

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

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FORM 8-K

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

Date of report (Date of earliest event reported): July 18, 2014

The Interpublic Group of Companies, Inc.  
(Exact Name of Registrant as Specified in Charter)

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Delaware	1-6686	13-1024020
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

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1114 Avenue of the Americas, New York, New York	10036
(Address of Principal Executive Offices)	(Zip Code)

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

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

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

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

**Item 2.02. Results of Operations and Financial Condition.**

On July 18, 2014, The Interpublic Group of Companies, Inc. (i) issued a press release, a copy of which is attached hereto as Exhibit 99.1 and incorporated by reference herein, announcing its results for the second quarter and first half of 2014, (ii) held a conference call to discuss the foregoing results and (iii) posted an investor presentation, a copy of which is attached hereto as Exhibit 99.2 and incorporated by reference herein, on its website in connection with the conference call.

**Item 9.01. Financial Statements and Exhibits.**

Exhibit 99.1: Press release dated July 18, 2014 (furnished pursuant to Item 2.02)

Exhibit 99.2: Investor presentation dated July 18, 2014 (furnished pursuant to Item 2.02)





## INTERPUBLIC ANNOUNCES SECOND QUARTER AND FIRST HALF 2014 RESULTS

- *Second quarter diluted earnings per share was \$0.23, a 28% increase from \$0.18 per diluted share a year ago; excluding the charge for early extinguishment of debt, diluted earnings per share was \$0.25*
- *Second quarter reported revenue increase of 5.4% and organic revenue increase of 4.7%*
- *Second quarter operating income grew 12% to \$195.8 million, an operating margin of 10.6%*
- *Second quarter results include a non-operating pre-tax charge of \$10.4 million related to the early extinguishment of the Company's 6.25% Notes due 2014*

### Summary:

#### **Revenue**

- Second quarter 2014 revenue was \$1.85 billion, compared to \$1.76 billion in the second quarter of 2013, with an organic revenue increase of 4.7% compared to the prior-year period. This was comprised of an organic revenue increase of 7.1% internationally and 2.9% in the U.S.
- First half 2014 revenue was \$3.49 billion, compared to \$3.30 billion in the first half of 2013, with an organic revenue increase of 5.6% compared to the prior-year period. This was comprised of an organic revenue increase of 8.0% internationally and 3.8% in the U.S.

#### **Operating Results**

- Operating income in the second quarter of 2014 was \$195.8 million, compared to operating income of \$174.8 million in 2013. Operating margin was 10.6% for the second quarter of 2014, compared to 10.0% in 2013.
- For the first half of 2014, operating income was \$184.1 million, compared to operating income of \$132.4 million in 2013. Operating margin was 5.3% for the first half of 2014, compared to 4.0% for the first half of 2013.

### **Net Results**

- Second quarter 2014 net income available to IPG common stockholders was \$99.4 million, resulting in earnings of \$0.24 per basic and \$0.23 per diluted share. Excluding the impact of the early extinguishment of the Company's 6.25% Senior Unsecured Notes due 2014 (the "6.25% Notes"), diluted earnings per share was \$0.25. This compares to net income available to IPG common stockholders a year ago of \$79.9 million, or \$0.19 per basic and \$0.18 per diluted share.
- First half 2014 net income available to IPG common stockholders was \$78.5 million, resulting in earnings of \$0.19 per basic and \$0.18 per diluted share. Excluding the impact of the early extinguishment of the 6.25% Notes, diluted earnings per share was \$0.20. This compares to net income available to IPG common stockholders a year ago of \$20.7 million, or \$0.05 per basic and diluted share.

"We are pleased to report a quarter of strong revenue, profit and earnings growth. Our operating results underscore the competitiveness of our agencies, and the quality of our offerings in key growth markets and disciplines," said Michael I. Roth, Interpublic's Chairman and CEO. "We are winning share in digital and marketing services, successfully innovating with our media offerings, and our global ad networks continue to trend positively. Our financial strength remains a source of significant value creation, and we will remain focused on cost discipline and executing on our 2014 plan. For the full year, we are well-positioned to exceed our organic growth target of 3-4% and improve operating margin by at least 100 basis points, to 10.3% or better. By doing so, we can build on recent performance and further enhance shareholder value."

### **Operating Results**

#### **Revenue**

Revenue of \$1.85 billion in the second quarter of 2014 increased 5.4% compared with the same period in 2013. During the quarter, the effect of foreign currency translation was negative 0.5%, the impact of net acquisitions was positive 1.2%, and the resulting organic revenue increase was 4.7%.

Revenue of \$3.49 billion in the first half of 2014 increased 5.7% compared with the first half in 2013. During the first half of 2014, the effect of foreign currency translation was negative 0.9%, the impact of net acquisitions was positive 1.0%, and the resulting organic revenue increase was 5.6%.

#### **Operating Expenses**

During the second quarter of 2014, salaries and related expenses were \$1.17 billion, an increase of 4.5% compared to the same period in 2013. After adjusting for currency effects and the impact of net acquisitions, salaries and related expenses increased 3.2% organically.

During the first half of 2014, salaries and related expenses were \$2.36 billion, an increase of 4.7% compared to the same period in 2013. After adjusting for currency effects and the impact of net acquisitions, salaries and related expenses increased 4.3% organically.

Staff cost ratio, which is total salaries and related expenses as a percentage of total revenue, was 63.2% in the second quarter of 2014 compared to 63.8% in the same period in 2013, and was 67.6% in the first half of 2014 compared to 68.3% in the same period in 2013.

During the second quarter of 2014, office and general expenses were \$485.4 million, an increase of 5.2% compared to the same period in 2013. After adjusting for currency effects and the impact of net acquisitions, office and general expenses increased 4.7% organically.

During the first half of 2014, office and general expenses were \$946.0 million, an increase of 3.4% compared to the same period in 2013. After adjusting for currency effects and the impact of net acquisitions, office and general expenses increased 3.5% organically.

### **Non-Operating Results and Tax**

Net interest expense of \$16.0 million decreased by \$15.7 million, or 50%, in the second quarter of 2014 compared to the same period in 2013. For the first half of 2014, net interest expense of \$30.0 million decreased by \$32.1 million, or 52%, compared to the same period in 2013.

Other expense, net was \$11.2 million and \$9.5 million in the second quarter and the first half of 2014, respectively. During the second quarter of 2014, we recorded a pre-tax loss of \$10.4 million related to the early extinguishment of the 6.25% Notes.

The income tax provision in the second quarter of 2014 was \$65.3 million on income before income taxes of \$168.6 million, compared to a provision of \$62.0 million on income before income taxes of \$147.9 million in the same period in 2013. The income tax provision in the first half of 2014 was \$63.6 million on income before income taxes of \$144.6 million, compared to a provision of \$49.6 million on income before income taxes of \$76.9 million in the same period in 2013. The effective income tax rate for the second quarter of 2014 was 38.7%, compared to 41.9% for the same period in 2013. The effective income tax rate for the first half of 2014 was 44.0%, compared to 64.5% for the same period in 2013.

### **Balance Sheet**

At June 30, 2014, cash, cash equivalents and marketable securities totaled \$901.4 million, compared to \$1.64 billion at December 31, 2013. Total debt was \$1.76 billion at June 30, 2014, compared to \$1.66 billion at December 31, 2013.

During the second quarter of 2014, the company issued \$500 million in aggregate principal amount of its 4.20% Senior Notes due 2024. The majority of the net proceeds were used towards the redemption of all \$350 million in aggregate principal amount of its 6.25% Notes.

#### **Share Repurchase Program and Common Stock Dividend**

During the second quarter of 2014, the company repurchased 3.0 million shares of its common stock at an aggregate cost of \$52.4 million and an average price of \$17.81 per share including fees. During the first half of 2014, the company repurchased 5.6 million shares of its common stock at an aggregate cost of \$97.3 million and an average price of \$17.51 per share including fees. During the second quarter of 2014, the company declared and paid a common stock cash dividend of \$0.095 per share, for a total of \$39.9 million.

For more information concerning the company's financial results, please refer to the accompanying slide presentation available on our website, [www.interpublic.com](http://www.interpublic.com).

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#### **About Interpublic Group**

Interpublic Group (NYSE: IPG) is one of the world's leading organizations of advertising agencies and marketing services companies. Major global brands include BPN, FCB (Foote, Cone & Belding), FutureBrand, Golin, Huge, Initiative, Jack Morton Worldwide, Lowe and Partners, MAGNA GLOBAL, McCann, Momentum, MRM//McCann, Octagon, R/GA, UM and Weber Shandwick. Leading domestic brands include Campbell Mithun, Carmichael Lynch, Deutsch, Gotham Inc., Hill Holliday, ID Media, Lowe Campbell Ewald, Mullen and The Martin Agency. For more information, please visit [www.interpublic.com](http://www.interpublic.com).

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#### **Contact Information**

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### Cautionary Statement

This release contains forward-looking statements. Statements in this release that are not historical facts, including statements about management's beliefs and expectations, constitute forward-looking statements. These statements are based on current plans, estimates and projections, and are subject to change based on a number of factors, including those outlined under Item 1A, Risk Factors, in our most recent Annual Report on Form 10-K. 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 under Item 1A, *Risk Factors*, in our most recent Annual Report on Form 10-K.



THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES  
CONSOLIDATED SUMMARY OF EARNINGS  
SECOND QUARTER REPORT 2014 AND 2013  
(Amounts in Millions except Per Share Data)  
(UNAUDITED)

	Three Months Ended June 30,		
	2014	2013	Fav. (Unfav.) % Variance
Revenue:			
United States	\$ 1,030.9	\$ 996.6	3.4 %
International	820.5	759.6	8.0 %
Total Revenue	<u>1,851.4</u>	<u>1,756.2</u>	<u>5.4 %</u>
Operating Expenses:			
Salaries and Related Expenses	1,170.2	1,120.2	(4.5)%
Office and General Expenses	485.4	461.2	(5.2)%
Total Operating Expenses	<u>1,655.6</u>	<u>1,581.4</u>	<u>(4.7)%</u>
Operating Income	<u>195.8</u>	<u>174.8</u>	<u>12.0 %</u>
Operating Margin %	10.6%	10.0%	
Expenses and Other Income:			
Interest Expense	(22.6)	(37.5)	
Interest Income	6.6	5.8	
Other (Expense) Income, Net	(11.2)	4.8	
Total (Expenses) and Other Income	<u>(27.2)</u>	<u>(26.9)</u>	
Income before Income Taxes	168.6	147.9	
Provision for Income Taxes	65.3	62.0	
Income of Consolidated Companies	<u>103.3</u>	<u>85.9</u>	
Equity in Net Income of Unconsolidated Affiliates	0.4	0.2	
Net Income	<u>103.7</u>	<u>86.1</u>	
Net Income Attributable to Noncontrolling Interests	(4.3)	(3.3)	
Net Income Attributable to IPG	<u>99.4</u>	<u>82.8</u>	
Dividends on Preferred Stock	0.0	(2.9)	
Net Income Available to IPG Common Stockholders	<u>\$ 99.4</u>	<u>\$ 79.9</u>	
Earnings Per Share Available to IPG Common Stockholders:			
Basic	\$ 0.24	\$ 0.19	
Diluted	\$ 0.23	\$ 0.18	
Weighted-Average Number of Common Shares Outstanding:			
Basic	421.1	425.1	
Diluted	428.1	448.3	
Dividends Declared Per Common Share	\$ 0.095	\$ 0.075	

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES  
CONSOLIDATED SUMMARY OF EARNINGS  
SECOND QUARTER REPORT 2014 AND 2013  
(Amounts in Millions except Per Share Data)  
(UNAUDITED)

	Six Months Ended June 30,		
	2014	2013	Fav. (Unfav.) % Variance
Revenue:			
United States	\$ 1,969.9	\$ 1,891.0	4.2 %
International	1,519.0	1,408.2	7.9 %
Total Revenue	<u>3,488.9</u>	<u>3,299.2</u>	<u>5.7 %</u>
Operating Expenses:			
Salaries and Related Expenses	2,358.8	2,252.3	(4.7)%
Office and General Expenses	946.0	914.5	(3.4)%
Total Operating Expenses	<u>3,304.8</u>	<u>3,166.8</u>	<u>(4.4)%</u>
Operating Income	<u>184.1</u>	<u>132.4</u>	<u>39.0 %</u>
Operating Margin %	5.3%	4.0%	
Expenses and Other Income:			
Interest Expense	(42.8)	(74.3)	
Interest Income	12.8	12.2	
Other (Expense) Income, Net	(9.5)	6.6	
Total (Expenses) and Other Income	<u>(39.5)</u>	<u>(55.5)</u>	
Income before Income Taxes	144.6	76.9	
Provision for Income Taxes	<u>63.6</u>	<u>49.6</u>	
Income of Consolidated Companies	81.0	27.3	
Equity in Net Income of Unconsolidated Affiliates	0.3	0.3	
Net Income	<u>81.3</u>	<u>27.6</u>	
Net Income Attributable to Noncontrolling Interests	<u>(2.8)</u>	<u>(1.1)</u>	
Net Income Attributable to IPG	78.5	26.5	
Dividends on Preferred Stock	—	(5.8)	
Net Income Available to IPG Common Stockholders	<u>\$ 78.5</u>	<u>\$ 20.7</u>	
Earnings Per Share Available to IPG Common Stockholders:			
Basic	\$ 0.19	\$ 0.05	
Diluted	\$ 0.18	\$ 0.05	
Weighted-Average Number of Common Shares Outstanding:			
Basic	421.9	419.7	
Diluted	428.5	425.1	
Dividends Declared Per Common Share	\$ 0.19	\$ 0.15	

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES  
RECONCILIATION OF LOSS ON EARLY EXTINGUISHMENT OF DEBT (Amounts in Millions except Per Share Data)  
(UNAUDITED)

	Three Months Ended June 30, 2014		
	As Reported	Loss on Early Extinguishment of Debt	Ex-Loss on Early Extinguishment of Debt
Income Before Income Taxes	\$ 168.6	\$ (10.4)	\$ 179.0
Provision for Income Taxes	(65.3)	3.8	(69.1)
<b>Effective Tax Rate</b>	<b>38.7%</b>		<b>38.6%</b>
Equity in Net Income of Unconsolidated Affiliates	0.4		0.4
Net Income Attributable to Noncontrolling Interests	(4.3)		(4.3)
<b>Net Income Available to IPG Common Stockholders - Basic and Diluted</b>	<b>\$ 99.4</b>	<b>\$ (6.6)</b>	<b>\$ 106.0</b>
<hr/>			
<b>Weighted-Average Number of Common Shares Outstanding - Basic</b>	421.1		421.1
Add: Effect of Dilutive Securities			
Restricted Stock, Stock Options and Other Equity Awards	7.0		7.0
<b>Weighted-Average Number of Common Shares Outstanding - Diluted</b>	<b>428.1</b>		<b>428.1</b>
<hr/>			
<b>Earnings Per Share Available to IPG Common Stockholders - Basic</b>	\$ 0.24	\$ (0.01)	\$ 0.25
<b>Earnings Per Share Available to IPG Common Stockholders - Diluted</b>	\$ 0.23	\$ (0.02)	\$ 0.25

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES  
RECONCILIATION OF LOSS ON EARLY EXTINGUISHMENT OF DEBT (Amounts in Millions except Per Share Data)  
(UNAUDITED)

	Six Months Ended June 30, 2014		
	As Reported	Loss on Early Extinguishment of Debt	Ex-Loss on Early Extinguishment of Debt
Income Before Income Taxes	\$ 144.6	\$ (10.4)	\$ 155.0
Provision for Income Taxes	(63.6)	3.8	(67.4)
<b>Effective Tax Rate</b>	<b>44.0%</b>		<b>43.5%</b>
Equity in Net Income of Unconsolidated Affiliates	0.3		0.3
Net Income Attributable to Noncontrolling Interests	(2.8)		(2.8)
<b>Net Income Available to IPG Common Stockholders - Basic and Diluted</b>	<b>\$ 78.5</b>	<b>\$ (6.6)</b>	<b>\$ 85.1</b>
<b>Weighted-Average Number of Common Shares Outstanding - Basic</b>	<b>421.9</b>		<b>421.9</b>
Add: Effect of Dilutive Securities			
Restricted Stock, Stock Options and Other Equity Awards	6.6		6.6
<b>Weighted-Average Number of Common Shares Outstanding - Diluted</b>	<b>428.5</b>		<b>428.5</b>
<b>Earnings Per Share Available to IPG Common Stockholders - Basic</b>	<b>\$ 0.19</b>	<b>\$ (0.01)</b>	<b>\$ 0.20</b>
<b>Earnings Per Share Available to IPG Common Stockholders - Diluted</b>	<b>\$ 0.18</b>	<b>\$ (0.02)</b>	<b>\$ 0.20</b>



Interpublic Group

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# **SECOND QUARTER 2014 EARNINGS CONFERENCE CALL**

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July 18, 2014

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## Overview – Second Quarter 2014

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- Revenue increased 5.4% from Q2-13
  - Organic growth was 4.7%
  - Net acquisitions added 1.2%
  - Currency exchange rate changes were negative 0.5%
- Operating income was \$196 million, an increase of 12%
- Operating margin was 10.6%, an improvement of 60 basis points
- Diluted EPS was \$0.23, a 28% increase; excluding early debt redemption was \$0.25
- Average diluted shares outstanding decreased 4.5% compared to the prior year

# Operating Performance

	Three Months Ended June 30,	
	2014	2013
<i>Revenue</i>	\$ 1,851.4	\$ 1,756.2
Salaries and Related Expenses	1,170.2	1,120.2
Office and General Expenses	485.4	461.2
<i>Operating Income</i>	195.8	174.8
Interest Expense	(22.6)	(37.5)
Interest Income	6.6	5.8
Other (Expense) Income, net	(11.2)	4.8
<i>Income Before Income Taxes</i>	168.6	147.9
Provision for Income Taxes	65.3	62.0
Equity in Net Income of Unconsolidated Affiliates	0.4	0.2
<i>Net Income</i>	103.7	86.1
Net Income Attributable to Noncontrolling Interests	(4.3)	(3.3)
<i>Net Income Attributable to IPG</i>	99.4	82.8
Dividends on Preferred Stock	-	(2.9)
<i>Net Income Available to IPG Common Stockholders</i>	\$ 99.4	\$ 79.9
<i>Earnings per Share Available to IPG Common Stockholders:</i>		
Basic	\$ 0.24	\$ 0.19
Diluted	\$ 0.23	\$ 0.18
<i>Weighted-Average Number of Common Shares Outstanding:</i>		
Basic	421.1	425.1
Diluted	428.1	448.3
<i>Dividends Declared per Common Share</i>	\$ 0.095	\$ 0.075

# Revenue

	Three Months Ended		Six Months Ended	
	\$	% Change	\$	% Change
<b>June 30, 2013</b>	<b>\$ 1,756.2</b>		<b>\$ 3,299.2</b>	
Total change	95.2	5.4%	189.7	5.7%
Foreign currency	(8.1)	(0.5%)	(29.8)	(0.9%)
Net acquisitions/(divestitures)	20.3	1.2%	34.5	1.0%
Organic	83.0	4.7%	185.0	5.6%
<b>June 30, 2014</b>	<b>\$ 1,851.4</b>		<b>\$ 3,488.9</b>	

	Three Months Ended June 30,				Six Months Ended June 30,			
			Change				Change	
	2014	2013	Total	Organic	2014	2013	Total	Organic
IAN	\$ 1,496.0	\$ 1,435.7	4.2%	4.0%	\$ 2,811.7	\$ 2,676.8	5.0%	5.3%
CMG	\$ 355.4	\$ 320.5	10.9%	7.9%	\$ 677.2	\$ 622.4	8.8%	6.8%

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

Page 4 See reconciliations of segment organic revenue change on pages 17 and 18.

(\$ in Millions)





# Geographic Revenue Change

	Three Months Ended June 30, 2014		Six Months Ended June 30, 2014	
	Total	Organic	Total	Organic
United States	3.4%	2.9%	4.2%	3.8%
International	8.0%	7.1%	7.9%	8.0%
United Kingdom	33.2%	16.4%	26.7%	13.3%
Continental Europe	3.8%	(1.4%)	4.4%	0.9%
Asia Pacific	1.4%	4.4%	4.0%	7.7%
Latin America	(2.9%)	7.4%	0.4%	12.0%
All Other Markets	13.8%	18.0%	5.1%	10.3%
<b>Worldwide</b>	<b>5.4%</b>	<b>4.7%</b>	<b>5.7%</b>	<b>5.6%</b>

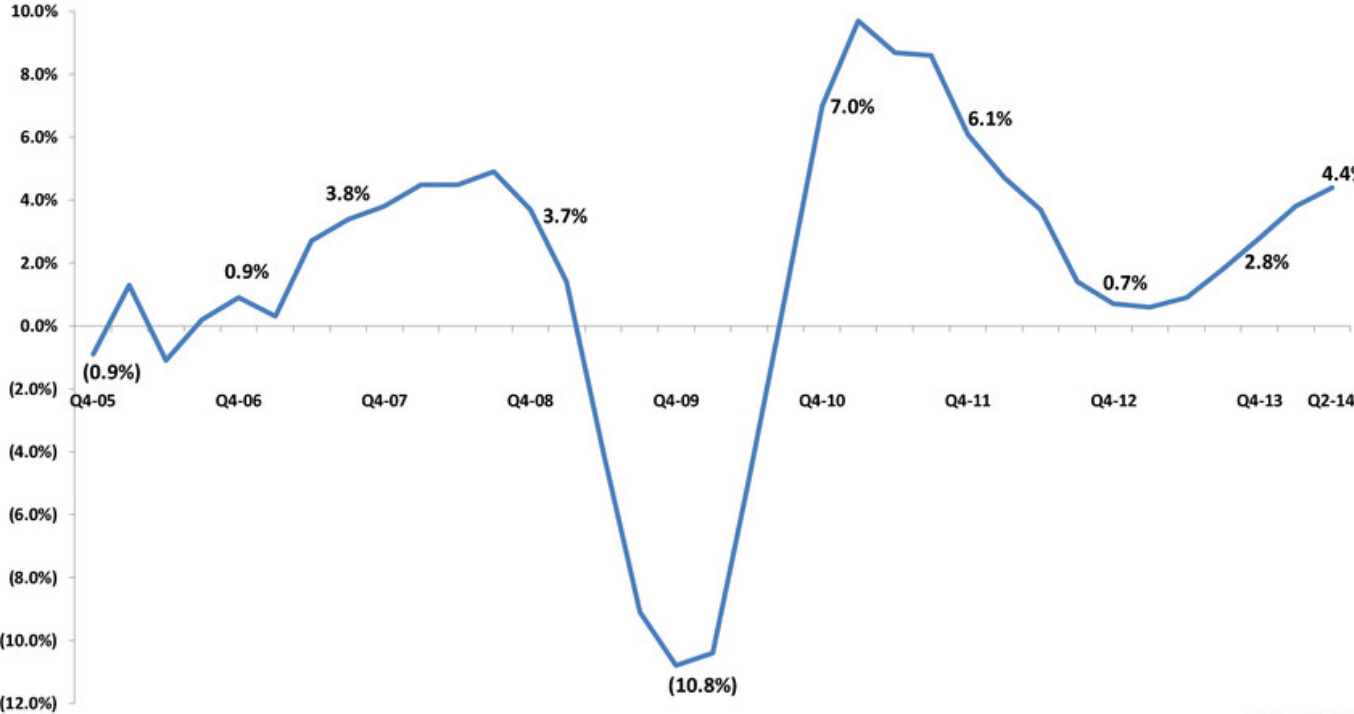
"All Other Markets" includes Canada, Africa and the Middle East.

Page 5 See reconciliations of organic revenue change on pages 17 and 18.



# Organic Revenue Growth

## Trailing Twelve Months



# Expenses

## Salaries & Related

			Change		
	2014	2013	\$	Total	Organic
Three Months Ended June 30,	\$ 1,170.2	\$ 1,120.2	\$ 50.0	4.5%	3.2%
<i>% of Revenue</i>	63.2%	63.8%			
Three months severance	\$ 16.1	\$ 22.9	\$ (6.8)	(29.7%)	
<i>% of Revenue</i>	0.9%	1.3%			
Six Months Ended June 30,	\$ 2,358.8	\$ 2,252.3	\$ 106.5	4.7%	4.3%
<i>% of Revenue</i>	67.6%	68.3%			
Six months severance	\$ 36.5	\$ 49.0	\$ (12.5)	(25.5%)	
<i>% of Revenue</i>	1.0%	1.5%			

## Office & General

			Change		
	2014	2013	\$	Total	Organic
Three Months Ended June 30,	\$ 485.4	\$ 461.2	\$ 24.2	5.2%	4.7%
<i>% of Revenue</i>	26.2%	26.3%			
Three months occupancy expense (ex-D&A)	\$ 125.7	\$ 124.1	\$ 1.6	1.3%	
<i>% of Revenue</i>	6.8%	7.1%			
Six Months Ended June 30,	\$ 946.0	\$ 914.5	\$ 31.5	3.4%	3.5%
<i>% of Revenue</i>	27.1%	27.7%			
Six months occupancy expense (ex-D&A)	\$ 252.9	\$ 246.7	\$ 6.2	2.5%	
<i>% of Revenue</i>	7.2%	7.5%			

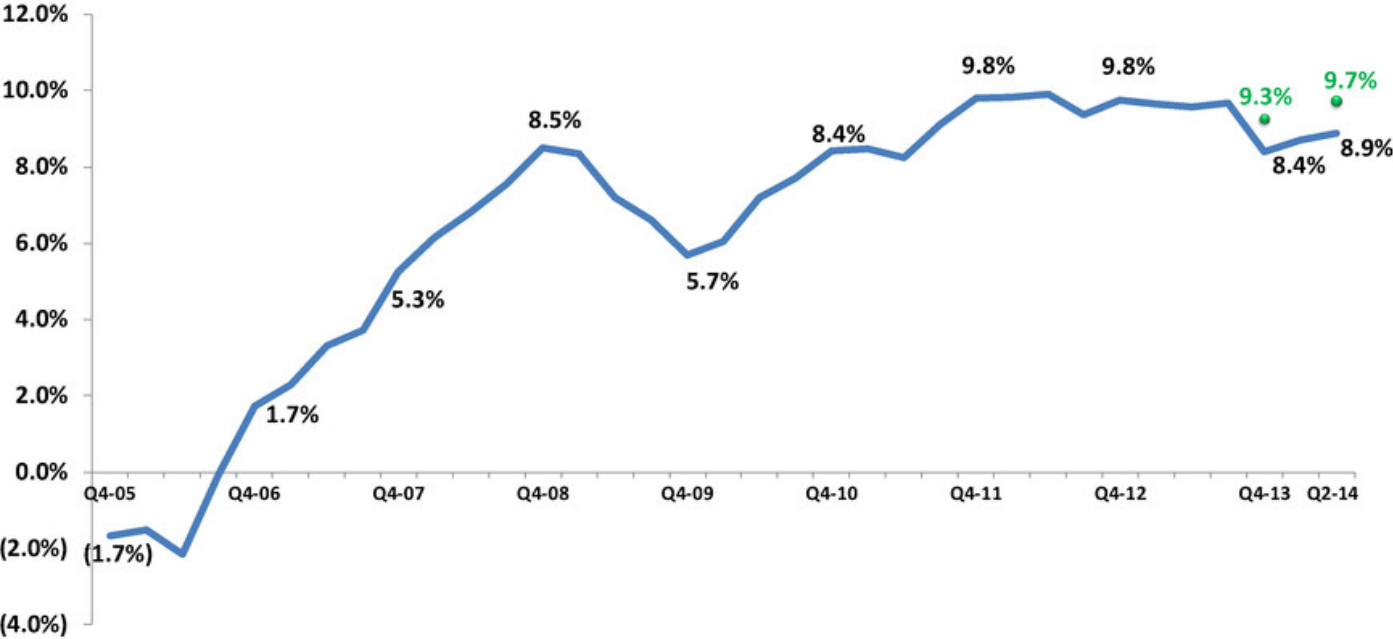
Page 7 See reconciliations of organic measures on pages 17 and 18.

(\$ in Millions)



# Operating Margin

## Trailing Twelve Months



Adjusted operating margin before our Q4 2013 restructuring charge that differs from reported operating margin is represented in green.

Page 8 See reconciliation of adjusted operating margin on page 20.



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## Balance Sheet – Current Portion

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	June 30, 2014	December 31, 2013	June 30, 2013
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	\$ 895.1	\$ 1,636.8	\$ 1,613.9
Marketable securities	6.3	5.3	4.6
Accounts receivable, net	4,272.3	4,565.4	4,047.8
Expenditures billable to clients	1,798.6	1,536.4	1,545.9
Other current assets	429.3	340.1	391.9
<b>Total current assets</b>	<b>\$ 7,401.6</b>	<b>\$ 8,084.0</b>	<b>\$ 7,604.1</b>
<b>CURRENT LIABILITIES:</b>			
Accounts payable	\$ 6,414.8	\$ 6,914.2	\$ 5,891.0
Accrued liabilities	594.8	718.4	548.6
Short-term borrowings	126.2	179.1	186.0
Current portion of long-term debt	2.4	353.6	594.8
<b>Total current liabilities</b>	<b>\$ 7,138.2</b>	<b>\$ 8,165.3</b>	<b>\$ 7,220.4</b>

# Cash Flow

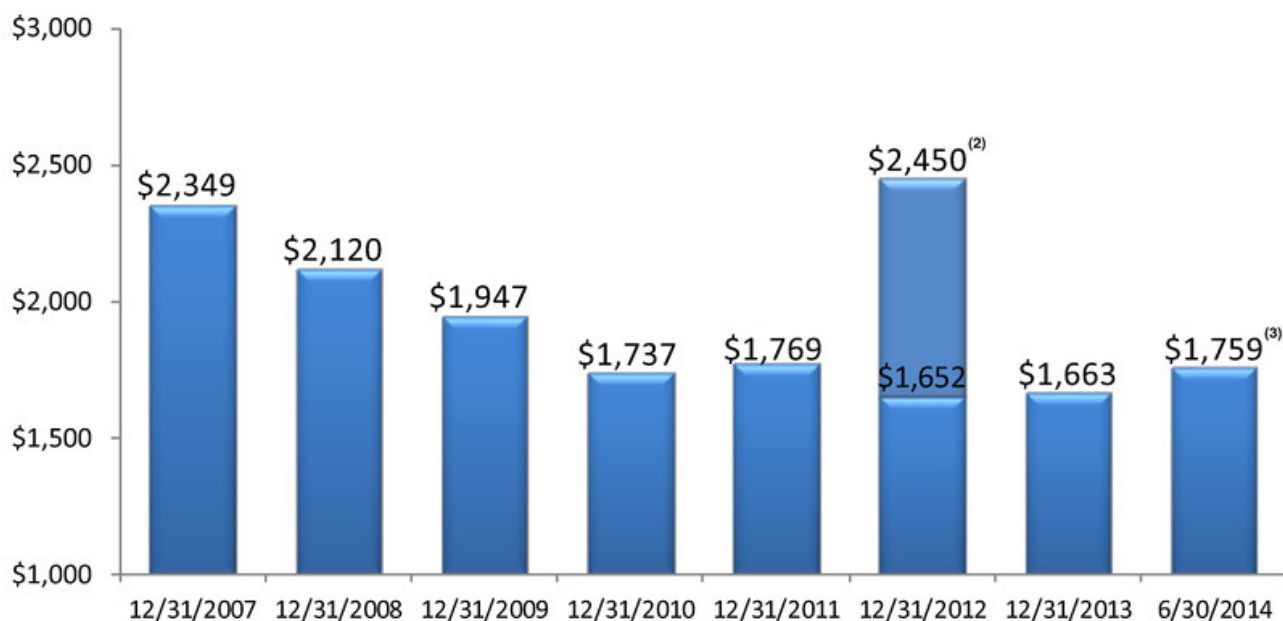
	Three Months Ended June 30,	
	2014	2013
<b>NET INCOME</b>	\$ 103	\$ 87
<b>OPERATING ACTIVITIES</b>		
Depreciation & amortization	52	51
Deferred taxes	30	36
Other non-cash items	15	(9)
Change in working capital, net	(24)	17
Other non-current assets & liabilities	(7)	2
<b>Net cash provided by Operating Activities</b>	<b>169</b>	<b>184</b>
<b>INVESTING ACTIVITIES</b>		
Capital expenditures	(32)	(29)
Acquisitions & deferred payments, net	(29)	(13)
Business, investment & fixed asset purchases/sales, net	9	(1)
<b>Net cash used in Investing Activities <sup>(1)</sup></b>	<b>(52)</b>	<b>(43)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from issuance of long-term debt	499	-
Purchase of long-term debt	(350)	-
Repurchase of common stock	(52)	(105)
Common stock dividends	(40)	(32)
Net (decrease) increase in short-term bank borrowings	(46)	30
Distributions to noncontrolling interests	(6)	(6)
Acquisition-related payments	(6)	(26)
Preferred stock dividends	-	(3)
Exercise of stock options	5	14
Other financing activities	(2)	6
<b>Net cash provided by (used in) Financing Activities</b>	<b>2</b>	<b>(122)</b>
Currency Effect	6	(51)
<b>Increase (Decrease) in Cash &amp; S/T Marketable Securities</b>	<b>\$ 125</b>	<b>\$ (32)</b>

Page 10 <sup>(1)</sup> Excludes the net purchase, sale and maturities of short-term marketable securities. See reconciliation on page 21.

(\$ in Millions)



# Total Debt (1)



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

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

(3) Includes the net impact of our April 2014 debt issuance of \$500 aggregate principal amount of our 4.20% Senior Notes due 2024 and redemption of \$350 aggregate principal amount of our 6.25% Senior Unsecured Notes due 2014 (the "6.25% Notes").



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# Summary

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- Solid performance against FY-14 financial objectives
- Traction from key strategic drivers
  - Quality of our agency offerings
  - Strength in high-growth disciplines/regions
  - Effective expense management
- 2014 focus is on margin improvement
- Financial strength continues to be a source of value creation
  - Lower cost of debt
  - Share repurchase program





Interpublic Group

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# Appendix

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# Operating Performance

	Six Months Ended June 30,	
	2014	2013
<i>Revenue</i>	\$ 3,488.9	\$ 3,299.2
Salaries and Related Expenses	2,358.8	2,252.3
Office and General Expenses	946.0	914.5
<i>Operating Income</i>	184.1	132.4
Interest Expense	(42.8)	(74.3)
Interest Income	12.8	12.2
Other (Expense) Income, net	(9.5)	6.6
<i>Income Before Income Taxes</i>	144.6	76.9
Provision for Income Taxes	63.6	49.6
Equity in Net Income of Unconsolidated Affiliates	0.3	0.3
<i>Net Income</i>	81.3	27.6
Net Income Attributable to Noncontrolling Interests	(2.8)	(1.1)
<i>Net Income Attributable to IPG</i>	78.5	26.5
Dividends on Preferred Stock	-	(5.8)
<i>Net Income Available to IPG Common Stockholders</i>	\$ 78.5	\$ 20.7
 <i>Earnings per Share Available to IPG Common Stockholders:</i>		
Basic	\$ 0.19	\$ 0.05
Diluted	\$ 0.18	\$ 0.05
 <i>Weighted-Average Number of Common Shares Outstanding:</i>		
Basic	421.9	419.7
Diluted	428.5	425.1
 <i>Dividends Declared per Common Share</i>	 \$ 0.19	 \$ 0.15

# Cash Flow

	Six Months Ended June 30,	
	2014	2013
<b>NET INCOME</b>	\$ 81	\$ 28
<b>OPERATING ACTIVITIES</b>		
Depreciation & amortization	109	106
Deferred taxes	7	(14)
Other non-cash items	22	(4)
Change in working capital, net	(747)	(705)
Other non-current assets & liabilities	(29)	(2)
<b>Net cash used in Operating Activities</b>	<b>(557)</b>	<b>(591)</b>
<b>INVESTING ACTIVITIES</b>		
Capital expenditures	(59)	(47)
Acquisitions & deferred payments, net	(51)	(48)
Business, investment & fixed asset purchases/sales, net	11	1
<b>Net cash used in Investing Activities (1)</b>	<b>(99)</b>	<b>(94)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from issuance of long-term debt	499	-
Purchase of long-term debt	(350)	(1)
Repurchase of common stock	(97)	(181)
Common stock dividends	(80)	(63)
Net (decrease) increase in short-term bank borrowings	(53)	19
Distributions to noncontrolling interests	(12)	(7)
Acquisition-related payments	(9)	(27)
Preferred stock dividends	-	(6)
Exercise of stock options	11	32
Other financing activities	2	8
<b>Net cash used in Financing Activities</b>	<b>(89)</b>	<b>(226)</b>
Currency Effect	4	(61)
<b>Decrease in Cash &amp; S/T Marketable Securities</b>	<b>\$ (741)</b>	<b>\$ (972)</b>

Page 15 (1) Excludes the net purchase, sale and maturities of short-term marketable securities. See reconciliation on page 21.

(\$ in Millions)





# Reconciliation of Organic Measures

	Three Months Ended June 30, 2013	Components of Change			Three Months Ended June 30, 2014	Change	
		Foreign Currency	Net Acquisitions / (Divestitures)	Organic		Organic	Total
<b>Segment Revenue</b>							
IAN	\$ 1,435.7	\$ (9.7)	\$ 12.2	\$ 57.8	\$ 1,496.0	4.0%	4.2%
CMG	320.5	1.6	8.1	25.2	355.4	7.9%	10.9%
<b>Total</b>	<b>\$ 1,756.2</b>	<b>\$ (8.1)</b>	<b>\$ 20.3</b>	<b>\$ 83.0</b>	<b>\$ 1,851.4</b>	<b>4.7%</b>	<b>5.4%</b>
<b>Geographic</b>							
<b>United States</b>	\$ 996.6	\$ -	\$ 5.4	\$ 28.9	\$ 1,030.9	2.9%	3.4%
<b>International</b>	759.6	(8.1)	14.9	54.1	820.5	7.1%	8.0%
United Kingdom	119.4	11.8	8.2	19.6	159.0	16.4%	33.2%
Continental Europe	196.3	7.8	2.5	(2.8)	203.8	(1.4%)	3.8%
Asia Pacific	221.0	(10.3)	3.6	9.8	224.1	4.4%	1.4%
Latin America	119.8	(13.0)	0.6	8.9	116.3	7.4%	(2.9%)
All Other Markets	103.1	(4.4)	-	18.6	117.3	18.0%	13.8%
<b>Worldwide</b>	<b>\$ 1,756.2</b>	<b>\$ (8.1)</b>	<b>\$ 20.3</b>	<b>\$ 83.0</b>	<b>\$ 1,851.4</b>	<b>4.7%</b>	<b>5.4%</b>
<b>Expenses</b>							
Salaries & Related	\$ 1,120.2	\$ 1.7	\$ 12.7	\$ 35.6	\$ 1,170.2	3.2%	4.5%
Office & General	461.2	(2.5)	4.9	21.8	485.4	4.7%	5.2%
<b>Total</b>	<b>\$ 1,581.4</b>	<b>\$ (0.8)</b>	<b>\$ 17.6</b>	<b>\$ 57.4</b>	<b>\$ 1,655.6</b>	<b>3.6%</b>	<b>4.7%</b>

# Reconciliation of Organic Measures

	Six Months Ended June 30, 2013	Components of Change			Six Months Ended June 30, 2014	Change	
		Foreign Currency	Net Acquisitions / (Divestitures)	Organic		Organic	Total
<b>Segment Revenue</b>							
IAN	\$ 2,676.8	\$ (31.2)	\$ 23.6	\$ 142.5	\$ 2,811.7	5.3%	5.0%
CMG	622.4	1.4	10.9	42.5	677.2	6.8%	8.8%
<b>Total</b>	<b>\$ 3,299.2</b>	<b>\$ (29.8)</b>	<b>\$ 34.5</b>	<b>\$ 185.0</b>	<b>\$ 3,488.9</b>	<b>5.6%</b>	<b>5.7%</b>
<b>Geographic</b>							
<b>United States</b>	\$ 1,891.0	\$ -	\$ 6.7	\$ 72.2	\$ 1,969.9	3.8%	4.2%
<b>International</b>	<b>1,408.2</b>	<b>(29.8)</b>	<b>27.8</b>	<b>112.8</b>	<b>1,519.0</b>	<b>8.0%</b>	<b>7.9%</b>
United Kingdom	257.8	20.1	14.3	34.4	326.6	13.3%	26.7%
Continental Europe	355.8	10.7	1.8	3.2	371.5	0.9%	4.4%
Asia Pacific	396.9	(25.0)	10.1	30.7	412.7	7.7%	4.0%
Latin America	206.1	(25.5)	1.6	24.7	206.9	12.0%	0.4%
All Other Markets	191.6	(10.1)	-	19.8	201.3	10.3%	5.1%
<b>Worldwide</b>	<b>\$ 3,299.2</b>	<b>\$ (29.8)</b>	<b>\$ 34.5</b>	<b>\$ 185.0</b>	<b>\$ 3,488.9</b>	<b>5.6%</b>	<b>5.7%</b>
<b>Expenses</b>							
Salaries & Related	\$ 2,252.3	\$ (11.5)	\$ 20.4	\$ 97.6	\$ 2,358.8	4.3%	4.7%
Office & General	914.5	(9.5)	8.7	32.3	946.0	3.5%	3.4%
<b>Total</b>	<b>\$ 3,166.8</b>	<b>\$ (21.0)</b>	<b>\$ 29.1</b>	<b>\$ 129.9</b>	<b>\$ 3,304.8</b>	<b>4.1%</b>	<b>4.4%</b>

# Reconciliation of Organic Revenue Growth

Last Twelve Months Ending	Beginning of Period Revenue	Components of Change During the Period			End of Period Revenue
		Foreign Currency	Net Acquisitions / (Divestitures)	Organic	
12/31/05	\$ 6,387.0	\$ 40.4	\$ (107.4)	\$ (56.2)	\$ 6,263.8
3/31/06	6,323.8	(10.9)	(132.6)	81.5	6,261.8
6/30/06	6,418.4	(8.8)	(157.5)	(68.5)	6,183.6
9/30/06	6,335.9	(13.9)	(140.4)	15.6	6,197.2
12/31/06	6,263.8	20.7	(165.5)	57.8	6,176.8
3/31/07	6,261.8	78.4	(147.2)	16.0	6,209.0
6/30/07	6,183.6	102.4	(124.7)	166.6	6,327.9
9/30/07	6,197.2	137.3	(110.9)	209.2	6,432.8
12/31/07	6,176.8	197.5	(70.7)	233.1	6,536.7
3/31/08	6,209.0	217.8	(45.9)	280.6	6,661.5
6/30/08	6,327.9	244.8	(12.6)	282.4	6,842.5
9/30/08	6,432.8	237.4	32.8	317.2	7,020.2
12/31/08	6,536.7	71.5	87.6	243.0	6,938.8
3/31/09	6,661.5	(88.3)	114.7	91.9	6,779.8
6/30/09	6,842.5	(286.2)	139.2	(275.3)	6,420.2
9/30/09	7,020.2	(390.1)	115.2	(636.4)	6,108.9
12/31/09	6,938.8	(251.6)	69.1	(748.9)	6,007.4
3/31/10	6,779.8	(88.2)	36.0	(705.4)	6,022.2
6/30/10	6,420.2	59.1	2.0	(316.9)	6,164.4
9/30/10	6,108.9	117.7	9.6	60.1	6,296.3
12/31/10	6,007.4	63.3	17.0	419.6	6,507.3
3/31/11	6,022.2	21.0	18.2	583.7	6,645.1
6/30/11	6,164.4	61.5	12.4	535.8	6,774.1
9/30/11	6,296.3	119.1	(7.7)	539.5	6,947.2
12/31/11	6,507.3	122.2	(8.6)	393.7	7,014.6
3/31/12	6,645.1	92.9	(1.4)	310.0	7,046.6
6/30/12	6,774.1	(14.3)	14.5	247.3	7,021.6
9/30/12	6,947.2	(117.2)	39.7	95.8	6,965.5
12/31/12	7,014.6	(147.6)	41.8	47.4	6,956.2
3/31/13	7,046.6	(143.7)	48.2	41.3	6,992.4
6/30/13	7,021.6	(111.4)	56.9	65.8	7,032.9
9/30/13	6,965.5	(80.3)	49.5	128.2	7,062.9
12/31/13	6,956.2	(80.4)	50.3	196.2	7,122.3
3/31/14	6,992.4	(89.9)	51.2	263.1	7,216.8
6/30/14	7,032.9	(80.6)	51.6	308.1	7,312.0



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# Reconciliation of Adjusted Operating Margin

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<u>Last Twelve Months Ending</u>	<u>Operating Income</u>	<u>Q4 2013 Restructuring Charge</u>	<u>Adjusted Operating Income</u>
12/31/13	\$ 598.3	\$ 60.6	\$ 658.9
3/31/14	629.0	60.6	689.6
6/30/14	650.0	60.6	710.6



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# Reconciliation of Investing Cash Flow

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	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
<b>INVESTING ACTIVITIES</b>				
Cash used in Investing Activities per presentation	\$ (52)	\$ (43)	\$ (99)	\$ (94)
Purchase, sale and maturities of short-term marketable securities, net	-	1	-	12
<b>Cash used in Investing Activities as reported</b>	<b>\$ (52)</b>	<b>\$ (42)</b>	<b>\$ (99)</b>	<b>\$ (82)</b>

# Reconciliation of Loss on Early Extinguishment of Debt <sup>(1)</sup>

	Three Months Ended June 30, 2014			Six Months Ended June 30, 2014		
	As Reported	Loss on Early Extinguishment of Debt <sup>(2)</sup>	Ex - Loss on Early Extinguishment of Debt	As Reported	Loss on Early Extinguishment of Debt <sup>(2)</sup>	Ex - Loss on Early Extinguishment of Debt
Income Before Income Taxes	\$ 168.6	\$ (10.4)	\$ 179.0	\$ 144.6	\$ (10.4)	\$ 155.0
Provision for Income Taxes	(65.3)	3.8	(69.1)	(63.6)	3.8	(67.4)
<b>Effective Tax Rate</b>	<b>38.7%</b>		<b>38.6%</b>	<b>44.0%</b>		<b>43.5%</b>
Equity in Net Income of Unconsolidated Affiliates	0.4		0.4	0.3		0.3
Net Income Attributable to Noncontrolling Interests	(4.3)		(4.3)	(2.8)		(2.8)
<b>Net Income Available to IPG Common Stockholders - Basic and Diluted</b>	<b>\$ 99.4</b>	<b>\$ (6.6)</b>	<b>\$ 106.0</b>	<b>\$ 78.5</b>	<b>\$ (6.6)</b>	<b>\$ 85.1</b>
<b>Weighted-Average Number of Common Shares Outstanding - Basic</b>	421.1		421.1	421.9		421.9
Add: Effect of Dilutive Securities						
Restricted Stock, Stock Options and Other Equity Awards	7.0		7.0	6.6		6.6
<b>Weighted-Average Number of Common Shares Outstanding - Diluted</b>	<b>428.1</b>		<b>428.1</b>	<b>428.5</b>		<b>428.5</b>
<b>Earnings Per Share Available to IPG Common Stockholders - Basic</b>	<b>\$ 0.24</b>	<b>\$ (0.01)</b>	<b>\$ 0.25</b>	<b>\$ 0.19</b>	<b>\$ (0.01)</b>	<b>\$ 0.20</b>
<b>Earnings Per Share Available to IPG Common Stockholders - Diluted</b>	<b>\$ 0.23</b>	<b>\$ (0.02)</b>	<b>\$ 0.25</b>	<b>\$ 0.18</b>	<b>\$ (0.02)</b>	<b>\$ 0.20</b>

Page 22 <sup>(1)</sup> In May 2014, we redeemed \$350 in aggregate principal amount of our 6.25% Notes.  
<sup>(2)</sup> Loss on early extinguishment of debt of \$10.4, primarily due to a redemption premium.

(\$ in Millions)





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# Metrics Update

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# Metrics Update

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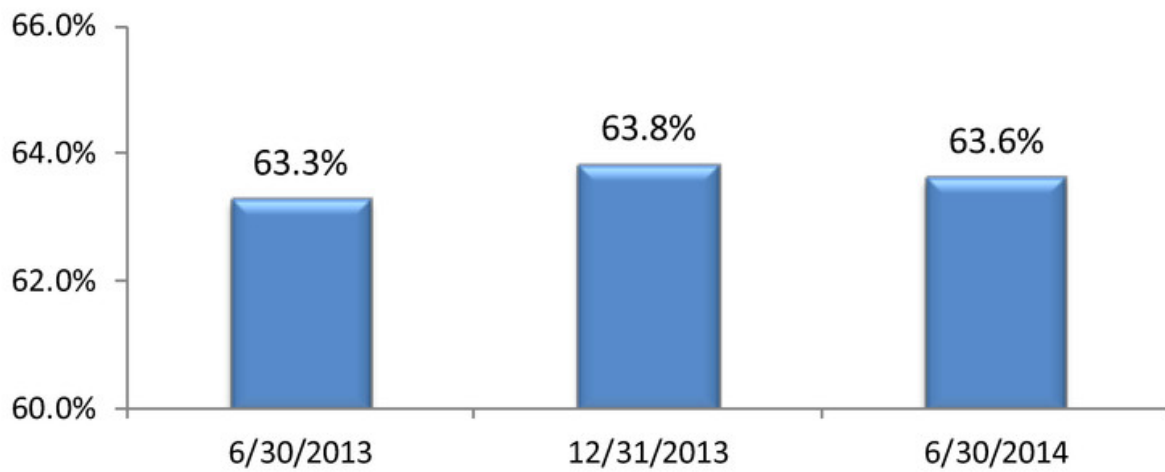
<b>Category</b>	<b>Metric</b>
SALARIES & RELATED (% of revenue)	Trailing Twelve Months Base, Benefits & Tax Incentive Expense Severance Expense Temporary Help
OFFICE & GENERAL (% of revenue)	Trailing Twelve Months Professional Fees Occupancy Expense (ex-D&A) T&E, Office Supplies & Telecom All Other O&G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

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# Salaries & Related Expenses

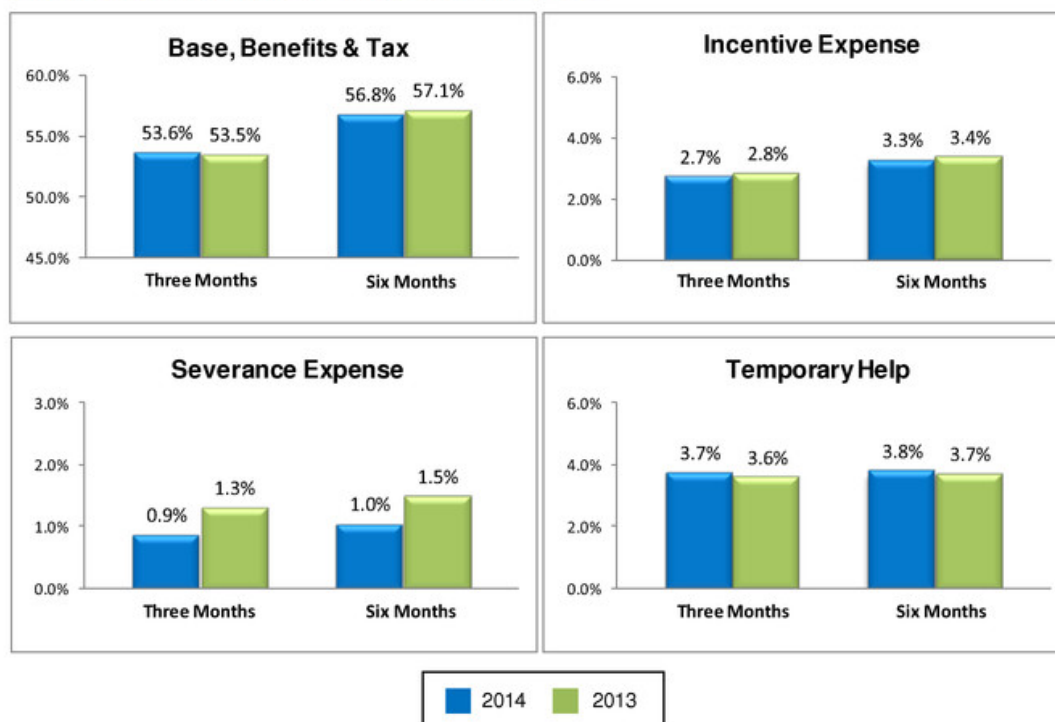
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## % of Revenue, Trailing Twelve Months



# Salaries & Related Expenses (% of Revenue)

## Three and Six Months Ended June 30



Page 26 "All Other Salaries & Related," not shown, was 2.3% and 2.6% for the three months ended June 30, 2014 and 2013, respectively, and 2.7% and 2.6% for the six months ended June 30, 2014 and 2013, respectively.

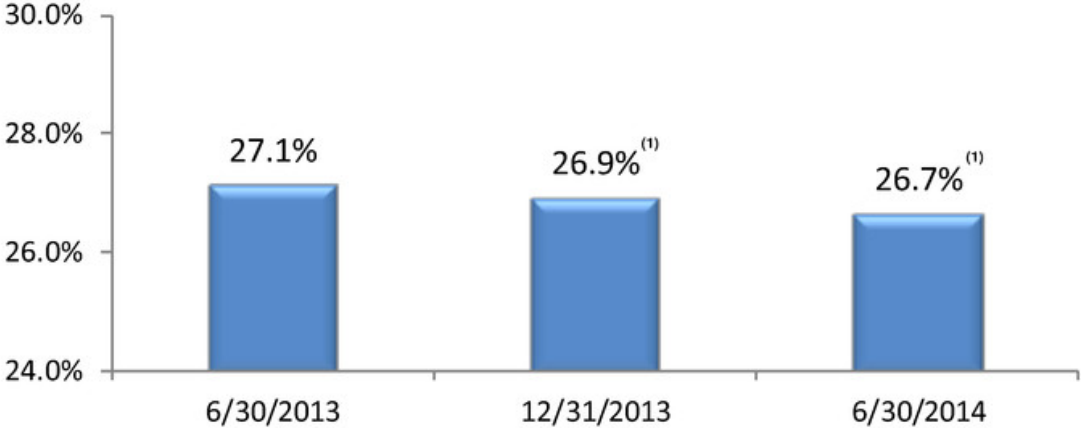


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# Office & General Expenses

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**% of Revenue, Trailing Twelve Months**

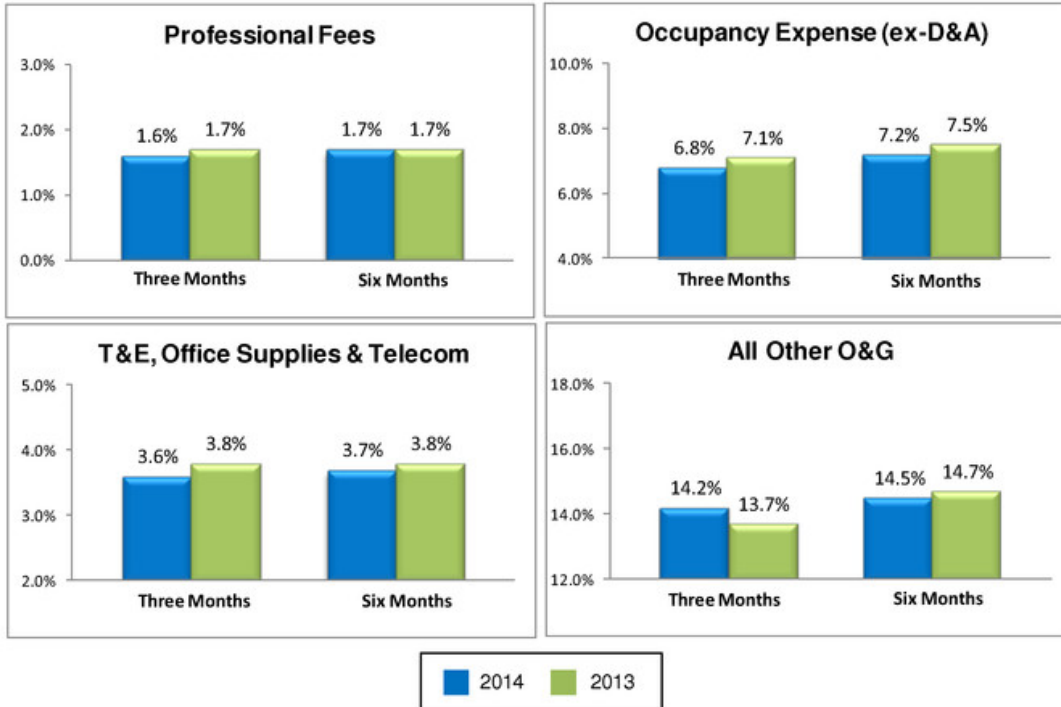


<sup>(1)</sup> Office & general expenses excludes our Q4 2013 restructuring charge, which was recorded as a separate line item in our income statement.



# Office & General Expenses (% of Revenue)

## Three and Six Months Ended June 30

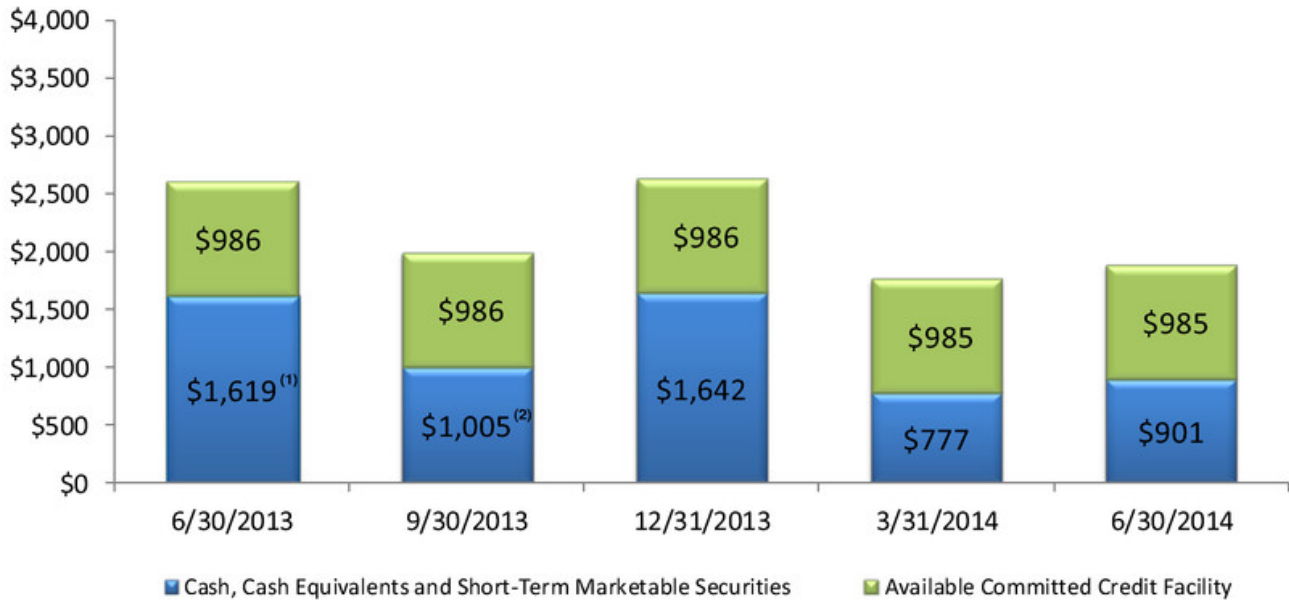


"All Other O&G" includes production expenses, depreciation and amortization, bad debt expense, adjustments for contingent acquisition obligations, foreign currency gains (losses), restructuring and other reorganization-related charges (reversals), long-lived asset impairments and other expenses.



# Available Liquidity

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



<sup>(1)</sup> Includes net proceeds from our November 2012 debt issuances of \$800 aggregate principal amount of Senior Notes, which pre-funded our plan to address our capital structure in 2013.

Page 29 <sup>(2)</sup> In July 2013, we used \$630 to redeem \$600 aggregate principal amount of our 10.00% Notes at 105%.

(\$ in Millions)



# \$1.0 Billion 5-Year Credit Facility Covenants

<u>Covenants</u>	<u>Last Twelve Months Ending June 30, 2014</u>
I. Interest Coverage Ratio (not less than):	5.00x
Actual Interest Coverage Ratio:	12.65x
II. Leverage Ratio (not greater than):	3.25x
Actual Leverage Ratio:	2.05x
<u>Interest Coverage Ratio - Interest Expense Reconciliation</u>	<u>Last Twelve Months Ending June 30, 2014</u>
Interest Expense:	\$91.2
- Interest income	25.4
- Other	1.0
+ Preferred stock dividends	2.9
Net interest expense as defined:	<u>\$67.7</u>
<u>EBITDA Reconciliation</u>	<u>Last Twelve Months Ending June 30, 2014</u>
Operating Income:	\$650.0
+ Depreciation and amortization	205.5
+ Other non-cash charges	1.2
EBITDA as defined:	<u>\$856.7</u>

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# Cautionary Statement

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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.

