

IPG



WILLIAM BLAIR & COMPANY

2011 ANNUAL GROWTH
STOCK CONFERENCE

June 14, 2011

Michael Roth

Interpublic Group

CAUTIONARY STATEMENT

This investor presentation contains forward-looking statements. Statements in this investor presentation that are not historical facts, including statements about management's beliefs and expectations, constitute forward-looking statements. These statements are based on current plans, estimates and projections, and are subject to change based on a number of factors, including those outlined in our most recent Annual Report on Form 10-K under Item 1A, Risk Factors. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

Forward-looking statements involve inherent risks and uncertainties. A number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Such factors include, but are not limited to, the following:

- potential effects of a challenging economy, for example, on the demand for our advertising and marketing services, on our clients' financial condition and on our business or financial condition;
- our ability to attract new clients and retain existing clients;
- our ability to retain and attract key employees;
- risks associated with assumptions we make in connection with our critical accounting estimates, including changes in assumptions associated with any effects of a weakened economy;
- potential adverse effects if we are required to recognize impairment charges or other adverse accounting-related developments;
- risks associated with the effects of global, national and regional economic and political conditions, including counterparty risks and fluctuations in economic growth rates, interest rates and currency exchange rates; and
- developments from changes in the regulatory and legal environment for advertising and marketing and communications services companies around the world.

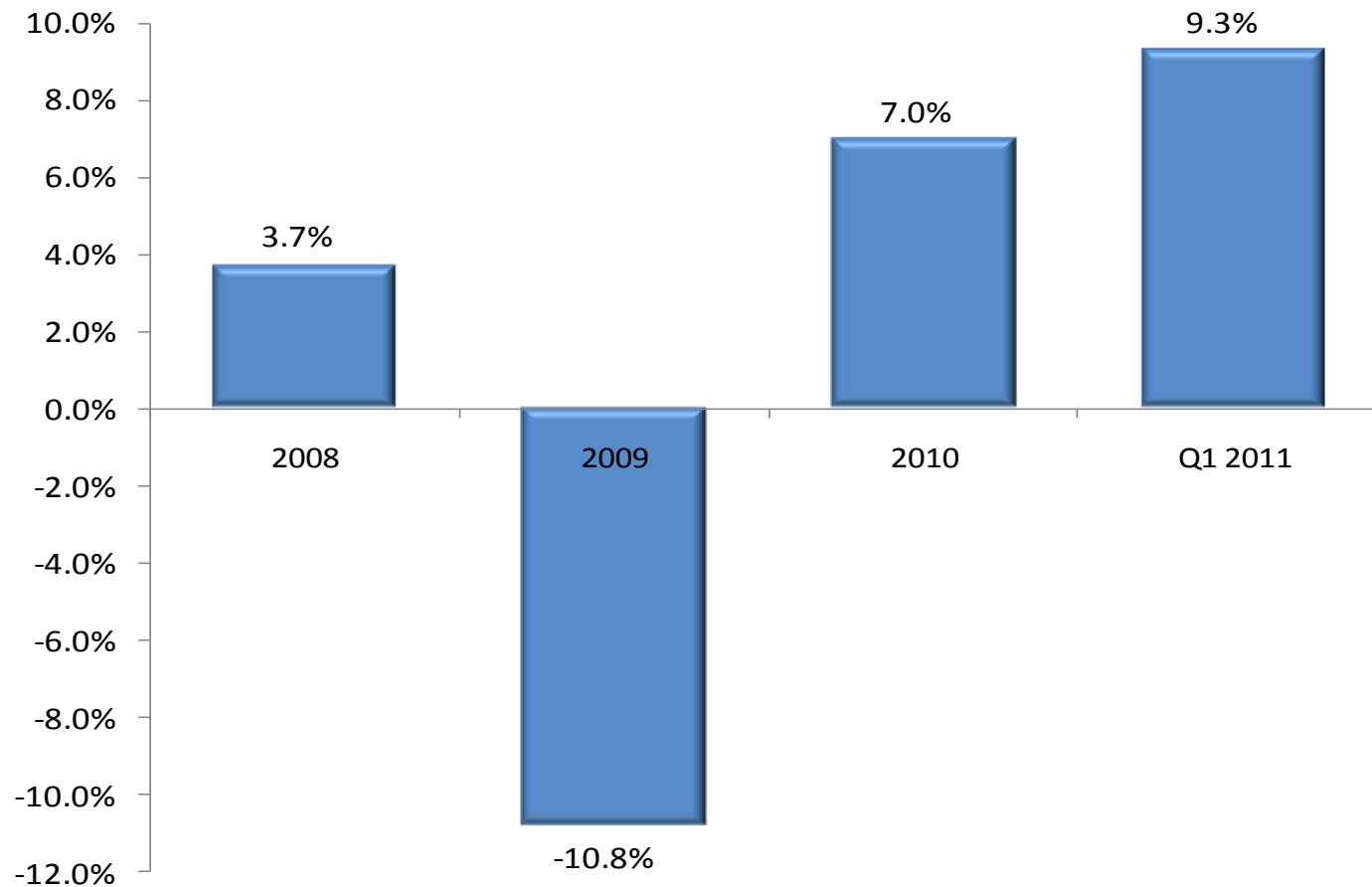
Investors should carefully consider these factors and the additional risk factors outlined in more detail in our most recent Annual Report on Form 10-K under Item 1A, Risk Factors.

UPDATE

- Strong organic revenue growth of 9.3% Q1 and 9.7% TTM (March 31)
 - Pleased to see clients reaffirm the value of our services following recession
 - Leading regions: North America, Latin America, and Asia ex-Japan
 - Contributions from a broad range of our agencies and marketing services specialists, including digital services
- Operating margin increased 250 bps for the TTM (March 31), with conversion of incremental revenue to operating profit approximately 30%
- Initiated common stock dividend and share repurchase program
- Upgraded to investment grade by two of the three major credit rating agencies

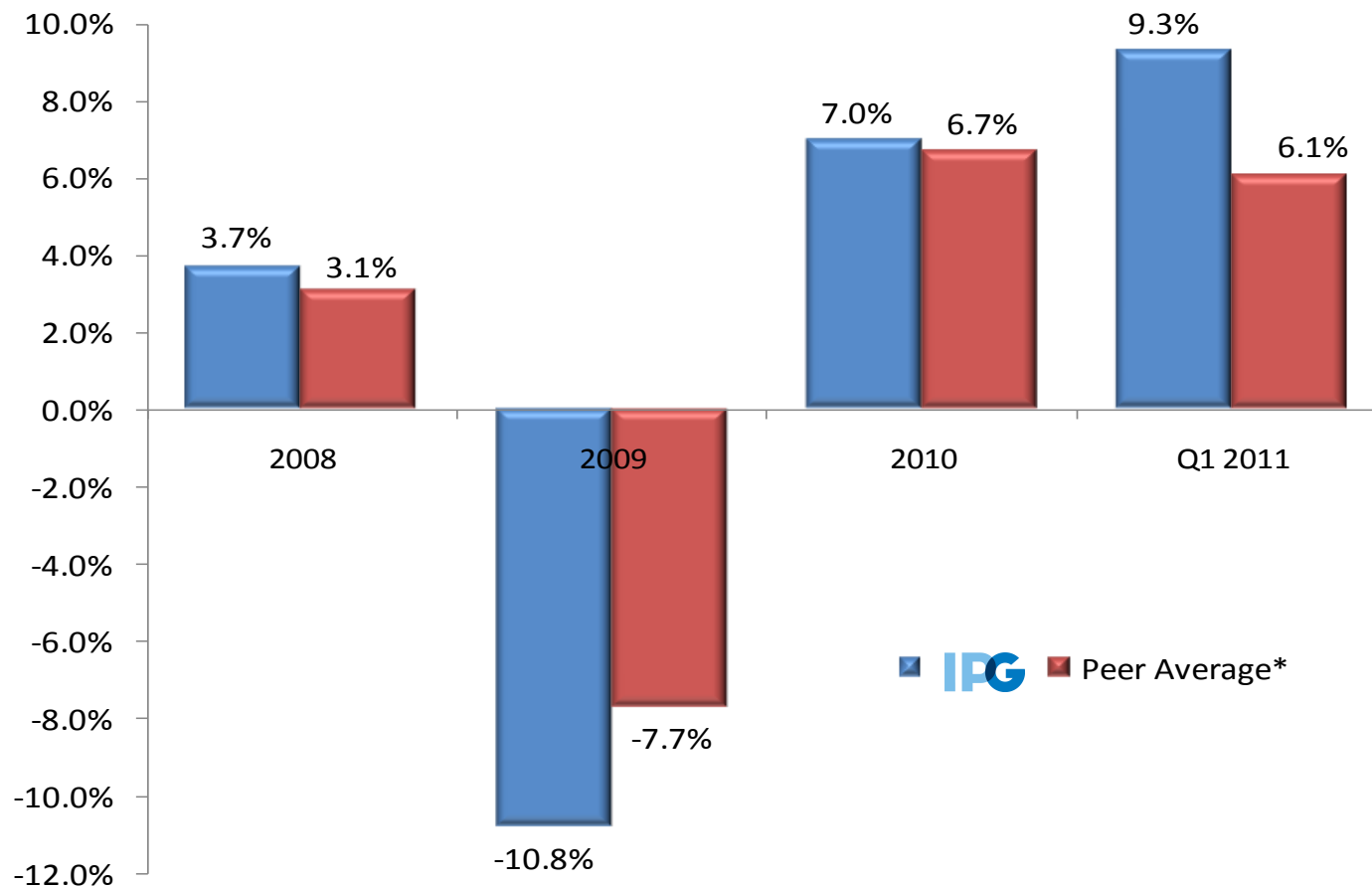
STRONG REVENUE PERFORMANCE

IPG YoY Organic Revenue Growth



FULLY COMPETITIVE

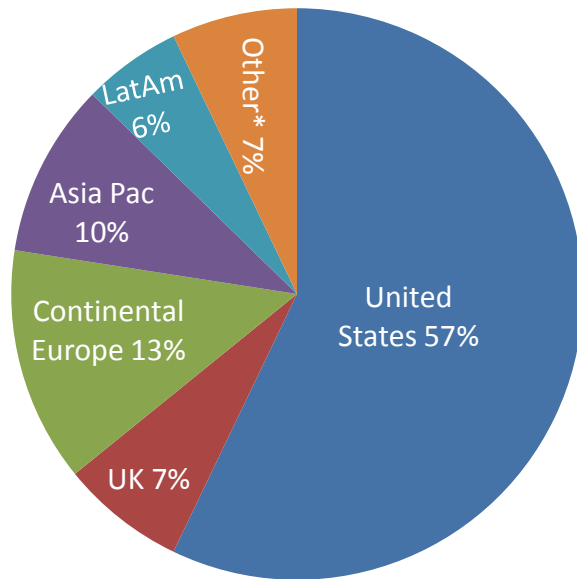
IPG YoY Organic Revenue Growth vs Peer Group



* Average of OMC, WPP & PUB

REGIONAL TRENDS REMAIN IMPORTANT

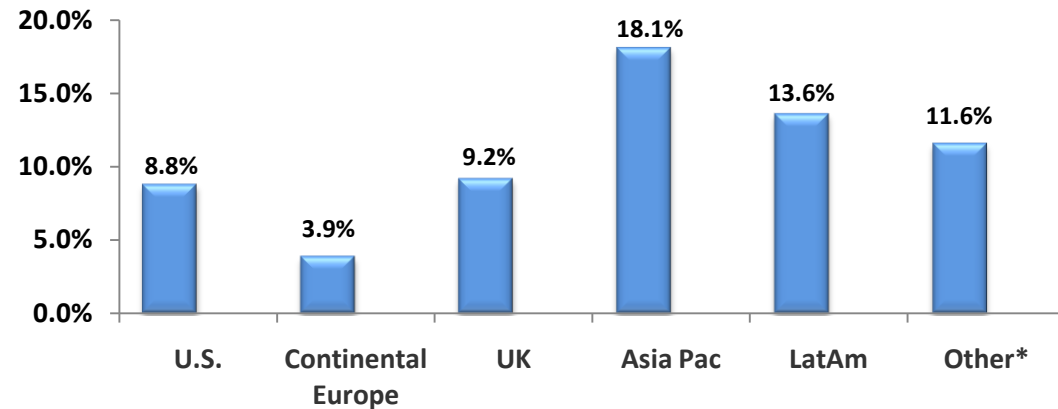
2010 Revenue Base



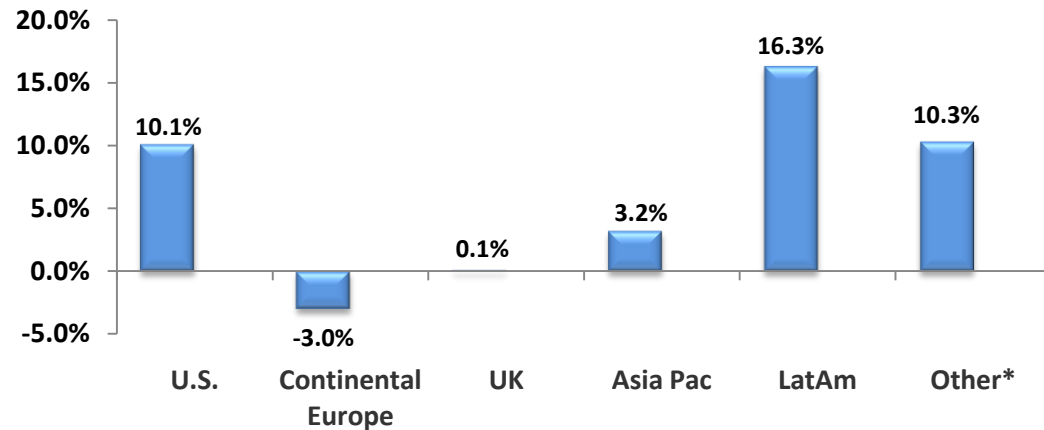
\$6.5 Billion

Organic Revenue Change

Three Months Ended March 31, 2011

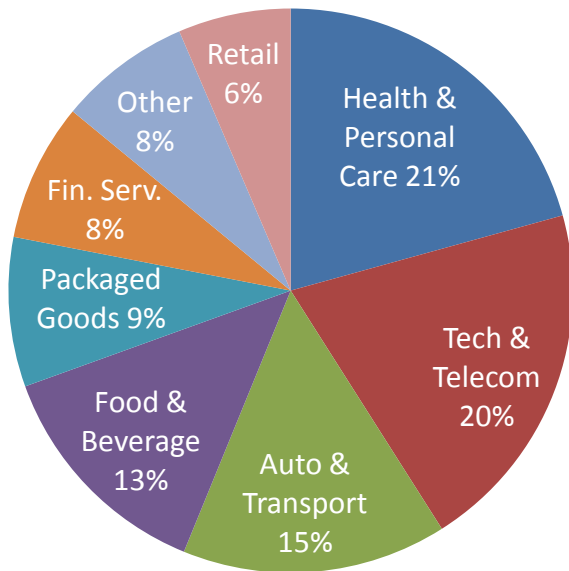


Twelve Months Ended December 31, 2010



BROAD CLIENT SECTOR PARTICIPATION

% of TTM Revenue



March 31, 2011
TTM Revenue
Change

Client Sector

20% +

Auto & Transportation
Financial Services

10-20%

Retail
Health & Personal Care
Food & Beverage

5-10%

Technology & Telecom
Packaged Goods

0-5%

Other

NEW BUSINESS WINS



Microsoft®



Walmart 



jetBlue
AIRWAYS®



L'ORÉAL

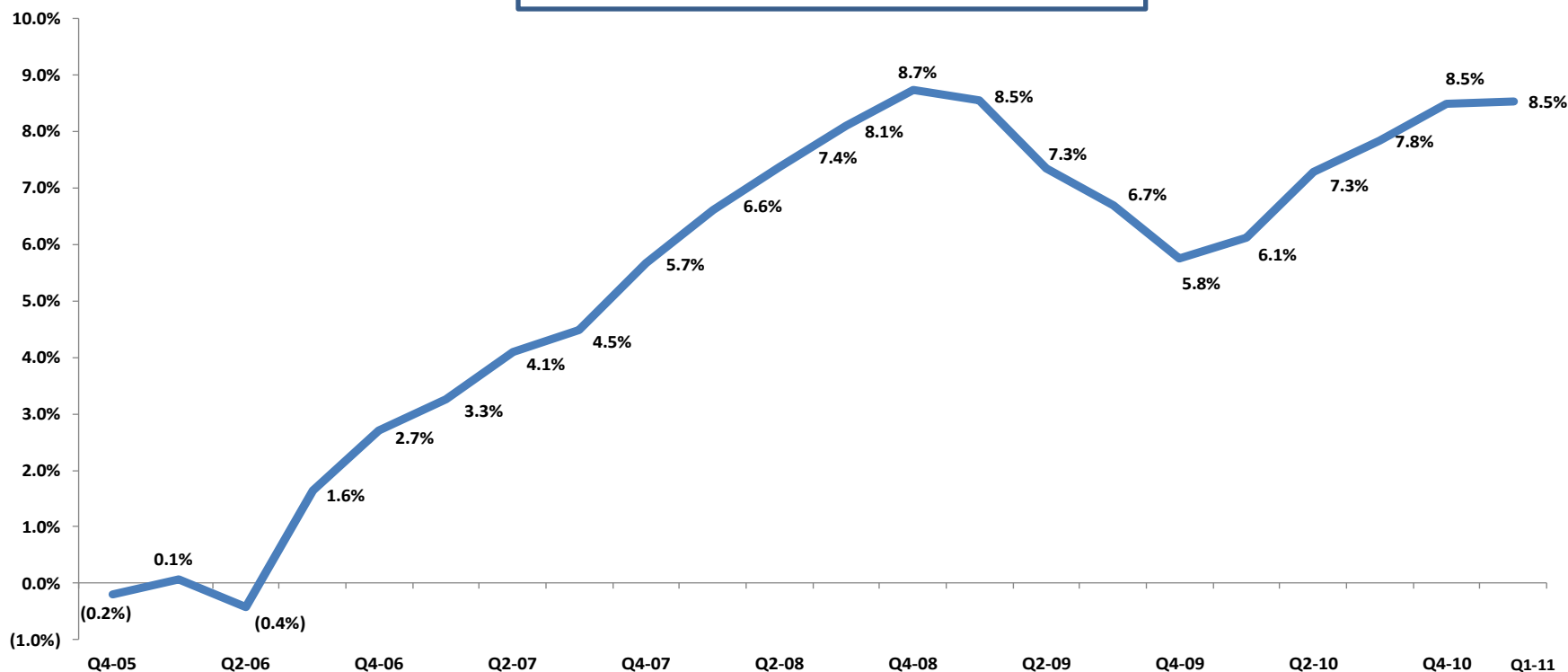
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Beiersdorf



 **WeightWatchers®**

ADJUSTED OPERATING MARGIN

Trailing Twelve Months



Excludes the effect of restructuring and other reorganization-related charges (reversals) and long-lived asset impairment and other charges. See reconciliation of this chart on slide 17 of our 1Q11 earnings call presentation, located in the “webcasts” section of investors.interpublic.com.

OUR GOAL IS FULLY COMPETITIVE PROFITABILITY

- Targeting competitive operating margin by 2014
- Sustain our competitive organic revenue growth
- Continue to leverage major expense components, led by improved staff utilization and efficiency
- Utilizing enhanced financial tools and insight
- No structural reason why we can't get there

STRONG FINANCIAL FUNDAMENTALS

- \$1.85 billion Cash & S/T Marketable Securities as of March 31, 2011
- Lowered debt by ~\$600 million and repurchased \$304 million of our 5.25% convertible preferred shares 2008-2010
- Expanded term credit revolver to \$1 billion in May 2011
- Significant cash generation - over \$800 million in cash flow from operations in 2010
- Ratings upgrades recently from all three major credit rating agencies – two to investment grade

What's Next?



IPG AGENCIES BEST-IN-CLASS



**MEDIA HOLDING COMPANY
OF THE YEAR**
MediaPost 2010

initiative

MEDIA AGENCY OF THE YEAR
Advertising Age 2008

Deutsch

A Lowe & Partners Company

**ADVERTISING AGENCY
OF THE YEAR**
Delaney Report 2009



A-LIST AGENCY STANDOUT
Advertising Age 2010

THE MARTIN AGENCY

US AGENCY OF THE YEAR
Adweek 2009

A-LIST AGENCY STANDOUT
Advertising Age 2010



Interpublic Group

DRAFTFCB

A-LIST AGENCY
Advertising Age 2009

McCANN **Worldgroup**

LARGEST GLOBAL NETWORK
Advertising Age 2009



A-LIST AGENCY
Advertising Age 2008

UM

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

A-LIST AGENCY
Advertising Age 2009



GolinHarris
LARGE PR AGENCY OF THE YEAR
PR Week 2010

WEBER SHANDWICK

PR AGENCY OF THE DECADE
Advertising Age 2009

GLOBAL AGENCY OF THE YEAR
Holmes Report 2010

LARGE PR AGENCY OF THE YEAR
Bulldog Reporter 2010

**DRAFTFCB
HEALTHCARE**

AGENCY OF THE YEAR
MedAd News 2010

AGENCY OF THE YEAR
Medical Marketing and Media 2010

mullen

A-LIST AGENCY
Advertising Age 2010

R/GA

DIGITAL AGENCY OF THE DECADE
Adweek 2009

HUGE

A-LIST AGENCY TO WATCH
Advertising Age 2010

WORLD CLASS CLIENTS



SIGNIFICANT OPPORTUNITY

- We operate in a global growth industry
- In a new world of complexity driven by digital convergence, the role of marketing will grow
 - Consumers are in control
 - Marketers require expert guidance, higher value thinking
- Key drivers:

1. Digital

2. Emerging economies

3. Integrated solutions

1. GROWTH DRIVER: DIGITAL

- Forrester study: “agencies will become more important than ever” as media platforms splinter and complexity increases
- Increased growth in clients’ digital spend, especially internationally
- The share of marketing expenditure available to agencies as opposed to media owners is greater in the digital space
- Online video, mobile, geo-targeting and gaming – while small today – are key to the evolving digital equation

DIGITAL ASSETS: IPG SNAPSHOT

- People don't distinguish where they consume content – digital expertise must therefore be at the core of everything we do – part of the DNA at every IPG agency
- Strong embedded capabilities
 - Within global agency and media networks
 - Across marketing services companies
 - At U.S. integrated independents
- World-class specialized assets
 - Amphibian, Ansible, Area 23, IPG Emerging Media Lab, Geomentum, Greenhouse, HUGE, ID Media, Reprise Media, Shopper Sciences, R/GA, Velociter, etc.

2. GROWTH DRIVER: EMERGING MARKETS

- Emerging economies continue to outperform – this was evident in their strength compared to developed markets during recession
- BRIC countries projected to be among top 10 world consumer markets by 2014
- BRIC Ad spend as proportion of GDP will continue to grow
- High levels of technology adoption – use of new media will increase dramatically, making for rich marketing ecosystems

EMERGING MARKETS: IPG SNAPSHOT

- Outstanding India operations
- Major growth across portfolio in Brazil
- Market leader in MENA region
- China growing and will receive additional investment
- Strong Russian marketing partner

3. GROWTH DRIVER: INTEGRATED MARKETING

- New realities of marketing require:
 - Greater collaboration between agencies
 - Strong integrated digital capabilities
 - Analytics to drive accountability
 - Customized solutions that meet client needs
- The ability to deliver on the promise of integrated marketing can be a significant differentiator for us going forward

WELL-POSITIONED FOR VALUE CREATION

- Addressable market is growing: digital, high-growth regions, integrated marketing
- Our agencies & marketing services specialists are fully competitive
- Strong operating discipline and financial foundation

IPG