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

# FORM 8-K

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

Date of report (Date of earliest event reported): February 1, 2005

The Interpublic Group of Companies, Inc.

(Exact Name of Registrant as Specified in Charter)

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

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

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

(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 8.01 Other Events**

On February 1, 2005, The Interpublic Group of Companies, Inc. (the "Company") issued a schedule (the "Schedule"), a copy of which is attached hereto as Exhibit 99.1 and incorporated by reference herein, to correct certain information related to its analysis of adjusted operating margins for the third quarter 2004 and year-to-date through September 30, 2004. This information appeared in (i) its press release dated November 3, 2004, announcing the Company's third quarter 2004 results (the "Press Release") and (ii) its related investor presentation posted on its website in connection with its third quarter results conference call (the "Investor Presentation"). The corrections reflected in the Schedule do not affect the Company's reported results.

The Schedule reflects the impact of certain factors on the analysis of the Company's adjusted operating margins and further corrects the presentation of these analytical adjustments as they appear in the following:

- the table in the Press Release under the caption "Third Quarter Operating Margin Analysis";
- the table in the Press Release under the caption "Year-to-Date Operating Margin Analysis";
- the schedule in the Press Release entitled "Reconciliation of Operating Margin Analysis";
- Page 10 ("Operating Margin Variances") of the Investor Presentation; and
- Page 35 ("Reconciliation of Operating Margin Analysis") of the Appendix to the Investor Presentation.

The Company believes it is appropriate to provide investors with an understanding of the impact of these items by identifying only the individual impact of each such factor for each of the applicable periods.

The affected tables and reconciliation schedules are non-GAAP presentations and analytical in nature. The Schedule also includes an unchanged reconciliation of the non-GAAP financial measures therein to the Company's corresponding GAAP numbers.

**Item 9.01**

(c) Exhibits

Exhibit 99.1 Schedule (filed pursuant to Item 8.01)

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

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THE INTERPUBLIC GROUP OF COMPANIES, INC.

Date: February 1, 2005

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

Exhibit 99.1

Margin Analysis Schedule

Third Quarter Operating Margin Analysis

The year-over-year quarter comparison was negatively impacted by the following:

| | |
|---|---|
| Incentive Accrual* | 240 basis points |
| Professional Fees* | 70 basis points |
| Currency | 30 basis points |
| Reclassified Out of Pocket* | 10 basis points |

*Constant Currency Basis

Year-to-Date Operating Margin Analysis

The year-over-year year-to-date comparison was negatively impacted by the following:

| | |
|---|---|
| Incentive Accrual* | 90 basis points |
| Professional Fees* | 90 basis points |
| Currency | 30 basis points |
| Reclassified Out of Pocket* | 20 basis points |

*Constant Currency Basis

## Reconciliation of Operating Margin Analysis

**($ in millions)**

| | Third Quarter | | | September 30 YTD | | |
|---|---|---|---|---|---|---|
| **Revenue and Revenue Adjustments** | 2004 | | 2003 | 2004 | | 2003 |
| Reported revenue | $ 1,508.8 | $ | 1,418.9 | $ 4,448.0 | $ | 4,234.0 |
| Impact of currency translation on revenue | | | 56.0 | | | 147.0 |
| Revenue on a constant currency basis | $ 1,508.8 | $ | 1,474.9 | $ 4,448.0 | $ | 4,381.0 |
| Incremental out of pocket on a constant currency basis | 34.6 | | | 103.8 | | |
| Revenue adjusted for currency and incremental out of pocket | $ 1,474.2 | $ | 1,474.9 | $ 4,344.2 | $ | 4,381.0 |
| **Operating Income* and Operating Income Adjustments** | 2004 | | 2003 | 2004 | | 2003 |
| Operating Income | $ 65.1 | $ | 108.7 | $ 276.7 | $ | 297.9 |
| Impact of currency translation on Operating Income | | | 0.3 | | | (4.0) |
| Operating Income on a constant currency basis | $ 65.1 | $ | 109.0 | $ 276.7 | $ | 293.9 |
| Incremental professional fees on a constant currency basis | $ 10.6 | | | $ 40.9 | | |
| Incremental incentive compensation on a constant currency basis | $ 35.1 | | | $ 40.6 | | |

| **Currency: Year-over-Year Margin Impact** | | 2003 | | 2003 |
|---|---|---|---|---|
| Reported revenue | $ | 1,418.9 | $ | 4,234.0 |
| Operating Income | $ | 108.7 | $ | 297.9 |
| Operating Margin | | 7.7% | | 7.0% |
| Revenue on a constant currency basis | $ | 1,474.9 | $ | 4,381.0 |
| Operating Income on a constant currency basis | $ | 109.0 | $ | 293.9 |
| Operating Margin on a constant currency basis | | 7.4% | | 6.7% |
| Operating Margin | | 7.7% | | 7.0% |
| Operating Margin on a constant currency basis | | 7.4% | | 6.7% |

| | | |
|---|---|---|
| ***Currency impact*** | ***0.3%*** | ***0.3%*** |

| **Out of Pocket: Year-over-Year Margin Impact** | 2004 | 2004 |
|---|---|---|
| Reported revenue | $ 1,508.8 | $ 4,448.0 |
| Operating Income | $ 65.1 | $ 276.7 |
| Operating Margin | 4.3% | 6.2% |
| | | |
| Revenue adjusted for incremental out of pocket | $ 1,474.2 | $ 4,344.2 |
| Operating Income | $ 65.1 | $ 276.7 |
| Operating Margin adjusted for incremental out of pocket | 4.4% | 6.4% |
| | | |
| Operating Margin | 4.3% | 6.2% |
| Operating Margin adjusted for incremental out of pocket | 4.4% | 6.4% |
| ***Impact of incremental out of pocket*** | ***0.1%*** | ***0.2%*** |

| **Incremental professional fees: Year-over-Year Margin Impact** | 2004 | 2004 |
|---|---|---|
| Revenue adjusted for incremental out of pocket | $ 1,474.2 | $ 4,344.2 |
| Incremental professional fees on a constant currency basis | $ 10.6 | $ 40.9 |
| ***Impact of incremental professional fees*** | ***0.7%*** | ***0.9%*** |

| **Incremental incentive: Year-over-Year Margin Impact** | 2004 | 2004 |
|---|---|---|
| Revenue adjusted for incremental out of pocket | $ 1,474.2 | $ 4,344.2 |
| Incremental incentive compensation on a constant currency basis | $ 35.1 | $ 40.6 |
| ***Impact of incremental incentive*** | ***2.4%*** | ***0.9%*** |

* References to operating income refer to operating income as reported excluding restructuring program charges, long-lived asset impairments, and the Motorsports contract termination charges.

## Reconciliation of Operating Margin

**($ in millions)**

| | Third Quarter | | | | September 30 YTD | | | |
|---|---|---|---|---|---|---|---|---|
| | 2004 | | 2003 | | 2004 | | 2003 | |
| Revenue | $ | 1,508.8 | $ | 1,418.9 | $ 4,448.0 | $ | 4,234.0 |
| Operating Expenses | | | | | | | |
| Salaries and related expenses | $ | 924.8 | $ | 810.9 | $ 2,692.6 | $ | 2,544.0 |
| Office and general expenses | | 519.5 | | 508.4 | 1,489.6 | | 1,401.2 |
| Restructuring charges | | 1.0 | | 48.0 | 65.6 | | 142.4 |
| Long-lived asset impairment | | 450.1 | | 222.7 | 458.7 | | 244.8 |
| Motorsports Contract Termination Costs | | 33.6 | | - | 113.6 | | - |
| Total Operating Expenses | $ | 1,929.0 | $ | 1,590.0 | $ 4,820.1 | $ | 4,332.4 |
| **Operating Income - As Reported** | **$** | **(420.2)** | **$** | **(171.1)** | **$ (372.1)** | **$** | **(98.4)** |
| **Operating Margin - As Reported** | | **-27.8%** | | **-12.1%** | **-8.4%** | | **-2.3%** |
| Add back: | | | | | | | |
| Restructuring charges | $ | 1.0 | $ | 48.0 | $ 65.6 | $ | 142.4 |
| Restructuring program charges in office & general expenses | | 0.6 | | 9.1 | 10.9 | | 9.1 |
| Long-lived asset impairment | | 450.1 | | 222.7 | 458.7 | | 244.8 |
| Motorsports Contract Termination | | 33.6 | | - | 113.6 | | - |

| | | | | | | |
|---|---|---|---|---|---|---|
| Total restructuring program charges, LLA impairment and Motorsports contract termination | $ | 485.3 | $ | 279.8 | $ 648.8 | $ | 396.3 |
| Excluding Restructuring Program Charges, LLA Impairment and Motorsports Contract Termination: | | | | | | | |
| **Operating Income** | **$** | **65.1** | **$** | **108.7** | **$ 276.7** | **$** | **297.9** |
| **Operating Margin** | | **4.3%** | | **7.7%** | **6.2%** | | **7.0%** |

In comparing performance for 2004 with 2003, the company has excluded restructuring program charges, long-lived asset impairments, and the Motorsports contract termination charges because management believes the resulting comparison better reflects the company's ongoing operations. By excluding these charges, we can focus our comparison on the trends that have a continuing effect on the company's operations. The company expects to incur further charges relating to its restructuring program in 2004 and may incur future long-lived asset impairments and Motorsports contract termination charges as well.