



Interpublic Group

FOURTH QUARTER & FULL YEAR 2015 EARNINGS CONFERENCE CALL

February 12, 2016

Overview

- 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
December 31, 2014	\$ 2,207.1		\$ 7,537.1	
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%
December 31, 2015	\$ 2,196.2		\$ 7,613.8	

	Three Months Ended				Twelve Months Ended			
	December 31,				December 31,			
			Change				Change	
	2015	2014	Total	Organic	2015	2014	Total	Organic
IAN	\$ 1,793.6	\$ 1,816.0	(1.2%)	4.9%	\$ 6,144.9	\$ 6,076.3	1.1%	6.7%
CMG	\$ 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

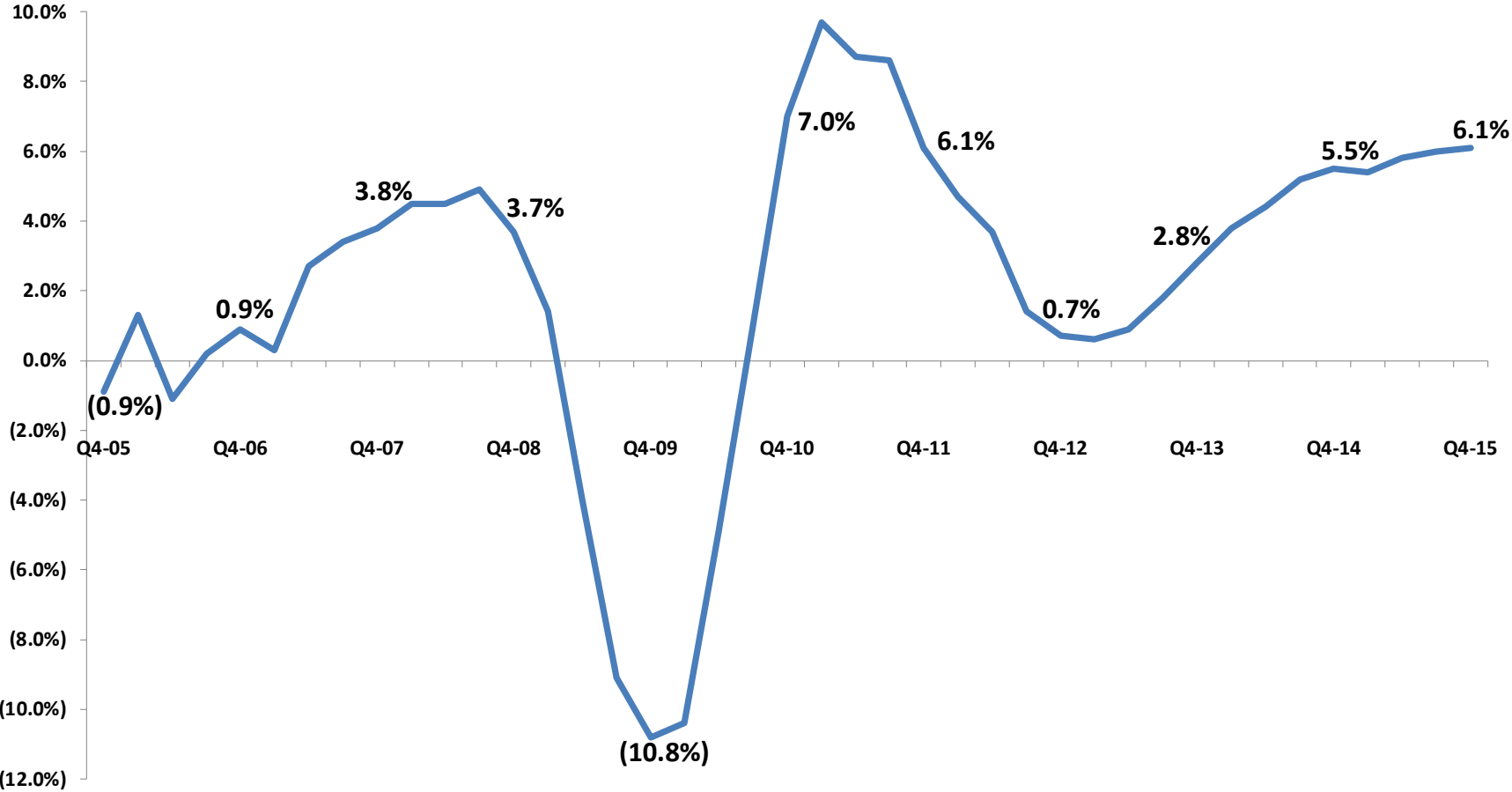
Geographic Revenue Change

	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%
Worldwide	(0.5%)	5.2%	1.0%	6.1%

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

Organic Revenue Growth

Trailing Twelve Months



Operating Expenses

Salaries & Related

	2015		2014		Change		
	\$	% of Revenue	\$	% of Revenue	\$	Total	Organic
Three Months Ended December 31,	\$ 1,235.1	56.2%	\$ 1,266.4	57.4%	\$ (31.3)	(2.5%)	2.3%
<i>% of Revenue</i>							
Three months severance	\$ 22.1	1.0%	\$ 23.3	1.1%	\$ (1.2)	(5.2%)	
<i>% of Revenue</i>							
Twelve Months Ended December 31,	\$ 4,857.7	63.8%	\$ 4,820.4	64.0%	\$ 37.3	0.8%	5.6%
<i>% of Revenue</i>							
Twelve months severance	\$ 71.3	0.9%	\$ 71.5	0.9%	\$ (0.2)	(0.3%)	
<i>% of Revenue</i>							

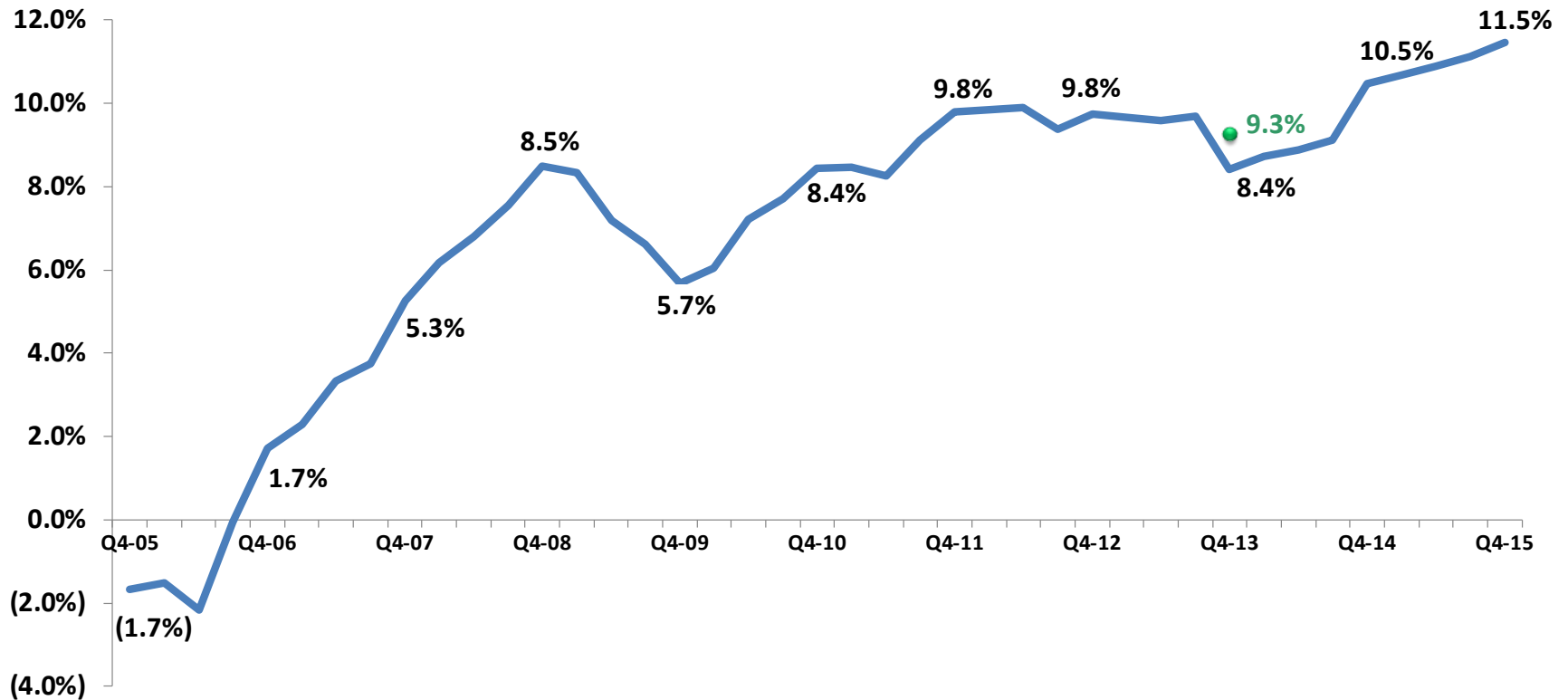
Office & General

	2015		2014		Change		
	\$	% of Revenue	\$	% of Revenue	\$	Total	Organic
Three Months Ended December 31,	\$ 504.7	23.0%	\$ 507.7	23.0%	\$ (3.0)	(0.6%)	5.0%
<i>% of Revenue</i>							
Three months occupancy expense (ex-D&A)	\$ 127.2	5.8%	\$ 124.9	5.7%	\$ 2.3	1.8%	
<i>% of Revenue</i>							
Twelve Months Ended December 31,	\$ 1,884.2	24.7%	\$ 1,928.3	25.6%	\$ (44.1)	(2.3%)	2.8%
<i>% of Revenue</i>							
Twelve months occupancy expense (ex-D&A)	\$ 481.6	6.3%	\$ 503.8	6.7%	\$ (22.2)	(4.4%)	
<i>% of Revenue</i>							

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

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 ⁽¹⁾	Adjusted Results	As Reported	Loss on Sales of Businesses ⁽¹⁾	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)
Effective Tax Rate	34.0%		33.1%	37.1%		35.2%
Diluted EPS Components:						
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
Earnings Per Share Available to IPG Common Stockholders	\$ 0.63	\$ (0.03)	\$ 0.66	\$ 1.09	\$ (0.12)	\$ 1.21

(1) 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.



Balance Sheet – Current Portion

	December 31, 2015	December 31, 2014
CURRENT ASSETS:		
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
Total current assets	\$ 7,693.1	\$ 7,810.2
 CURRENT LIABILITIES:		
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
Total current liabilities	\$ 7,584.3	\$ 7,463.3

Cash Flow

	Twelve Months Ended December 31,	
	2015	2014
NET INCOME	\$ 481	\$ 505
OPERATING ACTIVITIES		
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)
Net cash provided by Operating Activities	674	670
INVESTING ACTIVITIES		
Capital expenditures	(161)	(149)
Acquisitions, net of cash acquired	(29)	(68)
Business, investment & fixed asset purchases/sales, net	(13)	17
Net cash used in Investing Activities ⁽¹⁾	(203)	(200)
FINANCING ACTIVITIES		
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)
Net cash used in Financing Activities	(473)	(344)
Currency Effect	(156)	(101)
(Decrease) Increase in Cash & S/T Marketable Securities	\$ (158)	\$ 25

Total Debt ⁽¹⁾

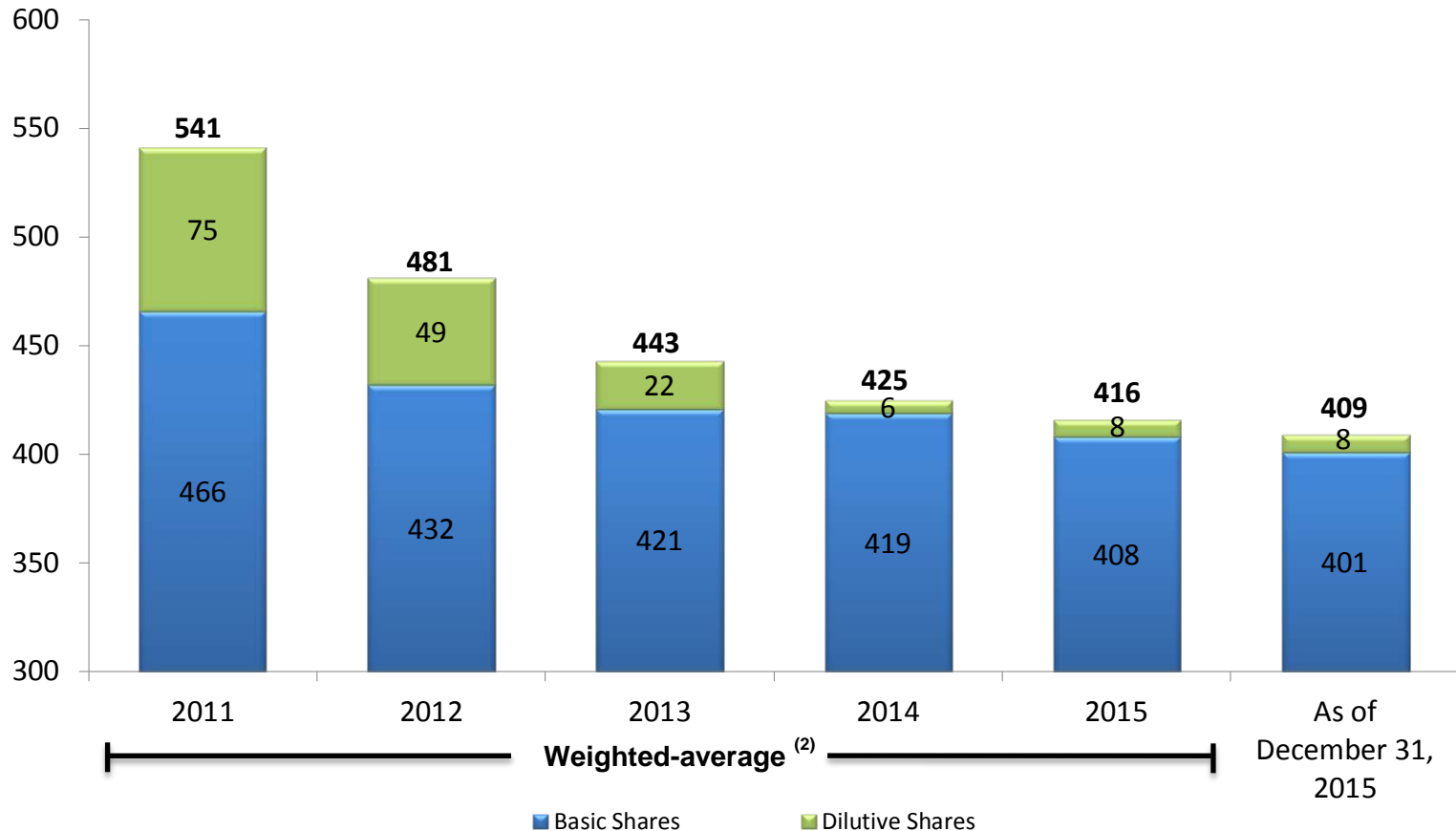
December 31,



(1) 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.

(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.

Total Shares: Basic and Eligible for Dilution ⁽¹⁾



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

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

Summary

- 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

Appendix

Operating Performance

	<u>Twelve Months Ended December 31,</u>	
	2015	2014
<i>Revenue</i>	\$ 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
<i>Operating Income</i>	871.9	788.4
Interest Expense	(85.8)	(84.9)
Interest Income	22.8	27.4
Other Expense, net	(46.7)	(10.2)
<i>Income Before Income Taxes</i>	762.2	720.7
Provision for Income Taxes	282.8	216.5
Equity in Net Income of Unconsolidated Affiliates	1.1	1.2
<i>Net Income</i>	480.5	505.4
Net Income Attributable to Noncontrolling Interests	(25.9)	(28.3)
<i>Net Income Available to IPG Common Stockholders</i>	\$ 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

<i>Dividends Declared per Common Share</i>	\$ 0.48	\$ 0.38
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“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.

Cash Flow

	Three Months Ended December 31,	
	2015	2014
NET INCOME	\$ 283	\$ 331
OPERATING ACTIVITIES		
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
Net cash provided by Operating Activities	930	1,051
INVESTING ACTIVITIES		
Capital expenditures	(80)	(55)
Acquisitions, net of cash acquired	(23)	(5)
Business, investment & fixed asset purchases/sales, net	(9)	1
Net cash used in Investing Activities	(112)	(59)
FINANCING ACTIVITIES		
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
Net cash used in Financing Activities	(162)	(169)
Currency Effect	(28)	(58)
Increase in Cash & S/T Marketable Securities	\$ 628	\$ 765

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
Segment Revenue							
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%
Total	<u>\$ 2,207.1</u>	<u>\$ (121.6)</u>	<u>\$ (3.4)</u>	<u>\$ 114.1</u>	<u>\$ 2,196.2</u>	<u>5.2%</u>	<u>(0.5%)</u>
Geographic							
United States	\$ 1,152.3	\$ -	\$ (2.4)	\$ 71.2	\$ 1,221.1	6.2%	6.0%
International	1,054.8	(121.6)	(1.0)	42.9	975.1	4.1%	(7.6%)
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%)
Worldwide	<u>\$ 2,207.1</u>	<u>\$ (121.6)</u>	<u>\$ (3.4)</u>	<u>\$ 114.1</u>	<u>\$ 2,196.2</u>	<u>5.2%</u>	<u>(0.5%)</u>
Expenses							
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%)
Total	<u>\$ 1,774.1</u>	<u>\$ (84.9)</u>	<u>\$ (4.3)</u>	<u>\$ 54.9</u>	<u>\$ 1,739.8</u>	<u>3.1%</u>	<u>(1.9%)</u>

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
Segment Revenue							
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%
Total	<u>\$ 7,537.1</u>	<u>\$ (408.5)</u>	<u>\$ 23.7</u>	<u>\$ 461.5</u>	<u>\$ 7,613.8</u>	<u>6.1%</u>	<u>1.0%</u>
Geographic							
United States	\$ 4,184.0	\$ -	\$ 7.8	\$ 283.7	\$ 4,475.5	6.8%	7.0%
International	3,353.1	(408.5)	15.9	177.8	3,138.3	5.3%	(6.4%)
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%)
Worldwide	<u>\$ 7,537.1</u>	<u>\$ (408.5)</u>	<u>\$ 23.7</u>	<u>\$ 461.5</u>	<u>\$ 7,613.8</u>	<u>6.1%</u>	<u>1.0%</u>
Expenses							
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%)
Total	<u>\$ 6,748.7</u>	<u>\$ (351.6)</u>	<u>\$ 19.7</u>	<u>\$ 325.1</u>	<u>\$ 6,741.9</u>	<u>4.8%</u>	<u>(0.1%)</u>

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

Reconciliation of Investing Cash Flow

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

Reconciliation of Adjusted Results ⁽¹⁾

	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)
Effective Tax Rate	34.0%		33.1%	37.1%		35.2%
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)
Net Income Available to IPG Common Stockholders - Basic and Diluted	\$ 260.3	\$ (11.8)	\$ 272.1	\$ 454.6	\$ (47.1)	\$ 501.7
Weighted-Average Number of Common Shares Outstanding - Basic	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
Weighted-Average Number of Common Shares Outstanding - Diluted	412.3		412.3	415.7		415.7
Earnings Per Share Available to IPG Common Stockholders - Basic	\$ 0.65		\$ 0.67	\$ 1.11		\$ 1.23
Earnings Per Share Available to IPG Common Stockholders - Diluted	\$ 0.63	\$ (0.03)	\$ 0.66	\$ 1.09	\$ (0.12)	\$ 1.21

- (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 ⁽¹⁾

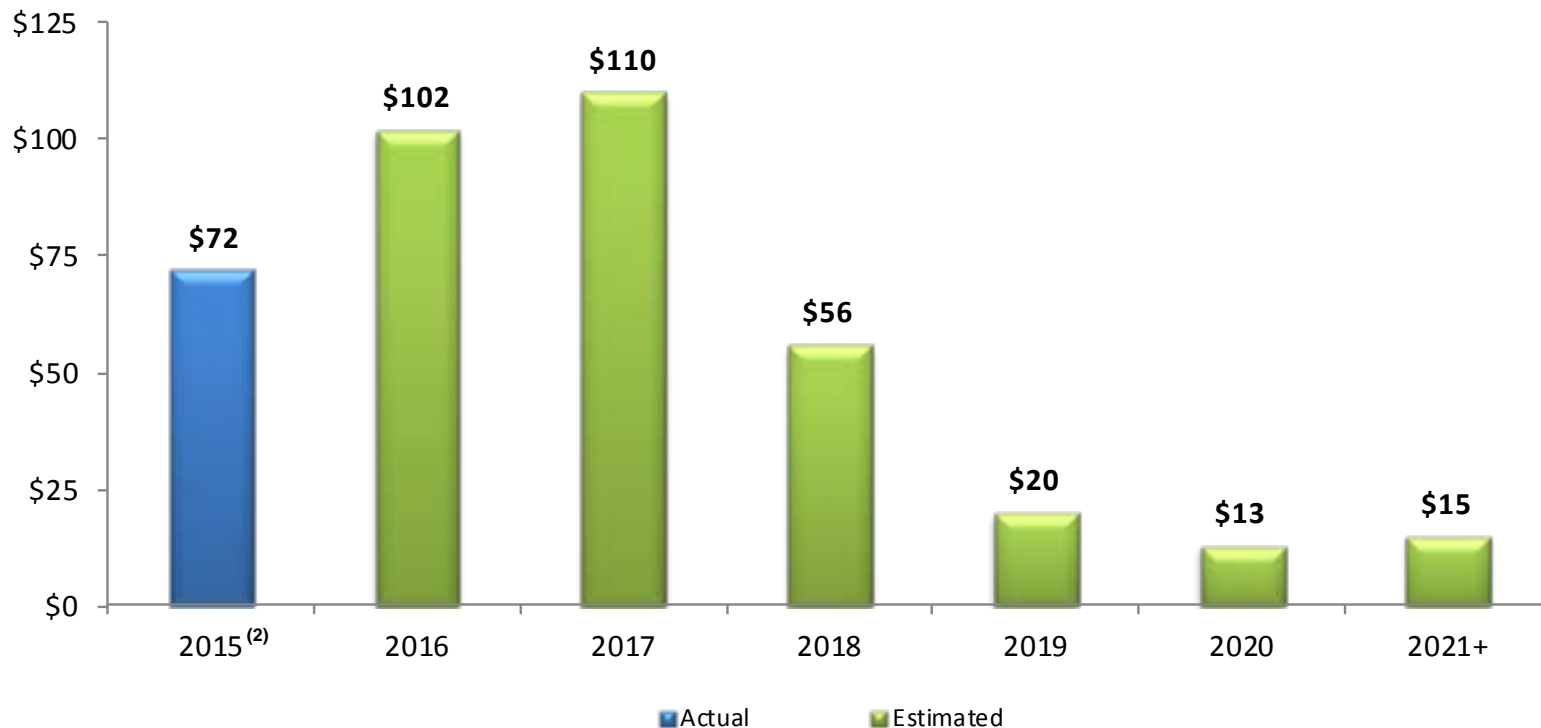
	Three Months Ended December 31, 2014			Twelve Months Ended December 31, 2014			
	As Reported	Valuation Allowance Reversal, Net ⁽²⁾	Adjusted Results	As Reported	Valuation Allowance Reversal, Net ⁽²⁾	Loss on Early Extinguishment of Debt ⁽³⁾	Adjusted Results
Income Before Income Taxes	\$ 418.6		\$ 418.6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

(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.

Acquisition Payment Obligations (1)



(1) 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.

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



Interpublic Group

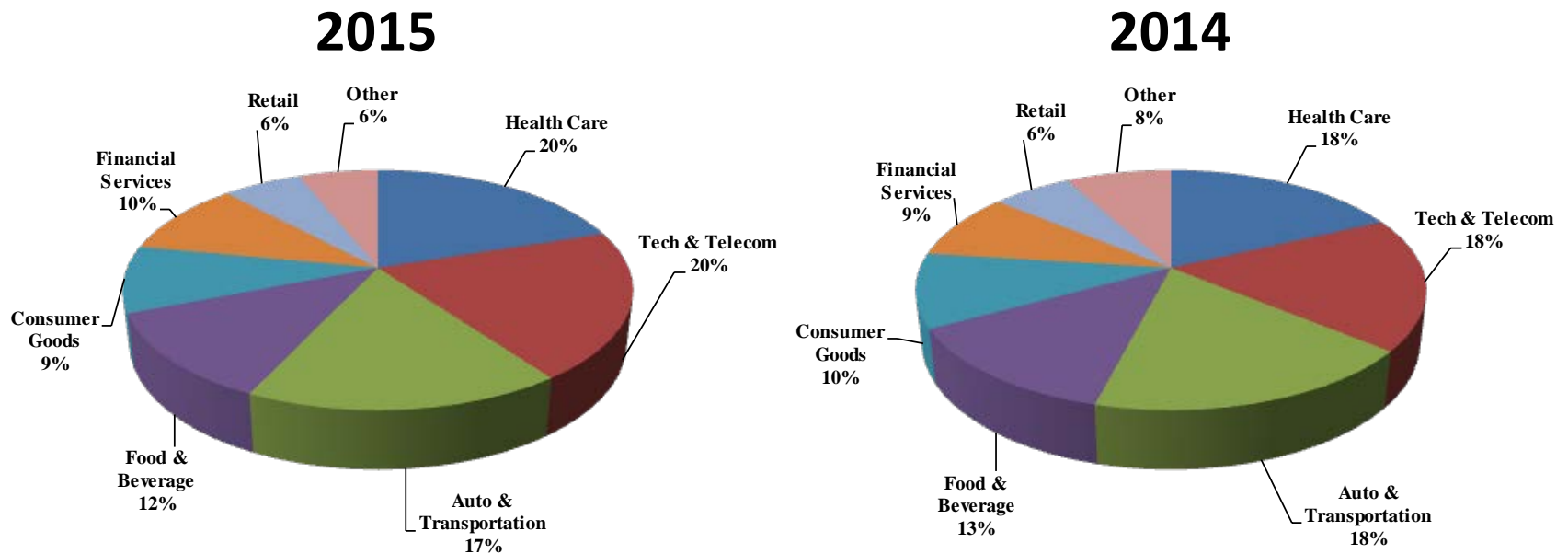
Metrics Update

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

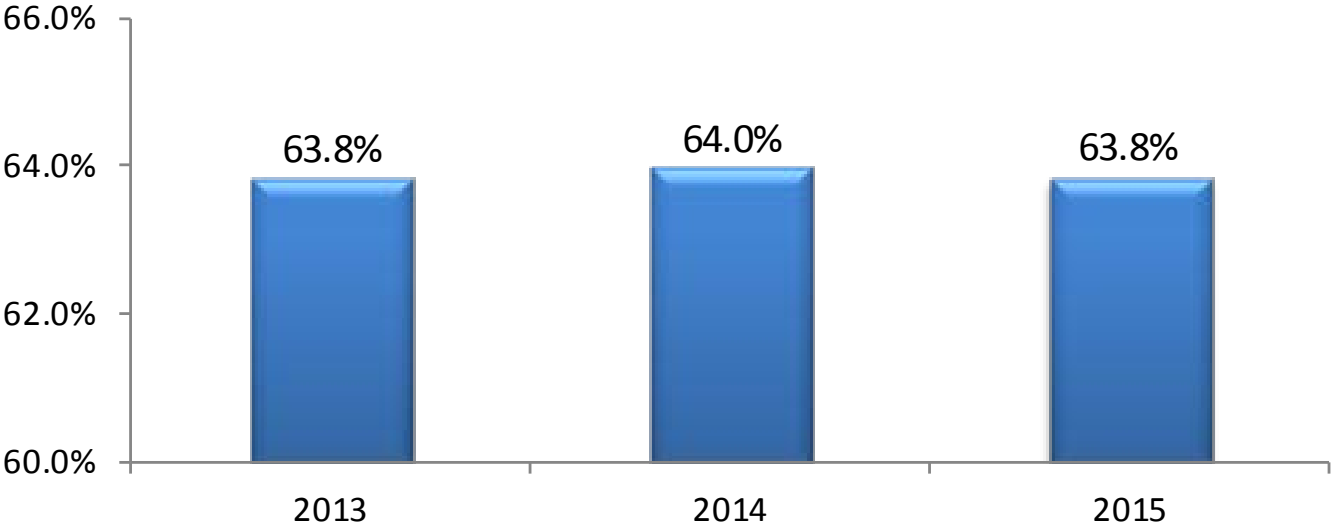


Approximately 60% of consolidated revenue

Salaries & Related Expenses

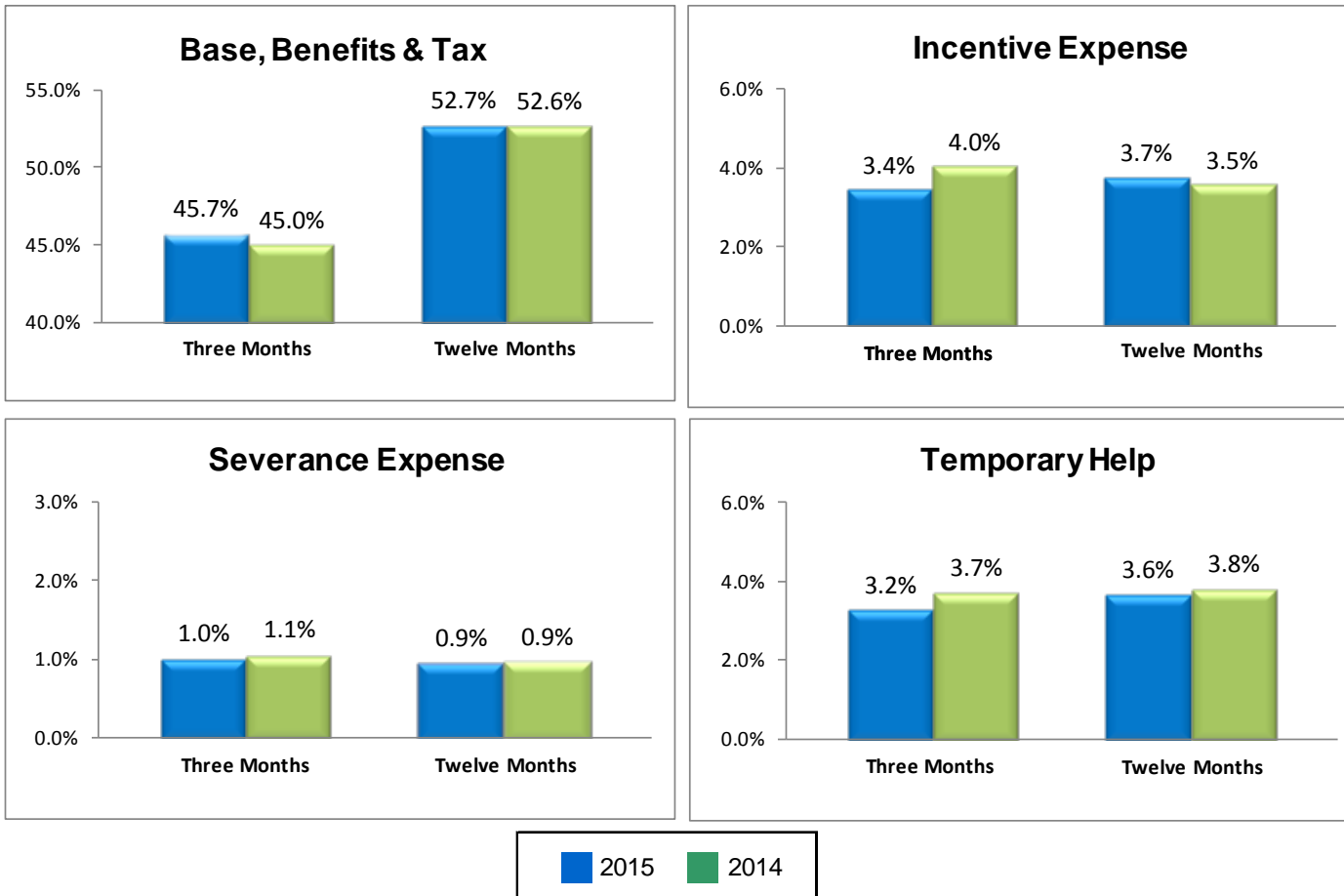
Twelve Months Ended December 31

% of Revenue



Salaries & Related Expenses (% of Revenue)

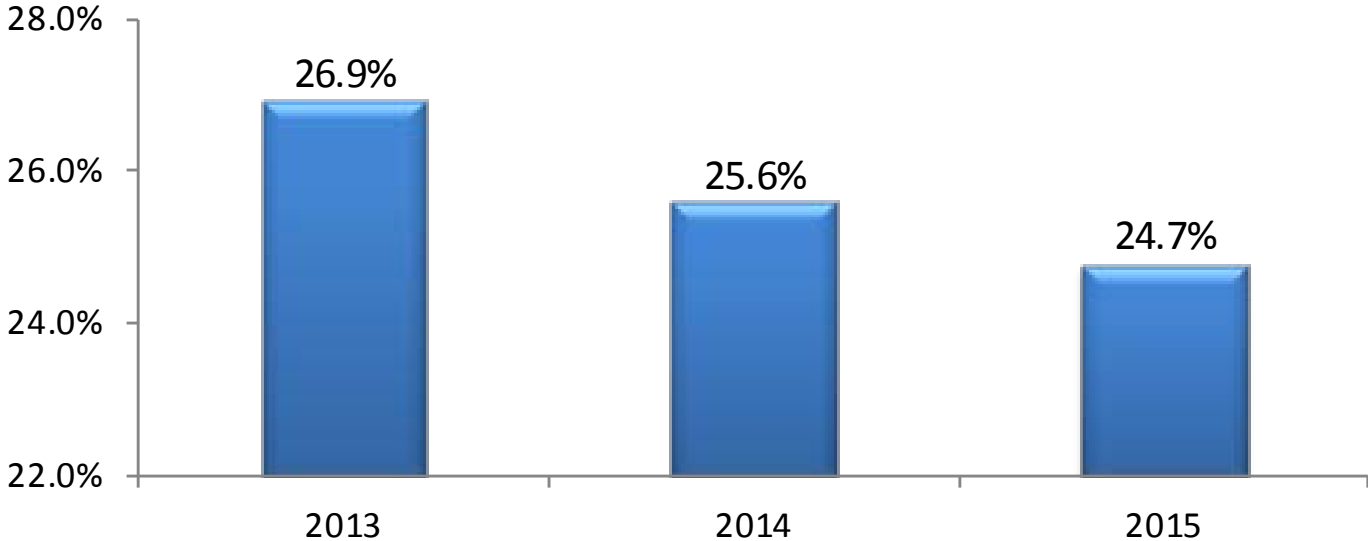
Three and Twelve Months Ended December 31



Office & General Expenses

Twelve Months Ended December 31

% of Revenue

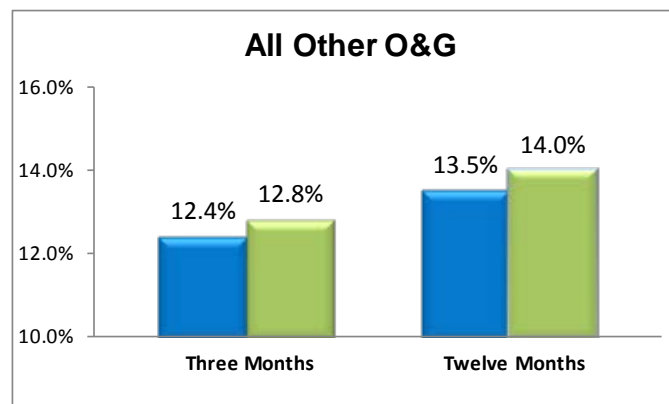
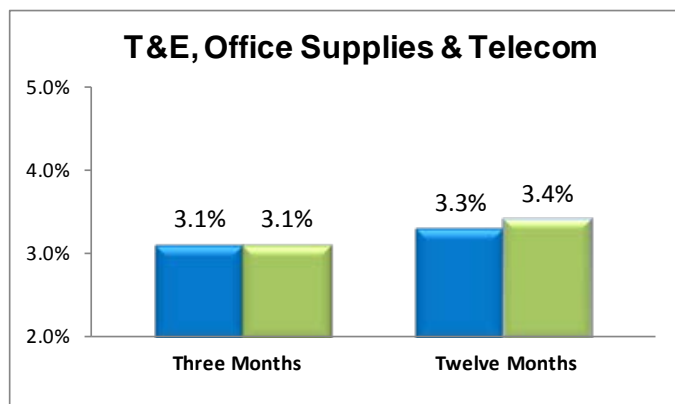
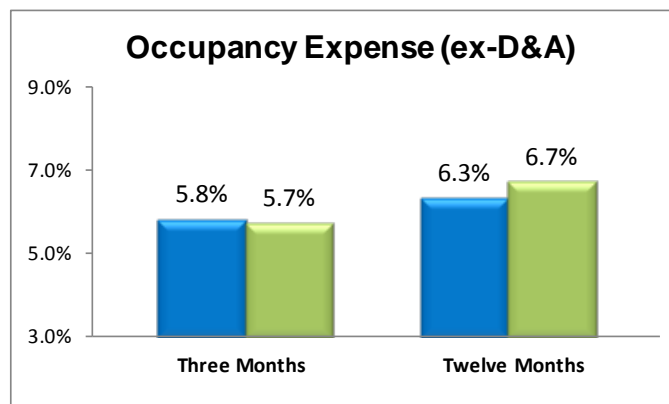


“Office & General Expenses” includes restructuring and other reorganization-related charges (reversals), net for the twelve months ended December 31, 2014 and 2015. Restructuring and other reorganization-related charges, net of \$60.6 are excluded for the twelve months ended December 31, 2013.



Office & General Expenses (% of Revenue)

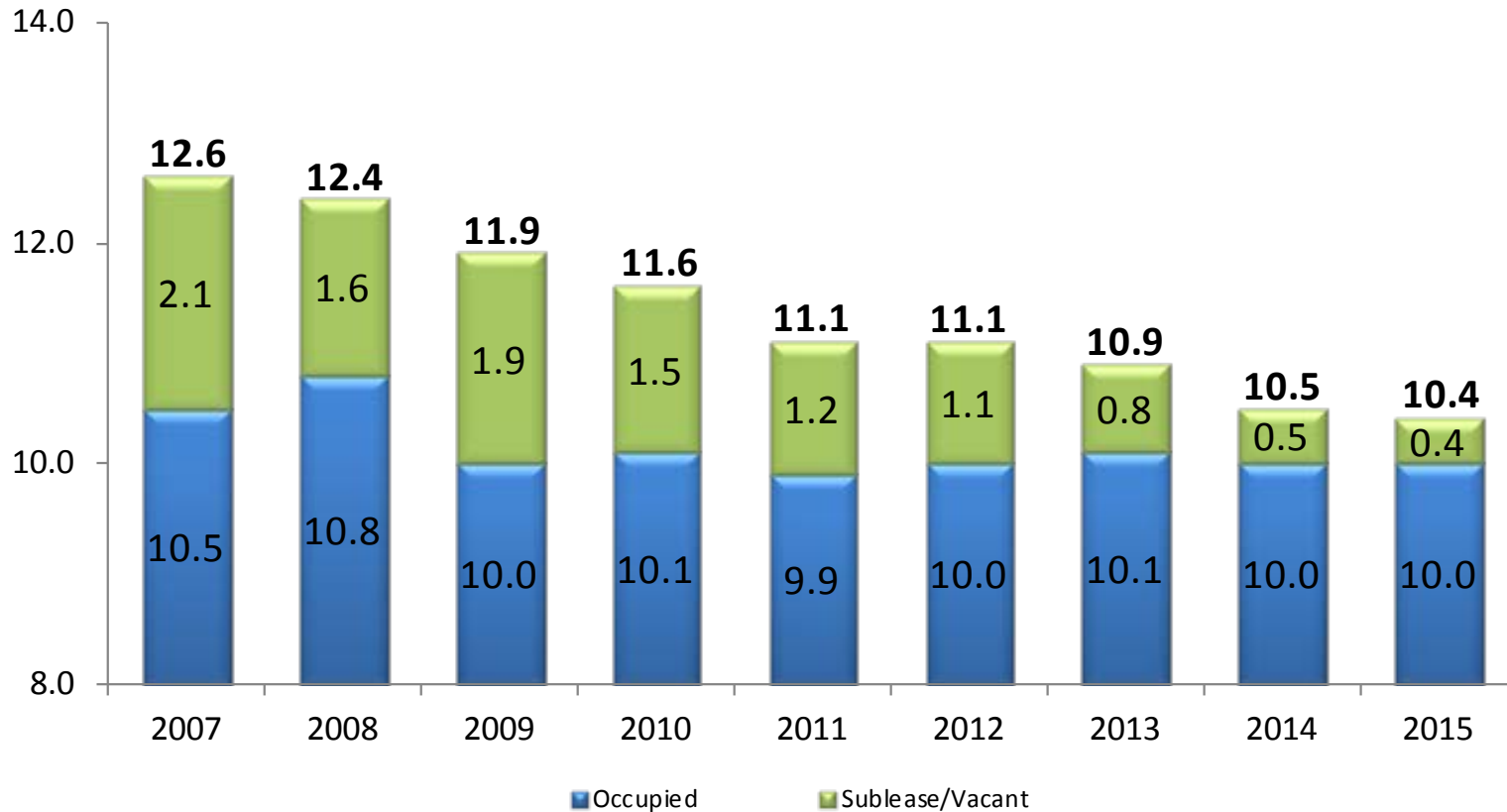
Three and Twelve Months Ended December 31



"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.

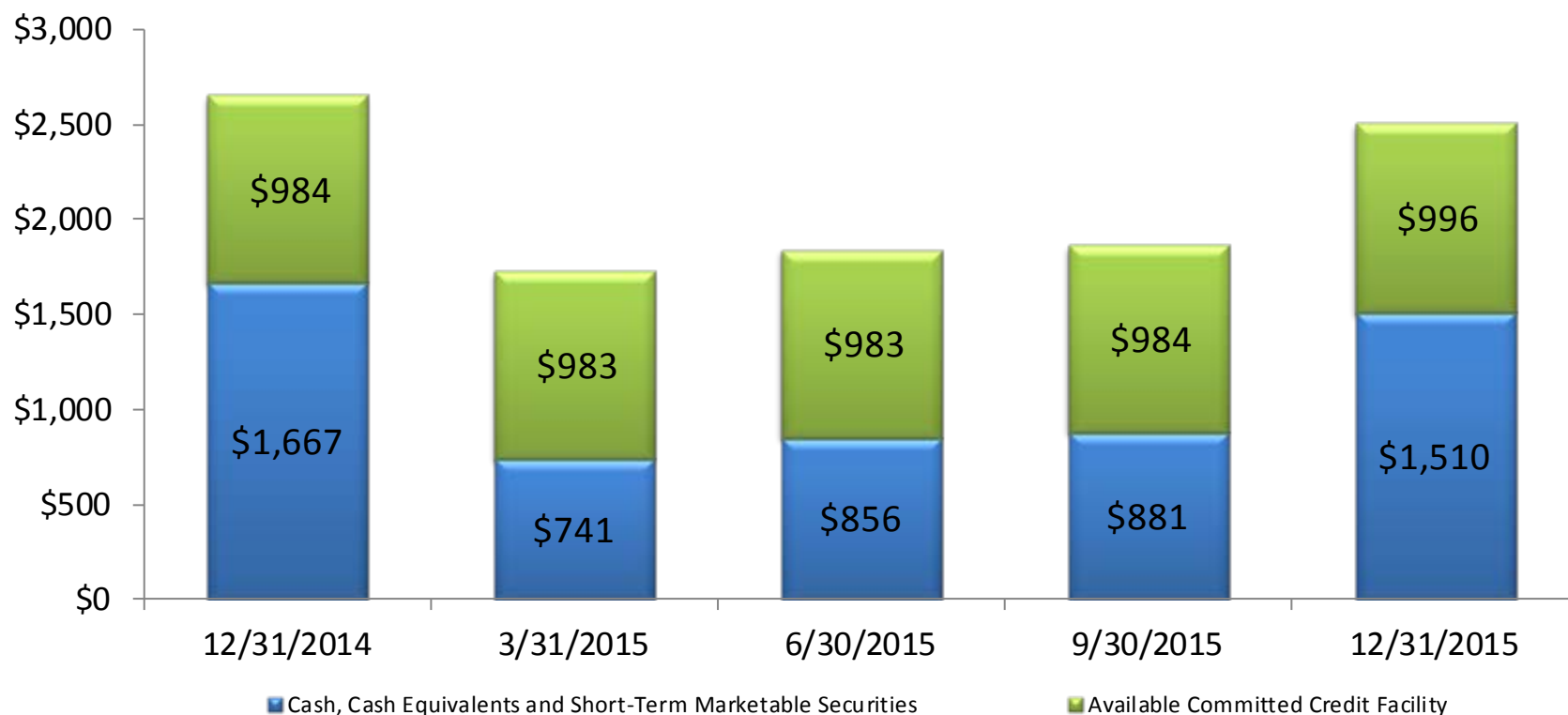
Real Estate

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 ⁽¹⁾
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 ⁽²⁾ :	<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 ⁽²⁾ :	<u>\$1,099.7</u>

⁽¹⁾ 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.

⁽²⁾ Calculated as defined in the Credit Agreement.

Cautionary Statement

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

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

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

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