

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): February 12, 2016

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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909 Third Avenue, New York, New York	10022
(Address of Principal Executive Offices)	(Zip Code)

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

1114 Avenue of the Americas, New York, New York 10036  
(Former Name or Former Address, if Changed Since Last Report)

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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 February 12, 2016, 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 fourth quarter and full year of 2015, (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 February 12, 2016 (furnished pursuant to Item 2.02)

Exhibit 99.2: Investor presentation dated February 12, 2016 (furnished pursuant to Item 2.02)

**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.

Date: February 12, 2016

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By:     /s/ Andrew Bonzani    

Name: Andrew Bonzani

Title: Senior Vice President, General Counsel and Secretary



New York, NY (February 12, 2016)

FOR IMMEDIATE RELEASE

## **Interpublic Announces Full Year and Fourth Quarter 2015 Results**

### 2015 Highlights

- *Company posted FY15 revenue of \$7.61 billion, with strong organic revenue growth of 6.1% for FY15 and 5.2% for Q4*
- *Operating margin expanded to 11.5% for FY15 and to 20.8% for Q4*
- *FY15 adjusted diluted EPS rose 23% to \$1.21 from FY14 adjusted diluted EPS of \$0.98 - FY15 diluted EPS was \$1.09*
- *Board approves 25% increase in quarterly dividend and additional \$300 million toward share repurchase program*
- *Management targets 2016 organic revenue growth of 3% - 4% and further 50 basis points or better improvement in operating margin*

### Summary

#### **Revenue**

- Full year 2015 revenue was \$7.61 billion, compared to \$7.54 billion in 2014, with an organic revenue increase of 6.1% compared to the prior-year period. This was comprised of an organic revenue increase of 5.3% internationally and 6.8% in the U.S.
- Fourth quarter 2015 revenue was \$2.20 billion, compared to \$2.21 billion in the fourth quarter of 2014, with an organic revenue increase of 5.2% compared to the prior-period. This was comprised of an organic revenue increase of 4.1% internationally and 6.2% in the U.S.

#### **Operating Results**

- For the full year 2015, operating income was \$871.9 million, compared to \$788.4 million in 2014. Operating margin was 11.5% for the full year 2015, compared to 10.5% for the full year 2014.
- Operating income in the fourth quarter of 2015 was \$456.4 million, compared to \$433.0 million in 2014. Operating margin was 20.8% for the fourth quarter of 2015, compared to 19.6% for the fourth quarter of 2014.

### Losses on Sales of Businesses

- For the full year 2015, other expense (non-operating) includes pre-tax losses of \$50.0 million due to sales of businesses in the third and fourth quarters, resulting in a negative impact of \$0.12 per diluted share.
- For the fourth quarter of 2015, other expense (non-operating) includes pre-tax losses of \$12.0 million due to sales of businesses, resulting in a negative impact of \$0.03 per diluted share.

### Net Results

- Full year 2015 net income available to IPG common stockholders was \$454.6 million, resulting in earnings of \$1.11 per basic and \$1.09 per diluted share. This compares to net income available to IPG common stockholders of \$477.1 million, or \$1.14 per basic and \$1.12 per diluted share a year ago.
- Excluding the impact of the loss on sales of businesses recorded during the third and fourth quarters of 2015, diluted earnings per share was \$1.21 in 2015. Excluding the impact of the net valuation allowance reversal of \$67.6 million on deferred tax assets in Continental Europe in the fourth quarter of 2014 and the charge for early extinguishment of the 6.25% Senior Unsecured Notes due 2014 (the "6.25% Notes") in the second quarter of 2014, diluted earnings per share was \$0.98 in 2014.
- Fourth quarter 2015 net income available to IPG common stockholders was \$260.3 million, resulting in earnings of \$0.65 per basic and \$0.63 per diluted share. This compares to net income available to IPG common stockholders of \$308.9 million, or \$0.75 per basic and \$0.73 per diluted share a year ago. Excluding the impact of the losses on sales of businesses, diluted earnings per share was \$0.66 in 2015, compared to \$0.57 in 2014 excluding the impact of the net valuation allowance reversal on deferred tax assets in Continental Europe.

“From every perspective, 2015 was a very successful year, with notable accomplishments in the marketplace and strong financial results. Across the group, the quality of our people and our offerings is at its highest level in well over a decade. The key drivers of our industry-leading organic revenue performance have been talent acquisition and development, particularly in creative and strategic roles, our ‘open architecture’ model of integrating services, as well as the deep digital expertise we have embedded into our agencies. Our commitment to developing new skills, products and technology-enabled capabilities has allowed us to stay highly relevant in a very dynamic industry,” commented Michael Roth, Chairman and CEO of IPG. “We continue to convert growth to profit at a high level, which led to operating margin improvement of 100 basis points in 2015. We also remain committed to our robust capital return programs, as evident in the actions our Board has announced today to increase the dividend and authorization for share repurchase. These will continue to be drivers of value creation. Looking forward, the tone of our business is good and we are positioned for continued growth.

Increased macro uncertainty and market volatility are factors that require us to approach 2016 with an appropriate degree of caution. We are therefore targeting organic growth of 3% - 4% and an additional 50 basis points or more of margin improvement, which would bring us to operating margin performance of 12.0% or greater. Coupled with strong capital returns, we are confident that achieving these targets will allow us to build on our strong track record of enhancing shareholder value," Mr. Roth concluded.

## **Operating Results**

### **Revenue**

Revenue of \$7.61 billion for the full year 2015 was up 1.0% compared to 2014. During the full year 2015, the effect of foreign currency translation was negative 5.4%, the impact of net acquisitions was positive 0.3%, and the resulting organic revenue increase was 6.1%.

Revenue of \$2.20 billion in the fourth quarter of 2015 was down 0.5% compared with the same period in 2014. During the fourth quarter of 2015, the effect of foreign currency translation was negative 5.5%, the impact of net divestitures was negative 0.2%, and the resulting organic revenue increase was 5.2%.

### **Operating Expenses**

For the full year 2015, salaries and related expenses were \$4.86 billion, up 0.8% compared to 2014. After adjusting for currency effects and the impact of net acquisitions, salaries and related expenses increased 5.6% organically.

During the fourth quarter of 2015, salaries and related expenses were \$1.24 billion, down 2.5% compared to the same period in 2014. After adjusting for currency effects and the impact of net divestitures, salaries and related expenses increased 2.3% organically.

For the full year 2015, office and general expenses were \$1.88 billion, down 2.3% compared to 2014. After adjusting for currency effects and the impact of net acquisitions, office and general expenses increased 2.8% organically.

During the fourth quarter of 2015, office and general expenses were \$504.7 million, down 0.6% compared to the same period in 2014. After adjusting for currency effects and the impact of net divestitures, office and general expenses increased 5.0% organically.

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

For the full year 2015, net interest expense of \$63.0 million increased by \$5.5 million compared to 2014. In the fourth quarter of 2015, net interest expense of \$18.3 million increased by \$4.0 million compared to the same period in 2014.

Other expense, net was \$46.7 million for the full year 2015, and was \$10.3 million for the fourth quarter of 2015, primarily due to losses recorded during the third and fourth quarters on sales of businesses.

The income tax provision for the full year 2015 was \$282.8 million on income before income taxes of \$762.2 million, compared to a provision of \$216.5 million on income before income taxes of \$720.7 million in 2014. The income tax provision in the fourth quarter of 2015 was \$145.4 million on income before income taxes of \$427.8 million, compared to a provision of \$87.9 million on income before income taxes of \$418.6 million in the same period in 2014. The effective tax rate for the full year 2015 was 37.1% and 30.0% for 2014. Excluding the impact of the losses on sales of businesses, the effective tax rate for the full year 2015 was 35.2%, compared to 39.4% in 2014 excluding the impact of the net valuation allowance reversal and the charge for the early extinguishment of the 6.25% Notes. The effective tax rate for the fourth quarter of 2015 was 34.0%, compared to 21.0% for the same period in 2014. Excluding the impact of the losses on sales of businesses, the effective tax rate for the fourth quarter of 2015 was 33.1%, compared to 37.1% for the same period in 2014 excluding the impact of the net valuation allowance reversal.

#### **Balance Sheet**

At December 31, 2015, cash, cash equivalents and marketable securities totaled \$1.51 billion, compared to \$1.67 billion at December 31, 2014. Total debt was \$1.76 billion at December 31, 2015, compared to \$1.72 billion at December 31, 2014.

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

During the fourth quarter of 2015, the company repurchased 5.1 million shares of its common stock at an aggregate cost of \$112.8 million and an average price of \$21.97 per share. For the full year 2015, the company repurchased 13.6 million shares of its common stock at an aggregate cost of \$285.2 million and an average price of \$20.97 per share.

Interpublic Board of Directors authorized a new program to repurchase, from time to time, up to \$300 million of the company's common stock. The new share program, which is in addition to any amounts remaining for repurchase under the program announced in 2015, will take effect immediately and has no expiration date.

During the fourth quarter of 2015, the company declared and paid a common stock cash dividend of \$0.12 per share, for a total of \$48.3 million. For the full year 2015, the company declared and paid common stock cash dividends of \$0.48 per share, for a total of \$195.5 million.

The company also announced that its Board of Directors has declared a common stock cash dividend of \$0.15 per share, payable quarterly to holders of record on an ongoing basis.

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

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

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#### Contact Information

Tom Cunningham  
(Press)  
(212) 704-1326

Jerry Leshne  
(Analysts, Investors)  
(212) 704-1439

Interpublic Group 909 Third Avenue New York, NY 10022 212-704-1200 tel 212-704-1201 fax



### 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  
FOURTH QUARTER REPORT 2015 AND 2014  
(Amounts in Millions except Per Share Data)  
(UNAUDITED)

	Three months ended December 31,		
	2015	2014	Fav. (Unfav.) % Variance
Revenue:			
United States	\$ 1,221.1	\$ 1,152.3	6.0 %
International	975.1	1,054.8	(7.6)%
Total Revenue	<u>2,196.2</u>	<u>2,207.1</u>	<u>(0.5)%</u>
Operating Expenses:			
Salaries and Related Expenses	1,235.1	1,266.4	2.5 %
Office and General Expenses <sup>(1)</sup>	504.7	507.7	0.6 %
Total Operating Expenses	<u>1,739.8</u>	<u>1,774.1</u>	<u>1.9 %</u>
Operating Income	<u>456.4</u>	<u>433.0</u>	<u>5.4 %</u>
Operating Margin %	20.8%	19.6%	
Expenses and Other Income:			
Interest Expense	(23.3)	(21.4)	
Interest Income	5.0	7.1	
Other Expense, net	(10.3)	(0.1)	
Total (Expenses) and Other Income	<u>(28.6)</u>	<u>(14.4)</u>	
Income before Income Taxes	427.8	418.6	
Provision for Income Taxes	145.4	87.9	
Income of Consolidated Companies	<u>282.4</u>	<u>330.7</u>	
Equity in Net Income of Unconsolidated Affiliates	0.5	0.6	
Net Income	<u>282.9</u>	<u>331.3</u>	
Net Income Attributable to Noncontrolling Interests	(22.6)	(22.4)	
Net Income Available to IPG Common Stockholders	<u>\$ 260.3</u>	<u>\$ 308.9</u>	
Earnings Per Share Available to IPG Common Stockholders:			
Basic	\$ 0.65	\$ 0.75	
Diluted	\$ 0.63	\$ 0.73	
Weighted-Average Number of Common Shares Outstanding:			
Basic	403.4	413.7	
Diluted	412.3	421.2	
Dividends Declared Per Common Share	\$ 0.120	\$ 0.095	

<sup>(1)</sup> "Office and General Expenses" includes \$0.1 of restructuring and other reorganization-related charges, net for the three months ended December 31, 2014.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES  
CONSOLIDATED SUMMARY OF EARNINGS  
ANNUAL REPORT 2015 AND 2014  
(Amounts in Millions except Per Share Data)  
(UNAUDITED)

	Twelve months ended December 31,		
	2015	2014	Fav. (Unfav.) % Variance
Revenue:			
United States	\$ 4,475.5	\$ 4,184.0	7.0 %
International	3,138.3	3,353.1	(6.4)%
Total Revenue	<u>7,613.8</u>	<u>7,537.1</u>	<u>1.0 %</u>
Operating Expenses:			
Salaries and Related Expenses	4,857.7	4,820.4	(0.8)%
Office and General Expenses <sup>(1)</sup>	1,884.2	1,928.3	2.3 %
Total Operating Expenses	<u>6,741.9</u>	<u>6,748.7</u>	<u>0.1 %</u>
Operating Income	<u>871.9</u>	<u>788.4</u>	<u>10.6 %</u>
Operating Margin %	11.5%	10.5%	
Expenses and Other Income:			
Interest Expense	(85.8)	(84.9)	
Interest Income	22.8	27.4	
Other Expense, net	(46.7)	(10.2)	
Total (Expenses) and Other Income	<u>(109.7)</u>	<u>(67.7)</u>	
Income before Income Taxes	762.2	720.7	
Provision for Income Taxes	282.8	216.5	
Income of Consolidated Companies	<u>479.4</u>	<u>504.2</u>	
Equity in Net Income of Unconsolidated Affiliates	1.1	1.2	
Net Income	<u>480.5</u>	<u>505.4</u>	
Net Income Attributable to Noncontrolling Interests	(25.9)	(28.3)	
Net Income Attributable to IPG Common Stockholders	<u>\$ 454.6</u>	<u>\$ 477.1</u>	
Earnings Per Share Available to IPG Common Stockholders:			
Basic	\$ 1.11	\$ 1.14	
Diluted	\$ 1.09	\$ 1.12	
Weighted-Average Number of Common Shares Outstanding:			
Basic	408.1	419.2	
Diluted	415.7	425.4	
Dividends Declared Per Common Share	\$ 0.48	\$ 0.38	

<sup>(1)</sup> "Office and General Expenses" includes (\$0.8) and \$0.2 of restructuring and other reorganization-related (reversals) charges, net for the twelve months ended December 31, 2015 and 2014, respectively.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES  
RECONCILIATION OF ADJUSTED RESULTS  
(Amounts in Millions except Per Share Data)  
(UNAUDITED)

	Three Months Ended December 31, 2015		
	As Reported	Losses on Sales of Businesses <sup>(1)</sup>	Adjusted Results
Income Before Income Taxes	\$ 427.8	\$ (12.0)	\$ 439.8
Provision for Income Taxes	(145.4)	0.2	(145.6)
<b>Effective Tax Rate</b>	<b>34.0%</b>		<b>33.1%</b>
Equity in Net Income of Unconsolidated Affiliates	0.5		0.5
Net Income Attributable to Noncontrolling Interests	(22.6)		(22.6)
<b>Net Income Available to IPG Common Stockholders</b>	<b>\$ 260.3</b>	<b>\$ (11.8)</b>	<b>\$ 272.1</b>
<b>Weighted-Average Number of Common Shares Outstanding - Basic</b>	<b>403.4</b>		<b>403.4</b>
Add: Effect of Dilutive Securities			
Restricted Stock, Stock Options and Other Equity Awards	8.9		8.9
<b>Weighted-Average Number of Common Shares Outstanding - Diluted</b>	<b>412.3</b>		<b>412.3</b>
<b>Earnings Per Share Available to IPG Common Stockholders - Basic</b>	<b>\$ 0.65</b>		<b>\$ 0.67</b>
<b>Earnings Per Share Available to IPG Common Stockholders - Diluted</b>	<b>\$ 0.63</b>	<b>\$ (0.03)</b>	<b>\$ 0.66</b>

<sup>(1)</sup> Includes losses on completed dispositions of businesses and the classification of certain assets as held for sale.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES  
RECONCILIATION OF ADJUSTED RESULTS  
(Amounts in Millions except Per Share Data)  
(UNAUDITED)

	Twelve Months Ended December 31, 2015		
	As Reported	Losses on Sales of Businesses <sup>(1)</sup>	Adjusted Results
Income Before Income Taxes	\$ 762.2	\$ (50.0)	\$ 812.2
Provision for Income Taxes	(282.8)	2.9	(285.7)
<b>Effective Tax Rate</b>	<b>37.1%</b>		<b>35.2%</b>
Equity in Net Income of Unconsolidated Affiliates	1.1		1.1
Net Income Attributable to Noncontrolling Interests	(25.9)		(25.9)
<b>Net Income Available to IPG Common Stockholders</b>	<b>\$ 454.6</b>	<b>\$ (47.1)</b>	<b>\$ 501.7</b>
<b>Weighted-Average Number of Common Shares Outstanding - Basic</b>	<b>408.1</b>		<b>408.1</b>
Add: Effect of Dilutive Securities			
Restricted Stock, Stock Options and Other Equity Awards	7.6		7.6
<b>Weighted-Average Number of Common Shares Outstanding - Diluted</b>	<b>415.7</b>		<b>415.7</b>
<b>Earnings Per Share Available to IPG Common Stockholders - Basic</b>	<b>\$ 1.11</b>		<b>\$ 1.23</b>
<b>Earnings Per Share Available to IPG Common Stockholders - Diluted</b>	<b>\$ 1.09</b>	<b>\$ (0.12)</b>	<b>\$ 1.21</b>

<sup>(1)</sup> Includes losses on completed dispositions of businesses and the classification of certain assets as held for sale.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES  
RECONCILIATION OF ADJUSTED RESULTS  
(Amounts in Millions except Per Share Data)  
(UNAUDITED)

	Three Months Ended December 31, 2014		
	As Reported	Valuation Allowance Reversal, Net <sup>(1)</sup>	Adjusted Results
Income Before Income Taxes	\$ 418.6		\$ 418.6
Provision for Income Taxes	(87.9)	\$ 67.6	(155.5)
<b>Effective Tax Rate</b>	<b>21.0%</b>		<b>37.1%</b>
Equity in Net Income of Unconsolidated Affiliates	0.6		0.6
Net Income Attributable to Noncontrolling Interests	(22.4)		(22.4)
<b>Net Income Available to IPG Common Stockholders</b>	<b>\$ 308.9</b>	<b>\$ 67.6</b>	<b>\$ 241.3</b>
<b>Weighted-Average Number of Common Shares Outstanding - Basic</b>	<b>413.7</b>		<b>413.7</b>
Add: Effect of Dilutive Securities			
Restricted Stock, Stock Options and Other Equity Awards	7.5		7.5
<b>Weighted-Average Number of Common Shares Outstanding - Diluted</b>	<b>421.2</b>		<b>421.2</b>
<b>Earnings Per Share Available to IPG Common Stockholders - Basic</b>	<b>\$ 0.75</b>		<b>\$ 0.58</b>
<b>Earnings Per Share Available to IPG Common Stockholders - Diluted</b>	<b>\$ 0.73</b>	<b>\$ 0.16</b>	<b>\$ 0.57</b>

<sup>(1)</sup> Net valuation allowance reversal of \$67.6 consists of a reversal of \$124.8 partially offset by the establishment of a valuation allowance of \$57.2, both in Continental Europe.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES  
RECONCILIATION OF ADJUSTED RESULTS  
(Amounts in Millions except Per Share Data)  
(UNAUDITED)

	Twelve Months Ended December 31, 2014			
	As Reported	Valuation Allowance Reversal, Net <sup>(1)</sup>	Loss on Early Extinguishment of Debt	Adjusted Results
Income Before Income Taxes	\$ 720.7		\$ (10.4)	\$ 731.1
Provision for Income Taxes	(216.5)	\$ 67.6	3.8	(287.9)
<b>Effective Tax Rate</b>	<b>30.0%</b>			<b>39.4%</b>
Equity in Net Income of Unconsolidated Affiliates	1.2			1.2
Net Income Attributable to Noncontrolling Interests	(28.3)			(28.3)
<b>Net Income Available to IPG Common Stockholders</b>	<b>\$ 477.1</b>	<b>\$ 67.6</b>	<b>\$ (6.6)</b>	<b>\$ 416.1</b>
<b>Weighted-Average Number of Common Shares Outstanding - Basic</b>	<b>419.2</b>			<b>419.2</b>
Add: Effect of Dilutive Securities				
Restricted Stock, Stock Options and Other Equity Awards	6.2			6.2
<b>Weighted-Average Number of Common Shares Outstanding - Diluted</b>	<b>425.4</b>			<b>425.4</b>
<b>Earnings Per Share Available to IPG Common Stockholders - Basic</b>	<b>\$ 1.14</b>			<b>\$ 0.99</b>
<b>Earnings Per Share Available to IPG Common Stockholders - Diluted</b>	<b>\$ 1.12</b>	<b>\$ 0.16</b>	<b>\$ (0.02)</b>	<b>\$ 0.98</b>

<sup>(1)</sup> Net valuation allowance reversal of \$67.6 consists of a reversal of \$124.8 partially offset by the establishment of a valuation allowance of \$57.2, both in Continental Europe.



Interpublic Group

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# **FOURTH QUARTER & FULL YEAR 2015 EARNINGS CONFERENCE CALL**

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February 12, 2016

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## Overview

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- Organic revenue growth was 5.2% in Q4, and 6.1% for the full year
- Q4 operating income was \$456 million, operating margin was 20.8%
- FY operating income was \$872 million, an increase of 11% from 2014
- FY operating margin was 11.5%, an improvement of 100 basis points
- Diluted EPS for the full year was \$1.09, and \$1.21 ex-loss on sales of businesses in Q3 and Q4
- Repurchased 14 million shares during 2015
- Increased quarterly dividend 25% and authorized new \$300 million share repurchase program

# Operating Performance

	Three Months Ended December 31,	
	2015	2014
<i>Revenue</i>	\$ 2,196.2	\$ 2,207.1
Salaries and Related Expenses	1,235.1	1,266.4
Office and General Expenses	504.7	507.7
<i>Operating Income</i>	456.4	433.0
Interest Expense	(23.3)	(21.4)
Interest Income	5.0	7.1
Other Expense, net	(10.3)	(0.1)
<i>Income Before Income Taxes</i>	427.8	418.6
Provision for Income Taxes	145.4	87.9
Equity in Net Income of Unconsolidated Affiliates	0.5	0.6
<i>Net Income</i>	282.9	331.3
Net Income Attributable to Noncontrolling Interests	(22.6)	(22.4)
<i>Net Income Available to IPG Common Stockholders</i>	\$ 260.3	\$ 308.9
<i>Earnings per Share Available to IPG Common Stockholders:</i>		
Basic	\$ 0.65	\$ 0.75
Diluted	\$ 0.63	\$ 0.73
<i>Weighted-Average Number of Common Shares Outstanding:</i>		
Basic	403.4	413.7
Diluted	412.3	421.2
<i>Dividends Declared per Common Share</i>	\$ 0.120	\$ 0.095

"Office and General Expenses" includes \$0.1 of restructuring and other reorganization-related charges, net for the three months ended December 31, 2014.

# Revenue

	Three Months Ended		Twelve Months Ended	
	\$	% Change	\$	% Change
<b>December 31, 2014</b>	<b>\$ 2,207.1</b>		<b>\$ 7,537.1</b>	
Total change	(10.9)	(0.5%)	76.7	1.0%
Foreign currency	(121.6)	(5.5%)	(408.5)	(5.4%)
Net acquisitions/(divestitures)	(3.4)	(0.2%)	23.7	0.3%
Organic	114.1	5.2%	461.5	6.1%
<b>December 31, 2015</b>	<b>\$ 2,196.2</b>		<b>\$ 7,613.8</b>	

	Three Months Ended December 31,				Twelve Months Ended December 31,			
			Change				Change	
	2015	2014	Total	Organic	2015	2014	Total	Organic
<b>IAN</b>	\$ 1,793.6	\$ 1,816.0	(1.2%)	4.9%	\$ 6,144.9	\$ 6,076.3	1.1%	6.7%
<b>CMG</b>	\$ 402.6	\$ 391.1	2.9%	6.5%	\$ 1,468.9	\$ 1,460.8	0.6%	3.6%

Integrated Agency Networks ("IAN"): McCann Worldgroup, FCB (Foote, Cone & Belding), MullenLowe Group, 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 19 and 20.

(\$ in Millions)



# Geographic Revenue Change

	Three Months Ended December 31, 2015		Twelve Months Ended December 31, 2015	
	Total	Organic	Total	Organic
United States	6.0%	6.2%	7.0%	6.8%
International	(7.6%)	4.1%	(6.4%)	5.3%
United Kingdom	3.5%	7.0%	(0.1%)	6.6%
Continental Europe	(15.5%)	(0.8%)	(13.4%)	1.4%
Asia Pacific	(0.6%)	7.9%	(0.6%)	8.3%
Latin America	(22.0%)	5.5%	(18.5%)	4.7%
All Other Markets	(6.5%)	0.6%	(3.0%)	4.8%
<b>Worldwide</b>	<b>(0.5%)</b>	<b>5.2%</b>	<b>1.0%</b>	<b>6.1%</b>

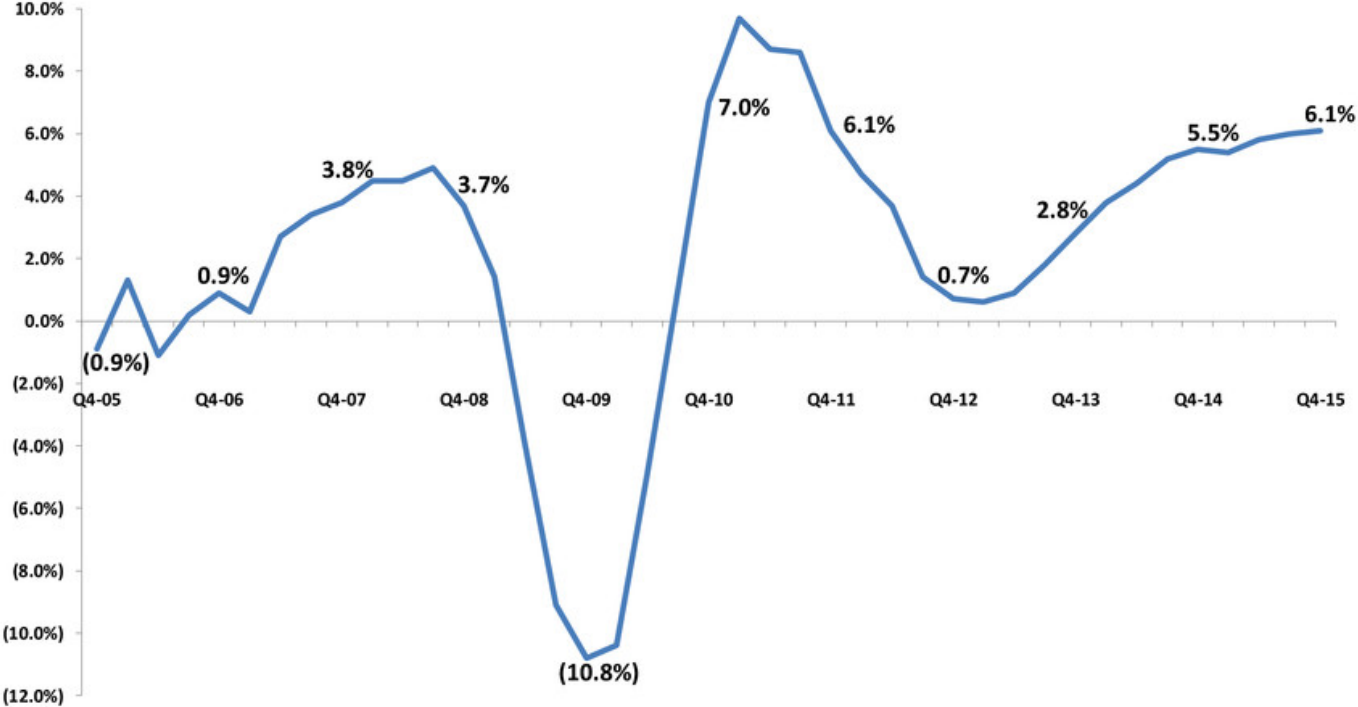
"All Other Markets" includes Canada, Africa and the Middle East.

Page 5 See reconciliations of organic revenue change on pages 19 and 20.



# Organic Revenue Growth

## Trailing Twelve Months



# Operating Expenses

	Salaries & Related		Change		
	2015	2014	\$	Total	Organic
Three Months Ended December 31,	\$ 1,235.1	\$ 1,266.4	\$ (31.3)	(2.5%)	2.3%
<i>% of Revenue</i>	56.2%	57.4%			
Three months severance	\$ 22.1	\$ 23.3	\$ (1.2)	(5.2%)	
<i>% of Revenue</i>	1.0%	1.1%			
Twelve Months Ended December 31,	\$ 4,857.7	\$ 4,820.4	\$ 37.3	0.8%	5.6%
<i>% of Revenue</i>	63.8%	64.0%			
Twelve months severance	\$ 71.3	\$ 71.5	\$ (0.2)	(0.3%)	
<i>% of Revenue</i>	0.9%	0.9%			
	Office & General		Change		
	2015	2014	\$	Total	Organic
Three Months Ended December 31,	\$ 504.7	\$ 507.7	\$ (3.0)	(0.6%)	5.0%
<i>% of Revenue</i>	23.0%	23.0%			
Three months occupancy expense (ex-D&A)	\$ 127.2	\$ 124.9	\$ 2.3	1.8%	
<i>% of Revenue</i>	5.8%	5.7%			
Twelve Months Ended December 31,	\$ 1,884.2	\$ 1,928.3	\$ (44.1)	(2.3%)	2.8%
<i>% of Revenue</i>	24.7%	25.6%			
Twelve months occupancy expense (ex-D&A)	\$ 481.6	\$ 503.8	\$ (22.2)	(4.4%)	
<i>% of Revenue</i>	6.3%	6.7%			

"Office & General" includes restructuring and other reorganization-related (reversals) charges, net for the three and twelve months ended December 31, 2015 and 2014.

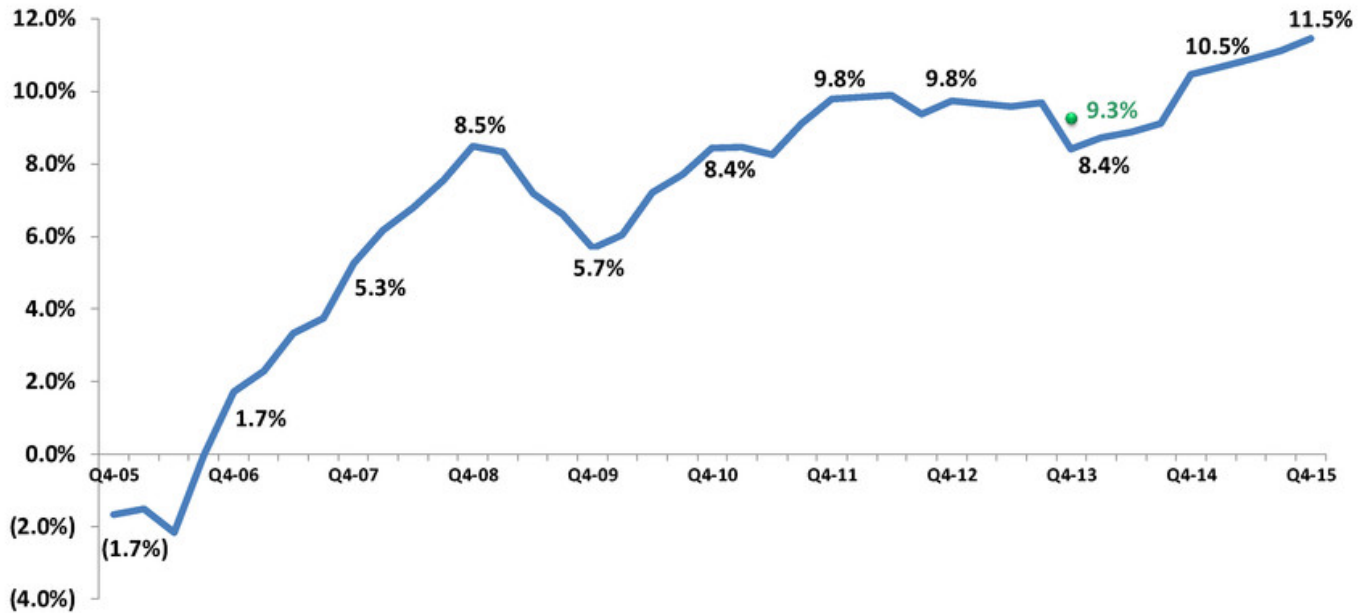
Page 7 See reconciliations of organic measures on pages 19 and 20.

(\$ in Millions)



# Operating Margin

## Trailing Twelve Months



For the twelve months ended December 31, 2013, reported operating income of \$598.3 includes our Q4 2013 restructuring charge of \$60.6. Excluding this charge, adjusted operating income was \$658.9, and adjusted operating margin is represented in green.

# Adjusted Diluted Earnings Per Share

	Three Months Ended December 31, 2015			Twelve Months Ended December 31, 2015		
	As Reported	Loss on Sales of Businesses <sup>(1)</sup>	Adjusted Results	As Reported	Loss on Sales of Businesses <sup>(1)</sup>	Adjusted Results
Income Before Income Taxes	\$ 427.8	\$ (12.0)	\$ 439.8	\$ 762.2	\$ (50.0)	\$ 812.2
Provision for Income Taxes	(145.4)	0.2	(145.6)	(282.8)	2.9	(285.7)
<b>Effective Tax Rate</b>	<b>34.0%</b>		<b>33.1%</b>	<b>37.1%</b>		<b>35.2%</b>
<b>Diluted EPS Components:</b>						
Net Income Available to IPG Common Stockholders	\$ 260.3	\$ (11.8)	\$ 272.1	\$ 454.6	\$ (47.1)	\$ 501.7
Weighted-Average Number of Common Shares Outstanding	412.3		412.3	415.7		415.7
<b>Earnings Per Share Available to IPG Common Stockholders</b>	<b>\$ 0.63</b>	<b>\$ (0.03)</b>	<b>\$ 0.66</b>	<b>\$ 1.09</b>	<b>\$ (0.12)</b>	<b>\$ 1.21</b>

<sup>(1)</sup> During Q3 and Q4 2015, we recorded losses on sales of businesses in our international markets, primarily in Latin America and Continental Europe. This amount includes losses on completed dispositions and the classification of certain assets as held for sale.

Page 9 See full reconciliations of adjusted diluted earnings per share on page 23.

(Amounts in Millions, except per share amounts)





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## Balance Sheet – Current Portion

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	<u>December 31, 2015</u>	<u>December 31, 2014</u>
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 1,502.9	\$ 1,660.6
Marketable securities	6.8	6.6
Accounts receivable, net	4,361.0	4,376.6
Expenditures billable to clients	1,594.4	1,424.2
Other current assets	228.0	342.2
<b>Total current assets</b>	<b>\$ 7,693.1</b>	<b>\$ 7,810.2</b>
 <b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 6,672.0	\$ 6,558.0
Accrued liabilities	760.3	796.0
Short-term borrowings	150.1	107.2
Current portion of long-term debt	1.9	2.1
<b>Total current liabilities</b>	<b>\$ 7,584.3</b>	<b>\$ 7,463.3</b>

# Cash Flow

	Twelve Months Ended December 31,	
	2015	2014
<b>NET INCOME</b>	\$ 481	\$ 505
<b>OPERATING ACTIVITIES</b>		
Depreciation & amortization	233	222
Deferred taxes	50	84
Non-cash loss on sales of businesses	50	-
Other non-cash items	35	21
Change in working capital, net	(118)	(131)
Other non-current assets & liabilities	(57)	(31)
<b>Net cash provided by Operating Activities</b>	<b>674</b>	<b>670</b>
<b>INVESTING ACTIVITIES</b>		
Capital expenditures	(161)	(149)
Acquisitions, net of cash acquired	(29)	(68)
Business, investment & fixed asset purchases/sales, net	(13)	17
<b>Net cash used in Investing Activities <sup>(1)</sup></b>	<b>(203)</b>	<b>(200)</b>
<b>FINANCING ACTIVITIES</b>		
Repurchase of common stock	(285)	(275)
Common stock dividends	(196)	(159)
Acquisition-related payments	(53)	(14)
Distributions to noncontrolling interests	(16)	(17)
Purchase of long-term debt	(2)	(351)
Proceeds from issuance of long-term debt	-	499
Excess tax benefit from share-based payment arrangements	10	17
Exercise of stock options	14	20
Net increase (decrease) in short-term bank borrowings	52	(63)
Other financing activities	3	(1)
<b>Net cash used in Financing Activities</b>	<b>(473)</b>	<b>(344)</b>
Currency Effect	(156)	(101)
<b>(Decrease) Increase in Cash &amp; S/T Marketable Securities</b>	<b>\$ (158)</b>	<b>\$ 25</b>

Page 11 <sup>(1)</sup> Excludes net purchases, sales and maturities of short-term marketable securities. See reconciliation on page 22.

(\$ in Millions)

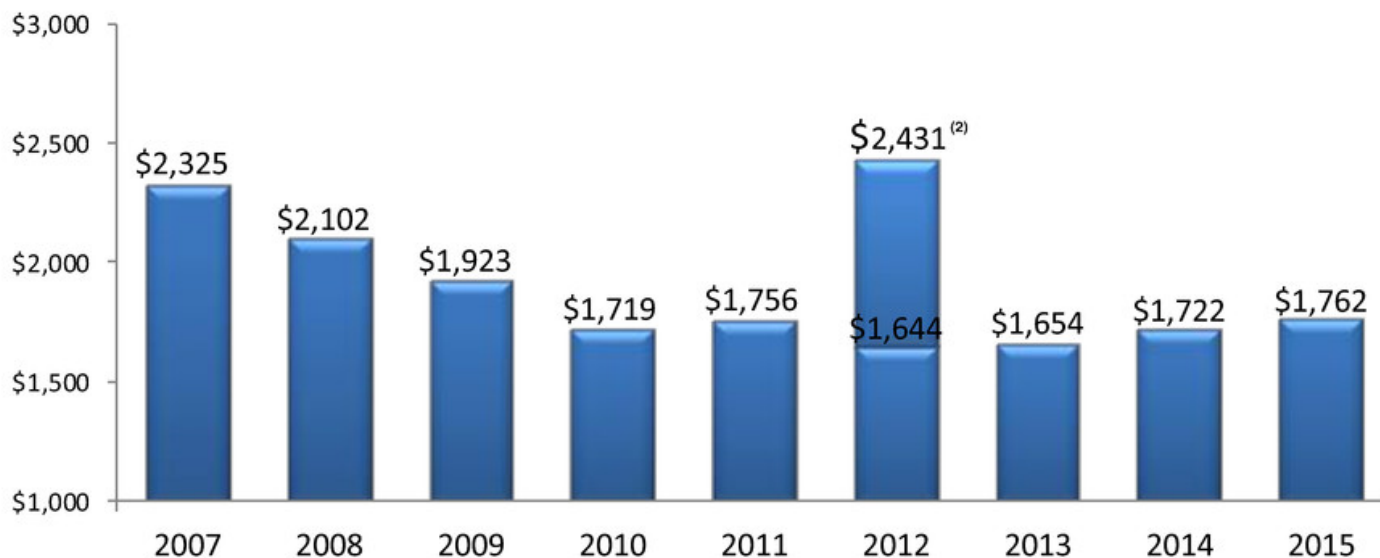


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# Total Debt <sup>(1)</sup>

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December 31,



<sup>(1)</sup> Includes current portion of long-term debt, short-term borrowings and long-term debt. All balances reflect the reclassification of debt issuance costs from other assets to long-term debt in accordance with the Financial Accounting Standards Board Accounting Standards Update No. 2015-03.

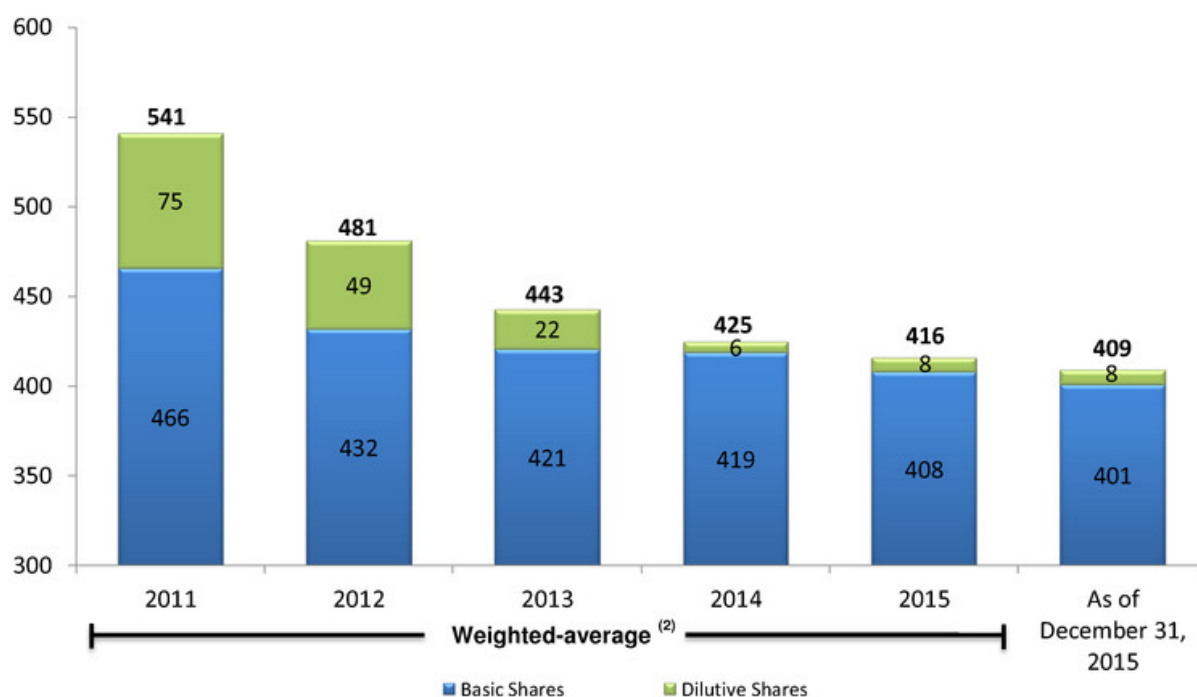
<sup>(2)</sup> Includes our November 2012 debt issuances of \$800 aggregate principal amount of Senior Notes, which pre-funded our plan to redeem a similar amount of debt in 2013.

Page 12

(\$ in Millions)



# Total Shares: Basic and Eligible for Dilution <sup>(1)</sup>



<sup>(1)</sup> Includes basic common shares outstanding, restricted shares and in-the-money stock options, and convertible debt and preferred stock eligible for dilution.

<sup>(2)</sup> Equals weighted-average shares outstanding as defined above for the twelve months ending December 31st for the periods presented.

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# Summary

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- Results outperformed FY-15 growth target and were at the high end of margin target
- Traction from key strategic initiatives
  - Quality of our agency offerings, creative talent, embedded digital, and “open architecture” solutions
  - Strength in high-growth disciplines and largest regions
  - Effective expense management
- Continued focus on margin improvement
- Financial strength continues to be a source of value creation
  - Increased dividend
  - New share repurchase authorization



Interpublic Group

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# Appendix

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# Operating Performance

	Twelve Months Ended December 31,	
	2015	2014
<b>Revenue</b>	\$ 7,613.8	\$ 7,537.1
Salaries and Related Expenses	4,857.7	4,820.4
Office and General Expenses	1,884.2	1,928.3
<b>Operating Income</b>	871.9	788.4
Interest Expense	(85.8)	(84.9)
Interest Income	22.8	27.4
Other Expense, net	(46.7)	(10.2)
<b>Income Before Income Taxes</b>	762.2	720.7
Provision for Income Taxes	282.8	216.5
Equity in Net Income of Unconsolidated Affiliates	1.1	1.2
<b>Net Income</b>	480.5	505.4
Net Income Attributable to Noncontrolling Interests	(25.9)	(28.3)
<b>Net Income Available to IPG Common Stockholders</b>	\$ 454.6	\$ 477.1

*Earnings per Share Available to IPG Common Stockholders:*

Basic	\$ 1.11	\$ 1.14
Diluted	\$ 1.09	\$ 1.12

*Weighted-Average Number of Common Shares Outstanding:*

Basic	408.1	419.2
Diluted	415.7	425.4

*Dividends Declared per Common Share*

\$ 0.48	\$ 0.38
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# Cash Flow

	Three Months Ended December 31,	
	2015	2014
<b>NET INCOME</b>	\$ 283	\$ 331
<b>OPERATING ACTIVITIES</b>		
Depreciation & amortization	63	59
Deferred taxes	84	35
Non-cash loss on sales of businesses	12	-
Other non-cash items	9	(5)
Change in working capital, net	488	627
Other non-current assets & liabilities	(9)	4
<b>Net cash provided by Operating Activities</b>	<b>930</b>	<b>1,051</b>
<b>INVESTING ACTIVITIES</b>		
Capital expenditures	(80)	(55)
Acquisitions, net of cash acquired	(23)	(5)
Business, investment & fixed asset purchases/sales, net	(9)	1
<b>Net cash used in Investing Activities</b>	<b>(112)</b>	<b>(59)</b>
<b>FINANCING ACTIVITIES</b>		
Repurchase of common stock	(113)	(127)
Common stock dividends	(49)	(39)
Acquisition related payments	(21)	(1)
Distributions to noncontrolling interests	(3)	(3)
Purchase of long-term debt	(1)	(1)
Excess tax benefit from share-based payment arrangements	-	12
Exercise of stock options	2	8
Net increase (decrease) in short-term bank borrowings	23	(19)
Other financing activities	-	1
<b>Net cash used in Financing Activities</b>	<b>(162)</b>	<b>(169)</b>
Currency Effect	(28)	(58)
<b>Increase in Cash &amp; S/T Marketable Securities</b>	<b>\$ 628</b>	<b>\$ 765</b>

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(\$ in Millions)





# Depreciation and Amortization

	2015				
	Q1	Q2	Q3	Q4	FY 2015
Depreciation and amortization of fixed assets and intangible assets	\$ 38.7	\$ 39.5	\$ 38.1	\$ 40.7	\$ 157.0
Amortization of restricted stock and other non-cash compensation	16.8	16.4	16.5	20.6	70.3
Net amortization of bond discounts and deferred financing costs	1.4	1.4	1.4	1.6	5.8
	2014				
	Q1	Q2	Q3	Q4	FY 2014
Depreciation and amortization of fixed assets and intangible assets	\$ 40.5	\$ 40.2	\$ 41.0	\$ 41.3	\$ 163.0
Amortization of restricted stock and other non-cash compensation	15.1	11.1	11.7	16.4	54.3
Net amortization of bond discounts and deferred financing costs	1.0	1.3	1.4	1.4	5.1

# Reconciliation of Organic Measures

	Three Months Ended December 31, 2014	Components of Change			Three Months Ended December 31, 2015	Change	
		Foreign Currency	Net Acquisitions / (Divestitures)	Organic		Organic	Total
<b>Segment Revenue</b>							
IAN	\$ 1,816.0	\$ (108.0)	\$ (2.9)	\$ 88.5	\$ 1,793.6	4.9%	(1.2%)
CMG	391.1	(13.6)	(0.5)	25.6	402.6	6.5%	2.9%
<b>Total</b>	<b>\$ 2,207.1</b>	<b>\$ (121.6)</b>	<b>\$ (3.4)</b>	<b>\$ 114.1</b>	<b>\$ 2,196.2</b>	<b>5.2%</b>	<b>(0.5%)</b>
<b>Geographic</b>							
<b>United States</b>	<b>\$ 1,152.3</b>	<b>\$ -</b>	<b>\$ (2.4)</b>	<b>\$ 71.2</b>	<b>\$ 1,221.1</b>	<b>6.2%</b>	<b>6.0%</b>
<b>International</b>	<b>1,054.8</b>	<b>(121.6)</b>	<b>(1.0)</b>	<b>42.9</b>	<b>975.1</b>	<b>4.1%</b>	<b>(7.6%)</b>
United Kingdom	194.0	(9.2)	2.4	13.5	200.7	7.0%	3.5%
Continental Europe	263.3	(36.3)	(2.5)	(2.1)	222.4	(0.8%)	(15.5%)
Asia Pacific	282.2	(24.3)	0.4	22.2	280.5	7.9%	(0.6%)
Latin America	151.0	(37.9)	(3.6)	8.3	117.8	5.5%	(22.0%)
All Other Markets	164.3	(13.9)	2.3	1.0	153.7	0.6%	(6.5%)
<b>Worldwide</b>	<b>\$ 2,207.1</b>	<b>\$ (121.6)</b>	<b>\$ (3.4)</b>	<b>\$ 114.1</b>	<b>\$ 2,196.2</b>	<b>5.2%</b>	<b>(0.5%)</b>
<b>Expenses</b>							
Salaries & Related	\$ 1,266.4	\$ (59.0)	\$ (1.8)	\$ 29.5	\$ 1,235.1	2.3%	(2.5%)
Office & General	507.7	(25.9)	(2.5)	25.4	504.7	5.0%	(0.6%)
<b>Total</b>	<b>\$ 1,774.1</b>	<b>\$ (84.9)</b>	<b>\$ (4.3)</b>	<b>\$ 54.9</b>	<b>\$ 1,739.8</b>	<b>3.1%</b>	<b>(1.9%)</b>

Page 19 "Office & General Expenses" includes restructuring and other reorganization-related (reversals) charges, net.

(\$ in Millions)



# Reconciliation of Organic Measures

	Twelve Months Ended December 31, 2014	Components of Change			Twelve Months Ended December 31, 2015	Change	
		Foreign Currency	Net Acquisitions / (Divestitures)	Organic		Organic	Total
<b>Segment Revenue</b>							
IAN	\$ 6,076.3	\$ (353.6)	\$ 12.6	\$ 409.6	\$ 6,144.9	6.7%	1.1%
CMG	1,460.8	(54.9)	11.1	51.9	1,468.9	3.6%	0.6%
<b>Total</b>	<b>\$ 7,537.1</b>	<b>\$ (408.5)</b>	<b>\$ 23.7</b>	<b>\$ 461.5</b>	<b>\$ 7,613.8</b>	<b>6.1%</b>	<b>1.0%</b>
<b>Geographic</b>							
<b>United States</b>	\$ 4,184.0	\$ -	\$ 7.8	\$ 283.7	\$ 4,475.5	6.8%	7.0%
<b>International</b>	<b>3,353.1</b>	<b>(408.5)</b>	<b>15.9</b>	<b>177.8</b>	<b>3,138.3</b>	<b>5.3%</b>	<b>(6.4%)</b>
United Kingdom	688.3	(49.8)	3.7	45.5	687.7	6.6%	(0.1%)
Continental Europe	804.7	(132.3)	13.3	11.5	697.2	1.4%	(13.4%)
Asia Pacific	922.5	(82.3)	0.5	76.2	916.9	8.3%	(0.6%)
Latin America	470.4	(105.0)	(3.9)	22.0	383.5	4.7%	(18.5%)
All Other Markets	467.2	(39.1)	2.3	22.6	453.0	4.8%	(3.0%)
<b>Worldwide</b>	<b>\$ 7,537.1</b>	<b>\$ (408.5)</b>	<b>\$ 23.7</b>	<b>\$ 461.5</b>	<b>\$ 7,613.8</b>	<b>6.1%</b>	<b>1.0%</b>
<b>Expenses</b>							
Salaries & Related	\$ 4,820.4	\$ (250.1)	\$ 17.1	\$ 270.3	\$ 4,857.7	5.6%	0.8%
Office & General	1,928.3	(101.5)	2.6	54.8	1,884.2	2.8%	(2.3%)
<b>Total</b>	<b>\$ 6,748.7</b>	<b>\$ (351.6)</b>	<b>\$ 19.7</b>	<b>\$ 325.1</b>	<b>\$ 6,741.9</b>	<b>4.8%</b>	<b>(0.1%)</b>

Page 20 "Office & General Expenses" includes restructuring and other reorganization-related (reversals) charges, net.

(\$ in Millions)



# Reconciliation of Organic Revenue Growth

Last Twelve Months Ending	Beginning of Period Revenue	Components of Change During the Period			End of Period Revenue
		Foreign Currency	Net Acquisitions / (Divestitures)	Organic	
12/31/05	\$ 6,387.0	\$ 40.4	\$ (107.4)	\$ (56.2)	\$ 6,263.8
3/31/06	6,323.8	(10.9)	(132.6)	81.5	6,261.8
6/30/06	6,418.4	(8.8)	(157.5)	(68.5)	6,183.6
9/30/06	6,335.9	(13.9)	(140.4)	15.6	6,197.2
12/31/06	6,263.8	20.7	(165.5)	57.8	6,176.8
3/31/07	6,261.8	78.4	(147.2)	16.0	6,209.0
6/30/07	6,183.6	102.4	(124.7)	166.6	6,327.9
9/30/07	6,197.2	137.3	(110.9)	209.2	6,432.8
12/31/07	6,176.8	197.5	(70.7)	233.1	6,536.7
3/31/08	6,209.0	217.8	(45.9)	280.6	6,661.5
6/30/08	6,327.9	244.8	(12.6)	282.4	6,842.5
9/30/08	6,432.8	237.4	32.8	317.2	7,020.2
12/31/08	6,536.7	71.5	87.6	243.0	6,938.8
3/31/09	6,661.5	(88.3)	114.7	91.9	6,779.8
6/30/09	6,842.5	(286.2)	139.2	(275.3)	6,420.2
9/30/09	7,020.2	(390.1)	115.2	(636.4)	6,108.9
12/31/09	6,938.8	(251.6)	69.1	(748.9)	6,007.4
3/31/10	6,779.8	(88.2)	36.0	(705.4)	6,022.2
6/30/10	6,420.2	59.1	2.0	(316.9)	6,164.4
9/30/10	6,108.9	117.7	9.6	60.1	6,296.3
12/31/10	6,007.4	63.3	17.0	419.6	6,507.3
3/31/11	6,022.2	21.0	18.2	583.7	6,645.1
6/30/11	6,164.4	61.5	12.4	535.8	6,774.1
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
9/30/14	7,062.9	(53.5)	74.3	369.0	7,452.7
12/31/14	7,122.3	(75.5)	95.3	395.0	7,537.1
3/31/15	7,216.8	(125.7)	98.4	386.1	7,575.6
6/30/15	7,312.0	(223.5)	85.3	426.5	7,600.3
9/30/15	7,452.7	(336.2)	58.3	449.9	7,624.7
12/31/15	7,537.1	(408.5)	23.7	461.5	7,613.8

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# Reconciliation of Investing Cash Flow

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	<u>Three Months Ended December 31,</u>		<u>Twelve Months Ended December 31,</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<b>INVESTING ACTIVITIES</b>				
Net cash used in Investing Activities per presentation	\$ (112)	\$ (59)	\$ (203)	\$ (200)
Net purchases, sales and maturities of short-term marketable securities	-	-	-	(1)
<b>Net cash used in Investing Activities as reported</b>	<u>\$ (112)</u>	<u>\$ (59)</u>	<u>\$ (203)</u>	<u>\$ (201)</u>

# Reconciliation of Adjusted Results <sup>(1)</sup>

	Three Months Ended December 31, 2015			Twelve Months Ended December 31, 2015		
	As Reported	Loss on Sales of Businesses	Adjusted Results	As Reported	Loss on Sales of Businesses	Adjusted Results
Income Before Income Taxes	\$ 427.8	\$ (12.0)	\$ 439.8	\$ 762.2	\$ (50.0)	\$ 812.2
Provision for Income Taxes	(145.4)	0.2	(145.6)	(282.8)	2.9	(285.7)
<b>Effective Tax Rate</b>	<b>34.0%</b>		<b>33.1%</b>	<b>37.1%</b>		<b>35.2%</b>
Equity in Net Loss of Unconsolidated Affiliates	0.5		0.5	1.1		1.1
Net Income Attributable to Noncontrolling Interests	(22.6)		(22.6)	(25.9)		(25.9)
<b>Net Income Available to IPG Common Stockholders - Basic and Diluted</b>	<b>\$ 260.3</b>	<b>\$ (11.8)</b>	<b>\$ 272.1</b>	<b>\$ 454.6</b>	<b>\$ (47.1)</b>	<b>\$ 501.7</b>
<b>Weighted-Average Number of Common Shares Outstanding - Basic</b>	403.4		403.4	408.1		408.1
Add: Effect of Dilutive Securities						
Restricted Stock, Stock Options and Other Equity Awards	8.9		8.9	7.6		7.6
<b>Weighted-Average Number of Common Shares Outstanding - Diluted</b>	<b>412.3</b>		<b>412.3</b>	<b>415.7</b>		<b>415.7</b>
<b>Earnings Per Share Available to IPG Common Stockholders - Basic</b>	<b>\$ 0.65</b>		<b>\$ 0.67</b>	<b>\$ 1.11</b>		<b>\$ 1.23</b>
<b>Earnings Per Share Available to IPG Common Stockholders - Diluted</b>	<b>\$ 0.63</b>	<b>\$ (0.03)</b>	<b>\$ 0.66</b>	<b>\$ 1.09</b>	<b>\$ (0.12)</b>	<b>\$ 1.21</b>

(1) The following table reconciles our reported results to our adjusted non-GAAP results that excludes the losses on sales of businesses in our international markets, primarily in Latin America and Continental Europe. This amount includes losses on completed dispositions and the classification of certain assets as held for sale during the third and fourth quarters of 2015. Management believes the resulting comparisons provide useful supplemental data that, while not a substitute for GAAP measures, allow for greater transparency in the review of our financial and operational performance.

# Reconciliation of Adjusted Results <sup>(1)</sup>

	Three Months Ended December 31, 2014			Twelve Months Ended December 31, 2014			
	As Reported	Valuation Allowance Reversal, Net <sup>(2)</sup>	Adjusted Results	As Reported	Valuation Allowance Reversal, Net <sup>(2)</sup>	Loss on Early Extinguishment of Debt <sup>(3)</sup>	Adjusted Results
Income Before Income Taxes	\$ 418.6		\$ 418.6	\$ 720.7		\$ (10.4)	\$ 731.1
Provision for Income Taxes	(87.9)	\$ 67.6	(155.5)	(216.5)	\$ 67.6	3.8	(287.9)
<b>Effective Tax Rate</b>	<b>21.0%</b>		<b>37.1%</b>	<b>30.0%</b>			<b>39.4%</b>
Equity in Net Loss of Unconsolidated Affiliates	0.6		0.6	1.2			1.2
Net Income Attributable to Noncontrolling Interests	(22.4)		(22.4)	(28.3)			(28.3)
<b>Net Income Available to IPG Common Stockholders - Basic and Diluted</b>	<b>\$ 308.9</b>	<b>\$ 67.6</b>	<b>\$ 241.3</b>	<b>\$ 477.1</b>	<b>\$ 67.6</b>	<b>\$ (6.6)</b>	<b>\$ 416.1</b>
<b>Weighted-Average Number of Common Shares Outstanding - Basic</b>	<b>413.7</b>		<b>413.7</b>	<b>419.2</b>			<b>419.2</b>
Add: Effect of Dilutive Securities							
Restricted Stock, Stock Options and Other Equity Awards	7.5		7.5	6.2			6.2
<b>Weighted-Average Number of Common Shares Outstanding - Diluted</b>	<b>421.2</b>		<b>421.2</b>	<b>425.4</b>			<b>425.4</b>
<b>Earnings Per Share Available to IPG Common Stockholders - Basic</b>	<b>\$ 0.75</b>		<b>\$ 0.58</b>	<b>\$ 1.14</b>			<b>\$ 0.99</b>
<b>Earnings Per Share Available to IPG Common Stockholders - Diluted</b>	<b>\$ 0.73</b>	<b>\$ 0.16</b>	<b>\$ 0.57</b>	<b>\$ 1.12</b>	<b>\$ 0.16</b>	<b>\$ (0.02)</b>	<b>\$ 0.98</b>

(1) The following table reconciles our reported results to our adjusted non-GAAP results that excludes the tax benefit from a net valuation allowance reversal on deferred tax assets during the fourth quarter of 2014, and the loss on early extinguishment of \$350 in aggregate principal amount of our 6.25% Senior Unsecured Notes due 2014, which we redeemed in May 2014. Management believes the resulting comparisons provide useful supplemental data that, while not a substitute for GAAP measures, allow for greater transparency in the review of our financial and operational performance.

(2) Net valuation allowance reversal of \$67.6 consists of a reversal of \$124.8 partially offset by the establishment of a valuation allowance of \$57.2, both in Continental Europe.

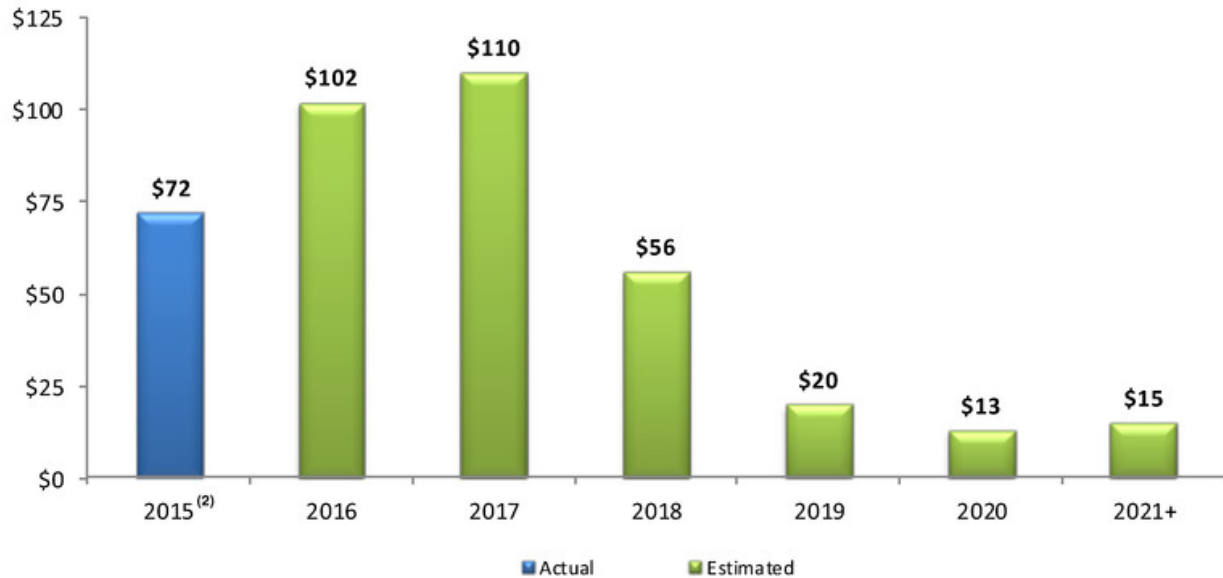
(3) Loss on early extinguishment of debt of \$10.4, primarily due to a redemption premium.

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(Amounts in Millions, except per share amounts)



# Acquisition Payment Obligations <sup>(1)</sup>



<sup>(1)</sup> Amounts represent payments related to our previous acquisitions. Amounts include deferred payments, and payments we may be required to make in connection with our redeemable noncontrolling interests and call options with affiliates. With respect to redeemable noncontrolling interests and call options with affiliates, these estimated payment amounts are shown as an obligation in the earliest year in which they are exercisable, though some are eligible for exercise in multiple years. The payment amounts are based on current estimates of financial performance and are subject to change.

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<sup>(2)</sup> 2015 payments include \$19 recorded within Operating Activities in our Statement of Cash Flows.

(\$ in Millions)







Interpublic Group

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# Metrics Update

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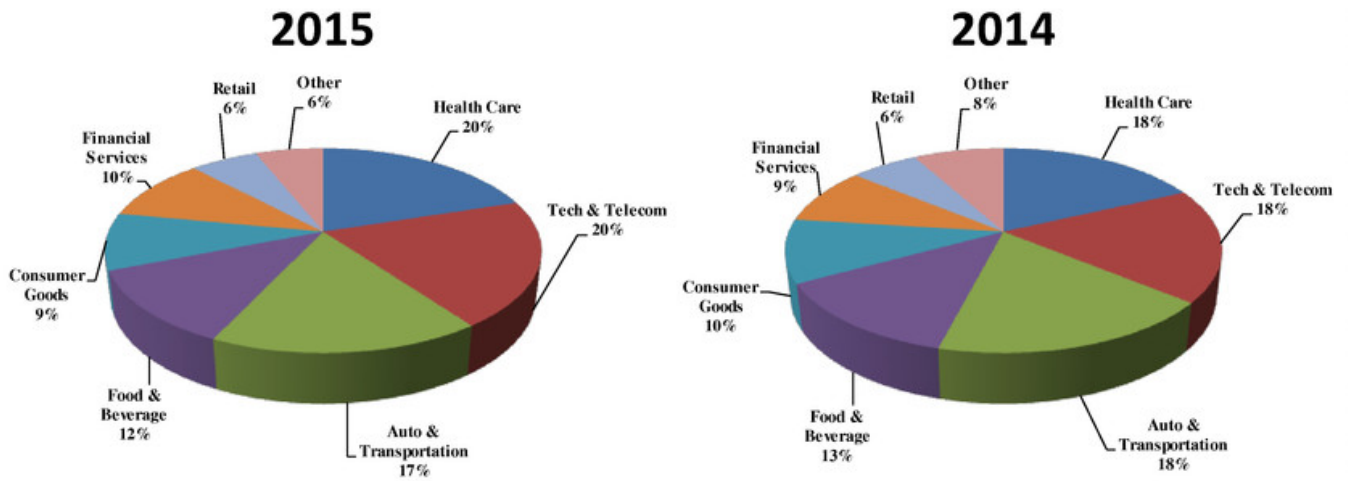


# Metrics Update

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

# Revenue By Client Sector

## Top 100 Clients for the twelve months ended December 31



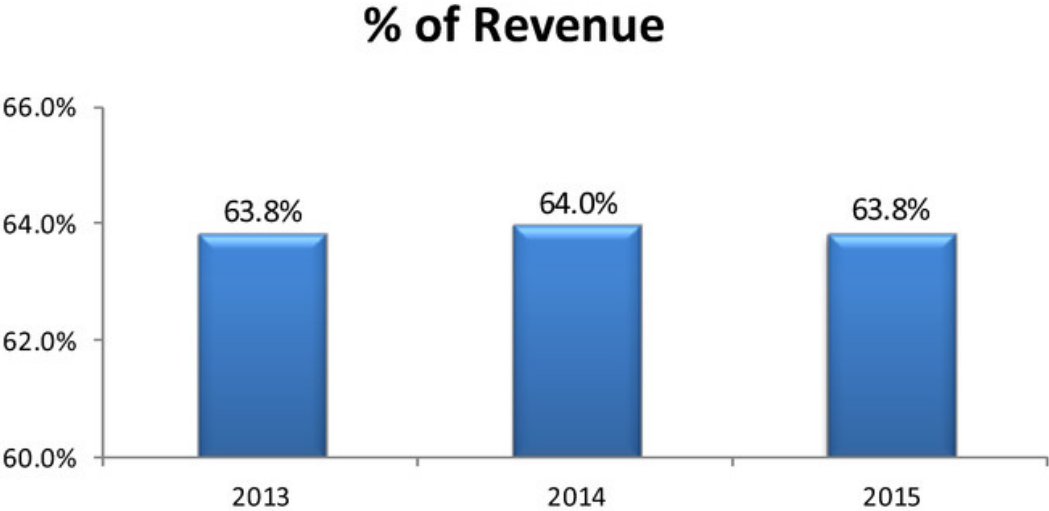
Approximately 60% of consolidated revenue

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# Salaries & Related Expenses

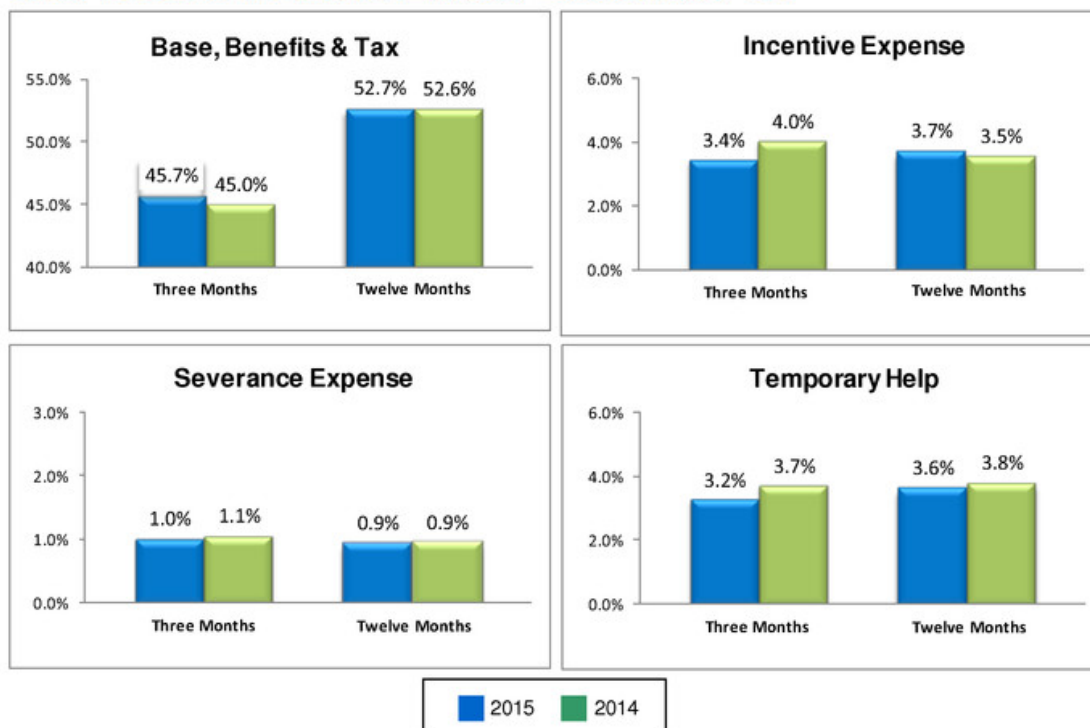
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Twelve Months Ended December 31



# Salaries & Related Expenses (% of Revenue)

## Three and Twelve Months Ended December 31



Page 30 "All Other Salaries & Related," not shown, was 2.9% and 3.6% for the three months ended December 31, 2015 and 2014, respectively, and 2.9% and 3.2% for the twelve months ended December 31, 2015 and 2014, respectively.

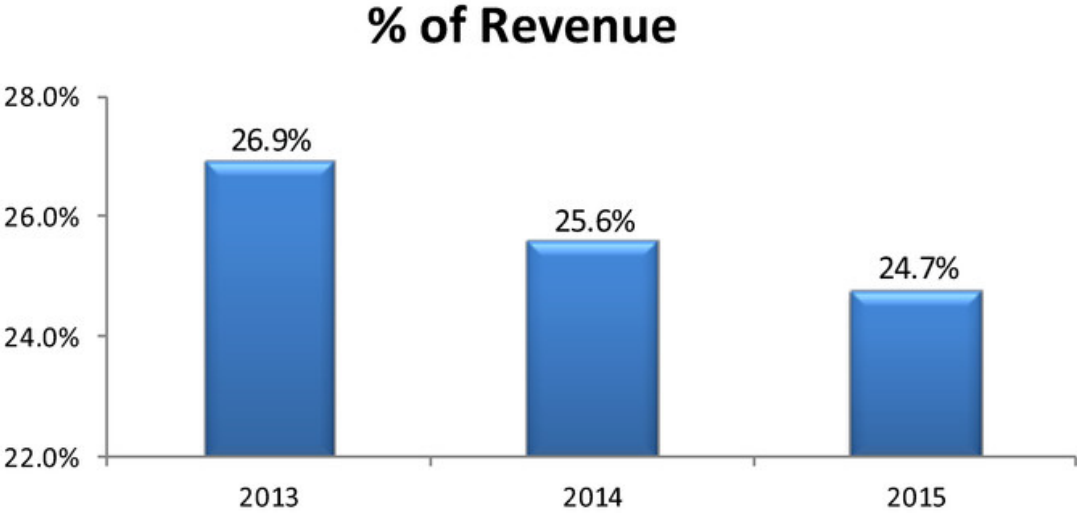


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# Office & General Expenses

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Twelve Months Ended December 31

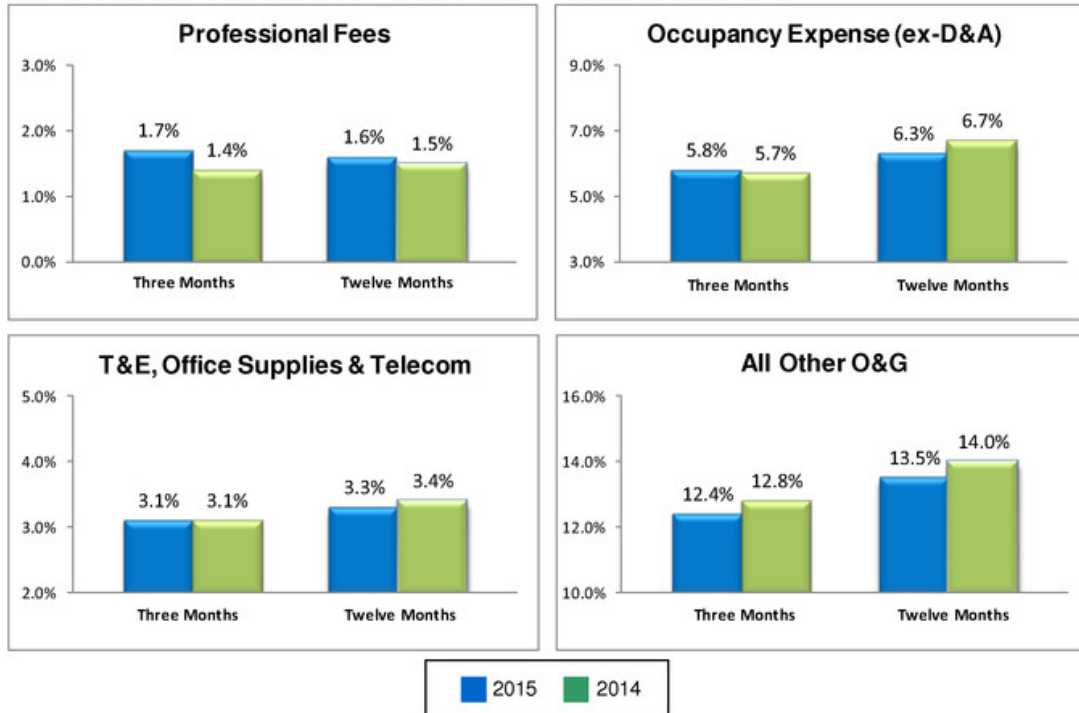


"Office & General Expenses" includes restructuring and other reorganization-related charges (reversals), net for the twelve months ended December 31, 2014 and 2015. Restructuring and other reorganization-related charges, net of \$60.6 are excluded for the twelve months ended December 31, 2013.



# Office & General Expenses (% of Revenue)

## Three and Twelve Months Ended December 31



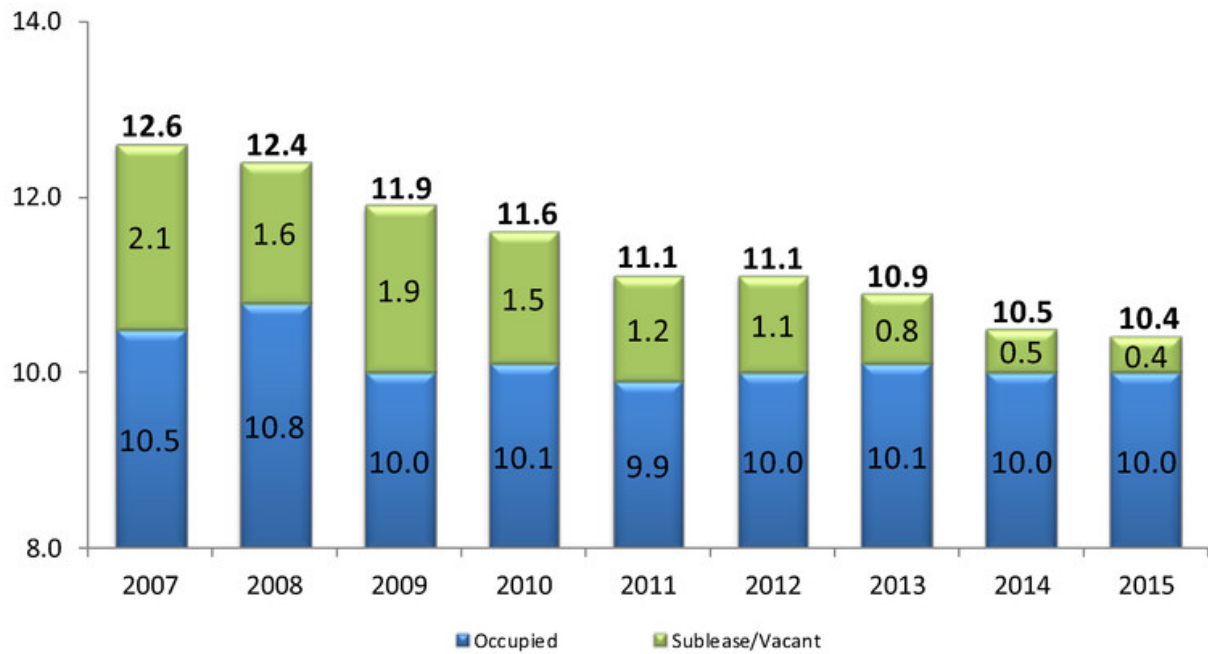
"All Other O&G" includes production expenses, depreciation and amortization, bad debt expense, adjustments for contingent acquisition obligations, foreign currency gains (losses), long-lived asset impairments, other expenses and restructuring and other reorganization-related (reversals) charges, net.

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# Real Estate

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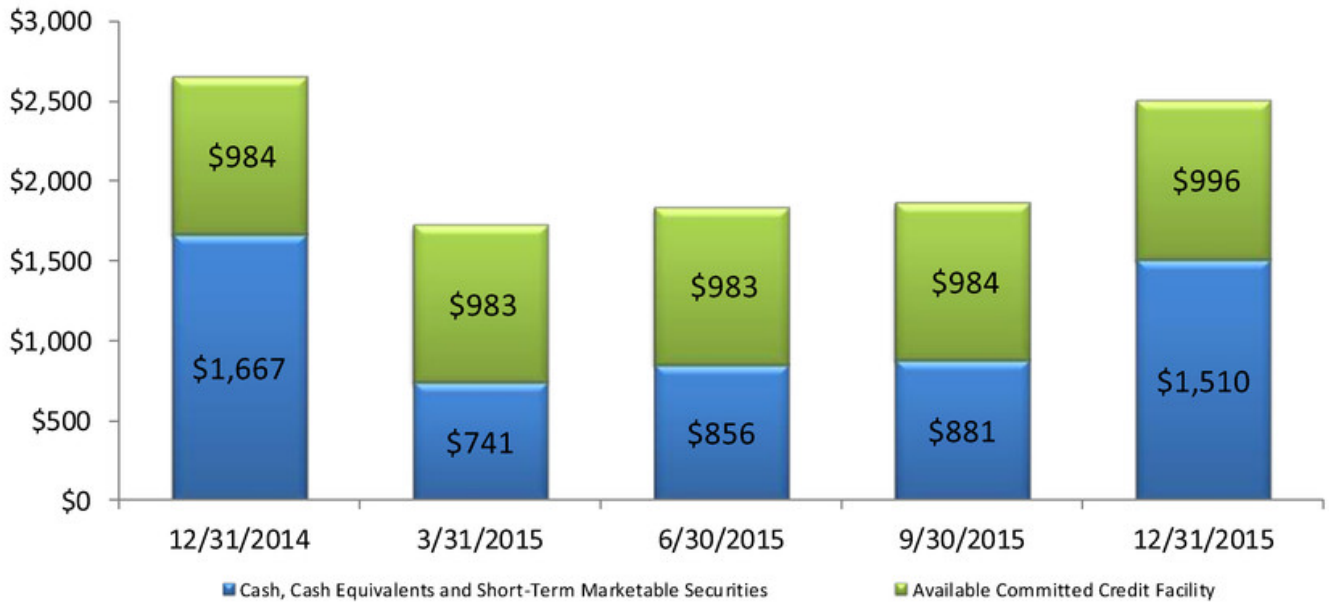
## Total Square Feet as of December 31,





# Available Liquidity

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



# \$1.0 Billion 5-Year Credit Facility Covenants

<u>Covenants</u>	<u>Twelve Months Ending December 31, 2015</u>
I. Interest Coverage Ratio (not less than):	5.00x
Actual Interest Coverage Ratio:	19.06x
II. Leverage Ratio (not greater than):	3.50x <sup>(1)</sup>
Actual Leverage Ratio:	1.60x
<u>Interest Coverage Ratio - Interest Expense Reconciliation</u>	<u>Twelve Months Ending December 31, 2015</u>
Interest Expense:	\$85.8
- Interest income	22.8
- Other	5.3
Net interest expense <sup>(2)</sup> :	<u>\$57.7</u>
<u>EBITDA Reconciliation</u>	<u>Twelve Months Ending December 31, 2015</u>
Operating Income:	\$871.9
+ Depreciation and amortization	227.3
+ Other non-cash charges	0.5
EBITDA <sup>(2)</sup> :	<u>\$1,099.7</u>

<sup>(1)</sup> In October 2015, we amended and restated our Credit Agreement which modified our leverage ratio from 3.25x to 3.50x and extended the term to October 2020. The interest coverage ratio remains unchanged.

<sup>(2)</sup> Calculated as defined in the Credit Agreement.

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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.

