interest, if any) accrued and unpaid to such Final Maturity Date, Purchase Date, Fundamental Change Purchase Date or Redemption Date, as the case may be, and if in either case the Company shall also pay or cause to be paid all other sums payable hereunder by the Company, then the Indenture with respect to the Notes shall cease to be of further effect (except as to (i) remaining rights of registration of transfer, substitution and exchange and conversion of Notes; (ii) rights hereunder of Holders to receive payments of the amounts then due, including interest (including contingent interest, if any) with respect to the Notes and the other rights, duties and obligations of Holders, as beneficiaries hereof with respect to the amounts, if any, so deposited with the Trustee; and (iii) the rights, obligations and immunities of the Trustee, Authenticating Agent, Paying Agent, Conversion Agent, Security Registrar and Bid Agent hereunder and under the Indenture with respect to the Notes), and the Trustee, on demand of the Company accompanied by an Officers' Certificate (provided, that at the Company's option, the matters to be addressed in such Officers' Certificate may be divided among two such certificates) and an opinion of Counsel as required by Section 5.03 and at the cost and expense of the Company, shall execute proper instruments acknowledging satisfaction of and discharging the Indenture with respect to the Notes; the Company, however, hereby agrees to reimburse the Trustee, Authenticating Agent, Paying Agent, Conversion Agent, Security Registrar and Bid Agent for any costs or expenses thereafter reasonably and properly incurred by the Trustee and to compensate the Trustee, Authenticating Agent, Paying Agent, Conversion Agent, Security Registrar and Bid Agent for any services thereafter reasonably and properly rendered by the Trustee, Authenticating Agent, Paying Agent, Conversion Agent, Security Registrar and Bid Agent in connection with the Indenture with respect to the Notes or the Notes. Section 4.01 of the Base Indenture is replaced in its entirety by this Section 5.01.

SECTION 5.02. Reinstatement. If the Trustee or the Paying Agent is unable to apply any money in accordance with Section 4.02 of the Base Indenture by reason of any order or judgment of any court of governmental authority enjoining, restraining or otherwise prohibiting such application, the Company's obligations under the Indenture with respect to the Notes and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to Section 5.01 until such time as the Trustee or the Paying Agent is permitted to apply all such money in accordance with Section 4.02 of the Base Indenture; provided, however, that if the Company makes any payment of Accreted Value or interest (including contingent interest), if any, of any Notes following the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money held by the Trustee or Paying Agent.

SECTION 5.03. Officers' Certificate; Opinion of Counsel. Upon any

application or demand by the Company to the Trustee to take any action under Section 5.01, the Company shall furnish to the Trustee an Officers' Certificate stating that all conditions precedent, if any, provided for in the Indenture relating to the proposed action have been complied with, and an Opinion of Counsel stating that, in the opinion of such counsel, all such conditions precedent have been complied with.

Each certificate or Opinion of Counsel provided for in this Supplemental Indenture and delivered to the Trustee with respect to compliance with a condition or covenant pursuant to the previous paragraph shall include: (1) a statement that the Person making such certificate or opinion has read such covenant or condition; (2) a brief statement as to the nature and scope of the examination or investigation upon which the statement or opinion contained in such certificate or opinion is based; (3) a statement that, in the opinion of such Person, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and (4) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been complied with.

#### ARTICLE 6. MODIFICATIONS AND AMENDMENTS

SECTION 6.01. Waiver. The Holders of a majority in Principal Amount at Final Maturity of the outstanding Notes may waive any past default under the Indenture or the Notes, except (1) a default by the Company in the payment of the any Principal Amount at Final Maturity (or, if the Notes have been converted to Cash Pay Notes following the occurrence of a Tax Event, the Restated Principal Amount), Redemption Price, Purchase Price or Fundamental Change Purchase Price due with respect to any Notes when such amount becomes due and payable; (2) failure by the Company to pay "additional amounts" (as defined in the Registration Rights Agreement) or a default by the Company in the payment of any contingent interest or of interest which becomes payable after the Notes have been converted to Cash Pay Notes following the occurrence of a Tax Event, which failure or default, in either case, continues for 30 days; (3) a Default with respect to any provision of the Indenture that cannot be amended without the consent of the Holder of each affected Note or (4) a Default which constitutes a failure to convert any Notes in accordance with their terms and the terms of this Indenture.

SECTION 6.02. Amendments. Supplemental indentures modifying the Indenture and the terms of the Notes may be entered into as set forth in Article Nine of the Base Indenture (except that the reference in Section 9.02 of the Base Indenture to Section 10.11 of the Base Indenture shall not apply to the Notes), provided that the Company and the Trustee may not, without the consent of each holder of Notes affected thereby, modify or amend the Indenture or the Notes to:

(1) extend the stated maturity, reduce the Principal Amount at Final Maturity, Restated Principal Amount, Issue Price, Purchase Price, Fundamental Change Purchase Price or Redemption Price of any Notes;

(2) make any change that adversely affects the right to convert any Notes;

(3) except as otherwise provided in this Indenture, make any change in the manner or rate of accrual in connection with Original Issue Discount, make any change in the manner of calculation of, or that adversely affects the right to receive, contingent interest, reduce the rate of interest referred to in paragraph 1 of the Notes, reduce the rate of interest referred to in Section 2.09 of this Supplemental Indenture, or extend the time for payment of contingent interest or interest, if any, on any Notes;

(4) reduce the amount of principal payable upon acceleration of maturity;

(5) make any Notes payable in money or securities other than stated in the Notes; or

(6) impair the right to institute suit for the enforcement of any payment with respect to, or conversion of, the Notes.

#### ARTICLE 7 RANKING

SECTION 7.01. Senior in Right of Payment. The Notes shall be direct senior obligations of the Company and shall rank senior in right of payment to all existing and future indebtedness that is, by its terms, expressly subordinated in right of payment to the Notes and pari passu in right of payment with all other unsecured senior indebtedness of the Company.

#### ARTICLE 8. MISCELLANEOUS

SECTION 8.01. Integral Part. This Supplemental Indenture constitutes an integral part of the Base Indenture with respect to the Notes only.

SECTION 8.02. Adoption, Ratification and Confirmation. The Base Indenture, as supplemented and amended by this Supplemental Indenture, is in all respects hereby adopted, ratified and confirmed, and this Supplemental Indenture shall be deemed part of the Base Indenture in the manner and to the extent herein and therein provided. The provisions of this Supplemental Indenture shall, subject to the terms hereof, supersede the provisions of the Base Indenture to the extent the Base Indenture is inconsistent herewith.

SECTION 8.03. Counterparts. This Supplemental Indenture may be executed in any number of counterparts, each of which so executed shall be

deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

SECTION 8.04. Governing Law. THE INDENTURE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE CONFLICTS OF LAW RULES OF SAID STATE.

SECTION 8.05. Conflict of Any Provision of Indenture with Trust Indenture Act of 1939. If and to the extent that any provision of the Indenture limits, qualifies or conflicts with a provision required under the terms of the Trust Indenture Act of 1939, as amended, such Trust Indenture Act provision shall control.

SECTION 8.06. Effect of Headings. The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 8.07. Severability of Provisions. In case any provision in the Indenture or in the Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 8.08. Successors and Assigns. All covenants and agreements in the Indenture by the parties hereto shall bind their respective successors and assigns and inure to the benefit of their respective successors and assigns, whether so expressed or not.

SECTION 8.09. Benefit of Indenture. Nothing in the Indenture, express or implied, shall give to any Person, other than the parties hereto, any Security Registrar, any Paying Agent, and their successors hereunder, and the Holders of the Notes, any benefit or any legal or equitable right, remedy or claim under the Indenture.

SECTION 8.10. Acceptance by Trustee. The Trustee accepts the amendments to the Base Indenture effected by this Supplemental Indenture and agrees to execute the trusts created by the Base Indenture as hereby amended, but only upon the terms and conditions set forth in this Supplemental Indenture and the Base Indenture. Without limiting the generality of the foregoing, the Trustee assumes no responsibility for the correctness of the recitals contained herein, which shall be taken as the statements of the Company and except as provided in the Indenture the Trustee shall not be responsible or accountable in any way whatsoever for or with respect to the validity or execution or sufficiency of this Supplemental Indenture and the Trustee makes no representation with respect thereto.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed, and their respective corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By /s/ Sean F. Orr  
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Name: Sean Orr  
Title: Executive Vice President and Chief  
Financial Officer

[SEAL]

Attest:

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

THE BANK OF NEW YORK  
as Trustee

By: /s/ Kisha Holder  
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Name: Kisha A. Holder  
Title: Assistant Treasurer

## [FORM OF FACE OF GLOBAL SECURITY]

THE ISSUE DATE OF THIS SECURITY IS DECEMBER 14, 2001. THE ORIGINAL ISSUE DISCOUNT FOR PURPOSES OTHER THAN UNITED STATES FEDERAL INCOME TAX PURPOSES (THE DIFFERENCE BETWEEN THE ISSUE PRICE AND THE PRINCIPAL AMOUNT AT FINAL MATURITY OF THE NOTE) IN THE PERIOD DURING WHICH THE NOTE REMAINS OUTSTANDING, SHALL ACCRUE AT 1.00% PER ANNUM, ON A SEMIANNUAL BOND EQUIVALENT BASIS USING A 360-DAY YEAR COMPOSED OF TWELVE 30-DAY MONTHS, COMMENCING ON THE ISSUE DATE OF THIS NOTE.

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR THE INDIVIDUAL NOTES REPRESENTED HEREBY, THIS GLOBAL SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

FOR PURPOSES OF SECTIONS 1273 AND 1275 OF THE INTERNAL REVENUE CODE, THIS SECURITY IS A CONTINGENT PAYMENT DEBT INSTRUMENT AND WILL ACCRUE ORIGINAL ISSUE DISCOUNT AT THE ISSUER'S "COMPARABLE YIELD" FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. PURSUANT TO SECTION 2.10 OF THE SUPPLEMENTAL INDENTURE, THE COMPANY AGREES, AND BY ACCEPTANCE OF A BENEFICIAL OWNERSHIP INTEREST IN THE SECURITY, EACH BENEFICIAL HOLDER OF THE SECURITIES WILL BE DEEMED TO HAVE AGREED, FOR UNITED STATES FEDERAL INCOME TAX PURPOSES, (i) TO TREAT THE SECURITIES AS INDEBTEDNESS THAT IS SUBJECT TO SECTION 1.1275-4 OF THE UNITED STATES TREASURY REGULATIONS (THE "CONTINGENT DEBT REGULATIONS"), AND, FOR PURPOSES OF THE CONTINGENT DEBT REGULATIONS, TO TREAT THE FAIR MARKET VALUE OF COMMON STOCK RECEIVED BY A BENEFICIAL HOLDER UPON ANY CONVERSION OF THE NOTES AS A CONTINGENT PAYMENT AND (ii) TO BE BOUND BY THE COMPANY'S DETERMINATION OF THE "COMPARABLE YIELD" AND "PROJECTED PAYMENT SCHEDULE," WITHIN THE MEANING OF THE CONTINGENT DEBT REGULATIONS, WITH RESPECT TO THE NOTES. THE COMPANY'S DETERMINATION OF THE "COMPARABLE YIELD" IS 7.45% PER ANNUM, COMPOUNDED SEMIANNUALLY. THE PROJECTED PAYMENT SCHEDULE, DETERMINED BY THE COMPANY, IS ATTACHED TO THE SUPPLEMENTAL INDENTURE AS EXHIBIT D. YOU MAY OBTAIN THE AMOUNT OF ORIGINAL ISSUE DISCOUNT, ISSUE DATE, YIELD TO MATURITY, COMPARABLE YIELD AND PROJECTED PAYMENT SCHEDULE FOR THE SECURITY BY TELEPHONING THE INTERPUBLIC GROUP OF COMPANIES, INC.'S INVESTOR RELATIONS DEPARTMENT AT (212) 399-8000 OR SUBMITTING A WRITTEN REQUEST FOR SUCH INFORMATION TO: THE INTERPUBLIC GROUP OF COMPANIES, INC., 1271 AVENUE OF THE AMERICAS, NEW YORK, NEW YORK 10020, ATTN: SUSAN V. WATSON.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

ZERO-COUPON CONVERTIBLE SENIOR NOTES DUE 2021

No. \_\_\_\_\_ Original Issue Discount: \$180.86  
Issue Date: \_\_\_\_\_ (for each \$1,000 Principal Amount  
Issue Price: \$819.14 at Final Maturity)  
(for each \$1,000 Principal  
Amount at Final Maturity)

CUSIP: 460690AP5

The Interpublic Group of Companies, Inc., a Delaware corporation (the "Company"), promises to pay to \_\_\_\_\_ or registered assigns, on December 14, 2021 the Principal Amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_).

This Note shall not bear periodic interest except as specified on the other side of this instrument. Original Issue Discount shall accrue as specified on the other side of this Note. This Note is convertible as specified on the other side of this Note.

Additional provisions of this Note are set forth on the other side of this Note.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its corporate seal.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By: \_\_\_\_\_  
Title:

Attest:

By: \_\_\_\_\_  
Title:

[SEAL]

Dated: \_\_\_\_\_, 2001

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Notes described in the within-mentioned Indenture and Supplemental Indenture.

THE BANK OF NEW YORK, as Trustee

By: \_\_\_\_\_  
Authorized Signatory

THE INTERPUBLIC GROUP OF COMPANIES, INC.

ZERO-COUPON CONVERTIBLE SENIOR NOTES DUE 2021

1. INTEREST

This Note shall not bear periodic interest, except as specified in this paragraph and in paragraphs 5 and 11 hereof. If the Principal hereof or any portion of such Principal is not paid when due (whether upon acceleration, upon the date set for payment of the Redemption Price pursuant to paragraph 6 hereof, upon the date set for payment of a Purchase Price or Fundamental Change Purchase Price pursuant to paragraph 7 hereof or upon the Final Maturity of this Note) or if interest (including contingent interest, if any) due hereon or any portion of such interest is not paid when due in accordance with paragraph 5 or 11 hereof, then in each such case the overdue amount shall bear interest at the rate of 1.00% per annum, compounded semiannually (to the extent that the payment of such interest shall be legally enforceable), which interest shall accrue from the date such overdue amount was due to the date payment of such amount, including interest thereon, has been made or duly provided for. All such interest shall be payable on demand. The accrual of such interest on overdue amounts shall be in lieu of, and not in addition to, the continued accrual of Original Issue Discount.

The Original Issue Discount (the difference between the Issue Price and the Principal Amount at Final Maturity of the Note) in the period during which a Note remains outstanding, shall accrue at 1.00% per annum, on a semiannual bond equivalent basis using a 360-day year composed of twelve 30-day months, commencing on the Issue Date of this Note.

2. METHOD OF PAYMENT

Subject to the terms and conditions of the Indenture, the Company shall make payments in respect of the Notes to the Persons who are registered Holders of Notes at the close of business on the Business Day preceding the Redemption Date or Final Maturity, as the case may be, or at the close of business on a Purchase Date or Fundamental Change Purchase Date, as the case may be. Holders must surrender Notes to a Paying Agent to collect such payments in respect of the Notes. The Company shall pay cash amounts in money of the United States that at the time of payment is legal tender for payment of public and private debts. However, the Company may make such cash payments by check payable in such money.

3. PAYING AGENT, CONVERSION AGENT, BID AGENT AND SECURITY REGISTRAR

Initially, The Bank of New York, a national banking association (the "Trustee"), shall act as Paying Agent, Conversion Agent, Bid Agent and Security Registrar. The Company may appoint and change any Paying Agent, Conversion Agent, Bid Agent, Security Registrar or co-registrar without notice, other than notice to the Trustee except that the Company will maintain at least one Paying Agent in the State of New York, City of New York, Borough of Manhattan, which shall initially be an office or agency of the Trustee. The Company or any of its Subsidiaries or any of their Affiliates may act as Paying Agent, Conversion Agent, Security Registrar or co-registrar.

4. INDENTURE

The Company issued the Notes under a Senior Debt Indenture, dated as of October 20, 2000 (the "Base Indenture"), as supplemented by the Second Supplemental Indenture thereto, dated as of December 14, 2001 (the "Supplemental Indenture" and, together with the Base Indenture, the "Indenture"), between the Company and the Trustee. Capitalized terms used herein and not defined herein have the meanings ascribed thereto in the Indenture. Reference is hereby made to the Indenture for a statement of the respective rights thereunder of the Company, the Trustee and the Holders of the Notes and the terms upon which the Notes are to be authenticated and delivered. The terms, conditions and provisions of the Notes are those stated in the Indenture, those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended, and those set forth in the Notes.

The Notes are general unsecured obligations of the Company limited to \$610,400,000 aggregate Principal Amount at Final Maturity (subject to increase without any further action by up to \$91,560,000 if, and to the extent, the overallotment option granted under the Purchase Agreement between the Company and the initial purchasers of the Notes as set forth therein, dated December 10, 2001, is exercised).

5. CONTINGENT INTEREST

Subject to the accrual and record date provisions specified in this paragraph 5, the Company shall pay contingent interest to the Holders during any six-month period (a "Contingent Interest Period") from December 14 to June 13 and from June 14 to December 13, commencing with the six-month period beginning December 14, 2006, if the average Note Price for the Five-Day Period with respect to such Contingent Interest Period equals 120% or more of the Accreted Value thereof on the trading day immediately preceding the first day of the relevant Contingent Interest Period.

The amount of contingent interest payable per \$1,000 Principal Amount at Final Maturity hereof in respect of any Contingent Interest Period shall equal the greater of (x) Cash Dividends paid by the Company per share of Common Stock during that Contingent Interest Period multiplied by the number of shares



of Common Stock into which \$1,000 Principal Amount at Final Maturity hereof is convertible pursuant to paragraph 10 hereof as of the accrual date for such contingent interest or (y) .125% of the average Note Price for the Five-Day Period with respect to such Contingent Interest Period.

Contingent interest, if any, will accrue and be payable to Holders as of the record date for the related Cash Dividend or, if no Cash Dividend is paid by the Company during any quarter within a Contingent Interest Period, to Holders as of the 15th day preceding the last day of the relevant Contingent Interest Period (each, a "Contingent Interest Record Date"). Such payments shall be paid on the payment date of the related Cash Dividend or, if no Cash Dividend is paid by the Company during any quarter within a Contingent Interest Period, on the last day of the relevant Contingent Interest Period.

Pursuant to the foregoing provisions, in any Contingent Interest Period in which contingent interest is payable, the Company shall: (a) upon the first payment date for a Cash Dividend falling within such Contingent Interest Period pay the Cash Dividend paid by the Company per share of Common Stock upon such date multiplied by the number of shares of Common Stock into which \$1,000 original Principal Amount at Final Maturity thereof is convertible pursuant to paragraph 10 hereof as of such date; (b) upon any subsequent payment date for a Cash Dividend falling within such Contingent Interest Period, or if no other subsequent payment date for a Cash Dividend falls within such Contingent Interest Period, on the last day of such period, pay the greater of (x) the subsequent Cash Dividend paid by the Company per share of Common Stock upon such date multiplied by the number of shares of Common Stock into which \$1,000 original Principal Amount at Final Maturity thereof is convertible pursuant to paragraph 10 hereof as of such date or (y) .125% of the average Note Price for the Five-Day Period with respect to such Contingent Interest Period minus the amounts previously paid in respect of such Notes pursuant to clause (a) during such Contingent Interest Period and (c) if no payment date for a Cash Dividend falls within such Contingent Interest Period, on the last date of such period, pay .125% of the average Note Price for the Five-Day Period with respect to such Contingent Interest Period (each payment date described in clause (a), (b) or (c) an "Interest Payment Date" with respect to contingent interest).

Original Issue Discount will continue to accrue at 1.00% per annum whether or not contingent interest is paid.

"Five-Day Period" means, with respect to any Contingent Interest Period, the five trading days ending on the second trading day immediately preceding the first day of such Contingent Interest Period; provided, however, if the Company shall have declared a Cash Dividend on its Common Stock that is payable during such Contingent Interest Period but for which the record date for determining stockholders entitled thereto precedes the first day of such Contingent Interest Period, then "Five-Day Period" means, with respect to such Contingent Interest Period, the five trading days ending on the second trading day immediately preceding such record date.

"Cash Dividends" means all cash dividends on the Company's Common Stock (whether regular, periodic, extraordinary, special, nonrecurring or otherwise) as declared by the Company's Board of Directors.

"Note Price" means, as of any date of determination, the average of the secondary market bid quotations per \$1,000 original Principal Amount at Final Maturity obtained by the Bid Agent for \$10,000,000 original Principal Amount at Final Maturity of Notes at approximately 4:00 p.m. (New York City time) on such determination date from three recognized securities dealers in The City of New York (none of which shall be an Affiliate of the Company) selected by the Company; provided, however, if (a) at least three such bids are not obtained by the Bid Agent or (b) in the Company's reasonable judgment, the bid quotations are not indicative of the secondary market value of the Notes as of such determination date, then the Note Price for such determination date shall equal (i) the Conversion Rate in effect as of such determination date multiplied by (ii) the average Sale Price for the five trading days ending on such determination date, appropriately adjusted to take into account the occurrence, during the period commencing on the first of such trading days during such five trading day period and ending on such determination date, of any event described in Section 2.07(1), 2.07(2) or 2.07(3) (subject to the conditions set forth in Sections 2.08(1) and 2.08(2)) of the Supplemental Indenture.

Upon determination that Holders will be entitled to receive contingent interest which may become payable during a Contingent Interest Period, on or prior to the first day of such Contingent Interest Period, the Company shall issue a press release and publish such information on its web site at [www.interpublic.com](http://www.interpublic.com) or such other media as the Company shall determine.

## 6. REDEMPTION AT THE OPTION OF THE COMPANY

No sinking fund is provided for the Notes. The Notes are redeemable in whole, or from time to time in part, at any time at the option of the Company at the Redemption Prices set forth below, provided that the Notes are not redeemable prior to December 14, 2006.

The table below shows Redemption Prices of a Note per \$1,000 Principal Amount at Final Maturity on the dates shown below and at Final Maturity, which prices reflect accrued Original Issue Discount calculated to each such date. The Redemption Price of a Note redeemed between such dates shall include an additional amount reflecting the additional Original Issue Discount accrued since the next preceding date in the table to but excluding the actual Redemption Date.

Redemption Date	Issue Price(1)	Accrued OID at 1.00%(2)	Redemption Price (1+2)
December 14, 2006	\$819.14	\$41.89	\$861.03
December 14, 2007	\$819.14	\$50.52	\$869.66
December 14, 2008	\$819.14	\$59.24	\$878.38
December 14, 2009	\$819.14	\$68.05	\$887.19
December 14, 2010	\$819.14	\$76.94	\$896.08
December 14, 2011	\$819.14	\$85.92	\$905.06
December 14, 2012	\$819.14	\$95.00	\$914.14
December 14, 2013	\$819.14	\$104.16	\$923.30
December 14, 2014	\$819.14	\$113.42	\$932.56
December 14, 2015	\$819.14	\$122.77	\$941.91
December 14, 2016	\$819.14	\$132.21	\$951.35
December 14, 2017	\$819.14	\$141.75	\$960.89
December 14, 2018	\$819.14	\$151.38	\$970.52
December 14, 2019	\$819.14	\$161.11	\$980.25
December 14, 2020	\$819.14	\$170.94	\$990.08
December 14, 2021	\$819.14	\$180.86	\$1,000.00

If this Note has been converted to a Cash Pay Note following the occurrence of a Tax Event, the Redemption Price will be equal to the Restated Principal Amount plus accrued and unpaid interest from the date of such conversion to the Redemption Date; but in no event will this Note be redeemable before December 14, 2006.

With respect to all Notes or portions thereof to be redeemed as of a Redemption Date, the Holders of such Notes (or portions thereof) shall be entitled, without duplication, to receive accrued and unpaid contingent interest, if any, with respect thereto, which contingent interest shall be paid in cash on the Redemption Date.

7. PURCHASE BY THE COMPANY AT THE OPTION OF THE HOLDER; PURCHASE AT THE OPTION OF THE HOLDER UPON A FUNDAMENTAL CHANGE

(a) Subject to the terms and conditions of the Indenture, a Holder of Notes shall have the option to require the Company to purchase the Notes held by such Holder on the following Purchase Dates and at the following Purchase Prices per \$1,000 Principal Amount at Final Maturity, upon delivery of a Purchase Notice containing the information set forth in the Indenture, from the opening of business on the date that is 30 Business Days prior to such Purchase Date until the close of business on such Purchase Date and upon delivery of the Notes to the Paying Agent by the Holder as set forth in the Indenture. The Company will pay the Purchase Price in cash for any Notes to be purchased as of the Purchase Date occurring on December 14, 2003. With respect to any Purchase Date occurring on or after December 14, 2004, the Purchase Price may be paid, at the option of the Company, in cash or by the issuance and delivery of shares of Common Stock of the Company, or in any combination thereof as set forth in the Indenture.

Purchase Date	Purchase Price*
December 14, 2003	\$835.64
December 14, 2004	\$844.02
December 14, 2005	\$852.48
December 14, 2006	\$861.03
December 14, 2011	\$905.06
December 14, 2016	\$951.35

\* In each case, plus accrued and unpaid interest, if any.

Notes in denominations larger than \$1,000 of Principal Amount at Final Maturity may be purchased in part, but only in integral multiples of \$1,000 of Principal Amount at Final Maturity.

(b) If prior to a Purchase Date this Note has been converted to a Cash Pay Note following the occurrence of a Tax Event, the Purchase Price will be equal to the Restated Principal Amount plus accrued and unpaid interest from the date of conversion to the Purchase Date.

(c) If a Fundamental Change shall occur at any time prior to December 14, 2006, each Holder of Notes shall have the right, at such Holder's option and subject to the terms and conditions of the Indenture, to require the Company to purchase such Holder's Notes on the day that is 35 Business Days after the date of the Fundamental Change (subject to extension to comply with applicable law) for a Fundamental Change Purchase Price equal to the Accreted Value on the Fundamental Change Purchase Date plus accrued and unpaid interest, including contingent interest, which Fundamental Change Purchase Price shall be paid at the option of the Company in cash or by the issuance and delivery of shares of Common Stock of the Company. Notes in denominations larger than \$1,000 of Principal Amount at Final Maturity may be redeemed in part in connection with a Fundamental Change, but only in integral multiples of \$1,000 of Principal Amount at Final Maturity.

(d) Without duplication, as part of the Purchase Price or Fundamental Change Purchase Price, as the case may be, payable with respect to all Notes or portions thereof to be purchased as of the Purchase Date or the Fundamental Change Purchase Date, as the case may be, the Holders of such Notes (or portions thereof) shall be entitled to receive accrued and unpaid contingent interest, if any, with respect thereto, which contingent interest shall be paid promptly following the later of the Purchase Date or the Fundamental Change Purchase Date, as the case may be, and the time of delivery of such Notes to the Paying Agent pursuant to the Indenture.

(e) Holders have the right to withdraw any Purchase Notice or Fundamental Change Purchase Notice, as the case may be, by delivery to the Paying Agent of a written notice of withdrawal in accordance with the provisions of the Indenture.

(f) If cash (and/or Common Stock if permitted under the Indenture) sufficient to pay a Fundamental Change Purchase Price or Purchase Price, as the case may be, of all Notes or portions thereof to be purchased as of the Purchase Date or the Fundamental Change Purchase Date, as the case may be, is deposited with the Paying Agent on the Business Day following the Purchase Date or the Fundamental Change Purchase Date, as the case may be, Original Issue Discount and interest (including contingent interest), if any, ceases to accrue on such Notes (or portions thereof) on and after such date, and the Holder thereof shall have no other rights as such (other than the right to receive the Purchase Price or Fundamental Change Purchase Price, as the case may be, and accrued and unpaid contingent interest, if any, upon surrender or such Note).

#### 8. NOTICE OF REDEMPTION AT THE OPTION OF THE COMPANY

Notice of redemption at the option of the Company shall be mailed at least 30 days but not more than 60 days before the Redemption Date to each Holder of Notes to be redeemed at the Holder's registered address. If money sufficient to pay the Redemption Price of all Notes (or portions thereof) to be redeemed on the Redemption Date is deposited with the Paying Agent prior to or on the Redemption Date, on and after such date Original Issue Discount and interest (including contingent interest), if any, shall cease to accrue on such Notes or portions thereof. Notes in denominations larger than \$1,000 original Principal Amount at Final Maturity may be redeemed in part but only in integral multiples of \$1,000 original Principal Amount at Final Maturity.

#### 9. RANKING

The Notes shall be direct senior obligations of the Company and shall rank senior in right of payment to all existing and future indebtedness that is, by its terms, expressly subordinated in right of payment to the Notes and pari passu in right of payment with all other unsecured senior indebtedness of the Company. The Notes are not guaranteed.

#### 10. CONVERSION

Subject to the procedures set forth in the Indenture, a Holder of Notes may convert Notes for Common Stock of the Company at any time on or before the close of business on December 14, 2021 if at least one of the following conditions is satisfied on the Conversion Date:

(a) the average of the Sale Prices for the Common Stock for the 20 Trading Days immediately prior to the Conversion Date equals or exceeds the applicable Specified Percentage of the Accreted Value on the Conversion Date, divided by the Conversion Rate;

(b) the credit ratings assigned to the Notes by any two of Moody's Investors Service, Inc., Standard & Poor's Ratings Services or Fitch IBCA Duff & Phelps are Ba1, BB+ and BB+, respectively, or lower;

(c) the Notes no longer are assigned credit ratings by any two of Moody's Investors Services, Inc., Standard & Poor's Ratings Services or Fitch IBCA Duff & Phelps;

(d) the Notes have been called for redemption by the Company, at any time prior to the close of business on the Business Day prior to the Redemption Date;

(e) the Company becomes a party to a consolidation, merger or binding share exchange pursuant to which the Common Stock would be converted into cash or property (other than securities), in which case a Holder may surrender Notes for conversion at any time from and after the date which is 15 days prior to the anticipated effective date for the transaction until 15 days after the actual effective date of such transaction; or

(f) the Company elects to (i) distribute to all Holders of Common Stock assets, debt, securities or rights to purchase securities of the Company, which distribution has a per share value as determined by the Company's Board of Directors exceeding 15% of the Sale Price of the Common Stock on the day preceding the declaration date for such distribution or (ii) distribute to all Holders of Common Stock rights entitling them to purchase, for a period expiring within 60 days after the date of such distribution, Common Stock at less than the Sale Price at the time of such distribution. In the case of the foregoing clauses (i) and (ii), the Company must notify the Holders of Notes at least 20 days prior to the ex-dividend date for such distribution. Once the Company has given such notice, Holders may surrender their Notes for conversion at any time thereafter until the earlier of the close of business on the Business Day prior to the ex-dividend date or the Company's announcement that such distribution will not take place.

Notes in respect of which a Holder has delivered a notice of exercise

of the option to require the Company to purchase such Notes or to purchase such Notes in the event of a Fundamental Change may be converted only if the notice of exercise is withdrawn in accordance with the terms of the Indenture.

The initial Conversion Rate is 22.8147 shares of Common Stock per \$1,000 original Principal Amount at Final Maturity, subject to adjustment in certain events described in the Indenture. The Company shall deliver cash or a check in lieu of any fractional share of Common Stock.

In the event the Company exercises its option pursuant to Section 2.09 of the Indenture to have interest in lieu of Original Issue Discount accrue on the Notes following a Tax Event, the Holder will be entitled on conversion to receive the same number of shares of Common Stock or other property that such Holder would have received if the Company had not exercised such option. If the Company exercises such option or is required to pay contingent interest, Notes surrendered for conversion during the period from the close of business on any Regular Record Date or Contingent Interest Record Date, as the case may be, next preceding any Interest Payment Date to the opening of business of such Interest Payment Date (to be redeemed on a date within this period or on such Interest Payment Date) must be accompanied by payment of an amount equal to the contingent interest or interest thereon that the registered Holder is to receive. Except where Notes surrendered for conversion must be accompanied by payment as described above, no contingent interest or interest on converted Notes will be payable by the Company on any Interest Payment Date subsequent to the date of conversion.

To convert this Notes a Holder must (1) complete and manually sign the conversion notice on the back of this Notes (or complete and manually sign a facsimile of such notice) and deliver such notice to the Conversion Agent at the office maintained by the Conversion Agent for such purpose, (2) surrender this Notes to the Conversion Agent, (3) furnish appropriate endorsements and transfer documents if required by the Conversion Agent, the Company or the Trustee and (4) pay any transfer or similar tax, if required.

A Holder may convert a portion of this Notes only if the original Principal Amount at Final Maturity of such portion is \$1,000 or a multiple of \$1,000. No payment or adjustment shall be made for dividends on the Common Stock except as provided in the Indenture. On conversion of this Notes, that portion of accrued Original Issue Discount (or, interest, if the Company has exercised its option provided for in paragraph 11 hereof) attributable to the period from the Issue Date (or, if the Company has exercised the option referred to in paragraph 11 hereof, the later of (x) the date of such exercise and (y) the date on which interest was last paid) to the Conversion Date and (except as provided below) accrued contingent interest with respect to the converted portion of this Notes shall not be canceled, extinguished or forfeited, but rather shall be deemed to be paid in full to the Holder thereof through the delivery of the Common Stock (together with any cash payment in lieu of fractional shares) in exchange for the portion of this Notes being converted pursuant to the terms hereof; and the fair market value of such shares of Common Stock (together with any such cash payment in lieu of fractional shares) shall be treated as issued, to the extent thereof, first in exchange for Original Issue Discount (or interest, if the Company has exercised its option provided for in paragraph 11 hereof) accrued through the Conversion Date and accrued contingent interest, and the balance, if any, of such fair market value of such Common Stock (and any such cash payment) shall be treated as issued in exchange for the Issue Price of the Security being converted pursuant to the provisions hereof.

#### 11. TAX EVENT

(a) From and after the Tax Event Date, at the option of the Company, cash interest in lieu of future Original Issue Discount shall accrue after the Option Exercise Date at the rate of 1.00% per annum on the Restated Principal Amount which shall be equal to the Accreted Value on the Option Exercise Date and shall be payable in Cash semiannually on each Interest Payment Date to holders of record at the close of business on the Regular Record Date immediately preceding such Interest Payment Date. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months and will accrue from the most recent date on which interest has been paid or, if no interest has been paid, from the Option Exercise Date. Within 30 days of the occurrence of a Tax Event, the Company shall deliver a written notice of such Tax Event by facsimile and first-class mail to the Trustee and within 15 days of their exercise of such option the Company shall deliver a written notice of the Option Exercise Date by facsimile and first-class mail to the Trustee and by first class mail to the Holders of the Notes. From and after the Option Exercise Date, the Company shall be obligated to pay at Final Maturity or upon a Redemption Date, Purchase Date or Fundamental Change Purchase Date the Restated Principal Amount thereof plus accrued and unpaid interest (including contingent interest).

(b) Interest on any Note that is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the person in whose name that Note is registered at the close of business on the Regular Record Date for such interest at the office or agency of the Company maintained for such purpose. Each installment of interest on any Note shall be paid in same-day funds by transfer to an account maintained by the payee located inside the United States.

#### 12. DEFAULTED INTEREST

Except as otherwise specified with respect to the Notes, any Defaulted Interest on any Note shall forthwith cease to be payable to the registered Holder thereof on the relevant Regular Record Date or accrual date, as the case may be, by virtue of having been such Holder, and such Defaulted Interest may be paid by the Company as provided for in Section 2.11(3) (b) of the Supplemental Indenture.

#### 13. DENOMINATIONS; TRANSFER; EXCHANGE

The Notes are in registered form, without coupons, in denominations of \$1,000 of Principal Amount at Final Maturity and multiples of \$1,000. A Holder may transfer or convert Notes in accordance with the Indenture. The Security Registrar may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Indenture. The Security Registrar need not transfer or exchange any Notes selected for redemption (except, in the case of a Note to be redeemed in part, the portion of the Note not to be redeemed) or any Notes in respect of which a Purchase Notice or Fundamental Change Purchase Notice has been given and not withdrawn (except, in the case of a Note to be purchased in part, the portion of the Note not to be purchased) or any Notes for a period of 15 days before any selection of Notes to be redeemed.

14. PERSONS DEEMED OWNERS

The registered Holder of this Note may be treated as the owner of this Note for all purposes.

15. UNCLAIMED MONEY OR PROPERTY

The Trustee and the Paying Agent shall return to the Company upon written request any money or property held by them for the payment of any amount with respect to the Notes that remains unclaimed for two years, provided, however, that the Trustee or such Paying Agent, before being required to make any such return, shall at the expense of the Company cause to be published once in a newspaper of general circulation in The City of New York or mail to each such Holder notice that such money or property remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication or mailing, any unclaimed money or property then remaining shall be returned to the Company. After return to the Company, Holders entitled to the money or property must look to the Company for payment as general creditors unless an applicable abandoned property law designates another Person.

16. AMENDMENT; WAIVER

Subject to certain exceptions set forth in the Indenture, (i) the Indenture or the Notes may be amended with the written consent of the Holders of at least a majority in aggregate Principal Amount at Final Maturity of the Notes at the time outstanding and (ii) certain defaults or noncompliance with certain provisions may be waived with the written consent of the Holders of a majority in aggregate Principal Amount at Final Maturity of the Notes at the time outstanding. The Indenture or the Notes may be amended without the consent of any Holders under circumstances set forth in Section 9.01 of the Base Indenture.

17. DEFAULTS AND REMEDIES

If an Event of Default occurs and is continuing, the Trustee, or the Holders of at least 25% in aggregate Principal Amount at Final Maturity of the Notes at the time outstanding, may declare the Accreted Value and any accrued and unpaid interest, of all the Notes to be due and payable immediately. Certain events of bankruptcy or insolvency are Events of Default which shall result in the Notes being declared due and payable immediately upon the occurrence of such Events of Default.

Events of Default in respect of the Notes are set forth in Section 4.01 of the Supplemental Indenture and Section 5.01 of the Base Indenture. Holders may not enforce the Indenture or the Notes except as provided in the Indenture. The Trustee may refuse to enforce the Indenture or the Notes unless it receives reasonable indemnity or security. Subject to certain limitations, conditions and exceptions, Holders of a majority in aggregate Principal Amount at Final Maturity of the Notes at the time outstanding may direct the Trustee in its exercise of any trust or power, including the annulment of a declaration of acceleration. The Trustee may withhold from Holders notice of any continuing default (except a default in payment of amounts specified in clause (i) above) if it determines that withholding notice is in their interests.

18. CONSOLIDATION, MERGER, AND SALE OF ASSETS

In the event of a consolidation, merger, or sale of assets to convey, transfer or lease of all or substantially all of Company's property or assets as described in Section 8.01 of the Base Indenture, the successor corporation to the Company shall succeed to and be substituted for the Company, and may exercise the Company's rights and powers under this Indenture, and thereafter, except in the case of a lease, the Company shall be relieved of all obligations and covenants under the Indenture and the Notes with respect to its obligations under this Indenture

19. TRUSTEE AND AGENT DEALINGS WITH THE COMPANY

The Trustee, Paying Agent, Conversion Agent, Bid Agent and Security Registrar under the Indenture, each in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with and collect obligations owed to it by the Company or its Affiliates and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not Trustee, Paying Agent, Conversion Agent, Bid Agent or Security Registrar.

20. NO RECOURSE AGAINST OTHERS

A director, officer or employee, as such, of the Company or any subsidiary of the Company or any stockholder as such, of the Company shall not have any liability for any obligations of the Company under the Notes or the Supplemental Indenture or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting a Note, each Holder waives and releases all such liability. The waiver and release are part of the consideration for the issue of the Notes.

21. AUTHENTICATION

This Note shall not be valid until an authorized officer of the Trustee or Authenticating Agent manually signs the Trustee's Certificate of Authentication on the other side of this Note.

22. ABBREVIATIONS

Customary abbreviations may be used in the name of a Holder or an assignee, such as TEN COM (=tenants in common), TENANT (=tenants by the entireties), JT TEN (=joint tenants with right of survivorship and not as tenants in common), CUST (=custodian), and U/G/M/A (=Uniform Gift to Minors Act).

23. GOVERNING LAW

The Indenture and this Note shall be governed by and construed in accordance with the laws of the State of New York.

FORM OF CONVERSION NOTICE

To: The Interpublic Group of Companies, Inc.

The undersigned registered holder of this Note hereby exercises the option to convert this Note, or portion hereof (which is \$1,000 original Principal Amount at Final Maturity or an integral multiple thereof) designated below, for shares of Common Stock of The Interpublic Group of Companies, Inc. in accordance with the terms of the Indenture referred to in this Note, and directs that the shares, if any, issuable and deliverable upon such conversion, together with any check for cash deliverable upon such conversion, and any Notes representing any unconverted principal amount hereof, be issued and delivered to the registered holder hereof unless a different name has been indicated below. If shares or any portion of this Note not converted are to be issued in the name of a Person other than the undersigned, the undersigned shall pay all transfer taxes payable with respect thereto.

This notice shall be deemed to be an irrevocable exercise of the option to convert this Note.

Dated:

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-----  
Signature(s)

Signature(s) must be guaranteed by a commercial bank or trust company or a member firm of a major stock exchange if shares of Common Stock are to be issued, or Notes to be delivered, other than to or in the name of the registered holder.

-----  
Signature Guarantee

Fill in for registration of shares if to be delivered, and Notes if to be issued other than to and in the name of registered holder:

-----  
(Name)

Principal Amount at Final Maturity to be purchased (if less than all):

-----  
(Street Address)

\$ \_\_,000

-----  
(City, state and zip code)

Social Security or Other Taxpayer Number

Please print name and address

FORM OF FUNDAMENTAL CHANGE PURCHASE NOTICE

To: The Interpublic Group of Companies, Inc.

The undersigned registered holder of this Note hereby acknowledges receipt of a notice from The Interpublic Group of Companies, Inc. (the "Company") as to the occurrence of a Fundamental Change with respect to the Company and requests and instructs the Company to repurchase this Note, or the portion hereof (which is \$1,000 original Principal Amount at Final Maturity or a integral multiple thereof) designated below, in accordance with the terms of the Supplemental Indenture referred to in this Note and directs that the check in payment for this Note or the portion thereof and any Notes representing any unrepurchased principal amount hereof, be issued and delivered to the registered holder hereof unless a different name has been indicated below. If any portion of this Note not repurchased is to be issued in the name of a Person other than the undersigned, the undersigned shall pay all transfer taxes payable with respect thereto.

Dated:

-----  
Signature(s)

Signature(s) must be guaranteed by a commercial bank or trust company or a member firm of a major stock exchange if shares of Common Stock are to be issued, or Notes to be delivered, other than to or in the name of the registered holder.

-----  
Signature Guarantee

Fill in for registration of shares if to be delivered, and Notes if to be issued other than to and in the name of registered holder:

-----  
(Name)

-----  
(Street Address)

-----  
(City, state and zip code)

Please print name and address

Principal Amount at Final Maturity  
to be purchased (if less than all):  
\$ \_\_,000

If the Company has elected to pay the Fundamental Change Purchase Price, in whole or in part, in Common Stock but such portion of the Fundamental Change Purchase Price shall ultimately be payable in Cash because any of the conditions to the payment of the Fundamental Change Purchase Price in Common Stock are not satisfied I elect [check one]:

\_\_\_ to withdraw such Purchase Notice as to the Notes to which such Fundamental Change Purchase Notice relates in the Principal Amount at Final Maturity of \$\_\_\_\_, 000, with certificate numbers \_\_\_, or

\_\_\_ to receive Cash in respect of the entire Purchase Price for all Notes (or portions thereof) to which such Purchase Notice relates.

Social Security or Other Taxpayer  
Number



ASSIGNMENT FORM

For value received \_\_\_\_\_ hereby sell(s), assign(s) and transfer(s) unto \_\_\_\_\_ (Please insert social security or other Taxpayer Identification Number of assignee) the within Note, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the said Note on the books of the Company, with full power of substitution in the premises.

Dated:

-----  
Signature(s)

Signature(s) must be guaranteed by a commercial bank or trust company or a member firm of a major stock exchange if shares of Common Stock are to be issued, or Notes to be delivered, other than to or in the name of the registered holder.

-----  
Signature Guarantee

NOTICE: The above signatures of the holder(s) hereof must correspond with the name as written upon the face of the Note in every particular without alteration or enlargement or any change whatever.

EXHIBIT B

FORM OF RESTRICTED COMMON STOCK LEGEND

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY STATE SECURITIES LAWS, AND ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A ADOPTED UNDER THE SECURITIES ACT) OR (B) IT IS NOT A UNITED STATES PERSON AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S ADOPTED UNDER THE SECURITIES ACT; (2) AGREES THAT IT WILL NOT WITHIN TWO YEARS AFTER THE ORIGINAL ISSUANCE OF THIS SECURITY RESELL OR OTHERWISE TRANSFER THE SECURITY EVIDENCED HEREBY, EXCEPT (A) TO THE ISSUER OR A SUBSIDIARY THEREOF; (B) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A ADOPTED UNDER THE SECURITIES ACT (IF AVAILABLE); (C) TO PERSONS OTHER THAN UNITED STATES PERSONS OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, (D) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 ADOPTED UNDER THE SECURITIES ACT OR ANOTHER AVAILABLE EXEMPTION UNDER THE SECURITIES ACT (IF AVAILABLE), OR (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT; AND (3) AGREES THAT IT WILL, PRIOR TO ANY TRANSFER OF THIS SECURITY WITHIN TWO YEARS AFTER THE ORIGINAL ISSUANCE OF THIS SECURITY, FURNISH TO THE TRUSTEE AND THE ISSUER SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS MAY BE REQUIRED PURSUANT TO THE INDENTURE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION," "UNITED STATES" AND "UNITED STATES PERSON" HAVE THE MEANING GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT. IN ANY CASE THE HOLDER HEREOF WILL NOT, DIRECTLY OR INDIRECTLY, ENGAGE IN ANY HEDGING TRANSACTION WITH REGARD TO THIS SECURITY EXCEPT AS PERMITTED BY THE SECURITIES ACT.

FORM OF TRANSFER CERTIFICATE FOR TRANSFER  
OF RESTRICTED COMMON STOCK

(Transfers pursuant to Section 2.08(11)(b) of the Supplemental Indenture)

[NAME AND ADDRESS OF COMMON STOCK TRANSFER AGENT]

Re: The Interpublic Group of Companies, Inc. Zero-Coupon Convertible  
Senior Notes Due 2021 (the "Notes")

Reference is hereby made to the Senior Debt Indenture, dated as of  
October 20, 2000, as supplemented by the Second Supplemental Indenture thereto,  
dated as of December 14, 2001, between the Company and the Trustee  
(collectively, the "Indenture"). Capitalized terms used but not defined herein  
shall have the meanings given them in the Indenture.

This letter relates to \_\_\_\_\_ shares of Common Stock represented by  
the accompanying certificate(s) that were issued upon conversion of Notes and  
which are held in the name of [name of transferor] (the "Transferor") to effect  
the transfer of such Common Stock.

In connection with the transfer of such shares of Common Stock, the  
undersigned confirms that such shares of Common Stock are being transferred:

CHECK ONE BOX BELOW

- (1)  to the Company; or
- (2)  pursuant to and in compliance with Regulation S under the  
Securities Act of 1933 in off-shore transactions to non-U.S.  
Persons; or
- (3)  pursuant to an exemption from registration under the Securities  
Act of 1933 provided by Rule 144 thereunder.

Unless one of the boxes is checked, the transfer agent will refuse to  
register any of the Common Stock evidenced by this certificate in the name of  
any person other than the registered holder thereof; provided, however, that if  
box (2) or (3) is checked, the transfer agent may require, prior to registering  
any such transfer of the Common Stock such certifications and other information,  
and if box (3) is checked such legal opinions, as the Company has reasonably  
requested in writing, by delivery to the transfer agent of a standing letter of  
instruction, to

confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act of 1933.

[Name of Transferor],

By

Name:

Title:

Dated:

## EXHIBIT D

## PROJECTED PAYMENT SCHEDULE\*

Semi-Annual Period Ending	Projected Payment Per Note
-----	-----
June 14, 2007	\$0
December 14, 2007	\$0
June 14, 2008	\$0
December 14, 2008	\$4.3348
June 14, 2009	\$4.3348
December 14, 2009	\$4.3348
June 14, 2010	\$4.3348
December 14, 2010	\$4.3348
June 14, 2011	\$4.3348
December 14, 2011	\$4.3348
June 14, 2012	\$4.3348
December 14, 2012	\$4.3348
June 14, 2013	\$4.3348
December 14, 2013	\$4.3348
June 14, 2014	\$4.3348
December 14, 2014	\$4.3348
June 14, 2015	\$4.3348
December 14, 2015	\$4.3348
June 14, 2016	\$4.3348
December 14, 2016	\$4.3348
June 14, 2017	\$4.3348
December 14, 2017	\$4.3348
June 14, 2018	\$4.3348
December 14, 2018	\$4.3348
June 14, 2019	\$4.3348
December 14, 2019	\$4.3348
June 14, 2020	\$4.3348
December 14, 2020	\$4.3348
June 14, 2021	\$4.3348
December 14, 2021	\$3,345.3348

\* The comparable yield and the schedule of projected payments are not determined for any purpose other than for the determination of interest accruals and adjustment thereof in respect of the Notes for United States federal income tax purposes. The comparable yield and the schedule of projected payments do not constitute a projection or representation regarding the future stock price or the amounts payable on the Notes.

[The Interpublic Group of Companies, Inc. Letterhead]

April 5, 2002

Securities and Exchange Commission,  
Division of Corporate Finance  
Washington, D.C. 20549

THE INTERPUBLIC GROUP OF COMPANIES, INC.  
REGISTRATION STATEMENT ON FORM S-3  
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Ladies and Gentlemen:

In my capacity as General Counsel to The Interpublic Group of Companies, Inc., a Delaware corporation (the "Company"), I have been asked to render this opinion as to the legality of the securities being registered under a Registration Statement on Form S-3 (the "Registration Statement") being filed by the Company with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"), and the rules and regulations under the Securities Act. The Registration Statement relates to the registration under the Securities Act of the Company's \$701,960,000 aggregate principal amount of Zero-Coupon Convertible Senior Notes due 2021 (the "Notes"). The Notes are convertible into shares of Common Stock (the "Common Stock"), par value \$.10 per share, of the Company.

The Notes will be issued by the Company in accordance with the terms of the Indenture dated October 20, 2000 between the Company and The Bank of New York, as trustee (the "Base Indenture"), as supplemented by the Second Supplemental Indenture dated December 14, 2001 between the Company and The Bank of New York, as trustee (the "Supplemental Indenture" and, together with the Base Indenture, the "Indenture").

In connection with this opinion, I have examined originals, conformed copies or photocopies, certified or otherwise identified to my satisfaction, of the following documents (collectively, the "Documents"):

(i) the Registration Statement (including its exhibits and amendments thereto);

(ii) the Base Indenture, included as Exhibit 4.3 to the Registration Statement; and

(iii) the Supplemental Indenture, including as an exhibit thereto the form of Global Note, included as Exhibit 4.4 to the Registration Statement.

In addition, I have examined such certificates, agreements and documents as I deemed relevant and necessary as a basis for the opinion expressed below.

In my examination of the Documents and in rendering my opinion, I have assumed, without independent investigation, (i) the enforceability of the Documents against each party to them (other than the Company), (ii) that the Notes will be issued in accordance with the Indenture as described in the Registration Statement, duly authenticated by The Bank of New York, as trustee, in accordance with the Indenture and in the form reviewed by me and that any information omitted from the form will be properly added, (iii) the authenticity of all documents submitted to me as originals, (iv) the conformity to the original documents of all documents submitted to me as certified, photostatic, reproduced or conformed copies of validly existing agreements or other documents, (v) the authenticity of all the latter documents and (vi) that the statements regarding matters of fact in the certificates, records, agreements, instruments and documents that I examined are accurate and complete.

Based on the foregoing, and subject to the assumptions, exceptions and qualifications set forth in this letter, I am of the opinion that

(i) the Notes are valid and binding obligations of the Company enforceable against the Company in accordance with their terms and (ii) the shares of Common Stock reserved for issuance upon conversion of the Notes have been duly authorized and reserved and, when issued upon conversion of the Notes in accordance with the terms of the Notes, will be validly issued, fully paid and non-assessable and the issuance of the Common Stock will not be subject to any preemptive or similar rights.

The foregoing opinion is subject to the qualification that the enforceability of the Indenture and the Notes may be subject to: (i) bankruptcy, insolvency, fraudulent conveyance or transfer, reorganization, moratorium and other similar laws affecting creditors' rights generally and (ii) general principles of equity (regardless of whether enforcement is considered in a proceeding at law or in equity), including principles of commercial reasonableness or conscionability and an implied covenant of good faith and fair dealing.

The foregoing opinion is limited to the federal law of the United States of America and the law of the State of New York, and, where necessary, the corporate laws of the State of Delaware.

I hereby consent to the use of my opinion as herein set forth as an exhibit to the Registration Statement and to the use of my name under the caption "Validity of Securities" in the Prospectus forming part of the Registration Statement.

Very truly yours,

The Interpublic Group of Companies, Inc.

By: /s/ Nicholas J. Camera

-----  
Name: Nicholas J. Camera  
Title: Senior Vice President,  
General Counsel and Secretary

[Cleary, Gottlieb, Steen & Hamilton Letterhead]

Writer's Direct Dial: (212) 225-2250  
E-Mail: lsamuels@cgsh.com

April 5, 2002

The Interpublic Group of Companies, Inc.  
1271 Avenue of the Americas  
New York, New York 10020

Ladies and Gentlemen:

We have acted as counsel to The Interpublic Group of Companies, Inc. (the "Company"), in connection with the Company's offering pursuant to a registration statement (the "Registration Statement") on Form S-3, of Zero-Coupon Convertible Senior Notes due on December 14, 2021 and issued with an aggregate principal amount at maturity of \$701,960,000 (the "Securities") under an indenture dated as of October 20, 2000, as supplemented by a supplemental indenture dated as of December 14, 2002, between the Company and The Bank of New York (the "Indenture").

In arriving at the opinion expressed below, we have reviewed the following documents:

- (a) the Registration Statement;
- (b) the Securities in global form as executed by the Company; and
- (c) an executed copy of the Indenture.

In addition, we have made such investigations of law as we have deemed appropriate as a basis for the opinion expressed below. In rendering the opinion expressed below, we have assumed the authenticity of all documents submitted to us as originals and the conformity to the originals of all documents submitted to us as copies.

The advice ascribed to us in the section of the Form S-3 entitled "United States Federal Income Tax Consequences - Classification of the Notes" accurately reflects our opinion regarding the characterization of the Securities for U.S. federal income tax purposes.

We are furnishing this opinion solely to you in connection with the offering of the Securities. This opinion letter is not to be used, circulated, quoted or otherwise referred to for any other purpose.

Very truly yours,  
CLEARY, GOTTLIB, STEEN & HAMILTON

By: /s/ Leslie Samuels  
-----  
Leslie B. Samuels,  
a Partner



THE INTERPUBLIC GROUP OF COMPANIES, INC.  
 CALCULATION OF RATIO OF EARNINGS TO FIXED CHARGES  
 (in thousands, except ratios)

	2001	2000	1999	1998	1997
EARNINGS.....					
Pre-tax income from continuing operations.	\$ (524,188)	\$ 826,441	\$ 671,955	\$ 695,805	\$ 390,235
FIXED CHARGES.....					
Interest expensed....	164,631	126,322	99,469	86,538	79,998
Rent interest factor.	156,939	143,101	128,415	115,932	96,189
Total Fixed Charges	321,570	269,423	227,884	202,470	176,187
Adjusted Earnings....	\$ (202,618)	\$ 1,095,864	\$ 899,839	\$ 898,275	\$ 566,422
Ratio of Earnings to Fixed Charges.....	-- (1)	4.07x	3.95x	4.44x	3.21x

(1) For the year ended December 31, 2001, we had a deficiency of earnings to fixed charges. Additional earnings of \$524,188,000 would have been necessary for the year ended December 31, 2001 to provide a one-to-one coverage ratio. The decline in the ratio of earnings to fixed charges for the year ended December 31, 2001 primarily relates to lower income from operations, including restructuring and merger related charges, as compared to prior periods.

## CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in this Registration Statement on Form S-3 of our report dated February 28, 2002 relating to the financial statements, which appears in the 2001 Annual Report to Stockholders, which is incorporated by reference in The Interpublic Group of Companies, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2001. We also consent to the incorporation by reference of our report dated February 28, 2002 relating to the financial statement schedule, which appears in such Annual Report on Form 10-K. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ PricewaterhouseCoopers LLP  
New York, New York  
April 3, 2002

## CONSENT OF INDEPENDENT ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in this Amendment No. 1 to the Registration Statement on Form S-3 of The Interpublic Group of Companies, Inc. (the "Company") of our report dated February 25, 2000, with respect to the consolidated financial statements of NFO Worldwide, Inc. and subsidiaries for the year ended December 31, 1999, which appears in the Report on Form 10-K of the Company filed on April 1, 2002. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ Arthur Andersen LLP  
New York, New York  
April 3, 2002

## CONSENT OF INDEPENDENT ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in this Amendment No. 1 to the Registration Statement on Form S-3 of The Interpublic Group of Companies, Inc. (the "Company") of our reports dated March 20, 2001, with respect to the consolidated financial statements of True North Communications Inc. as of December 31, 2000, and for each of the years in the two-year period ended December 31, 2000, which appears in the Company's Report on Form 10-K filed on April 1, 2002. We also consent to the reference to us under the heading "Experts" in such Registration Statement. It should be noted that we have not audited any financial statements of True North Communications Inc. subsequent to December 31, 2000 or performed any audit procedures subsequent to the date of our report.

/s/ Arthur Andersen LLP  
Chicago, Illinois  
April 3, 2002

## CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

We consent to the incorporation by reference in this Amendment No.1 to the Registration Statement on Form S-3 of The Interpublic Group of Companies, Inc. (the "Company") of our report dated February 13, 2001, with respect to the financial statements of Deutsch, Inc. and Subsidiary and Affiliates as of and for the years ended December 31, 2000 and 1999, which appears in the Report on Form 10-K of the Company filed on April 1, 2002. We also consent to the reference to our firm under the caption "Experts" in this Registration Statement. It should be noted that we have not audited any financial statements of Deutsch, Inc. and Subsidiary and Affiliates subsequent to December 31, 2000 or performed any audit procedures subsequent to the date of our report.

/s/ J.H. Cohn LLP  
Roseland, New Jersey  
April 3, 2002