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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 1999

OR

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

Commission File Number: 1-6686

THE INTERPUBLIC GROUP OF COMPANIES, INC.
(Exact name of Registrant as specified in its charter)

Delaware	13-1024020
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1271 Avenue of the Americas, New York, New York	10020
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (212) 399-8000

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes |X| No |_|

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. Common Stock outstanding at July 31, 1999: 282,011,856 shares.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
I N D E X

PART I - FINANCIAL INFORMATION

Item 1

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(Dollars in Thousands)
ASSETS

	June 30, 1999 (unaudited)	December 31, 1998
CURRENT ASSETS:		
Cash and cash equivalents (includes certificates of deposit: 1999-$303,125; 1998-$152,064)	$ 853,027	$ 808,803
Marketable securities, at cost which approximates market	46,386	31,733
Receivables (less allowance for doubtful accounts: 1999-$46,466; 1998-$53,093)	3,981,285	3,522,616
Expenditures billable to clients	340,145	276,610
Prepaid expenses and other current assets	152,391	137,183
Total current assets	5,373,234	4,776,945
OTHER ASSETS:		
Investment in unconsolidated affiliates	57,532	47,561
Deferred taxes on income	93,926	97,350
Other investments and miscellaneous assets	333,496	299,967
Total other assets	484,954	444,878
FIXED ASSETS, at cost:		
Land and buildings	88,468	95,228
Furniture and equipment	667,243	650,037
	755,711	745,265
Less: accumulated depreciation	438,550	420,864
	317,161	324,401
Unamortized leasehold improvements	120,757	115,200
Total fixed assets	437,918	439,601
INTANGIBLE ASSETS (net of accumulated amortization: 1999-$536,282; 1998-$504,787)	1,393,241	1,281,399
TOTAL ASSETS	$7,689,347	$6,942,823

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(Dollars in Thousands Except Per Share Data)
LIABILITIES AND STOCKHOLDERS' EQUITY

	June 30, 1999 (unaudited)	December 31, 1998
CURRENT LIABILITIES:		
Payable to banks	$ 249,327	$ 214,464
Accounts payable	4,059,203	3,613,699
Accrued expenses	450,416	624,517
Accrued income taxes	228,045	205,672
Total current liabilities	4,986,991	4,658,352
NONCURRENT LIABILITIES:		
Long-term debt	335,997	298,691
Convertible subordinated notes	511,447	207,927
Deferred compensation and reserve for termination liabilities	308,690	319,526
Accrued postretirement benefits	49,046	48,616
Other noncurrent liabilities	93,458	88,691
Minority interests in consolidated subsidiaries	59,718	55,928
Total noncurrent liabilities	1,358,356	1,019,379
STOCKHOLDERS' EQUITY:		
Preferred Stock, no par value shares authorized: 20,000,000 shares issued: none		
Common Stock, $.10 par value shares authorized: 550,000,000 shares issued: 1999 - 295,179,952 1998 - 291,445,158	29,518	29,145
Additional paid-in capital	759,097	652,692
Retained earnings	1,240,798	1,101,792
Accumulated other comprehensive income	(241,811)	(160,476)
	1,787,602	1,623,153
Less: Treasury stock, at cost: 1999 - 13,634,912 shares 1998 - 12,374,344 shares	363,746	286,713
Unamortized expense of restricted stock grants	79,856	71,348
TOTAL STOCKHOLDERS' EQUITY	1,344,000	1,265,092
COMMITMENTS AND CONTINGENCIES		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$7,689,347	$6,942,823

The accompanying notes are an integral part of these consolidated financial statements.

All share data adjusted to reflect two-for-one stock split effective July 15, 1999.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT
THREE MONTHS ENDED JUNE 30
(Dollars in Thousands Except Per Share Data)
(unaudited)

	1999	1998
Revenue	$ 1,096,621	$ 1,003,090
Other income, net	37,812	29,152
Gross income	1,134,433	1,032,242
Costs and expenses:		
Operating expenses	873,170	807,560
Interest	16,497	14,564
Total costs and expenses	889,667	822,124
Income before provision for income taxes	244,766	210,118
Provision for income taxes	98,878	86,665
Income of consolidated companies	145,888	123,453
Income applicable to minority interests	(8,905)	(6,360)
Equity in net income of unconsolidated affiliates	2,426	1,418
Net income	$ 139,409	$ 118,511
Weighted average shares:		
Basic	273,862,855	271,437,338
Diluted	292,978,367	288,955,570
Earnings Per Share:		
Basic	$ .51	$ .44
Diluted	$ .49	$ .42
Dividends per share	$ .085	$ .075

The accompanying notes are an integral part of these consolidated financial statements.

All share data adjusted to reflect two-for-one stock split effective July 15, 1999.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT
SIX MONTHS ENDED JUNE 30
(Dollars in Thousands Except Per Share Data)
(unaudited)

	1999	1998
Revenue	$ 2,004,702	$ 1,820,120
Other income, net	54,811	43,305
Gross income	2,059,513	1,863,425
Costs and expenses:		
Operating expenses	1,703,300	1,560,516
Interest	30,443	27,365
Total costs and expenses	1,733,743	1,587,881
Income before provision for income taxes	325,770	275,544
Provision for income taxes	132,495	112,163
Income of consolidated companies	193,275	163,381
Income applicable to minority interests	(12,505)	(9,200)
Equity in net income of unconsolidated affiliates	3,424	2,069
Net income	$ 184,194	$ 156,250
Weighted average shares:		
Basic	273,198,358	270,905,717
Diluted	290,450,560	281,370,273
Earnings Per Share:		
Basic	$ .67	$ .58
Diluted	$ .65	$ .56
Dividends per share	$ .16	$ .14

The accompanying notes are an integral part of these consolidated financial statements.

All share data adjusted to reflect two-for-one stock split effective July 15, 1999.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
THREE MONTHS ENDED JUNE 30
(Dollars in Thousands)
(unaudited)

	1999	1998
Net Income	$ 139,409	$ 118,511
Other Comprehensive Income, net of tax:		
Foreign Currency Translation Adjustments	(20,189)	(2,711)
Net Unrealized Gains/(Losses) on Securities	(23,452)	(3,206)
Other Comprehensive Income/(Loss)	(43,641)	(5,917)
Comprehensive Income	$ 95,768	$112,594

The accompanying notes are an integral part of these consolidated financial statements.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
SIX MONTHS ENDED JUNE 30
(Dollars in Thousands)
(unaudited)

	1999	1998
Net Income	$ 184,194	$ 156,250
Other Comprehensive Income, net of tax:		
Foreign Currency Translation Adjustments	(80,656)	(17,519)
Net Unrealized Gains/(Losses) on Securities	(679)	955
Other Comprehensive Income/(Loss)	(81,335)	(16,564)
Comprehensive Income	$ 102,859	$139,686

The accompanying notes are an integral part of these consolidated financial statements.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
SIX MONTHS ENDED JUNE 30
(Dollars in Thousands)
(unaudited)

	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$184,194	$ 156,250
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization of fixed assets	52,200	46,380
Amortization of intangible assets	31,495	26,137
Amortization of restricted stock awards	12,227	9,582
Equity in net income of unconsolidated affiliates	(3,424)	(2,069)
Income applicable to minority interests	12,505	9,200
Translation losses	798	(8,966)
Net gain from sale of investments	(9,738)	(6,255)
Other	1,429	(7,474)
Changes in assets and liabilities, net of acquisitions:		
Receivables	(544,290)	(231,002)
Expenditures billable to clients	(61,063)	(48,099)
Prepaid expenses and other assets	(17,030)	(24,245)
Accounts payable and other liabilities	355,862	139,303
Accrued income taxes	26,368	18,567
Deferred income taxes	(1,387)	810
Deferred compensation and reserve for termination allowances	(366)	5,818
Net cash provided by operating activities	39,780	83,937
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisitions	(130,792)	(58,583)
Proceeds from sale of investments	17,019	16,199
Capital expenditures	(52,209)	(60,376)
Net purchases of marketable securities	(18,308)	(21,939)
Other investments and miscellaneous assets	(41,685)	(8,452)
Investments in unconsolidated affiliates	(4,160)	(7,073)
Net cash used in investing activities	(230,135)	(140,224)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase in short-term borrowings	45,704	88,206
Proceeds from long-term debt	354,078	7,078
Payments of long-term debt	(5,791)	(4,285)
Treasury stock acquired	(126,977)	(106,146)
Issuance of common stock	40,400	19,805
Cash dividends - pooled companies	-	(2,915)
Cash dividends - Interpublic	(43,755)	(36,612)
Net cash provided by/(used in) financing activities	263,659	(34,869)
Effect of exchange rates on cash and cash equivalents	(29,080)	(7,965)
Increase/(decrease) in cash and cash equivalents	44,224	(99,121)
Cash and cash equivalents at beginning of year	808,803	738,112
Cash and cash equivalents at end of period	$853,027	$ 638,991

The accompanying notes are an integral part of these consolidated financial statements.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Consolidated Financial Statements

(a) In the opinion of management, the consolidated balance sheet as of June 30, 1999, the consolidated income statements for the three months and six months ended June 30, 1999 and 1998, the consolidated statement of comprehensive income for the three months and six months ended June 30, 1999 and 1998, and the consolidated statement of cash flows for the six months ended June 30, 1999 and 1998, contain all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows at June 30, 1999 and for all periods presented. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been omitted. It is suggested that these consolidated financial statements be read in conjunction with the consolidated financial statements and notes thereto included in the Interpublic Group of Companies, Inc.'s (the "Company") December 31, 1998 annual report to stockholders.

(b) Statement of Financial Accounting Standards (SFAS) No. 95 "Statement of Cash Flows" requires disclosures of specific cash payments and noncash investing and financing activities. The Company considers all highly liquid investments with a maturity of three months or less to be cash equivalents. Income tax cash payments were approximately $65.8 million and $103.9 million in the first six months of 1999 and 1998, respectively. Interest payments during the first six months of 1999 and 1998 were approximately $17.7 million and $20.8 million, respectively.

(c) In June 1998, the Financial Accounting Standards Board (the "FASB") issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS 133). SFAS 133 will require the Company to record all derivatives on the balance sheet at fair value. Changes in derivative fair values will either be recognized in earnings as offsets to the changes in fair value of related hedged assets, liabilities and firm commitments or, for forecasted transactions, deferred and later recognized in earnings at the same time as the related hedged transactions. The impact of SFAS 133 on the Company's financial statements will depend on a variety of factors, including future interpretative guidance from the FASB, the future level of forecasted and actual foreign currency transactions, the extent of the Company's hedging activities, the types of hedging instruments used and the effectiveness of such instruments. However, the Company does not believe the effect of adopting SFAS 133 will be material to its financial condition. In June 1999, the FASB issued Statement of Financial Accounting Standards No. 137, "Accounting for Derivative Instruments and Hedging Activities - Deferral of the Effective Date of FASB Statement No. 133" ("SFAS 137"). SFAS 137 defers the effective date of SFAS 133 for one year to fiscal years beginning after June 15, 2000.

(d) On May 17, 1999, the Board of Directors announced a 2 for 1 stock split, payable July 15, 1999, to shareholders of record at the close of business on June 29, 1999. All per share data has been restated in the accompanying consolidated financial statements to reflect the 2 for 1 stock split.

Item 2

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

LIQUIDITY AND CAPITAL RESOURCES

Working capital at June 30, 1999 was $386.2 million, an increase of $267.7 million from December 31, 1998. The increase in working capital was largely attributable to net proceeds of approximately $295 million from the 1.87% Convertible Subordinated Notes due 2006 issued in June, 1999. The ratio of current assets to current liabilities was approximately 1.1 to 1 at June 30, 1999.

Historically, cash flow from operations has been the primary source of working capital and management believes that it will continue to be so in the future. The principal use of the Company's working capital is to provide for the operating needs of its advertising agencies, which include payments for space or time purchased from various media on behalf of its clients. The Company's practice is to bill and collect from its clients in sufficient time to pay the amounts due media. Other uses of working capital include the payment of cash dividends, acquisitions, capital expenditures and the reduction of long-term debt. In addition, during the first six months of 1999, the Company acquired 3,354,292 shares of its own stock for approximately $127 million for the purpose of fulfilling the Company's obligations under its various compensation plans.

RESULTS OF OPERATIONS

Three Months Ended June 30, 1999 Compared to Three Months Ended June 30, 1998

Total revenue for the three months ended June 30, 1999 increased $93.5 million, or 9.3%, to $1,096.6 million compared to the same period in 1998. Domestic revenue increased $66.7 million or 13.2% from 1998 levels. Foreign revenue increased $26.8 million or 5.4% during the second quarter of 1999 compared to 1998. Foreign revenue would have increased 9.8%, except for the strengthening of the U.S. dollar against certain major currencies. Other income, net, increased by $8.7 million during the second quarter of 1999 compared to the same period in 1998.

Operating expenses increased $65.6 million or 8.1% during the three months ended June 30, 1999 compared to the same period in 1998. Interest expense increased 13.3% as compared to the same period in 1998.

Pretax income increased $34.6 million or 16.5% during the three months ended June 30, 1999 compared to the same period in 1998.

The increase in total revenue, operating expenses, and pretax income is primarily due to the effect of new business gains.

Net losses from exchange and translation of foreign currencies for the three months ended June 30, 1999 were approximately $.3 million versus $1.4 million for the same period in 1998.

The effective tax rate for the three months ended June 30, 1999 was 40.4%, as compared to 41.2% in 1998.

The difference between the effective and statutory rates is primarily due to foreign losses with no tax benefit, losses from translation of foreign currencies which provided no tax benefit, state and local taxes, foreign withholding taxes on dividends and nondeductible goodwill expense.

Six Months Ended June 30, 1999 Compared to Six Months Ended June 30, 1998

Total revenue for the six months ended June 30, 1999, increased $184.6 million, or 10.1%, to $2,004.7 million compared to the same period in 1998. Domestic revenue increased $118.3 million or 12.6% from 1998 levels. Foreign revenue increased $66.2 million or 7.5% during the first six months of 1999 compared to 1998. Foreign revenue would have increased 11%, except for the strengthening of the U.S. dollar against certain major currencies. Other income increased $11.5 million in the first six months of 1999 compared to the same period in 1998.

Operating expenses increased $142.8 million or 9.1% during the six months ended June 30, 1999 compared to the same period in 1998. Interest expense increased 11.2% during the six months ended June 30, 1999 as compared to the same six month period in 1998.

Pretax income increased $50.2 million or 18.2% during the six months ended June 30, 1999 compared to the same period in 1998.

The increase in total revenue, operating expenses, and pretax income is primarily due to the effect of new business gains.

Net losses from exchange and translation of foreign currencies for the six months ended June 30, 1999 were approximately $1.2 million versus $2.2 million for the same period in 1998.

The effective tax rate for the six months ended June 30, 1999 was 40.7%, unchanged from the same period in 1998.

Year 2000 Issue

The Year 2000 (or "Y2K") Issue refers to the problem caused by computer programs that have been written to reflect two-digit years, with the century being assumed as "19". This practice was widely accepted by the applications development community in the 1960's through the early 1980's, with many of these programs remaining in use today. As a result, programs that are date sensitive may recognize the year "00" as 1900, rather than the year 2000. This may cause programs to fail or cause them to incorrectly report and accumulate data.

The Company and its operating subsidiaries are in the final phases of executing a Year 2000 readiness program with the goal of having all "mission critical" systems functioning properly prior to January 1, 2000. Many of the subsidiaries in the Company's larger markets are dependent upon third party systems providers, while subsidiaries in the secondary markets rely primarily on off-the-shelf applications or home-grown applications. Considerable progress has been made with third party systems providers in larger markets with respect to remediating their Year 2000 issues. Although the secondary markets present a greater challenge, they typically involve smaller offices that are less dependent upon automated solutions.

In 1997, the Company established a Y2K Project Management Office and shortly thereafter created a Y2K Task Force, comprised of representatives from the operating companies. Through the Y2K Task Force, the Company in conjunction with outside consultants, is working to address the impact of the Year 2000 Issue on the Company. The Company has inventoried and assessed date sensitive computer software applications, and approximately 35% of systems were identified as requiring some degree of remediation. In addition, the Company has reviewed all of its hardware believed to contain embedded chips, including personal computers, file servers, mid-range and mainframe computers, telephone switches and routers. The Company has also investigated its security systems, life safety systems, HVAC systems and elevators in the majority of its facilities. As part of this effort, the Company has identified those systems and applications that are deemed "mission critical", which are being handled on a priority basis and has developed a detailed project and remediation plan that includes system

testing schedules and contingency planning. To date the Company has completed approximately 95% of its remediation and compliance testing for "mission critical" applications, with the remaining 5% scheduled for completion by September 30, 1999. The Company's Board of Directors, through the Audit Committee, has been monitoring the progress of this project. Project progress reports are given to the Audit Committee at each regularly scheduled Audit Committee meeting.

The Company estimates that the modification and testing of its hardware and software will cost approximately $20 million, of which approximately 80% has been spent to date. These costs are being expensed. In addition, the Company has accelerated the implementation of a number of business process re-engineering projects over the past few years that have provided both Year 2000 readiness and increased functionality of certain systems. The Company estimates that the hardware and software costs incurred in connection with these projects are approximately $55 million, which are being capitalized. Included in the above-mentioned Y2K costs are internal costs incurred for the Y2K project which are primarily payroll related costs for the information systems groups. A substantial portion of these estimated costs relates to systems and applications that were anticipated and budgeted. All of the above amounts have been updated to include companies acquired through the second quarter of 1999.

The Company is also in the process of developing contingency plans for affected areas of its operations. The Y2K Project Management Office has drafted a Contingency Plan Guideline. This guideline requires the development of contingency plans for applications, vendors, facilities, business partners and clients. The contingency plans continue to be developed and refined to cover those elements of the business that have been deemed "mission critical" and extend beyond software applications. The contingency plans include procedures for workforce mobilization, crisis management, facilities management, disaster recovery and damage control, and are scheduled for completion by September 30, 1999. The Company nevertheless recognizes that contingency plans may need to be adjusted thereafter and therefore considers them working documents.

The Company is assessing the Year 2000 readiness of material third parties by asking all critical vendors, business partners and facility managers to provide letters of compliance. In addition to having sent out over 70,000 vendor compliance letters, the Company is conducting detailed tests and face to face Y2K working sessions with those identified as key vendors with respect to "mission critical" systems. Furthermore, the Company is working with the American Association of Advertising Agencies and other trade associations to form Year 2000 working groups that are addressing the issues on an industry level.

The Company's efforts to address the Year 2000 Issue are designed to avoid any material adverse effect on its operations or financial condition. Notwithstanding these efforts, however, there is no assurance that the Company will not encounter difficulties due to the Year 2000 Issue. The "most reasonably likely worst case scenario" would be a significant limitation on the Company's ability to continue to provide business services for an undetermined duration in those offices encountering difficulties. The Company also recognizes that it is dependent upon infrastructure services and third parties, including suppliers, broadcasters, utility providers and business partners, whose failure may also significantly impact its ability to provide business services.

Cautionary Statement

Statements by the Company in this document and in other contexts concerning its Year 2000 compliance efforts that are not historical fact are forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to certain risks and uncertainties

that could cause actual results to differ materially from those anticipated in the forward-looking statements, including, but not limited to, the following:

(i) uncertainties relating to the ability of the Company to identify and address Year 2000 issues successfully and in a timely manner and at costs that are reasonably in line with the Company's estimates; and (ii) the ability of the Company's vendors, suppliers, other service providers and customers to identify and address successfully their own Year 2000 issues in a timely manner.

Conversion to the Euro

On January 1, 1999, certain member countries of the European Union established fixed conversion rates between their existing currencies and the European Union's common currency (the "Euro"). The Company conducts business in member countries. The transition period for the introduction of the Euro will be between January 1, 1999, and June 30, 2002. The Company is addressing the issues involved with the introduction of the Euro. The major important issues facing the Company include: converting information technology systems; reassessing currency risk; negotiating and amending contracts; and processing tax and accounting records.

Based upon progress to date the Company believes that use of the Euro will not have a significant impact on the manner in which it conducts its business affairs and processes its business and accounting records. Accordingly, conversion to the Euro is not expected to have a material effect on the Company's financial condition or results of operations.

PART II - OTHER INFORMATION

Item 2. CHANGES IN SECURITIES

(1) On April 1, 1999, the Registrant paid $106,000 and issued a total of 6,564 shares of Common Stock of the Registrant, par value $.10 per share (the "Interpublic Stock") to shareholders of a foreign company as an installment payment of the purchase price for 60% of the capital stock of the foreign company. The Interpublic Stock issued had a market value of $248,000 on the date of issuance.

The shares of Interpublic Stock were issued by the Registrant without registration in an "offshore transaction" and solely to "non-U.S. persons" in reliance on Rule 903 (b) (3) of Regulation S under the Securities Act.

(2) On April 6, 1999 the Registrant issued shares to the acquired company's former shareholders as the first installment payment for 100% of the company's capital stock. A total of 104,400 shares of Interpublic stock were issued and had a market value on the date of issuance of $3,848,800.

In connection with the above installment payment an additional payment was issued to the former shareholder's of this acquired company on April 28, 1999. A total of 10,764 shares of Interpublic stock were issued with a total market value of $396,800.

The shares of Interpublic Stock were issued by the Registrant without registration in reliance on Rule 506 of Regulation D under the Securities Act based on the accredited investor status or sophistication of the shareholders.

(3) On April 7, 1999, the Registrant issued a total of 445,578 shares of Interpublic Stock to shareholders of a domestic company as an installment payment of purchase price for substantially all of the assets of the domestic company. The Interpublic Stock issued had a market value of $16,792,721 on the date of issuance.

The shares of Interpublic Stock were issued by the Registrant without registration in reliance on Section 4 (2) under the Securities Act, based on the sophistication of the acquired company's former stockholders.

(4) On April 9, 1999, the Registrant issued 19,236 shares of Interpublic Stock and paid $2,087,617 in cash to the former shareholder of a company which previously was acquired. This represented a deferred payment of the purchase price. The shares of Interpublic Stock were valued at $695,872 on the date of issuance.

The shares of Interpublic Stock were issued by the Registrant without registration in reliance on Section 4(2) under the Securities Act, based on the sophistication of the acquired company's former stockholder.

(5) On April 15, 1999, the Registrant issued 18,456 shares of Interpublic Stock and paid $4,000,000 to shareholders of a foreign corporation in connection with the acquisition of 35% of the capital stock of the foreign corporation. The Interpublic Stock issued had a market value of $700,000 on the date of issuance.

The transaction was effected in an "offshore transaction" and in accordance with the "offering restrictions" and "no directed selling efforts" requirements of Rule 903(a) and 903(b)(3)(iii) of Regulation S under the Securities Act of 1933."

(6) On April 22, 1999, the Registrant issued a total of 62,890 shares of Interpublic Stock to shareholders of a domestic company as an installment

payment of purchase price of substantially all of the assets of the domestic company. The Interpublic Stock issued had a market value of $2,325,947 on the date of issuance.

The shares of Interpublic Stock were issued by the Registrant without registration in reliance on Section 4 (2) under the Securities Act, based on the sophistication of the acquired company's former stockholders.

(7) On April 23, 1999, the Registrant paid $224,000 and issued a total of 1,960 shares of Interpublic Stock to shareholders of a foreign company as an installment payment of purchase price for 65% of the capital stock of the foreign company. The Interpublic Stock issued had a market value of $73,550 on the date of issuance.

The shares of Interpublic Stock were issued by the Registrant without registration in an "offshore transaction" and solely to "non-U.S. persons" in reliance on Rule 903 (b) (3) of Regulation S under the Securities Act.

(8) On May 5, 1999, the Registrant issued a total of 52,500 shares of Interpublic Stock to shareholders of a company as an installment of the purchase price for the acquisition of 51% of the capital stock of the company. The shares of Interpublic Stock had a market value of $2,000,000 on the date of issuance.

The shares of Interpublic Stock were issued by the Registrant without registrant in reliance on Rule 506 of Regulation D under the Securities Act, based on the accredited investor status or sophistication of the shareholders of the acquired company.

(9) On May 6, 1999, the Registrant paid $920,000 and issued 8,364 shares of Interpublic Stock to shareholders of a foreign company in connection with the acquisition of 25% of the foreign corporation. The Interpublic Stock issued had a market value of $308,952 on the date of issuance.

The transaction was effected in an "offshore transaction" and in accordance with the "offering restrictions" and "no directed selling efforts" requirements of Rule 903(a) and 903(b)(3)(iii) of Regulation S under the Securities Act of 1933."

(10) On May 7, 1999, a subsidiary of the Registrant acquired 100% of the capital stock of a company in consideration for which Registrant paid $611,437.50 in cash and issued 15,940 shares of Interpublic Stock to the shareholders of the acquired company.
The shares of Interpublic Stock were valued at $597,750 on the date of issuance.

The shares of Interpublic Stock were issued by the Registrant without registration in an "offshore transaction" and solely to "non-U.S. persons" in reliance on Rule 903(b)(3) of Regulation S under the Securities Act.

(11) On May 26, 1999, the Registrant issued a total of 85,572 shares of Interpublic Stock to shareholders of two affiliated domestic companies as an installment payment of the purchase price of substantially all of the assets of the companies. In connection with this installment payment, on June 17, 1999, the Registrant paid $553,554 in cash. The Interpublic Stock issued had a market value of $3,176,861 on the date of issuance.

The shares of Interpublic Stock were issued by the Registrant without registration in reliance on Section 4 (2) under the Securities Act, based on the sophistication of the acquired company's former stockholders.

(12) On June 1, 1999, the Registrant issued $361,000,000 principal amount at maturity of 1.87% Convertible Subordinated Notes with a scheduled maturity in 2006 (the "2006 Notes") in a private placement. The issue price of the 2006

Notes was 83.018% of the principal amount at maturity. The 2006 Notes are convertible into Common Stock of the Registrant at any time after the latest date of original issuance thereof through maturity, unless previously redeemed or otherwise purchased by the Registrant. The current conversion rate is 17.616 shares of Common Stock per $1,000 principal amount at maturity of the 2006 Notes, subject to adjustment in certain events. The 2006 Note holders have the right to require the Registrant to redeem the 2006 Notes upon the occurrence of a Fundamental Change, as defined in the 2006 Notes, as a whole or in part, at a price initially equal to $830.18 per $1,000 principal amount and increasing thereafter in increments to $896.20 per $1,000 on June 1, 2002 and thereafter at the redemption price at which the Registrant may redeem the 2006 Notes. The Registrant may redeem the 2006 Notes, in whole or in part, at any time after June 5, 2002 initially at $896.67 per $1,000 principal amount and at increasing prices thereafter to $1,000 per $1,000 principal amount on June 1, 2006. Unless the 2006 Notes are redeemed, repaid or converted prior thereto, the 2006 Notes will mature on June 1, 2006 at their principal amount. The proceeds of this issuance are being used for general corporate purposes, which may include the retirement of indebtedness.

Morgan Stanley & Co. Incorporated, a Delaware corporation ("Morgan Stanley") acted as lead Initial Purchaser for the 2006 Notes. Of the total principal amount, (i) $360,700,000 in principal amount 2006 Notes were distributed to "Qualified Institutional Buyers" (as defined in Rule 144A under the Act) in compliance with Rule 144A and (ii) $300,000 principal amount of 2006 Notes were distributed to a limited number of other institutional "Accredited Investors" (as defined in Rule 501 (a) (1), (2), (3) or (7) under the Act that, prior to their purchase of the 2006 Notes, delivered to the Registrant and Morgan Stanley a letter containing certain representations and agreements. The 2006 Notes and the shares of the Registrant's Common Stock into which the 2006 Notes may be converted were not registered under the Act when issued. However, in accordance with the terms of a registration rights agreement between the Registrant and the initial purchasers, entered into in connection with the private placement, the Registrant is under an obligation to use reasonable efforts to file and keep effective a shelf registration statement, covering the resale of the 2006 Notes and the underlying Common Stock until either (i) all securities covered by the shelf registration statement have been sold; or (ii) the expiration of the holding period applicable under Rule 144(k) of the Act, or any successor provision. The Registrant filed such shelf registration statement with the SEC on August 5, 1999.

The 2006 Notes were issued by the Registrant without registration in reliance upon Section 4(2) of the Act.

(13) On June 3, 1999, the Registrant paid $2,688,000 and issued a total of 30,576 shares of Interpublic Stock to shareholders of a foreign company as an installment payment of purchase price for 71% of the capital stock of the foreign company. The Interpublic Stock issued had a market value of $1,177,503 on the date of issuance.

The shares of Interpublic Stock were issued by the Registrant without registration in an "offshore transaction" and solely to "non-U.S. persons" in reliance on Rule 903 (b) (3) of Regulation S under the Securities Act.

(14) On June 7, 1999, the Registrant issued 7,946 shares of Interpublic Stock and paid $862,500 in cash to the former shareholder of a company which previously was acquired. This represented a deferred payment of the purchase price. The shares of Interpublic Stock were valued at $287,500 on the date of issuance.

The shares of Interpublic Stock were issued by the Registrant without registration in reliance on Section 4(2) under the Securities Act, based on the sophistication of the acquired company's former stockholder.

(15) On June 7, 1999, the Registrant issued 33,016 shares of Interpublic Stock to the former shareholders of a company which previously was acquired. This represented a deferred payment of the purchase price. The shares of Interpublic Stock were valued at $1,194,398 on the date of issuance.

The shares of Interpublic Stock were issued by the Registrant without registration in reliance on Section 4(2) under the Securities Act, based on the sophistication of the acquired company's former stockholder.

(16) On June 10, 1999, the Registrant issued 48,970 shares of Interpublic Stock to a shareholder of a foreign company as an installment payment of purchase price for 50% of the capital stock of the foreign company. The Interpublic Stock issued had a market value of $1,878,402 on the date of issuance.

The shares of Interpublic Stock were issued by the Registrant without registration in an "offshore transaction" and solely to "non-U.S. persons" in reliance on Rule 903 (b) (3) of Regulation S under the Securities Act.

(17) On June 10, 1999, a subsidiary of the Registrant acquired 80% of the issued and outstanding shares of a company in consideration for which the Registrant paid $18,302,400 in cash and issued 318,450 shares of Interpublic Stock to the acquired company's shareholders. The shares of Interpublic Stock had a market value of $12,201,600 on the date of issuance.

The shares of Interpublic Stock were issued by the Registrant without registration in reliance on Section 4(2) of the Securities Act.

All amounts of shares of Interpublic Stock reported in this Item 2 have been adjusted for a 2-for-1 stock split of the Registrant's Common Stock effective July 15, 1999.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

(a) This item is answered in respect of the Annual Meeting of Stockholders held on May 17, 1999.

(b) No response is required to Paragraph (b) because (i) proxies for the meeting were solicited pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended; (ii) there was no solicitation in opposition to Management=s nominees as listed in the proxy statement; and (iii) all such nominees were elected.

(c) At the Annual Meeting, the following number of shares were cast with respect to each matter voted upon:

-- Proposal to approve Management=s nominees for director as follows:

NOMINEE	FOR	BROKER WITHHELD	NONVOTES
Eugene P. Beard	115,155,201	674,240	0
Frank J. Borelli	115,142,819	686,622	0
Reginald K. Brack	115,148,472	680,969	0
Jill M. Considine	115,141,345	688,096	0
John J. Dooner, Jr	115,150,954	678,487	0
Philip H. Geier, Jr	115,154,016	675,425	0
Frank B. Lowe	115,140,845	688,596	0
Leif H. Olsen	115,137,970	691,471	0
Martin F. Puris	115,085,971	743,470	0
Allen Questrom	115,141,205	688,236	0
J. Phillip Samper	99,095,499	16,733,942	0

-- Proposal to approve an amendment to the Registrant's Restated Certificate of Incorporation to increase the number of authorized shares of the Registrant's Common Stock, $.10 par value, to 550 million shares.

FOR	AGAINST	ABSTAIN	BROKER NONVOTES
93,971,078	21,521,864	336,499	0

-- Proposal to approve confirmation of independent accountants.

FOR	AGAINST	ABSTAIN	NONVOTES
115,266,879	37,693	524,869	0

Item 6. EXHIBITS AND REPORTS ON FORM 8-K.

(a) EXHIBITS

EXHIBIT NO.	DESCRIPTION
Exhibit 3(i)	Restated Certificate of Incorporation of the Registrant, as amended.
Exhibit 4(a)	Indenture, dated June 1, 1999 between the Registrant and The Bank of New York, as Trustee is not included as an Exhibit to this Report, but will be furnished to the Securities and Exchange Commission (the "Commission") upon its request.
Exhibit 4(b)	Registration Rights Agreement, dated June 1, 1999 among the Registrant, Morgan Stanley & Co, Incorporated, Goldman, Sachs & Co. and Salomon Smith Barney Inc. is not included as an Exhibit to this Report, but will be furnished to the Commission upon its request.
Exhibit 10(a)	Credit Agreement dated as of May 1, 1999 between the Registrant and HSBC Bank U.S.A.
Exhibit 10(b)	Note, dated May 1, 1999 and executed by Registrant in the principal amount of $25,000,000.
Exhibit 10(c)	Money Market Note, dated May 1, 1999 and executed by Registrant.
Exhibit 10(d)	Purchase Agreement, dated May 26, 1999, by and among the Registrant, Morgan Stanley & Co., Incorporated, Goldman,Sachs & Co. and Salomon Smith Barney Inc.
Exhibit 10(e)	Plan Option Certificate of Registrant, dated June 4, 1999 for Frank J. Borelli.
Exhibit 10(f)	Plan Option Certificate of Registrant, dated June 4, 1999 for Reginald K. Brack.
Exhibit 10(g)	Plan Option Certificate of Registrant, dated June 4, 1999 for Jill M. Considine.
Exhibit 10(h)	Plan Option Certificate of Registrant, dated June 4, 1999 for Leif H. Olsen.
Exhibit 10(i)	Plan Option Certificate of Registrant, dated June 4, 1999 for Allen Questrom.
Exhibit 10(j)	Plan Option Certificate of Registrant, dated June 4, 1999 for J. Phillip Samper.
Exhibit 11	Computation of Earnings Per Share.
Exhibit 27	Financial Data Schedule.

(b) REPORTS ON FORM 8-K

No reports on Form 8-K were filed during the quarter ended June 30, 1999.

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 thereunto duly authorized.

THE INTERPUBLIC GROUP OF COMPANIES, INC.
(Registrant)

Date: August 13, 1999

BY /S/ PHILIP H. GEIER, JR.
Philip H. Geier, Jr.
Chairman of the Board
President and Chief Executive Officer

Date: August 13, 1999

BY /S/ EUGENE P. BEARD
Eugene P. Beard
Vice Chairman -
Finance and Operations

Date: August 13, 1999

BY /S/ FREDERICK MOLZ
FREDERICK MOLZ
Chief Accounting Officer

INDEX TO EXHIBITS

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Exhibit 11	Computation of Earnings Per Share.
Exhibit 27	Financial Data Schedule.

Exhibit 3(i)

RESTATED CERTIFICATE OF INCORPORATION
OF
THE INTERPUBLIC GROUP OF COMPANIES, INC.
Under Section 245 of the Delaware General Corporation Law

We, PAUL FOLEY, President, and J. DONALD McNAMARA, Secretary of THE INTERPUBLIC GROUP OF COMPANIES, INC., a corporation existing under the laws of the State of Delaware, do hereby certify under the seal of the said corporation as follows:

FIRST: The name of the Corporation is THE INTERPUBLIC GROUP OF COMPANIES, INC. The name under which it was formed was "McCann-Erickson Incorporated".

SECOND: The Certificate of Incorporation of the Corporation was filed with the Secretary of State, Dover, Delaware, on the 18th day of September, 1930.

THIRD: The amendments and the restatement of the Certificate of Incorporation have been duly adopted in accordance with the provisions of Sections 242 and 245 of the General Corporation Law of the State of Delaware by an affirmative vote of the holders of a majority of all outstanding shares entitled to vote at a meeting of shareholders, and by an affirmative vote of the holders of a majority of all outstanding shares of each class entitled to vote separately as a class, and the capital of the Corporation will not be reduced under or by reason of said amendment.

FOURTH: The text of the Certificate of Incorporation of said The Interpublic Group of Companies, Inc., as amended, is hereby restated as further amended by this Certificate, to read in full, as follows:

ARTICLE 1. The name of this Corporation is THE INTERPUBLIC GROUP OF COMPANIES, INC.

ARTICLE 2. The registered office of the Corporation is located at 306 South State Street in the City of Dover, in the County of Kent, in the State of Delaware. The name of its registered agent at said address is the UNITED STATES CORPORATION COMPANY.

ARTICLE 3. The nature of the business of the Corporation and the objects or purposes to be transacted, promoted or carried on by it, are:

(a) To conduct a general advertising agency, public relations, sales promotion, product development, marketing counsel and market research business, to conduct research in and act as consultant and advisor in respect to all matters pertaining to advertising, marketing, merchandising and distribution of services, products and merchandise of every kind and description, and generally to transact all other business not forbidden by law, and to do every act and thing that may be necessary, proper, convenient or useful for the carrying on of such business.

(b) To render managerial, administrative and other services to persons, firms and corporations engaged in the advertising agency, public relations, sales promotion, product development, marketing counsel or market research business.

(c) To manufacture, buy, sell, create, produce, trade, distribute and otherwise deal in and with motion pictures, television films, slide films, video tapes, motion picture scenarios, stage plays, operas, dramas, ballets, musical comedies, books, animated cartoons, stories and news announcements, of every nature, kind and description.

(d) To undertake and transact all kinds of agency and brokerage business; to act as agent, broker, attorney in fact, consignee, factor, selling agent, purchasing agent, exporting or importing agent or otherwise for any individual or individuals, association, partnership or corporation; to conduct manufacturing operations of all kinds; to engage in the business of distributors, commission merchants, exporters

and importers; to transact a general mercantile business.

(e) To acquire, hold, use, sell, assign, lease, grant licenses in respect of, mortgage or otherwise dispose of letters patent of the United States or any foreign country, patent rights, licenses and privileges, inventions, improvements and processes, copyrights, trademarks and trade names, relating to or useful in connection with any business of the Corporation, its subsidiaries and affiliates, or its or their clients.

(f) To purchase, lease, hold, own, use, improve, sell, convey, mortgage, pledge, exchange, transfer and otherwise acquire or dispose of and deal in real property, buildings, structures, works and improvements wherever situated, and any interests therein, of every kind, class and description.

(g) To manufacture, purchase, own, use, operate, improve, maintain, lease, mortgage, pledge, sell or otherwise acquire or dispose of and deal in machinery, equipment, fixtures, materials, tools, supplies and other personal property used in or in connection with any business of the Corporation, either for cash or for credit or for property, stocks or bonds or other consideration as the Board of Directors may determine.

(h) To make loans to any person, partnership, company or corporation, with or without security.

(i) To acquire by purchase, subscription or otherwise, and to receive, hold, own, guarantee, sell, assign, exchange, transfer, mortgage, pledge or otherwise dispose of or deal in and with any of the shares of the capital stock, or any voting trust certificates in respect of the shares of capital stock, script, warrants, rights, bonds, debentures, notes, trust receipts, and other securities, obligations, choses in action and evidences of indebtedness, book accounts or any other security interest or any other kind of interest, secured or unsecured, issued or created by, or belonging to or standing in the name of, any corporation, joint stock company,

syndicate, association, firm, trust or person, public or private, or the government of the United States of America, or any foreign government, or any state, territory, province, municipality or other political subdivision or any governmental agency, and as owner thereof to possess and exercise all of the rights, powers and privileges of ownership, including the right to execute consents and vote thereon, and to do any and all acts and things necessary or advisable for the preservation, protection, improvement and enhancement in value thereof.

(j) To acquire, and pay for in cash, stock or bonds of the Corporation or otherwise, the goodwill, rights, assets and property, and to undertake or assume the whole or any part of the obligations or liabilities, of any person, firm, association or corporation.

(k) To cause to be formed, merged, consolidated or reorganized and to promote and aid in any way permitted by law the formation, merger, consolidation or reorganization of any corporation.

(l) To borrow or raise moneys for any of the purposes of the Corporation and, from time to time without limit as to amount, to draw, make, accept, endorse, execute and issue promissory notes, drafts, bills of exchange, warrants, bonds, debentures and other negotiable or non-negotiable instruments and evidences of indebtedness, and to secure the payment of any thereof and of the interest thereon by mortgage upon or pledge, conveyance or assignment in trust of the whole or any part of the property of the Corporation (including any security interests acquired by the Corporation to secure obligations owing to the Corporation), whether at the time owned or thereafter acquired, and to sell, pledge or otherwise dispose of such bonds or other obligations of the Corporation for its corporate purposes.

(m) To purchase, hold, sell and transfer the shares of its own capital stock; provided it shall not use its funds or property for the purchase of its own shares of capital stock when such use would cause any impairment of its capital except as otherwise permitted by law, and provided further that shares of its own capital stock belonging to it shall not be voted, directly and indirectly.

(n) To aid in any manner, any corporation, association, firm or individual, any of whose securities, evidences of indebtedness, obligations or stock are held by the Corporation directly or indirectly, or in which, or in the welfare of which, the Corporation shall have any interest, and to guarantee securities, evidences of indebtedness and obligations of other persons, firms, associations and corporations.

(o) To do any and all of the acts and things herein set forth, as principal, factor, agent, contractor, or otherwise, either alone or in company with others; and in general to carry on any other similar business which is incidental or conducive or convenient or proper to the attainment of the foregoing purposes or any of them, and which is not forbidden by law; and to exercise any and all powers

which now or hereafter may be lawful for the Corporation to exercise under the laws of the State of Delaware; to establish and maintain offices and agencies within and anywhere outside of the State of Delaware; and to exercise all or any of its corporate powers and rights in the State of Delaware and in any and all other States, territories, districts, colonies, possessions or dependencies of the United States of America and in any foreign countries.

The objects and purposes specified in the foregoing clauses shall be construed as both purposes and powers and shall, except where otherwise expressed, be in nowise limited or restricted by reference to, or inference from, the terms of any other clause in this Certificate of Incorporation, but shall be regarded as independent objects and purposes.

ARTICLE 4. The total number of shares of capital stock which the Corporation shall have authority to issue is Four Million (4,000,000) shares, all of which shall be Common Plan of the par value of Ten Cents ($.10) per share. Without action by the stockholders, such shares may be issued by the Corporation from time to time for such consideration as may be fixed by the Board of Directors, provided that such consideration shall be not less than par value. Any and all shares so issued, the full consideration for which has been paid or delivered shall be deemed fully paid stock and shall not be liable to any further call or assessment thereon, and the holders of such shares shall not be liable for any further payment thereon. No holder of shares shall be entitled as a matter of right, preemptive or otherwise, to subscribe for, purchase or receive any shares of the stock of the Corporation of any class, now or hereafter authorized, or any options or warrants for such stock or securities convertible into or exchangeable for such stock, or any shares held in the treasury of the Corporation.

ARTICLE 5. The Corporation is to have perpetual existence.

ARTICLE 6. The private property of the stockholders shall not be subject to the payment of corporate debts to any extent whatever.

ARTICLE 7. The number of directors which shall constitute the whole board shall be fixed from time to time by the stockholders or the Board of Directors, but in no case shall the number be less than three.

ARTICLE 8. In addition to the powers and authority expressly conferred upon them by statute and by this certificate, the directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation; subject, nevertheless, to the provisions of the statutes of Delaware, of this Certificate of Incorporation, and to the By-Laws of the Corporation.

ARTICLE 9. In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized:

(a) To make, alter, amend and rescind the By-Laws of this Corporation, without any action on the part of the stockholders except as may be otherwise provided in the By-Laws.

(b) To fix and vary from time to time the amount to be maintained as surplus, the amount to be reserved as working capital and the amount to be reserved for other lawful purposes.

(c) To fix the times for the declaration and payment of dividends and the amount thereof, subject to the provisions of Article 4 hereof.

(d) To borrow or raise moneys for any of the purposes of the Corporation, to authorize and cause to be executed mortgages and liens without limit as to amount on the real and personal property of this Corporation or any part thereof, and to authorize the guaranty by the Corporation of securities, evidences of indebtedness and obligations of other persons, firms, associations and corporations.

(e) To sell, lease, exchange assign, transfer, convey or otherwise dispose of part of the property, assets and effects of this Corporation, less than substantially the whole thereof, on such terms and conditions as it shall deem advisable, without the assent of the stockholders.

(f) Pursuant to the affirmative vote of the holders of a majority of the capital stock issued and outstanding and entitled to vote thereon, to sell, lease, exchange, assign, transfer and convey or otherwise dispose of the whole or substantially the whole of the property, assets, effects and goodwill, of this Corporation, including the corporate franchise, upon such terms and conditions as the Board of Directors shall deem expedient and for the best interests of this Corporation.

(g) To determine from time to time whether and to what extent and at what time and place and under what conditions and regulations the accounts and books of this Corporation, or any of them, shall be open to the inspection of the stockholders; and no stockholder shall have any right to inspect any account, book or document of this Corporation except as conferred by the laws of the State of Delaware or the By-Laws or as authorized by resolution of the stockholders or Board of Directors.

(h) To designate by resolution or resolutions one or more committees, such committees to consist of two or more directors each, which to the extent provided in said resolution or resolutions or in the By-Laws shall have and may exercise (except when the Board of Directors shall be in session) all or any of the powers of the Board of Directors in the management of the business and affairs of the Corporation, and have power to authorize the seal of this Corporation to be affixed to all papers which may require it.

Whether or not herein specifically enumerated, all powers of this Corporation, in so far as the same may be lawfully vested in the Board of Directors, are hereby conferred upon the Board of Directors. This Corporation may in its By-Laws confer powers upon its directors in addition to those granted by this certificate and in addition to the powers and authority expressly conferred upon them by statute.

ARTICLE 10. No contract or transaction between the Corporation and one or more of its directors or officers, or between the Corporation and any other corporation, partnership, association or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of

Directors or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose, if:

(a) The material facts as to his interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the board or committee in good faith authorizes the contract or transaction by a vote sufficient for such purpose without counting the vote of the interested director or directors; or

(b) The material facts as to his interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or

(c) The contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified by the Board of Directors, a committee thereof, or the stockholders.

Interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

ARTICLE 11. No person shall be liable to the Corporation for any loss or damage suffered by it on account of any action taken or omitted to be taken by him as a director or officer of the Corporation in good faith, if such person (a) exercised or used the same degree of diligence, care and skill as an ordinarily prudent man would have exercised or used under the circumstances in the conduct of his own affairs, or (b) took, or omitted to take, such action in reliance in good faith upon advice of counsel for the Corporation, or upon the books of account or other records of the Corporation, or upon reports made to the Corporation by any of its officers or by an independent certified public accountant or by an appraiser selected with reasonable care by the Board of Directors or by any committee designated by the Board of Directors.

ARTICLE 12. The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

IN WITNESS WHEREOF, we have signed this certificate and caused the corporate seal of the Corporation to be hereunto affixed this 6th day of May, 1974.

/s/ PAUL FOLEY
PAUL FOLEY
President

Attest:

/s/ J. DONALD McNAMARA
J. DONALD McNAMARA
Secretary

[Corporate Seal]

STATE OF NEW YORK }
}ss.:
COUNTY OF NEW YORK}

BE IT REMEMBERED that on this 6th day of May, 1974, personally came before me MONROE S. SINGER, a Notary Public in and for the County and State aforesaid, PAUL FOLEY, party to the foregoing certificate, known to me personally to be such, and duly acknowledged the said certificate to be his act and deed, and that the facts therein stated are true.

GIVEN under my hand and seal of office the day and year aforesaid.

/s/ MONROE S. SINGER
MONROE S. SINGER
Notary Public

MONROE S. SINGER
Notary Public, State of New York
No. 31-9023080
Qualified in New York County
Commission Expires March 30, 1979

[Notarial Seal]

CERTIFICATE OF AMENDMENT
OF
RESTATED CERTIFICATE OF INCORPORATION
OF
THE INTERPUBLIC GROUP OF COMPANIES, INC.
Under Section 242 of the Delaware General Corporation Law

We, PAUL FOLEY, President, and J. DONALD McNAMARA, Secretary of The Interpublic Group of Companies, Inc., a corporation existing under the laws of the State of Delaware, do hereby certify under the seal of the said Corporation as follows:

FIRST: The name of the Corporation is THE INTERPUBLIC GROUP OF COMPANIES, INC. The name under which it was formed was "McCann-Erickson Incorporated".

SECOND: The Certificate of Incorporation of the Corporation was filed with the Secretary of State, Dover, Delaware, on the 18th day of September, 1930. A Restated Certificate of Incorporation was filed with the Secretary of State, Dover, Delaware, on the 9th day of May, 1974.

THIRD: The amendment of the Restated Certificate of Incorporation has been duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware by an affirmative vote of the holders of a majority of all outstanding shares entitled to vote at a meeting of shareholders, and the capital of the Corporation will not be reduced under or by reason of said amendment.

FOURTH: The first sentence of Article 4 of the Restated Certificate of Incorporation is hereby amended by striking out the whole thereof as it now exists and inserting in lieu and stead thereof a new first sentence, reading in full as follows:

> ARTICLE 4. The total number of shares of capital stock which the Corporation shall have authority to issue is Eight Million (8,000,000) shares, all of which shall be Common Plan of the par value of Ten Cents ($.10) per share.

IN WITNESS WHEREOF, we have signed this Certificate and caused the corporate seal of the Corporation to be hereunto affixed this 12th day of May, 1976.

/s/ PAUL FOLEY
PAUL FOLEY
President

Attest:

/s/ J. DONALD McNAMARA
J. DONALD McNAMARA
Secretary
[Corporate Seal]

CERTIFICATE OF AMENDMENT
OF
RESTATED CERTIFICATE OF INCORPORATION
OF
THE INTERPUBLIC GROUP OF COMPANIES, INC.
Under Section 242 of the Delaware General Corporation Law

We, PHILIP H. GEIER, JR., Chairman of the Board, and EDWIN A. KIERNAN, Jr., Secretary, of The Interpublic Group of Companies, Inc., a corporation existing under the laws of the State of Delaware, do hereby certify under the seal of the said Corporation as follows:

FIRST: The name of the Corporation is THE INTERPUBLIC GROUP OF COMPANIES, INC. The name under which it was formed was "McCann-Erickson Incorporated".

SECOND: The Certificate of Incorporation of the Corporation was filed with the Secretary of State, Dover, Delaware, on the 18th day of September, 1930. A Restated Certificate of Incorporation was filed with the Secretary of State, Dover, Delaware, on the 9th day of May, 1974 which was subsequently amended by a Certificate of Amendment of the Restated Certificate of Incorporation filed with the Secretary of State, Dover, Delaware on the 13th day of May, 1976.

THIRD: The amendment of the Restated Certificate of Incorporation has been duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware by an affirmative vote of the holders of a majority of all outstanding shares entitled to vote at a meeting of shareholders, and the capital of the Corporation will not be reduced under or by reason of said amendment.

FOURTH: The first sentence of Article 4 of the Restated Certificate of Incorporation, as amended, is hereby further amended by striking out the whole thereof as it now exists and inserting in lieu and stead thereof a new first sentence, reading in full as follows:

> ARTICLE 4. The total number of shares of capital stock which the Corporation shall have authority to issue is Sixteen Million (16,000,000) shares, all of which shall be Common Plan of the par value of Ten Cents ($.10) per share.

IN WITNESS WHEREOF, we have signed this Certificate and caused the corporate seal of the Corporation to be hereunto affixed this 17th day of May, 1983.

/s/ PHILIP H. GEIER, JR.
PHILIP H. GEIER, JR.
Chairman of the Board

Attest:

/s/ EDWIN A. KIERNAN
EDWIN A. KIERNAN
Secretary
[Corporate Seal]

CERTIFICATE OF AMENDMENT
OF
RESTATED CERTIFICATE OF INCORPORATION
OF
THE INTERPUBLIC GROUP OF COMPANIES, INC.
Under Section 242 of the Delaware General Corporation Law

We, PHILIP H. GEIER, JR., Chairman of the Board and President, and EDWIN A. KIERNAN, Jr., Secretary, of The Interpublic Group of Companies, Inc., a corporation existing under the laws of the State of Delaware, do hereby certify under the seal of the said Corporation as follows:

FIRST: The name of the Corporation is THE INTERPUBLIC GROUP OF COMPANIES, INC. The name under which it was formed was "McCann-Erickson Incorporated".

SECOND: The Certificate of Incorporation of the Corporation was filed with the Secretary of State, Dover, Delaware, on the 18th day of September, 1930. A Restated Certificate of Incorporation was filed with the Secretary of State, Dover, Delaware, on the 9th day of May, 1974 which was subsequently amended by Certificates of Amendment of the Restated Certificate of Incorporation filed with the Secretary of State, Dover, Delaware on the 13th day of May, 1976 and on the 17th day of May, 1983, respectively.

THIRD: The amendment of the Restated Certificate of Incorporation has been duly adopted in accordance with the provisions of Sections 242 of the General Corporation Law of the State of Delaware by an affirmative vote of the holders of a majority of all outstanding shares entitled to vote at a meeting of shareholders, and the capital of the Corporation will not be reduced under or by reason of said amendment.

FOURTH: The first sentence of Article 4 of the Restated Certificate of Incorporation, as amended, is hereby further amended by striking out the whole thereof as it now exists and inserting in lieu and stead thereof a new first sentence, reading in full as follows:

> ARTICLE 4. The total number of shares of capital stock which the Corporation shall have authority to issue is Fifty Million (50,000,000) shares, all of which shall be Common Plan of the par value of Ten Cents ($.10) per share.

IN WITNESS WHEREOF, we have signed this Certificate and caused the corporate seal of the Corporation to be hereunto affixed this 20th day of May, 1986.

/s/ PHILIP H. GEIER, JR.
PHILIP H. GEIER, JR.
Chairman of the Board and
President

Attest:

/s/ EDWIN A. KIERNAN
EDWIN A. KIERNAN
Secretary
[Corporate Seal]

CERTIFICATE OF AMENDMENT
OF
RESTATED CERTIFICATE OF INCORPORATION
OF
THE INTERPUBLIC GROUP OF COMPANIES, INC.
Under Section 242 of the Delaware General Corporation Law

We, EUGENE P. BEARD, Executive Vice President, and EDWIN A. KIERNAN, JR., Secretary, of The Interpublic Group of Companies, Inc., a corporation existing under the laws of the State of Delaware, do hereby certify under the seal of the said Corporation as follows:

FIRST: The name of the Corporation is THE INTERPUBLIC GROUP OF COMPANIES, INC. The name under which it was formed was "McCann-Erickson Incorporated".

SECOND: The Certificate of Incorporation of the Corporation was filed with the Secretary of State, Dover, Delaware, on the 18th day of September, 1930. A Restated Certificate of Incorporation was filed with the Secretary of State, Dover, Delaware, on the 9th day of May, 1974 which was subsequently amended by Certificates of Amendment of the Restated Certificate of Incorporation filed with the Secretary of State, Dover, Delaware on the 13th day of May, 1976, on the 17th day of May, 1983 and on the 20th day of May, 1986, respectively.

THIRD: This amendment of the Restated Certificate of Incorporation has been duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware by an affirmative vote of the holders of a majority of all outstanding shares entitled to vote at a meeting of shareholders, and the capital of the Corporation will not be reduced under or by reason of said amendment.

FOURTH: Article 4 of the Restated Certificate of Incorporation, as amended, is hereby further amended by striking out the whole thereof as it now exists and inserting in lieu and stead thereof a new Article 4, reading in full as follows:

ARTICLE 4: (a) The total number of shares of all classes of stock which the Company shall have the authority to issue is ninety-five million (95,000,000) shares consisting of seventy-five million (75,000,000) shares of Common Plan, par value Ten Cents ($.10) per share, and twenty million (20,000,000) shares of Preferred Plan, without par value.

(b) The shares of authorized Common Plan shall be identical in all respects and have equal rights and privileges. Without action by the stockholders, such shares of Common Plan may be issued by the Company from time to time for such consideration as may be fixed by the Board of Directors, provided that such consideration shall not be less than par value. Any and all shares so issued, the full consideration for which has been paid or delivered shall be deemed fully paid stock and shall not be liable to any further call or assessment thereon, and the holders of such shares shall not be liable for any further payment thereon. No holder of shares of Common Plan shall be entitled as a matter of right, preemptive or otherwise, to subscribe for, purchase or receive any shares of the stock of the Company of any class,

now or hereafter authorized, or any options or warrants for such stock or securities convertible into or exchangeable for such stock, or any shares held in the treasury of the Company.

(c) The Board of Directors shall have the authority to issue the shares of Preferred Plan from time to time on such terms and conditions as it may determine, and to divide the Preferred Plan into one or more classes or series and in connection with the creation of any such class or series to fix by the resolution or resolutions providing for the issue of shares thereof the designations, powers, preferences and relative, participating, optional, or other special rights of such class or series, and the qualifications, limitations, or restrictions thereof, to the full extent now or hereafter permitted by law. The number of authorized shares of Preferred Plan may be increased or decreased (but not below the number then outstanding) by the affirmative vote of the holders of a majority of the Common Plan, without a vote of the holders of the Preferred Plan, unless a vote of any such holders is required pursuant to the certificate or certificates establishing the series of Preferred Plan.

FIFTH: The existing Article 12 of the Restated Certificate of Incorporation is hereby renumbered as Article 13.

SIXTH: The Restated Certificate of Incorporation, as amended, is hereby further amended by inserting a new Article 12, reading in full as follows:

Article 12. A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived any improper personal benefit. If the Delaware General Corporation Law is amended after approval by the stockholders of this Article to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law, as so amended. Any repeal or modification of this Article 12 by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

IN WITNESS WHEREOF, we have signed this Certificate and caused the corporate seal of the Corporation to be hereunto affixed this 19th day of May, 1988.

/s/ EUGENE P. BEARD
EUGENE P. BEARD
Executive Vice President

Attest:

/s/ EDWIN A. KIERNAN
EDWIN A. KIERNAN
Secretary

CERTIFICATE OF AMENDMENT
OF
RESTATED CERTIFICATE OF INCORPORATION
OF
THE INTERPUBLIC GROUP OF COMPANIES, INC.
Under Section 242 of the Delaware General Corporation Law

We, PHILIP H. GEIER, JR., Chairman of the Board and President, and CHRISTOPHER RUDGE, Secretary, of The Interpublic Group of Companies, Inc., a corporation existing under the laws of the State of Delaware, do hereby certify under the seal of the said Corporation as follows:

FIRST: The name of the Corporation is THE INTERPUBLIC GROUP OF COMPANIES, INC. The name under which it was formed was "McCann-Erickson Incorporated".

SECOND: The Certificate of Incorporation of the Corporation was filed with the Secretary of State, Dover, Delaware, on the 18th day of September, 1930. A Restated Certificate of Incorporation was filed with the Secretary of State, Dover, Delaware, on the 9th day of May, 1974 and was subsequently amended by Certificates of Amendment of the Restated Certificate of Incorporation filed with the Secretary of State, Dover, Delaware on the 13th day of May, 1976, the 17th day of May, 1983, the 20th of May, 1986, and the 25th of May, 1988, respectively.

THIRD: This amendment of the Restated Certificate of Incorporation has been duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware by an affirmative vote of the holders of a majority of all outstanding shares entitled to vote at a meeting of shareholders, and the capital of the Corporation will not be reduced under or by reason of said amendment.

FOURTH: Article 4(a) of the Restated Certificate of Incorporation, as amended, is hereby further amended by striking out the whole thereof as it now exists and inserting in lieu and stead thereof a new Article 4(a), reading in full as follows:

> ARTICLE 4(a) The total number of shares of all classes of stock which the Corporation shall have the authority to issue is one hundred twenty million (120,000,000) shares, consisting of one hundred million (100,000,000) shares of Common Plan, par value Ten Cents ($.10) per share, and twenty million (20,000,000) shares of Preferred Plan, without par value.

IN WITNESS WHEREOF, we have signed this Certificate and caused the corporate seal of the Corporation to be hereunto affixed this 19th day of May, 1992.

[Corporate Seal]

/s/ PHILIP H. GEIER, JR.
PHILIP H. GEIER, JR.
Chairman of the Board and
President

Attest:

/s/ CHRISTOPHER RUDGE
CHRISTOPHER RUDGE
Secretary

CERTIFICATE OF AMENDMENT
OF
RESTATED CERTIFICATE OF INCORPORATION
OF
THE INTERPUBLIC GROUP OF COMPANIES, INC.

Under Section 242 of the Delaware General Corporation Law

I, Christopher Rudge, Senior Vice President and Secretary of The Interpublic Group of Companies, Inc., a corporation existing under the laws of the State of Delaware, do hereby certify as follows:

FIRST: The name of the Corporation is THE INTERPUBLIC GROUP OF COMPANIES, INC. The name under which it was formed was "McCann-Erickson Incorporated".

SECOND: The Certificate of Incorporation of the Corporation was filed with the Secretary of State, Dover, Delaware, on the 18th day of September, 1930. A Restated Certificate of Incorporation was filed with the Secretary of State, Dover, Delaware, on the 9th day of May, 1974 and was subsequently amended by Certificates of Amendment of the Restated Certificate of Incorporation filed with the Secretary of State, Dover, Delaware, on the 13th day of May, 1976, the 17th day of May, 1983, the 20th of May, 1986, the 25th of May, 1988 and the 19th of May, 1992, respectively.

THIRD: This amendment of the Restated Certificate of Incorporation has been duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware by an affirmative vote of the holders of a majority of all outstanding shares entitled to vote at a meeting of shareholders, and the capital of the Corporation will not be reduced under or by reason of said amendment.

FOURTH: Article 4(a) of the Restated Certificate of Incorporation, as amended, is hereby further amended by striking out the whole thereof as it now exists and inserting in lieu and stead thereof a new Article 4(a), reading in full as follows:

Article 4(a): The total number of shares of all classes of stock which the Corporation shall have the authority to issue is one hundred seventy million (170,000,000) shares, consisting of one hundred fifty million (150,000,000) shares of Common Plan, par value Ten Cents ($.10) per share, and twenty million (20,000,000) shares of Preferred Plan, without par value.

IN WITNESS WHEREOF, I have signed this Certificate this 2nd day of June, 1995.

/s/ CHRISTOPHER RUDGE
CHRISTOPHER RUDGE
Senior Vice President and
Secretary

CERTIFICATE OF AMENDMENT
OF
RESTATED CERTIFICATE OF INCORPORATION
OF
THE INTERPUBLIC GROUP OF COMPANIES, INC.
Under Section 242 of the Delaware General Corporation Law

I, Nicholas J. Camera, Vice President and Secretary of The Interpublic Group of Companies, Inc., a corporation existing under the laws of the State of Delaware, do hereby certify as follows:

FIRST: The name of the Corporation is The Interpublic Group of Companies, Inc. The name under which it was formed was "McCann-Erickson Incorporated."

SECOND: The Certificate of Incorporation of the Corporation was filed with the Secretary of State, Dover, Delaware, on the 18th day of September, 1930. A Restated Certificate of Incorporation was filed with the Secretary of State, Dover, Delaware, on the 9th day of May, 1974 and was subsequently amended by Certificates of Amendment of the Restated Certificate of Incorporation filed with the Secretary of State, Dover, Delaware, on the 13th day of May, 1976, the 17th day of May, 1983, the 20th day of May, 1986, the 25th day of May, 1988, the 19th day of May, 1992 and the 6th day of June, 1995, respectively.

THIRD: This amendment of the Restated Certificate of Incorporation has been duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware by an affirmative vote of the holders of a majority of all outstanding shares entitled to vote at a meeting of shareholders, and the capital of the Corporation will not be reduced under or by reason of said amendment.

FOURTH: Article 4(a) of the Restated Certificate of Incorporation, as amended, is hereby further amended by striking out the whole thereof as it now exists and inserting in lieu and stead thereof a new Article 4(a), reading in full as follows:

Article 4(a): The total number of shares of all classes of stock which the Corporation shall have the authority to issue is two hundred forty-five million (245,000,000) shares, consisting of two hundred twenty-five million (225,000,000) shares of Common Plan, par value Ten Cents ($.10) per share, and twenty million (20,000,000) shares of Preferred Plan, without par value.

IN WITNESS WHEREOF, I have signed this Certificate this 5th day of June, 1997.

/S/ Nicholas J. Camera

NICHOLAS J. CAMERA
Vice President and Secretary

CERTIFICATE OF AMENDMENT

OF

RESTATED CERTIFICATE OF INCORPORATION

OF

THE INTERPUBLIC GROUP OF COMPANIES, INC.

Under Section 242 of the Delaware General Corporation Law

I, Nicholas J. Camera, Vice President and Secretary of The Interpublic Group of Companies, Inc., a corporation existing under the laws of the State of Delaware, do hereby certify as follows:

FIRST: The name of the Corporation is The Interpublic Group of Companies, Inc. The name under which it was formed was "McCann-Erickson Incorporated."

SECOND: The Certificate of Incorporation of the Corporation was filed with the Secretary of State, Dover, Delaware, on the 18th day of September, 1930. A Restated Certificate of Incorporation was filed with the Secretary of State, Dover, Delaware, on the 9th day of May, 1974 and was subsequently amended by Certificates of Amendment of the Restated Certificate of Incorporation filed with the Secretary of State, Dover, Delaware, on the 13th day of May, 1976, the 17th day of May, 1983, the 20th day of May, 1986, the 25th day of May, 1988, the 19th day of May, 1992, the 6th day of June, 1995 and the 5th day of June, 1997 respectively.

THIRD: This amendment of the Restated Certificate of Incorporation has been duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware by an affirmative vote of the holders of a majority of all outstanding shares entitled to vote at a meeting of shareholders, and the capital of the Corporation will not be reduced under or by reason of said amendment.

FOURTH: Article 4(a) of the Restated Certificate of Incorporation, as amended, is hereby further amended by striking out the whole thereof as it now exists and inserting in lieu and stead thereof a new Article 4(a), reading in full as follows:

Article 4(a): The total number of shares of all classes of stock which the Corporation shall have the authority to issue is five hundred seventy million (570,000,000) shares, consisting of five hundred fifty million (550,000,000) shares of Common Plan, par value Ten Cents ($.10) per share, and twenty million (20,000,000) shares of Preferred Plan, without par value.

IN WITNESS WHEREOF, I have signed this Certificate this 7th day of June, 1999.

/S/ Nicholas J. Camera

Nicholas J. Camera
Vice President and Secretary

CREDIT AGREEMENT

BETWEEN

INTERPUBLIC GROUP OF COMPANIES, INC.

AND

HSBC BANK USA

US$25,000,000

Dated as of May 1, 1999

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CREDIT AGREEMENT

AGREEMENT dated as of May 1, 1999 between THE INTERPUBLIC GROUP OF COMPANIES, INC., a Delaware corporation (the "Borrower"), and HSBC BANK USA, a banking institution organized under the laws of New York State (the "Bank").

SECTION 1
INTERPRETATIONS AND DEFINITIONS

1.1 Definitions. The following terms, as used herein, shall have the following respective meanings:

"Adjusted CD Rate" has the meaning set forth in Section 2.5(b) hereof.

"Adjusted London Interbank Offered Rate" has the meaning set forth in Section 2.5(C) hereof.

"Applicable Lending Office" means, with respect to the Bank, (i) in the case of Domestic Loans, its Domestic Lending Office and (ii) in the case of Eurodollar Loans, its EuroDollar Lending Office.

"Assessment Rate" has the meaning set forth in Section 2.5(b) hereof.

"Base Rate" means, for any day, a rate per annum equal to the higher of (i) the rate of interest announced publicly by the Bank in New York, New York, from time to time, as the Bank's prime rate and (ii) the Federal Funds Rate for such day plus 1%.

"Base Rate Loan" means a Loan which the Borrower specifies pursuant to Section 2.2 hereof shall be a Base Rate Loan.

"Benefit Arrangement" means, at any time, an employee benefit plan within the meaning of Section 3(3) of ERISA which is not a Plan or a Multiemployer Plan and which is maintained or otherwise contributed to by any member of the ERISA Group.

"Cash Flow" means the sum of net income of the Borrower and its Consolidated Subsidiaries (plus any amount by which net income has been reduced by reason of the recognition of post-retirement and post-employment benefit costs prior to the period in which such benefits are paid), depreciation expenses, amortization costs and changes in deferred taxes, provided that such sum shall not be adjusted for any increase or decrease in deferred taxes resulting from Quest & Associates, Inc., a Subsidiary of the Borrower, investing in a portfolio of computer equipment leases (it being further understood that such increase or decrease in deferred taxes relating to such investment shall not exceed $25,000,000).

"CD Base Rate" has the meaning set forth in Section 2.5(b) hereof.

"CD Loan" means a Loan which the Borrower specifies pursuant to Section 2.2 hereof shall be a CD Loan.

"CD Margin" has the meaning set forth in Section 2.5(b) hereof.

"Code" means the Internal Revenue Code of 1986, as amended, and any successor statute thereto.

"Commitment" means the obligation of the Bank to lend the amount set forth in Section 2.1 hereof, as such amount may be reduced from time to time pursuant to Section 2.7 hereof.

"Consolidated Subsidiary" means at any date any Subsidiary or other entity the accounts of which would be consolidated with those of the Borrower in its consolidated financial statements as of such date.

"Consolidated Net Worth" means at any date the consolidated stockholders' equity of the Borrower and its Consolidated Subsidiaries as such appear on the financial statements of the Borrower determined in accordance with generally accepted accounting principles (plus any amount by which retained earnings has been reduced by reason of the recognition of post-retirement and post-employment benefit costs prior to the period in which such benefits are paid and without taking into account the effect of cumulative currency translation adjustments).

"Debt" of any Person means at any date, without duplication, (i) all obligations of such Person for borrowed money, including reimbursement obligations for letters of credit, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (iv) all obligations of such Person as lessee under capital leases, (v) all Debt of others secured by a Lien on any asset of such Person, whether or not such Debt is assumed by such Person, and (vi) all Debt of others Guaranteed by such Person, but in each case specified in (i) through (vi) excludes obligations arising in connection with securities repurchase transactions.

"Default" means any condition or event which constitutes an Event of Default or which with the giving of notice or lapse of time, or both, would become an Event of Default.

"Dollars" and the sign "$" mean lawful money of the United States of America.

"Domestic Business Day" means any day except a Saturday, Sunday or other day on which commercial banks in New York, New York are authorized by law to close.

"Domestic Lending Office" means the principal office of the Bank located at 140 Broadway, New York, New York, 10005, or such other branch (or affiliate) located within the United States as the Bank may hereafter designate as its Domestic Lending Office.

"Domestic Loans" means CD Loans or Base Rate Loans or both.

"Domestic Reserve Percentage" has the meaning set forth in Section 2.5(b) hereof.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Group" means the Borrower and all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the Borrower, are treated as a single employer under Section 414(b) or (c) of the Code.

"Eurodollar Business Day" means any Domestic Business Day on which commercial Banks in London are open for international business (including dealings in Dollar deposits).

"Eurodollar Lending Office" means the office of the Bank located at 140 Broadway, New York, New York, 10005, or such other branch (or affiliate) of the Bank as it may hereafter designate as its Eurodollar Lending Office.

"Eurodollar Loan" means a Loan which the Borrower specifies pursuant to Section 2.2 hereof shall be a Eurodollar Loan.

"Eurodollar Margin" has the meaning set forth in Section 2.5(C) hereof.

"Eurodollar Reserve Percentage" has the meaning set forth in Section 2.5(C) hereof.

"Event of Default" has the meaning set forth in Section 7 hereof.

"Federal Funds Rate" means, for any day, the rate per annum (rounded upwards, if necessary, to the nearest l/100th of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Domestic Business Day next succeeding such day, provided that (i) if such day is not a Domestic Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Domestic Business Day as so published on the next succeeding Domestic Business Day, and (ii) if no such rate is so published on such next succeeding Domestic Business Day, the Federal Funds Rate for such day shall be the average rate quoted to the Bank on such day on such transactions as determined by the Bank in a reasonable manner.

"Fixed CD Rate" has the meaning set forth in Section 2.5(b) hereof.

"Fixed Rate Loans" means CD Loans, Eurodollar Loans or Money Market Rate Loans.

"Guarantee" by any Person means any obligation, contingent or otherwise, of such Person directly or indirectly guaranteeing any Debt or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation (whether arising by virtue of partnership arrangements, by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, to maintain financial statement conditions or otherwise) or (ii) entered into for the purpose of assuring in any other manner the obligee of such Debt or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part), provided that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"Interest Period" means: (1) with respect to each CD Loan, at the Borrower's option, the period commencing on the date of such Loan and ending 30, 60, 90 or 180 days thereafter, (2) with respect to each Eurodollar Loan, at the Borrower's option, the period commencing on the date of such Loan and ending one, two, three or six months

thereafter and (3) with respect to each Base Rate Loan the period commencing on the date of such Loan and ending 30 days thereafter provided, that:

(a) any Interest Period which would otherwise end on a day which is not a Eurodollar Business Day shall be extended to the next succeeding Eurodollar Business Day unless with respect to a Eurodollar Loan such Eurodollar Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding EuroDollar Business Day;

(b) with respect to a Eurodollar Loan, any Interest Period which begins on the last Eurodollar Business Day of the calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall, subject to clause (c) below, end on the last Eurodollar Business Day of a calendar month; and

(c) any Interest Period which would otherwise end after the Termination Date shall end on the Termination Date;

provided further, however, that if any such Interest Period shall be less than 30 days, the Loan for such Interest Period shall be a Base Rate Loan.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or other encumbrance of any kind in respect of such asset. For purposes of this Agreement, the Borrower or any Subsidiary shall be deemed to own subject to a Lien any asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

"Loan" and "Loans" means a Domestic Loan, a Eurodollar Loan, or a Money Market Rate Loan, as the context may require.

"London Interbank Offered Rate" has the meaning set forth in Section 2.5(C) hereof.

"Material Plan" means at any time a Plan or Plans having aggregate unfunded benefit liabilities (within the meaning of Section 4001(a)(18) of ERISA) in excess of $25,000,000.

"Money Market Rate Loan" means a Loan made by the Bank to the Borrower pursuant to Section 2.5(D) hereof.

"Multiemployer Plan" means at any time an employee pension benefit plan that is a "multiemployer plan" within the meaning of Section 4001(a)(3) of ERISA to which any member of the ERISA Group is then making or accruing an obligation to make contributions or has within the preceding five plan years made contributions, including for these purposes any Person which ceased to be a member of the ERISA Group during such five year period.

"Note or Notes" means the promissory note of the Borrower, substantially in the form of Exhibits A and B hereto evidencing the obligation of the Borrower to repay the Loans.

"PBGC" means the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"Participant" has the meaning set forth in Section 8.3.

"Person" means an individual, a corporation, a partnership, an association, a business trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Plan" means at any time a defined benefit pension plan (other than a Multiemployer Plan) which is covered by Title IV of ERISA or subject to the minimum funding standards-under Section 412 of the Code and either (i) is maintained, or contributed to, by any member of the ERISA Group for employees of any member of the ERISA Group or (ii) has at any time within the preceding five years been maintained, or contributed to, by any Person which was at such time a member of the ERISA Group for employees of any Person which was at such time a member of the ERISA Group.

"Regulation U" means Regulation U of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"Significant Subsidiary" or "Significant Group of Subsidiaries" at any time of determination means any Consolidated Subsidiary or group of Consolidated Subsidiaries, respectively, which, individually or in the aggregate, together with its or their Subsidiaries, accounts or account for more than 10% of the consolidated gross revenues of the Borrower and its Consolidated Subsidiaries for the most recently ended fiscal year or for more than 10% of the total assets of the Borrower and its Consolidated Subsidiaries as of the end of such fiscal year; provided that in connection with any determination with respect to a Significant Group of Subsidiaries under (x) Section 7(e), there shall be a payment default, failure or other event (of the type described therein but without regard to the principal amount of such obligation) of each Consolidated Subsidiary included in such group, (y) Sections 7(f) and (g) and the last sentence of Section 6.10, the condition or event described therein shall exist with respect to each Consolidated Subsidiary included in such group or (z) Section 7(i), there shall be a final judgment (of the type specified therein but without regard to the amount of such judgment) rendered against each Consolidated Subsidiary included in such group.

"Subsidiary" means any corporation or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions is at the time directly or indirectly owned by the Borrower.

"Termination Date" means April 30, 2002 or such later date to which the Commitment is extended in accordance with Section 2.13 hereof.

"Total Borrowed Funds" means at any date, without duplication, (i) all outstanding obligations of the Borrower and its Consolidated Subsidiaries for borrowed money, (ii) all outstanding obligations of the Borrower and its Consolidated Subsidiaries evidenced by bonds, debentures, notes or similar instruments and (iii) any outstanding obligations of the type set forth in (i) or (ii) of any other Person Guaranteed by the Borrower and its Consolidated Subsidiaries, it being understood that the obligation to repurchase securities transferred pursuant to a securities repurchase agreement shall not be deemed to give rise to any amount of Total Borrowed Funds pursuant to this definition.

1.2 Accounting Terms and Determinations. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to

be delivered hereunder shall be prepared in accordance with generally accepted accounting principles as in effect from time to time, applied on a basis consistent (except for changes concurred in by the Borrower's independent public accountants) with the most recent audited consolidated financial statements of the Borrower and its Consolidated Subsidiaries delivered to the Bank.

SECTION 2
THE LOANS

2.1 Commitment. At any time prior to the Termination Date the Bank agrees, on the terms and conditions set forth in this Agreement, to lend to the Borrower from time to time amounts not exceeding in the aggregate at any one time outstanding the principal amount of $25,000,000 (the "Commitment"). Each Loan under this Section 2.1 shall be in the principal amount of $1,000,000 (except that any such Loan may be in the amount of the unused Commitment) or any larger multiple thereof. During such period and within the foregoing limits, the Borrower may borrow under this Section 2.1, repay or to the extent permitted by Section 2.9 hereof prepay Loans and reborrow under this Section 2.1.

2.2 Method of Borrowing.

(a) With respect to each Loan made pursuant to Section 2.1 hereof, the Borrower shall give the Bank notice prior to 11:00 a.m. on the drawdown date in the case of a Base Rate Loan, at least one Domestic Business Day's notice in the case of a CD Loan, or at least three Eurodollar Business Days' notice in the case of a Eurodollar Loan, specifying:

(i) the date of such Loan, which shall be a Domestic Business Day in the case of a Domestic Loan and a EuroDollar Business Day in the case of a Eurodollar Loan;

(ii) the principal amount of such Loan;

(iii) whether the Loan is to be a Base Rate Loan, a CD Loan or a Eurodollar Loan; and

(iv) in the case of a Fixed Rate Loan, the duration of the Interest Period applicable thereto, subject to the definition of Interest Period.

(b) On the date of each Loan the Bank will make the proceeds thereof available to the Borrower at the Domestic Lending Office.

(c) If the Bank makes a new Loan hereunder on a day which the Borrower is to repay all or any part of an outstanding Loan, the Bank shall apply the proceeds of its new Loan to make such repayment and only an amount equal to the difference (if any) between the amount being borrowed and the amount being repaid shall be made available by the Bank to the Borrower as provided in subsection (b) of this

Section or remitted by the Borrower to the Bank as provided in Section 2.10 hereof, as the case may be.

2.3 The Note.

(a) The Loans shall be evidenced by a single Note payable to the order of the Bank for the account of its Applicable Lending Office in an amount equal to the aggregate unpaid principal amount of the Loans. The Money Market Rate Loans shall be evidenced by the Money Market Rate Note, a form of which is attached hereto as Exhibit B.

(b) The Bank shall record and prior to any transfer, if permitted, of its Note, shall endorse on the schedule forming a part thereof appropriate notations evidencing the date, the type, the amount and the maturity of each Loan to be evidenced by the Note and the date and amount of each payment of principal made by the Borrower with respect thereto; provided that the failure of the Bank to make any such recordation or endorsement shall not affect the obligations of the Borrower hereunder or under the Note and, further provided, the Bank shall make such additions and deletions as the Borrower may request in order to correct any mistakes. The Bank is hereby irrevocably authorized by the Borrower so to endorse the Note and to attach to and make a part of the Note a continuation of any such schedule as and when required.

2.4 Maturity of Loans. Each Loan shall mature, and the principal amount thereof shall be due and payable, on the last day of the Interest Period applicable to such Loan. Each Money Market Rate Loan shall mature at such time as may be agreed to by the Bank and the Borrower.

2.5 Interest Rates.

(a) Each Base Rate Loan shall bear interest on the outstanding principal amount thereof, for each day from the date such Loan is made until it becomes due, at a rate per annum equal to the Base Rate. Such interest shall be payable for each Interest Period on the last day thereof. Any overdue principal of and, to the extent permitted by law, overdue interest on the Base Rate Loans shall bear interest during such overdue period for each day until paid at a rate per annum equal to the sum of 1% plus the otherwise applicable rate for such day, payable on demand of the Bank.

(b) Each CD Loan shall bear interest on the outstanding principal amount thereof, for each Interest Period applicable thereto, at a rate per annum equal to the applicable Fixed CD Rate; provided that if any CD Loan or any portion thereof shall, as a result of clause (c) of the definition of Interest Period, have an Interest Period of less than 30 days, such portion shall bear interest during such Interest Period at the rate applicable to Base Rate Loans during such Period. Such interest shall be payable for each Interest Period on the last day thereof and, if such Interest Period is longer than 90 days, at intervals of 90 days after the first day thereof. Any overdue principal of and, to the extent permitted by law, overdue interest on the CD Loans shall bear interest during such overdue period for each day until paid at a rate per annum equal to the sum of 1% plus the higher of (i) the Fixed CD Rate applicable to such Loan and (ii) the rate applicable to Base Rate Loans for such day, payable on demand of the Bank.

The "Fixed CD Rate" applicable to any CD Loan for any Interest Period means a rate per annum equal to the sum of the CD Margin plus the applicable Adjusted CD Rate.

The "CD Margin" means (i) .4250%, if at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .40 to 1 and the Borrower's ratio to Cash Flow to Total Borrowed Funds was equal to or greater than .50 to 1; or (ii) .5250%, if (a) the conditions of clause (i) have not been satisfied and (b) at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .70 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .35 to 1; or (iii) .6250%, if the conditions set forth in both clauses (i) and (ii) are not satisfied.

The "Adjusted CD Rate" applicable to any Interest Period means a rate per annum determined pursuant to the following formula:

$$ACDR = \left(\frac{CDBR}{1 - DRP}\right) + AR$$

ACDR = Adjusted CD Rate for such Interest Period
CDBR = CD Base Rate for such Interest Period
AR = Assessment Rate
DRP = Domestic Reserve Percentage

The "CD Base Rate" means for any Interest Period the prevailing per annum rate of interest as reasonably determined by the Bank (rounded upward, if necessary, to the next higher 1/100 of 1%) bid at 11:00 a.m. (New York time) (or as soon thereafter as practicable) on the first day of such Interest Period by two or more certificate of deposit dealers of recognized standing selected by the Bank for the purchase at face value of US dollar certificates of deposit issued by major New York banks in an amount comparable to the principal amount of the CD Loan to which such Interest Period applies and with a maturity comparable to such Interest Period.

The "Domestic Reserve Percentage" means for any day, that percentage (expressed as a decimal) which is in effect on such day, as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any basic, supplemental or emergency reserves) for a member bank of the Federal Reserve System with deposits exceeding five billion Dollars in respect of new non-personal time deposits in Dollars having a maturity comparable to the related Interest Period and in an amount of $100,000 or more. The Fixed CD Rate shall be adjusted automatically on and as of the effective date of any change in the Domestic Reserve Percentage.

"Assessment Rate" means for any Interest Period the net annual assessment rate (rounded upwards, if necessary, to the next higher 1/100 of 1%) actually incurred by the Bank to the Federal Deposit Insurance Corporation (or any successor) for such Corporation's (or such successor's) insuring time deposits at offices of the Bank in the United States during the most recent period for which such rate has been determined prior to the commencement of such Interest Period.

(c) Each Eurodollar Loan shall bear interest on the unpaid principal amount thereof, for the Interest Period applicable thereto, at a rate per annum equal to the sum of the Eurodollar Margin plus the applicable Adjusted London Interbank Offered Rate. Such interest shall be payable for each Interest Period on the last day thereof and, if such Interest Period is longer than three months, at intervals of three months after the first day thereof. Any overdue principal of and, to the extent permitted by law, overdue interest on the Eurodollar Loans shall bear interest for each day until paid at a rate per annum equal to the sum of 1% plus the higher of (i) the rate of interest applicable to such Loan and (ii) the rate applicable to Base Rate Loans for such day, payable on demand of the Bank.

The "Adjusted London Interbank Offered Rate" applicable to any Interest Period means a rate per annum equal to the quotient obtained (rounded upwards, if necessary, to the next higher 1/100 of 1%) by dividing (i) the applicable London Interbank Offered Rate by (ii) 1.00 minus the Eurodollar Reserve Percentage.

The "London Interbank Offered Rate" applicable to any Interest Period means the rate per annum at which deposits in Dollars are offered to the Bank in the London interbank market at approximately

11:00 a.m. (London time) two Eurodollar Business Days prior to the first day of such Interest Period in an amount approximately equal to the principal amount of the Eurodollar Loan to which such Interest Period is to apply and for a period of time comparable to such Interest Period.

The "Eurodollar Reserve Percentage" means for any day that percentage (expressed as a decimal) which is in effect on such day, as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement for a member bank of the Federal Reserve System with deposits exceeding five billion dollars in respect of "Eurocurrency liabilities" (or in respect of any other category of liabilities which includes deposits by reference to which the interest rate on Eurodollar Loans is determined or any category of extensions of credit or other assets which includes loans by a non-United States office of the Bank to United States residents). The Adjusted London Interbank Offered Rate shall be adjusted automatically on and as of the effective date of any change in the Eurodollar Reserve Percentage.

The "Eurodollar Margin" means (i) .30%, if at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .40 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .50 to 1; or (ii) .40%, if (a) the conditions of clause (i) have not been satisfied and (b) at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .70 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .35 to 1; or (iii) .50%, if the conditions set forth in both clauses (i) and (ii) are not satisfied.

(d) Each Money Market Rate Loan shall be made by the Bank to the Borrower upon such terms and conditions and in such amounts as may be agreed upon from time to time by the Bank and the Borrower. Each Money Market Rate Loan shall be evidenced by a Note in the form of Exhibit B hereto.

2.6 Fees. The Borrower shall pay to the Bank a commitment fee computed on the unused portion of the Commitment. The per annum commitment fee shall be on any date from and after the date hereof (i) .125% of the unused portion of the Commitment, if at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .40 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .50 to 1; or (ii) .15% of the unused portion of the Commitment, if (a) the conditions of clause (i) have not been satisfied and (b) at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .70 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .35 to 1; or (iii) .180% of the unused portion of the Commitment, if the conditions set forth in clauses (i) and (ii) are not satisfied. Such fees shall accrue from the date hereof to and including the Termination Date and shall be payable quarterly in arrears on the last day of each June, September, December and March and on any date on which the Commitment is terminated or otherwise reduced.

2.7 Optional Termination or Reduction of Commitment. The Borrower may, upon at least three Domestic Business Days' notice to the Bank, terminate at any time, or reduce from time to time the unused portion of the Commitment. Any such reduction of the Commitment shall be in the amount of $1,000,000 or any larger

multiple thereof. If the Commitment is terminated in its entirety, the accrued commitment fee shall be payable on the effective date of such termination.

2.8 Mandatory Termination or Reduction of Commitment. If not previously terminated by the Borrower pursuant to Section 2.7, the Commitment shall terminate on the Termination Date, and any Loans then outstanding (together with accrued interest thereon) shall be due and payable on such date.

2.9 Optional Prepayments.

(a) The Borrower may, upon at least one Domestic Business Day's notice to the Bank, prepay the Base Rate Loans without premium or penalty in whole at any time or from time to time in part in an amount equal to $1,000,000 or any multiple of $1,000,000 in excess thereof (or such lesser amount as applicable if less than $1,000,000 is outstanding) by paying the principal amount being prepaid together with accrued interest thereon to the date of prepayment.

(b) Except as provided in Section 4.2 hereof, the Borrower may not prepay all or any portion of the principal amount of any Fixed Rate Loan prior to the maturity thereof.

2.10 General Provisions as to Payments. The Borrower shall make each payment of principal of, and interest on, the Loans and of commitment fees hereunder not later than 11:00 a.m. (New York City time) on the date when due in funds immediately available at the office of the Bank in New York, New York for the account of (i) the Domestic Lending Office in the case of Domestic Loans and Money Market Rate Loans or (ii) the Eurodollar Lending Office in the case of Eurodollar Loans. Whenever any payment of principal of, or interest on, the Domestic Loans, the Money Market Rate Loans, the commitment fee shall be due on a day which is not a Domestic Business Day, the date for payment thereof shall be extended to the next succeeding Domestic Business Day. Whenever any payment of principal of, or interest on, the Eurodollar Loans shall be due on a day which is not a Eurodollar Business Day, the date for payment thereof shall be extended to the next succeeding Eurodollar Business Day unless as a result thereof it would fall in the next calendar month, in which case it shall be advanced to the next preceding EuroDollar Business Day. If the date for any payment of principal is extended by operation of law or otherwise, interest shall be payable for such extended time.

2.11 Computation of Interest and Fees. Interest on the Loans bearing interest based on clause (i) of the definition of Base Rate shall be computed on the basis of a year of 365 or 366 days, as the case may be, and paid for actual days elapsed. Interest on Loans bearing interest based on clause (ii) of the definition of Base Rate, the CD Loans, the Eurodollar Loans and the calculation of the commitment fee shall be computed on the basis of a year of 360 days and paid for actual days elapsed.

2.12 Funding Losses. If the Borrower makes any payment of principal with respect to any Fixed Rate Loan (pursuant to Section 4 or Section 7 or otherwise) on any day other than the last day of an Interest Period applicable to such Loan, or if the Borrower fails to borrow any Fixed Rate Loan after notice has been given to the Bank in accordance with Section 2.2 hereof, the Borrower shall reimburse the Bank on demand for any resulting loss or expense incurred by it (or by any existing or prospective Participant in the related Loan) including (without limitation) any loss incurred in obtaining, liquidating or employing deposits from third parties; provided that the Bank shall have delivered to the Borrower a certificate by a Bank officer as to the amount of such loss.

2.13 Extension of Commitment. Not more than 60 nor less than 45 days prior to each date which is either the second or third anniversary of this Agreement, the Borrower may request in writing that the Bank extend the Commitment for an additional period of one year from the then current Termination Date. If the

Bank, in its sole discretion, decides to grant such request, it shall so notify the Borrower not less than 30 days before the then current Termination Date in writing, whereupon the Commitment shall be extended for an additional period of one year from the then current Termination Date, and the term "Termination Date" shall thereafter refer to the date that the Commitment, as so extended, will terminate. If not extended as provided in this Section 2.13, the Commitment will automatically terminate on the then current Termination Date without further action by the Borrower or the Bank.

SECTION 3
CONDITIONS OF LENDING

The obligation of the Bank to make each Loan hereunder is subject to the performance by the Borrower of all its obligations under this Agreement and to the satisfaction of the following further conditions:

3.1 All Loans. In the case of each Loan hereunder, including the initial Loan:

(a) receipt by the Bank of the notice from the Borrower required by Section 2.2 hereof;

(b) the fact that immediately after the making of the Loan no Default with respect to Sections 6.1(d), 6.6, 6.7, 6.8, 6.9 or 6.10 or Event of Default shall have occurred and be continuing, except that in the case of any Loan which, after the application of proceeds thereof, results in no net increase in the outstanding principal amount of Loans made by the Bank, the fact that immediately after the making of the Loan, no Event of Default shall have occurred and be continuing;

(c) the fact that the representations and warranties contained in this Agreement shall be true on and as of the date of the Loan (except, in the case of any Loan which, after the application of the proceeds thereof, results in no net increase in the outstanding principal amount of Loans made by the Bank, the representations and warranties set forth in Sections 5.4(B) and 5.5 so long as the Borrower has disclosed to the Bank any matter which would cause any such representation to be untrue on the date of such Loan); and

(d) receipt by the Bank of such other documents, evidence, materials and information with respect to the matters contemplated hereby as the Bank may reasonably request.

Each borrowing hereunder shall be deemed to be a representation and warranty by the Borrower on the date of such Loan as to the facts specified in (b) and (c) of this Section.

3.2 Initial Loan. In the case of the initial Loan:

(a) receipt by the Bank of a duly executed Note;

(b) receipt by the Bank of an opinion of counsel to the Borrower as to the matters referred to in Sections 5.1, 5.2, 5.3, 5.5 and 5.8 hereof, and covering such other matters as the Bank may reasonably request, dated the date of such Loan, satisfactory in form and substance to the Bank;

(c) receipt by the Bank of certified copies of all corporate action taken by the Borrower to authorize the execution, delivery and performance of this Agreement and the Note, and the Loans hereunder and such other corporate documents and other papers as the Bank may reasonably request;

(d) receipt by the Bank of a certificate of a duly authorized officer of the Borrower as to the incumbency, and setting forth a specimen signature, of each of the persons (i) who has signed this Agreement on behalf of the Borrower; (ii) who will sign the Note on behalf of the Borrower; and (iii) who will, until replaced by other persons duly authorized for that purpose, act as the representatives of the Borrower for the purpose of signing documents in connection with this Agreement and the transactions contemplated hereby; and

(e) receipt by the Bank of a certificate of a duly authorized officer of the Borrower to the effect set forth in Sections 3.1(b) and 3.1(c) hereof.

SECTION 4
CHANGE IN CIRCUMSTANCES AFFECTING LOANS

4.1 Basis for Determining Interest Rate Inadequate. If on or prior to the first day of any Interest Period deposits in Dollars (in the applicable amounts) are not being offered to the Bank in the relevant market for such Interest Period, the Bank shall forthwith give notice thereof to the Borrower, whereupon the obligations of the Bank to make CD Loans or Eurodollar Loans, as the case may be, shall be suspended until the Bank notifies the Borrower that the circumstances giving rise to such suspension no longer exist. Unless the Borrower notifies the Bank at least two Domestic Business Days before the date of any Fixed Rate Loan for which a notice of borrowing has previously been given that it elects not to borrow on such date, such Loan shall instead be made as a Base Rate Loan or the notice of borrowing may be withdrawn.

4.2 Illegality. If, after the date of this Agreement, the adoption of any applicable law, rule or regulation, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Bank (or its EuroDollar Lending Office) with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency shall make it unlawful or impossible for the Bank (or its Eurodollar Lending Office) to make, maintain or fund its Eurodollar Loans, the Bank shall forthwith so notify the Borrower, whereupon the Bank's obligation to make Eurodollar Loans shall be suspended. Before giving any notice to the Borrower pursuant to this Section 4.2, the Bank will designate a different Eurodollar Lending Office if such designation will avoid the need for giving such notice and will not, in the judgment of the Bank, be otherwise disadvantageous to the Bank. If the Bank shall determine that it may not lawfully continue to maintain and fund any of its outstanding Eurodollar Loans to maturity and shall so specify in such notice, the Borrower shall immediately prepay in full the then outstanding principal amount of each such Eurodollar Loan, together with accrued interest thereon.

4.3 Increased Costs and Reduced Returns.

(a) If, after the date hereof, the adoption of any applicable law, rule or regulation, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof or compliance by the Bank (or its Applicable Lending Office) with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency:

(i) shall subject the Bank (or its Applicable Lending Office) to any tax, duty or other charge with respect to its obligation to make Fixed Rate Loans, its Fixed Rate Loans, or its Note, or shall change

the basis of taxation of payments to the Bank (or its Applicable Lending Office) of the principal of or interest on its Fixed Rate Loans or in respect of any other amounts due under this Agreement, in respect of its Fixed Rate Loans or its obligation to make Fixed Rate Loans, (except for changes in the rate of tax on the overall net income of the Bank or its Applicable Lending Office imposed by the jurisdiction in which the Bank's principal executive office or Applicable Lending Office is located); or

(ii) shall impose, modify or deem applicable any reserve, special deposit or similar requirement (including, without limitation, any imposed by the Board of Governors of the Federal Reserve System, but excluding (A) with respect to any CD Loan any such requirement included in an applicable Domestic Reserve Percentage and (B) with respect to any Eurodollar Loan any such requirement included in an applicable Eurodollar Reserve Percentage) against assets of, deposits with or for the account of, or credit extended by, the Bank (or its Applicable Lending Office) or shall impose on the Bank (or its Applicable Lending Office) or on the United States market for certificates of deposit or the London interbank market any other condition affecting its obligation to make Fixed Rate Loans, its Fixed Rate Loans or its Note;

and the result of any of the foregoing is to increase the cost to the Bank (or its Applicable Lending Office) of making or maintaining any Fixed Rate Loan, or to reduce the amount of any sum received or receivable by the Bank (or its Applicable Lending Office) under this Agreement or under its Note with respect thereto, by an amount deemed by the Bank to be material, then, within 15 days after demand by the Bank, the Borrower agrees to pay to the Bank such additional amount or amounts as will compensate the Bank for such increased cost or reduction.

(b) If the Bank shall have determined that the adoption, after the date hereof, of any applicable law, rule or regulation regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Bank (or its Applicable Lending Office) with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on the Bank's capital as a consequence of its obligations hereunder to a level below that which the Bank could have achieved but for such adoption, change or compliance (taking into consideration the Bank's policies with respect to capital adequacy) by an amount deemed by the Bank to be material, then from time to time, within 15 days after demand by the Bank, the Borrower shall pay to such Bank such additional amount or amounts as will compensate the Bank for such reduction.

(c) The Bank will promptly notify the Borrower of any event of which it has knowledge, occurring after the date hereof, which will entitle the Bank to compensation pursuant to this Section and will designate a different Applicable Lending Office if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the judgment of the Bank, be otherwise disadvantageous to the Bank. A certificate by an officer of the Bank claiming compensation under this Section and setting forth the additional amount or amounts to be paid to it hereunder shall, in the absence of manifest error, constitute prima facie evidence of such amount. In determining such amount, the Bank may use any reasonable averaging and attribution methods.

SECTION 5
REPRESENTATIONS AND WARRANTIES

The Borrower hereby represents and warrants to the Bank that:

5.1 Corporate Existence and Power. The Borrower is a corporation duly organized, incorporated, validly existing and in good standing under the laws of the State of its incorporation, and has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted.

5.2 Corporate and Governmental Authorization: Contravention. The execution, delivery and performance by the Borrower of this Agreement and the Note are within the Borrower's corporate powers, have been duly authorized by all necessary corporate action, require no action by or in respect of, or filing with, any governmental body, agency or official and do not contravene, or constitute a default under, any provision of applicable law or regulation or of the certificate of incorporation or by-laws of the Borrower or of any judgment, injunction, order, decree, material agreement or other instrument binding upon the Borrower or result in the creation or imposition of any Lien on any asset of the Borrower or any of its Consolidated Subsidiaries.

5.3 Binding Effect. This Agreement constitutes a valid and binding agreement of the Borrower and the Notes, when executed and delivered in accordance with this Agreement, will constitute a valid and binding obligation of the Borrower.

5.4 Financial Information.

(a) The consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as at December 31, 1998 and the related consolidated statements of income and retained earnings and cash flows of the Borrower and its Consolidated Subsidiaries for the fiscal year then ended, certified by PricewaterhouseCoopers, certified public accountants, and set forth in the Borrower's most recent Annual Report on Form 10-K, a copy of which has been delivered to the Bank, fairly present in conformity with generally accepted accounting principles, the consolidated financial position of the Borrower and its Consolidated Subsidiaries at such date and the consolidated results of operations for such fiscal year;

(b) Since December 31, 1998 there has been no material adverse change in the business, financial position or results of operations of the Borrower and its Consolidated Subsidiaries, considered as a whole, other than as a result of the recognition of post-employment costs prior to the period in which such benefits are paid.

5.5 Litigation. There is no action, suit or proceeding pending against, or to the knowledge of the Borrower threatened against, the Borrower or any of its Consolidated Subsidiaries before any court or arbitrator or any governmental body, agency or official in which there is a significant probability of an adverse decision which would materially adversely affect the business, consolidated financial position or consolidated results of operations of the Borrower and its Consolidated Subsidiaries taken as a whole or which in any manner draws into question the validity of this Agreement or the Notes.

5.6 Compliance with ERISA. Each member of the ERISA Group has fulfilled its obligations under the minimum funding standards of ERISA and the Code with respect to each Plan and is in compliance in all material respects with the presently applicable provisions of ERISA and the Code except where the failure to comply would not have a material adverse effect on the Borrower and its Consolidated Subsidiaries taken as a whole. No member of the ERISA Group has incurred any unsatisfied material liability to the PBGC or a Plan under Title IV

of ERISA other than a liability to the PBGC for premiums under Section 4007 of ERISA.

5.7 Taxes. United States Federal income tax returns of the Borrower and its Consolidated Subsidiaries have been examined and closed through the fiscal year ended December 31, 1993. The Borrower and its Consolidated Subsidiaries have filed all United States Federal income tax returns and all other material tax returns which are required to be filed by them and have paid all taxes due reported on such returns or pursuant to any assessment received by the Borrower or any Consolidated Subsidiary, to the extent that such assessment has become due. The charges, accruals and reserves on the books of the Borrower and its Consolidated Subsidiaries in respect of taxes or other governmental charges are, in the opinion of the Borrower, adequate except for those which are being contested in good faith by the Borrower.

5.8 Subsidiaries. Each of the Borrower's Consolidated Subsidiaries is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, and has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted, all to the extent material to the Borrower and its Subsidiaries taken as a whole.

SECTION 6
COVENANTS

So long as the Commitment shall be in effect or the Note is outstanding, the Borrower agrees that:

6.1 Information. The Borrower will deliver to the Bank:

(a) as soon as available and in any event within 95 days after the end of each fiscal year of the Borrower, a consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as at the end of such year, and consolidated statements of income and retained earnings and statement of cash flows of the Borrower and its Consolidated Subsidiaries for such year, setting forth in each case in comparative form the figures for the preceding fiscal year, all reported on by PricewaterhouseCoopers or other independent certified public accountants of nationally recognized standing;

(b) as soon as available and in any event within 50 days after the end of each of the first three quarters of each fiscal year of the Borrower, an unaudited consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as at the end of such quarter and the related unaudited consolidated statements of income and retained earnings and statement of cash flows of the Borrower and its Consolidated Subsidiaries for such quarter and for the portion of the Borrower's fiscal year ended at the end of such quarter setting forth in each case in comparative form the figures for the corresponding quarter and the corresponding portion of the Borrower's previous fiscal year, all certified (subject to changes resulting from year-end adjustments) as to fairness of presentation, in conformity with generally accepted accounting principles (other than as to footnotes) and consistency except to the extent of any changes described therein and permitted by generally accepted accounting principles) by the chief financial officer or the chief accounting officer of the Borrower;

(c) simultaneously with the delivery of each set of financial statements referred to in clauses (a) and (b) above, a certificate of the chief financial officer or the chief accounting officer of the Borrower (i) setting forth in reasonable detail the calculations required to establish whether the Borrower was in compliance with the requirements of Sections

6.6 to 6.8, inclusive, on the date of such financial statements and (ii) stating whether any Default has occurred and is continuing on the date of such certificate and, if any Default then has occurred and is continuing, setting forth the details thereof and the action which the Borrower is taking or proposes to take with respect thereto;

(d) within 10 days of the chief executive officer, chief operating officer, principal financial officer or principal accounting officer of the Borrower obtaining knowledge of any event or circumstance known by such person to constitute a Default, if such Default is then continuing, a certificate of the principal financial officer or the principal accounting officer of the Borrower setting forth the details thereof and within five days thereafter, a certificate of either of such officers setting forth the action which the Borrower is taking or proposes to take with respect thereto;

(e) promptly upon the mailing thereof to the shareholders of the Borrower generally, copies of all financial statements, reports and proxy statements so mailed;

(f) promptly upon the filing thereof, copies of all registration statements (other than the exhibits thereto and any registration statements on Form S-8 or its equivalent) and annual, quarterly or monthly reports which the Borrower shall have filed with the Securities and Exchange Commission;

(g) if and when the chief executive officer, chief operating officer, principal financial officer or principal accounting officer of the Borrower obtains knowledge that any member of the ERISA Group (i) has given or is required to give notice to the PBGC of any "reportable event" (as defined in Section 4043 of ERISA) with respect to any Plan which might constitute grounds for a termination of such Plan under Title IV of ERISA, or knows that the plan administrator of any Plan has given or is required to give notice of any such reportable event, a copy of the notice of such reportable event given or required to be given to the PBGC; (ii) has received notice of complete or partial withdrawal liability under Title IV of ERISA or notice that any Multiemployer Plan is in reorganization, is insolvent or has been terminated, a copy of such notice; or (iii) has received notice from the PBGC under Title IV of ERISA of an intent to terminate, impose liability other than for premiums under Section 4007 of ERISA) in respect of, or appoint a trustee to administer any Plan, a copy of such notice;

(h) if at any time the value of all "margin stock" (as defined in Regulation U) owned by the Borrower and its Consolidated Subsidiaries exceeds (or would, following application of the proceeds of an intended Loan hereunder, exceed) 25% of the value of the total assets of the Borrower and its Consolidated Subsidiaries, in each case as reasonably determined by the Borrower, prompt notice of such fact; and

(i) from time to time such additional information regarding the financial position or business of the Borrower as the Bank may reasonably request; provided, however, that the Borrower shall be deemed to have satisfied its obligations under clauses (a) and (b) above if and to the extent that the Borrower has provided to the Bank pursuant to clause (f) the periodic reports on Forms 10-Q and 10-K required to be filed by the Borrower with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, for the quarterly and annual periods described in such clauses (a) and (b).

6.2 Maintenance of Property; Insurance.

(a) The Borrower will maintain or cause to be maintained in good repair, working order and condition all properties used and useful in the business of the Borrower and each Consolidated Subsidiary and from time to time will make or cause to be made all appropriate repairs, renewals and replacement thereof, except where the failure to do so would not have a material adverse effect on the Borrower and its Consolidated Subsidiaries taken as a whole.

(b) The Borrower will maintain or cause to be maintained, for itself and its Consolidated Subsidiaries, all to the extent material to the Borrower and its Consolidated Subsidiaries taken as a whole, physical damage insurance on all real and personal property on an all risks basis, covering the repair and replacement cost of all such property and consequential loss coverage for business interruption and extra expense, public liability insurance in an amount not less than $10,000,000 and such other insurance of the kinds customarily insured against by corporations of established reputation engaged in the same or similar business and similarly situated, of such type and in such amounts as are customarily carried under similar circumstances.

6.3 Conduct of Business and Maintenance of Existence. The Borrower will continue, and will cause each Consolidated Subsidiary to continue, to engage predominantly in business of the same general type as now conducted by the Borrower and its Consolidated Subsidiaries, and, except as otherwise permitted by Section 6.10 hereof, will preserve, renew and keep in full force and effect, and will cause each Consolidated Subsidiary to preserve, renew and keep in full force and effect their respective corporate existence and their respective rights and franchises necessary in the normal conduct of business, all to the extent material to the Borrower and its Consolidated Subsidiaries taken as a whole.

6.4 Compliance with Laws. The Borrower will comply, and cause each Consolidated Subsidiary to comply, in all material respects with all applicable laws, ordinances, rules, regulations, and requirements of governmental authorities (including, without limitation, ERISA and the rules and regulations thereunder and all federal, state and local statutes laws or regulations or other governmental restrictions relating to environmental protection, hazardous substances or the cleanup or other remediation thereof) except where the necessity of compliance therewith is contested in good faith by appropriate proceedings or where the failure to comply would not have a material adverse effect on the Borrower and its Consolidated Subsidiaries taken as a whole.

6.5 Inspection of Property, Books and Records.

(a) The Borrower will keep, and will cause each Consolidated Subsidiary to keep, proper books of record and account in accordance with sound business practice so as to permit its financial statements to be prepared in accordance with generally accepted accounting principles; and will permit representatives of the Bank at the Bank's expense to visit and inspect any of the Borrower's properties, to examine and make abstracts from any of the Borrower's corporate books and financial records and to discuss the Borrower's affairs, finances and accounts with the principal officers of the Borrower and its independent public accountants, all at such reasonable times and as often as may reasonably be necessary to ensure compliance by the Borrower with its obligations hereunder.

(b) With the consent of the Borrower (which consent will not be unreasonably withheld) or, if an Event of Default has occurred and is continuing, without the requirement of any such consent, the Borrower will permit representatives of the Bank, at the Bank's expense, to visit and inspect any of the properties of and to examine the corporate books and financial records of any Consolidated Subsidiary and make copies thereof or extracts therefrom and to discuss the affairs, finances and accounts of

such Consolidated Subsidiary with its and the Borrower's principal officers and the Borrower's independent public accountants, all at such reasonable times and as often as the Bank may reasonably request.

6.6 Cash Flow to Total Borrowed Funds. The ratio of Cash Flow to Total Borrowed Funds shall not be less than .30 for any consecutive four quarters, such ratio to be calculated at the end of each quarter on a trailing four quarter basis.

6.7 Total Borrowed Funds to Consolidated Net Worth. Total Borrowed Funds will not exceed 85% of Consolidated Net Worth at end of any quarter of any fiscal year.

6.8 Minimum Consolidated Net Worth. Consolidated Net Worth will at no time be less than $550,000,000 plus 25% of the consolidated net income of the Borrower at the end of each fiscal quarter for each fiscal year commencing after the fiscal year ending December 31, 1994.

6.9 Negative Pledge. Neither the Borrower nor any Consolidated Subsidiary will create, assume or suffer to exist any Lien on any asset now owned or hereafter acquired by it, except for:

(a) Liens existing on the date hereof;

(b) any Lien existing on any asset of any corporation at the time such corporation becomes a Consolidated Subsidiary and not created in contemplation of such event;

(c) any Lien on any asset securing Debt incurred or assumed for the purpose of financing all or any part of the cost of acquiring such asset, provided that such Lien attaches to such asset concurrently with or within 90 days after the acquisition thereof;

(d) any Lien on any asset of any corporation existing at the time such corporation is merged into or consolidated with the Borrower or a Consolidated Subsidiary and not created in contemplation of such event;

(e) any Lien existing on any asset prior to the acquisition thereof by the Borrower or a Consolidated Subsidiary and not created in contemplation of such acquisition;

(f) any Lien created in connection with capitalized lease obligations, but only to the extent that such Lien encumbers property financed by such capital lease obligation and the principal component of such capitalized lease obligation is not increased;

(g) Liens arising in the ordinary course of its business which (i) do not secure Debt and (ii) do not in the aggregate materially impair the operation of the business of the Borrower and its Consolidated Subsidiaries, taken as a whole;

(h) any Lien arising out of the refinancing, extension, renewal or refunding of any Debt secured by any Lien permitted by any of the foregoing clauses of this Section, provided that such Debt is not increased and is not secured by any additional assets;

(i) Liens securing taxes, assessments, fees or other governmental charges or levies, Liens securing the claims of materialmen, mechanics, carriers, landlords, warehousemen and similar Persons, Liens incurred in the ordinary course of business in connection with workmen's compensation, unemployment insurance and other similar laws, Liens to secure surety, appeal and performance bonds and other similar obligations not incurred in connection with the borrowing of money, and attachment, judgment and other

similar Liens arising in connection with court proceedings so long as the enforcement of such Liens is effectively stayed and the claims secured thereby are being contested in good faith by appropriate proceedings;

(j) Liens not otherwise permitted by the foregoing clauses of this Section securing Debt in an aggregate principal amount at any time outstanding not to exceed 10% of Consolidated Net Worth; and

(k) any Liens on property arising in connection with a securities repurchase transaction.

6.10 Consolidations, Mergers and Sales of Assets. The Borrower will not (i) consolidate or merge with or into any other Person (other than a Subsidiary of the Borrower) unless the Borrower's shareholders immediately before the merger or consolidation are to own more than 70% of the combined voting power of the resulting entity's voting securities or (ii) sell, lease or otherwise transfer all or substantially all of the Borrower's business or assets to any other Person (other than a Subsidiary of the Borrower). The Borrower will not permit any Significant Subsidiary or (in a series of related transactions) any Significant Group of Subsidiaries to consolidate with, merge with or into or transfer all of any substantial part of its assets to any Person other than the Borrower or a Subsidiary of the Borrower.

6.11 Use of Proceeds. The proceeds of the Loans will be used for general corporate purposes, including the making of acquisitions. No part of the proceeds of any Loan hereunder will be used, directly or indirectly, for the purpose, whether immediate, incidental or ultimate of buying or carrying any "margin stock" in violation of Regulation U. If requested by the Bank, the Borrower will furnish to the Bank in connection with any Loan hereunder a statement in conformity with the requirements of Federal Reserve Form U-l referred to in Regulation U.

SECTION 7
EVENTS OF DEFAULT

7.1 Events of Default. If any one or more of the following events ("Events of Default") shall have occurred and be continuing:

(a) the Borrower shall fail to pay (i) any principal of any Loan when due or (ii) interest on any Loan or any commitment fee within four days after the same has become due; or

(b) the Borrower shall fail to observe or perform any covenant contained in Section 6.1(d) or Sections 6.6 to 6.8 or 6.10 hereof; or

(c) the Borrower shall fail to observe or perform any covenant or agreement contained in this Agreement (other than those covered by clause (a) or (b) above) for 30 days after written notice thereof has been given to the Borrower by the Bank; or

(d) any representation, warranty or certification made by the Borrower in this Agreement or in any certificate, financial statement or other document delivered pursuant to this Agreement shall prove to have been incorrect in any material respect upon the date when made or deemed made; or

(e) (1) the Borrower or any Significant Subsidiary or Significant Group of Subsidiaries defaults in any payment at any stated maturity of principal of or interest on any other obligation for money borrowed (or any capitalized lease obligation, any obligation under a purchase money

mortgage, conditional sale or other title retention agreement or any obligation under notes payable or drafts accepted representing extensions of credit) beyond any period of grace provided with respect thereto or (2) the Borrower or any Significant Subsidiary or Significant Group of Subsidiaries defaults in any payment other than at any stated maturity of principal of or interest on any other obligation for money borrowed (or any capitalized lease obligation, any obligation under a purchase money mortgage, conditional sale or other title retention agreement or any obligation under notes payable or drafts accepted representing extensions of credit) beyond any period of grace provided with respect thereto, or the Borrower or any Significant Subsidiary or Significant Group of Subsidiaries fails to perform or observe any other agreement, term or condition contained in any agreement under which any such obligation is created (or if any other event thereunder or under any such agreement shall occur and be continuing), and the effect of such default with respect to a payment other than at any stated maturity, failure or other event is to cause, or to permit the holder or holders of such obligation (or a trustee on behalf of such holder or holders) to cause, such obligation to become due or to require the purchase thereof prior to any stated maturity; Provided that the aggregate amount of all obligations as to which any such payment defaults (whether or not at stated maturity), failures or other events shall have occurred and be continuing exceeds $10,000,000 and provided, further, that it is understood that the obligations referred to herein exclude those obligations arising in connection with securities repurchase transactions; or

(f) the Borrower or any Significant Subsidiary or Significant Group of Subsidiaries shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing; or

(g) an involuntary case or other proceeding shall be commenced against the Borrower or any Significant Subsidiary or Significant Group of Subsidiaries seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 60 days; or an order for relief shall be entered against the Borrower or any Significant Subsidiary or Significant Group of Subsidiaries under the federal bankruptcy laws as now or hereafter in effect; or

(h) any member of the ERISA Group shall fail to pay when due any amount or amounts aggregating in excess of $1,000,000 which it shall have become liable to pay to the PBGC or to a Plan under Title IV of ERISA (except where such liability is contested in good faith by appropriate proceedings as permitted under Section 6.4); or notice of intent to terminate a Material Plan (other than any multiple employer plan within the meaning of Section 4063 of ERISA) shall be filed under Title IV of ERISA by any member of the ERISA Group, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate, to impose liability (other than for premiums under

Section 4007 of ERISA) in respect of, or to cause a trustee to be appointed to administer any such Material Plan; or

(i) judgments or orders for the payment of money in excess of $10,000,000 in the aggregate shall be rendered against the Borrower or any Significant Subsidiary or Significant Group of Subsidiaries and such judgments or orders shall continue unsatisfied and unstayed for a period of 60 days; or

(j) any person or group of persons (within the meaning of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the "1934 Act")), other than the Borrower or any of its Subsidiaries, becomes the beneficial owner (within the meaning of Rule 13d-3 under the 1934 Act) of 30% or more of the combined voting power of the Borrower's then outstanding voting securities; or a tender offer or exchange offer (other than an offer by the Borrower or a Subsidiary) pursuant to which 30% or more of the combined voting power of the Borrower's then outstanding voting securities was purchased, expires; or during any period of two consecutive years, individuals who, at the beginning of such period, constituted the Board of Directors of the Borrower cease for any reason to constitute at least a majority thereof, unless the election or the nomination for the election by the Borrower's stockholders of each new director was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of the period;

then, and in every such event, (1) in the case of any of the Events of Default specified in paragraphs (f) or (g) above, the Commitment shall thereupon automatically be terminated and the principal of and accrued interest on the Note shall automatically become due and payable without presentment, demand, protest or other notice or formality of any kind, all of which are hereby expressly waived and (2) in the case of any other Event of Default specified above, the Bank may, by notice in writing to the Borrower, terminate the Commitment hereunder, if still in existence, and it shall thereupon be terminated, and the Bank may, by notice in writing to the Borrower, declare the Note and all other sums payable under this Agreement to be, and the same shall thereupon forthwith become, due and payable without presentment, demand, protest or other notice or formality of any kind, all of which are hereby expressly waived.

SECTION 8
MISCELLANEOUS

8.1 Notices. Unless otherwise specified herein all notices, requests, demands or other communications to or from the parties hereto shall be sent by United States mail, certified, return receipt requested, telegram, telex or facsimile, and shall be deemed to have been duly given upon receipt thereof. In the case of a telex, receipt of such communication shall be deemed to occur when the sender receives its answer back. In the case of a facsimile, receipt of such communication shall be deemed to occur when the sender confirms such receipt by telephone. Any such notice, request, demand or communication shall be delivered or addressed as follows:

(a) if to the Borrower, to it at 1271 Avenue of the Americas, New York, New York 10020; Attention: Vice President and Treasurer (with a copy at the same address to the Senior Vice President and General Counsel);

(b) if to the Bank, communications relating to its Eurodollar Loans shall be delivered or addressed to the address or telex number set forth on the signature pages hereof for its Eurodollar Lending Office and all other communications shall be delivered or addressed to the address or telex

number set forth on the signature pages hereof for its Domestic Lending Office;

or at such other address or telex number as any party hereto may designate by written notice to the other party hereto.

8.2 Amendments and Waivers; Cumulative Remedies.

(a) None of the terms of this Agreement may be waived, altered or amended except by an instrument in writing duly executed by the Borrower and the Bank.

(b) No failure or delay by the Bank in exercising any right, power or privilege hereunder or under the Note shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies provided herein shall be cumulative and not exclusive of any rights or remedies provided by law.

8.3 Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon and shall inure to the benefit of the Borrower and the Bank, except that the Borrower may not assign or otherwise transfer any of its rights and obligations under this Agreement except as provided in Section 6.10 hereof, without the prior written consent of the Bank which the Bank shall not unreasonably delay or withhold.

(b) The Bank may at any time grant to one or more banks or other institutions (each a "Participant") participating interests in its Commitment or any or all of its Loans. In the event of any such grant by the Bank of a participating interest to a Participant, whether or not upon notice to the Borrower the Bank shall remain responsible for the performance of its obligations hereunder, and the Borrower shall continue to deal solely and directly with the Bank in connection with the Bank's rights and obligations under this Agreement. Any agreement pursuant to which the Bank may grant such a participating interest shall provide that the Bank shall retain the sole right and responsibility to enforce the obligations of the Borrower hereunder including, without limitation, the right to approve any amendment, modification or waiver of any provision of this Agreement; provided that such participation agreement may provide that the Bank will not agree to any modification, amendment or waiver of this Agreement (i) which increases or decreases the Commitment of the Bank (ii) reduces the principal of or rate of interest on any Loan or fees hereunder or (iii) postpones the date fixed for any payment of principal of or interest on any Loan or any fees hereunder without the consent of the Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.12 and 4 with respect to its participating interest.

(c) The Bank may at any time assign all or any portion of its rights under this Agreement and the Note or Notes to a Federal Reserve Bank. No such assignment shall release the Bank from its obligations hereunder.

(d) No Participant or other transferee of the Bank's rights shall be entitled to receive any greater payment under Sections 2.12 and 4.1 through 4.3 than the Bank would have been entitled to receive with respect to the rights transferred, unless such transfer is made with the Borrower's prior written consent or by reason of the provisions of Section 4.3(c) requiring the Bank to designate a different Applicable Lending Office under certain circumstances or at a time when the circumstances giving rise to such greater payment did not exist.

8.4 Expenses; Documentary Taxes; Indemnification.

(a) The Borrower shall pay (i) all out-of-pocket expenses and internal charges of the Bank (including reasonable fees and disbursements of counsel) in connection with any Default hereunder and (ii) if there is an Event of Default, all out-of-pocket expenses incurred by the Bank (including reasonable fees and disbursements of counsel) in connection with such Event of Default and collection and other enforcement proceedings resulting therefrom. The Borrower shall indemnify the Bank against any transfer taxes, documentary taxes, assessments or charges made by any governmental authority by reason of the execution and delivery of this Agreement or the Note.

(b) The Borrower agrees to indemnify the Bank and hold the Bank harmless from and against any and all liabilities, losses, damages, costs and expenses of any kind (including, without limitation, the reasonable fees and disbursements of counsel for the Bank in connection with any investigative, administrative or judicial proceeding, whether or not the Bank shall be designated a party thereto) which may be incurred by the Bank relating to or arising out of any actual or proposed use of proceeds of Loans hereunder or any merger or acquisition involving the Borrower; provided, that the Bank shall not have the right to be indemnified hereunder for its own gross negligence or willful misconduct as determined by a court of competent jurisdiction.

8.5 Counterparts. This Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

8.6 Headings; Table of Contents. The section and subsection headings used herein and the Table of Contents have been inserted for convenience of reference only and do not constitute matters to be considered in interpreting this Agreement.

8.7 Governing Law. This Agreement and the Note shall be construed in accordance with and governed by the law of the State of New York.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of May 1, 1999.

THE INTERPUBLIC GROUP OF
COMPANIES, INC.

By: /s/ Alan Forster

VP & Treasurer

HSBC BANK USA

By: /s/ Jeremy P. Bollington

Title: Vice President

Domestic & Eurodollar Lending Office
HSBC Bank USA
140 Broadway
New York, New York 10005-1196

Attn: Mr. Jeremy P. Bollington
VP, Multinationals
Tel #(212) 658-1830
Fax #(212) 658-5109
Fed Wire: ABA Number: 021-001-088
Account Number: 002-600-102
Account Name: Commercial Loans
Reference: The Interpublic Group of Companies, Inc.
Attention: Lydia Rivera
Loan Administrator

EXHIBIT A

NOTE

US $25,000,000 May 1, 1999
New York, New York

FOR VALUE RECEIVED, THE INTERPUBLIC GROUP OF COMPANIES, INC., a Delaware corporation (the "Borrower"), hereby promises to pay to the order of HSBC BANK USA (the "Bank"), for the account of its Applicable Lending Office, the unpaid principal amount of each Loan made by the Bank to the Borrower pursuant to the Credit Agreement referred to below on the last day of the Interest Period relating to such Loan. The Borrower promises to pay interest on the unpaid principal amount of each such Loan on the dates and at the rate or rates provided for in the Credit Agreement.

All such payments of principal and interest shall be made in lawful money of the United States of America in Federal or other immediately available funds at the office of the Bank located at 140 Broadway, New York, New York 10005.

All Loans made by the Bank, the respective maturities thereof and all repayments of the principal thereof shall be recorded by the Bank and, prior to any transfer hereof, endorsed by the Bank on the schedule attached hereto, or on a continuation of such schedule attached to and made a part hereof; provided that the failure of the Bank to make any such recordation or endorsement shall not affect the obligations of the Borrower hereunder or under the Credit Agreement.

This note is the Note referred to in the Credit Agreement dated as of May 1, 1999 between the Borrower and the Bank (as the same may be amended from time to time, the "Credit Agreement"). Terms defined in the Credit Agreement are used herein with the same meanings. Reference is made to the Credit Agreement for provisions for the prepayment hereof and the acceleration of the maturity hereof.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By: _____

Title: _____

LOANS AND PAYMENTS OF PRINCIPAL

Date	Amount of Loan	Type of Loan	Amount of Principal Repaid	Maturity Date	Notation Made By

EXHIBIT B

MONEY MARKET NOTE

May 1, 1999
New York, New York

FOR VALUE RECEIVED, THE INTERPUBLIC GROUP OF COMPANIES, INC., a Delaware corporation (the "Borrower"), hereby promises to pay to the order of HSBC BANK USA (the "Bank"), for the account of its Domestic Lending Office, Money Market Rate Loans made by the Bank to the Borrower pursuant to the Credit Agreement referred to below upon such terms and conditions as may be agreed upon pursuant to said Credit Agreement. The Borrower promises to pay interest on the unpaid principal amount of each such Loan on the dates and at the rate or rates provided for in the Credit Agreement.

All such payments of principal and interest shall be made in lawful money of the United States of America in Federal or other immediately available funds at the office of the Bank located at 140 Broadway, New York, New York, 10005.

All Money Market Loans made by the Bank, the respective maturities thereof and all repayments of the principal thereof shall be recorded by the Bank and, prior to any transfer hereof, endorsed by the Bank on the schedule attached hereto, or on a continuation of such schedule attached to and made a part hereof; provided that the failure of the Bank to make any such recordation or endorsement shall not affect the obligations of the Borrower hereunder or under the Credit Agreement.

This note is one of the Money Market Notes referred to in the Credit Agreement dated as of May 1, 1999 between the Borrower and the Bank (as the same may be amended from time to time, the "Credit Agreement"). Terms defined in the Credit Agreement are used herein with the same meanings. Reference is made to the Credit Agreement for provisions for the prepayment hereof and the acceleration of the maturity hereof.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By: ----------

Title: ----------

LOANS AND PAYMENTS OF PRINCIPAL

Date	Amount of Loan	Type of Loan	Amount of Principal Repaid	Maturity Date	Notation Made By

EXHIBIT 10B

NOTE

US $25,000,000

May 1, 1999
New York, New York

FOR VALUE RECEIVED, THE INTERPUBLIC GROUP OF COMPANIES, INC., a Delaware corporation (the "Borrower"), hereby promises to pay to the order of HSBC BANK USA (the "Bank"), for the account of its Applicable Lending Office, the unpaid principal amount of each Loan made by the Bank to the Borrower pursuant to the Credit Agreement referred to below on the last day of the Interest Period relating to such Loan. The Borrower promises to pay interest on the unpaid principal amount of each such Loan on the dates and at the rate or rates provided for in the Credit Agreement.

All such payments of principal and interest shall be made in lawful money of the United States of America in Federal or other immediately available funds at the office of the Bank located at 140 Broadway, New York, New York 10005.

All Loans made by the Bank, the respective maturities thereof and all repayments of the principal thereof shall be recorded by the Bank and, prior to any transfer hereof, endorsed by the Bank on the schedule attached hereto, or on a continuation of such schedule attached to and made a part hereof; provided that the failure of the Bank to make any such recordation or endorsement shall not affect the obligations of the Borrower hereunder or under the Credit Agreement.

This note is the Note referred to in the Credit Agreement dated as of May 1, 1999 between the Borrower and the Bank (as the same may be amended from time to time, the "Credit Agreement"). Terms defined in the Credit Agreement are used herein with the same meanings. Reference is made to the Credit Agreement for provisions for the prepayment hereof and the acceleration of the maturity hereof.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By: /s/ Alan Forster

Title: VP & Treasurer

LOANS AND PAYMENTS OF PRINCIPAL

Date	Amount of Loan	Type of Loan	Amount of Principal Repaid	Maturity Date	Notation Made By

EXHIBIT 10C

MONEY MARKET NOTE

May 1, 1999
New York, New York

FOR VALUE RECEIVED, THE INTERPUBLIC GROUP OF COMPANIES, INC., a Delaware corporation (the "Borrower"), hereby promises to pay to the order of HSBC BANK USA (the "Bank"), for the account of its Domestic Lending Office, Money Market Rate Loans made by the Bank to the Borrower pursuant to the Credit Agreement referred to below upon such terms and conditions as may be agreed upon pursuant to said Credit Agreement. The Borrower promises to pay interest on the unpaid principal amount of each such Loan on the dates and at the rate or rates provided for in the Credit Agreement.

All such payments of principal and interest shall be made in lawful money of the United States of America in Federal or other immediately available funds at the office of the Bank located at 140 Broadway, New York, New York, 10005.

All Money Market Loans made by the Bank, the respective maturities thereof and all repayments of the principal thereof shall be recorded by the Bank and, prior to any transfer hereof, endorsed by the Bank on the schedule attached hereto, or on a continuation of such schedule attached to and made a part hereof; provided that the failure of the Bank to make any such recordation or endorsement shall not affect the obligations of the Borrower hereunder or under the Credit Agreement.

This note is one of the Money Market Notes referred to in the Credit Agreement dated as of May 1, 1999 between the Borrower and the Bank (as the same may be amended from time to time, the "Credit Agreement"). Terms defined in the Credit Agreement are used herein with the same meanings. Reference is made to the Credit Agreement for provisions for the prepayment hereof and the acceleration of the maturity hereof.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By: /s/ Alan M. Forster

Alan M. Forster

Title: Vice President & Treasurer

LOANS AND PAYMENTS OF PRINCIPAL

Date	Amount of Loan	Type of Loan	Amount of Principal Repaid	Maturity Date	Notation Made By

EX 10-D

$361,000,000

THE INTERPUBLIC GROUP OF COMPANIES, INC.

1.87% CONVERTIBLE SUBORDINATED NOTES DUE 2006

PURCHASE AGREEMENT

May 26, 1999

May 26, 1999

Morgan Stanley & Co. Incorporated
Goldman, Sachs & Co.
Salomon Smith Barney Inc.
c/o Morgan Stanley & Co. Incorporated
1585 Broadway
New York, New York 10036

Dear Sirs and Mesdames:

The Interpublic Group of Companies, Inc., a Delaware corporation (the "COMPANY"), proposes to issue and sell to the several purchasers named in Schedule I hereto (the "INITIAL PURCHASERS") $313,000,000 aggregate principal amount at maturity of its 1.87% Convertible Subordinated Notes due 2006 (the "FIRM SECURITIES") to be issued pursuant to the provisions of an Indenture dated as of June 1, 1999 (the "INDENTURE") between the Company and The Bank of New York, as Trustee (the "TRUSTEE"). The Company also proposes to issue and sell to the Initial Purchasers not more than an additional $48,000,000 aggregate principal amount at maturity of its 1.87% Convertible Subordinated Notes due 2006 (the "Additional Securities") if and to the extent that you, as Managers of the offering, shall have determined to exercise, on behalf of the Initial Purchasers, the right to purchase such 1.87% Convertible Subordinated Notes due 2006 granted to the Initial Purchasers in Section 2 hereof. The Firm Securities and the Additional Securities are hereinafter collectively referred to as the "SECURITIES". The Securities will be convertible into shares of Common Plan of the Company, par value $0.10 per share (the "COMMON STOCK" and such reserved convertible shares into which the Securities are convertible, the "UNDERLYING SECURITIES"), together with the rights (the "RIGHTS") evidenced by such Underlying Securities to the extent provided in the Preferred Share Rights Plan (the "RIGHTS PLAN") dated as of August 1, 1989, between the Company and First Chicago Trust Company of New York.

The Securities will be offered without being registered under the Securities Act of 1933, as amended (the "SECURITIES ACT"), to qualified institutional buyers in compliance with the exemption from registration provided by Rule 144A under the Securities Act, and to institutional accredited investors (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) that deliver a letter in the form annexed to the Final Memorandum (as defined below).

The Initial Purchasers and their direct and indirect transferees will be entitled to the benefits of a Registration Rights Agreement dated the date hereof between the Company and the Initial Purchasers (the "REGISTRATION RIGHTS AGREEMENT").

In connection with the sale of the Securities, the Company has prepared a preliminary offering memorandum (the "PRELIMINARY MEMORANDUM") and will prepare a final offering memorandum (the "FINAL MEMORANDUM" and, with the Preliminary Memorandum, each a "MEMORANDUM") including or incorporating by reference a description of the terms of the Securities and the Underlying Securities, the terms of the offering and a description of the Company. As used herein, the term "Memorandum" shall include in each case the documents incorporated by reference therein. The terms "SUPPLEMENT", "AMENDMENT" and "AMEND" as used herein with respect to a Memorandum shall include all documents deemed to be incorporated by reference in the Preliminary Memorandum or Final Memorandum that are filed subsequent to the date of such Memorandum with the

Securities and Exchange Commission (the "COMMISSION") pursuant to the Securities Exchange Act of 1934, as amended (the "EXCHANGE ACT").

1. Representations and Warranties. The Company represents and warrants to, and agrees with, you that:

(a) (i) Each document, if any, filed or to be filed pursuant to the Exchange Act that is incorporated by reference in either Memorandum complied or will comply when so filed in all material respects with the Exchange Act and the applicable rules and regulations of the Commission thereunder and (ii) the Preliminary Memorandum does not contain and the Final Memorandum, in the form used by the Initial Purchasers to confirm sales and on the Closing Date (as defined in Section 4), will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that the representations and warranties set forth in this paragraph do not apply to statements or omissions in either Memorandum based upon information relating to any Initial Purchaser furnished to the Company in writing by such Initial Purchaser through you expressly for use therein.

(b) The Company has been duly incorporated, is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, has the corporate power and authority to own its property and to conduct its business as described in each Memorandum and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(c) Each wholly-owned subsidiary of the Company has been duly incorporated, is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, has the corporate power and authority to own its property and to conduct its business as described in each Memorandum and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so incorporated or qualified or be in good standing would not have a material adverse effect on the Company and its subsidiaries, taken as a whole; all of the issued shares of capital stock of each subsidiary of the Company have been duly and validly authorized and issued, are fully paid and non-assessable and are owned directly by the Company, free and clear of all liens, encumbrances, equities or claims, except to the extent that the failure to be so authorized, issued and fully paid and non-assessable and so owned would not have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(d) This Agreement has been duly authorized, executed and delivered by the Company.

(e) The Final Memorandum describes accurately as to legal matters in all material respects the authorized capital stock of the Company.

(f) The shares of Common Plan outstanding on the date hereof have been duly authorized and are validly issued, fully paid and non-assessable.

(g) The Securities have been duly authorized and, when executed and authenticated in accordance with the provisions of the Indenture and delivered to and paid for by the Initial Purchasers in accordance with the terms of this Agreement, will be valid and binding obligations of the Company, enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and general principles of equity, and will be entitled to the benefits of the Indenture pursuant to which such Securities are to be issued and the Registration Rights Agreement.

(h) (1) The Underlying Securities issuable upon conversion of the Securities have been duly authorized and reserved and, when issued upon conversion of the Securities in accordance with the terms of the Securities, will be validly issued, fully paid and non-assessable, and the issuance of the Underlying Securities will not be subject to any preemptive or similar rights and (2) the Rights, if any, issuable upon conversion of the Securities have been duly authorized and, when and if issued upon conversion in accordance with the terms of the Indenture and the Rights Plan, will have been validly issued.

(i) Each of the Indenture and the Registration Rights Agreement will be, as of the Closing Date, duly authorized, executed and delivered by, and will be, as of the Closing Date, a valid and binding agreement of, the Company, enforceable against the Company in accordance with its terms, subject to applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and general principles of equity and except as rights to indemnification and contribution under the Registration Rights Agreement may be limited under applicable law.

(j) The execution and delivery by the Company of, and the performance by the Company of its obligations under, this Agreement, the Indenture, the Registration Rights Agreement and the Securities will not contravene any provision of applicable law or the certificate of incorporation or by-laws of the Company or any agreement or other instrument binding upon the Company or any of its subsidiaries that is material to the Company and its subsidiaries, taken as a whole, or any judgment, order or decree of any governmental body, agency or court having jurisdiction over the Company or any subsidiary, and no consent, approval, authorization or order of, or qualification with, any governmental body or agency is required for the performance by the Company of its obligations under this Agreement, the Indenture, the Registration Rights Agreement or the Securities, except such as may be required by the securities or Blue Sky laws of the various states in connection with the offer and sale of the Securities and by Federal and state securities laws with respect to the Company's obligations under the Registration Rights Agreement.

(k) There has not occurred any material adverse change, or any development involving a prospective material adverse change, in the condition, financial or otherwise, or in the earnings, business or operations of the Company and its subsidiaries, taken as a whole, from that set forth in the Final Memorandum.

(l) There are no legal or governmental proceedings pending or, to the knowledge of the Company, threatened to which the Company or any of its subsidiaries is a party or to which any of the properties of the Company or any of its subsidiaries is subject other than proceedings accurately described in all material respects in each Memorandum and proceedings that would not have a material adverse effect on the Company and its subsidiaries, taken as a whole, or on the power or ability of the Company to perform its obligations under this Agreement,

the Indenture, the Registration Rights Agreement or the Securities or to consummate the transactions contemplated by the Final Memorandum.

(m) The Company is not, and after giving effect to the offering and sale of the Securities and the application of the proceeds thereof as described in the Final Memorandum, will not be an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

(n) Neither the Company nor any affiliate (as defined in Rule 501(b) of Regulation D under the Securities Act, an "AFFILIATE") of the Company has directly, or through any agent (other than the Initial Purchasers or any Affiliate of any Initial Purchasers, as to which no representation is made), (i) sold, offered for sale, solicited offers to buy or otherwise negotiated in respect of, any security (as defined in the Securities Act) which is or will be integrated with the sale of the Securities in a manner that would require the registration under the Securities Act of the Securities or (ii) engaged in any form of general solicitation or general advertising in connection with the offering of the Securities, (as those terms are used in Regulation D under the Securities Act) or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act.

(o) It is not necessary in connection with the offer, sale and delivery of the Securities to the Initial Purchasers in the manner contemplated by this Agreement to register the Securities under the Securities Act or to qualify the Indenture under the Trust Indenture Act of 1939, as amended.

(p) The Securities satisfy the requirements set forth in Rule 144A(d)(3) under the Securities Act.

(q) The Company has reviewed and is continuing to review its operations and that of its subsidiaries to evaluate the extent to which the business or operations of the Company or any of its subsidiaries will be affected by the Year 2000 Problem (that is, any significant risk that computer hardware or software applications used by the Company and its subsidiaries will not, in the case of dates or time periods occurring after December 31, 1999, function at least as effectively as in the case of dates or time periods occurring prior to January 1, 2000); as a result of such review, (i) the Company has no reason to believe, and does not believe, that (A) there are any issues related to the Company's preparedness to address the Year 2000 Problem that are of a character required to be described or referred to in the Preliminary Memorandum or Final Memorandum which have not been accurately described in the Preliminary Memorandum or Final Memorandum and (B) the Year 2000 Problem will have a material adverse effect on the condition, financial or otherwise, or on the earnings, business or operations of the Company and its subsidiaries, taken as a whole, or result in any material loss or interference with the business or operations of the Company and its subsidiaries, taken as a whole; and (ii) the Company reasonably believes, after due inquiry, that the critical suppliers, vendors, customers or other material third parties used or served by the Company and such subsidiaries are addressing or will address the Year 2000 Problem in a timely manner (or that the Company has a reasonable belief that its contingency plans for such third parties' failure to address the Year 2000 Problem will be in place) except to the extent that a failure to address the Year 2000 Problem by any such critical supplier, vendor, customer or other material third party would not have a material adverse effect on the condition, financial or otherwise, or on the earnings, business or operations of the Company and its subsidiaries, taken as a whole.

2. Agreements to Sell and Purchase. The Company hereby agrees to sell to the several Initial Purchasers, and each Initial Purchaser, upon the basis of the representations and warranties herein contained, but subject to the conditions hereinafter stated, agrees, severally and not jointly, to purchase from the Company the respective aggregate principal amount at maturity of Firm Securities set forth in Schedule I hereto opposite its name at a purchase price of 81.218% of the aggregate principal amount thereof at maturity (the "PURCHASE PRICE") plus accrued interest, if any, to the Closing Date.

On the basis of the representations and warranties contained in this Agreement, and subject to its terms and conditions, the Company agrees to sell to the Initial Purchasers the Additional Securities, and the Initial Purchasers shall have a one-time right to purchase, severally and not jointly, up to $48,000,000 aggregate principal amount at maturity of Additional Securities at the Purchase Price plus accrued interest, if any, to the date of payment and delivery. If Morgan Stanley & Co. Incorporated, on behalf of the Initial Purchasers, elects to exercise such option, Morgan Stanley & Co. Incorporated shall so notify the Company in writing not later than 30 days after the date of this Agreement, which notice shall specify the aggregate principal amount at maturity of Additional Securities to be purchased by the Initial Purchasers and the date on which such Additional Securities are to be purchased. Such date may be the same as the Closing Date but not earlier than the Closing Date nor later than ten business days after the date of such notice. Additional Securities may be purchased as provided in Section 4 solely for the purpose of covering over-allotments made in connection with the offering of the Firm Securities. If any Additional Securities are to be purchased, each Initial Purchaser agrees, severally and not jointly, to purchase the aggregate principal amount at maturity of Additional Securities (subject to such adjustments to eliminate fractional Securities as you may determine) that bears the same proportion to the total aggregate principal amount at maturity of Additional Securities to be purchased as the aggregate principal amount at maturity of Firm Securities set forth in Schedule I opposite the name of such Initial Purchaser bears to the total aggregate principal amount at maturity of Firm Securities.

The Company hereby agrees that, without the prior written consent of Morgan Stanley & Co. Incorporated on behalf of the Initial Purchasers, it will not, during the period ending 90 days after the date of the Final Memorandum, (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the common stock, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of common stock or such other securities, in cash or otherwise. The foregoing sentence shall not apply to (A) the sale of the Securities under this Agreement, (B) the issuance of Common Plan upon conversion of the Securities or other debentures outstanding on the date hereof, (C) the grant of any option or the issuance by the Company of any shares of common stock upon the exercise of an option outstanding on the date hereof pursuant to the Company stock option plans, (D) the issuance of any shares of restricted stock pursuant to the Company's employees incentive plan or (E) the issuance of Common Plan as consideration for acquisitions or the contracting to do so; provided however that in no event shall the amount of Common Plan issued pursuant to clause (E) exceed 2% of the total number of shares of Common Plan outstanding as at the date hereof.

3. Terms of Offering. You have advised the Company that the Initial Purchasers will make an offering of the Securities purchased by the Initial Purchasers hereunder on the terms to be set forth in the Final Memorandum, as soon as practicable after this Agreement is entered into as in your judgment is advisable.

4. Payment and Delivery. Payment for the Firm Securities shall be made to the Company in Federal or other funds immediately available in New York City against delivery of such Firm Securities for the respective accounts of the several Initial Purchasers at 10:00 a.m., New York City time, on June 1, 1999, or at such other time on the same or such other date, not later than June 8, 1999, as shall be designated in writing by you. The time and date of such payment are hereinafter referred to as the "CLOSING DATE."

Payment for any Additional Securities shall be made to the Company in Federal or other funds immediately available in New York City against delivery of such Additional Securities for the respective accounts of the several Initial Purchasers at 10:00 a.m., New York City time, on the date specified in the notice described in Section 2 or at such other time on the same or on such other date, in any event not later than July 9,1999, as shall be designated in writing by you. The time and date of such payment are hereinafter referred to as the "Option Closing Date."

Certificates for the Firm Securities and Additional Securities shall be in definitive form or global form, as specified by you and as required under the terms of the Indenture, and registered in such names and in such denominations as you shall request in writing not later than one full business day prior to the Closing Date or the Option Closing Date, as the case may be. The certificates evidencing the Firm Securities and Additional Securities shall be delivered to you on the Closing Date or the Option Closing Date, as the case may be, for the respective accounts of the several Initial Purchasers, with any transfer taxes payable in connection with the transfer of the Securities to the Initial Purchasers duly paid, against payment of the Purchase Price therefor plus accrued interest, if any, to the date of payment and delivery.

5. Conditions to the Initial Purchasers' Obligations. The several obligations of the Initial Purchasers to purchase and pay for the Firm Securities on the Closing Date are subject to the following conditions:

(a) Subsequent to the execution and delivery of this Agreement and prior to the Closing Date, there shall not have occurred any change, or any development involving a prospective change, in the condition, financial or otherwise, or in the earnings, business or operations of the Company and its subsidiaries, taken as a whole, from that set forth in the Final Memorandum (exclusive of any amendments or supplements thereto subsequent to the date of this Agreement) that, in your judgment, is material and adverse and that makes it, in your judgment, impracticable to market the Securities on the terms and in the manner contemplated in the Final Memorandum.

(b) The Initial Purchasers shall have received on the Closing Date a certificate, dated the Closing Date and signed by an executive officer of the Company, to the effect that the representations and warranties of the Company contained in this Agreement are true and correct as of the Closing Date and that the Company has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied hereunder on or before the Closing Date.

(c) The Initial Purchasers shall have received on the Closing Date an opinion of Cleary, Gottlieb, Steen & Hamilton, outside counsel for the Company, dated the Closing Date, to the effect set forth in Exhibit A.

(d) The Initial Purchasers shall receive on the Closing Date an opinion of Nicholas J. Camera, General Counsel to the Company, to the effect set forth in Exhibit B.

(e) The Initial Purchasers shall have received on the Closing Date an opinion of Davis Polk & Wardwell, counsel for the Initial

Purchasers, dated the Closing Date, to the effect set forth in Exhibit C.

(f) The Initial Purchasers shall have received on each of the date hereof and the Closing Date a letter, dated the date hereof or the Closing Date, as the case may be, in form and substance satisfactory to the Initial Purchasers, from PricewaterhouseCoopers LLP., independent public accountants, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in or incorporated by reference into each Memorandum; provided that the letter delivered on the Closing Date shall use a "cut-off date" not earlier than the date hereof.

(g) The "lock-up" agreements, each substantially in the form of Exhibit D hereto, between you and Philip H. Geier, Jr., Eugene P. Beard, John J. Dooner, Jr., Frank B. Lowe and Martin F. Puris of the Company relating to sales and certain other dispositions of shares of common stock or certain other securities, delivered to you on or before the date hereof, shall be in full force and effect on the Closing Date.

The several obligations of the Initial Purchasers to purchase Additional Securities hereunder are subject to the delivery to you on the Option Closing Date of such documents as you may reasonably request with respect to the good standing of the Company, the due authorization, execution and authentication and issuance of the Additional Securities and other matters related to the execution, authentication and issuance of the Additional Securities.

6. Covenants of the Company. In further consideration of the agreements of the Initial Purchasers contained in this Agreement, the Company covenants with each Initial Purchaser as follows:

(a) To furnish to you in New York City, without charge, prior to 5:00 p.m. New York City time on the business day next succeeding the date of this Agreement and during the period mentioned in Section 6(c), as many copies of the Final Memorandum, any documents incorporated by reference therein and any supplements and amendments thereto as you may reasonably request.

(b) Before amending or supplementing either Memorandum, to furnish to you a copy of each such proposed amendment or supplement.

(c) If, during such period after the date hereof and prior to the date on which all of the Securities shall have been sold by the Initial Purchasers, any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Final Memorandum in order to make the statements therein, in the light of the circumstances when the Final Memorandum is delivered to a purchaser, not misleading, or if, in the opinion of counsel for the Initial Purchasers, it is necessary to amend or supplement the Final Memorandum to comply with applicable law, forthwith to prepare and furnish, at its own expense, to the Initial Purchasers, either amendments or supplements to the Final Memorandum so that the statements in the Final Memorandum as so amended or supplemented will not, in the light of the circumstances when the Final Memorandum is delivered to a purchaser, be misleading or so that the Final Memorandum, as amended or supplemented, will comply with applicable law.

(d) To endeavor to qualify the Securities for offer and sale under the securities or Blue Sky laws of such jurisdictions as you shall reasonably request.

(e) Whether or not the transactions contemplated in this Agreement are consummated or this Agreement is terminated, to pay or cause to be paid all expenses incident to the performance of its obligations under this Agreement, including: (i) the fees, disbursements and expenses of the Company's counsel and the Company's accountants in connection with the issuance and sale of the Securities and all other fees or expenses in connection with the preparation of each Memorandum and all amendments and supplements thereto, including all printing costs associated therewith, and the delivering of copies thereof to the Initial Purchasers, in the quantities herein above specified, (ii) all costs and expenses related to the transfer and delivery of the Securities to the Initial Purchasers, including any transfer or other taxes payable thereon, (iii) the cost of printing or producing any Blue Sky or legal investment memorandum in connection with the offer and sale of the Securities under state securities laws and all expenses in connection with the qualification of the Securities for offer and sale under state securities laws as provided in Section 6(d) hereof, including filing fees and the reasonable fees and disbursements of counsel for the Initial Purchasers in connection with such qualification and in connection with the Blue Sky or legal investment memorandum, (iv) any fees charged by rating agencies for the rating of the Securities, (v) the fees and expenses, if any, incurred in connection with the admission of the Securities for trading in PORTAL or any appropriate market system, (vi) the costs and charges of the Trustee and any transfer agent, registrar or depositary, (vii) the cost of the preparation, issuance and delivery of the Securities, (viii) the costs and expenses of the Company relating to investor presentations on any "road show" undertaken in connection with the marketing of the offering of the Securities, including, without limitation, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants engaged in connection with the road show presentations with the prior approval of the Company, travel and lodging expenses of the representatives and officers of the Company (for the avoidance of doubt, excluding transportation and lodging expenses of the representatives of the Initial Purchasers) and any such consultants, and the cost of any aircraft chartered in connection with the road show and (ix) all other cost and expenses of the Company incident to the performance of the obligations of the Company hereunder for which provision is not otherwise made in this Section. It is understood, however, that except as provided in this Section 8, and the last paragraph of Section 10, the Initial Purchasers will pay all of their costs and expenses, including fees and disbursements of their counsel, transfer taxes payable on resale of any of the Securities by them and any advertising expenses connected with any offers they may make.

(f) Neither the Company nor any Affiliate will sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in the Securities Act) which could be integrated with the sale of the Securities in a manner which would require the registration under the Securities Act of the Securities.

(g) Not to solicit any offer to buy or offer or sell the Securities or the Underlying Securities by means of any form of general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act.

(h) While any of the Securities or the Underlying Securities remain "restricted securities" within the meaning of the Securities Act, to make available, upon request, to any seller of such Securities the information specified in Rule 144A(d)(4) under the Securities Act,

unless the Company is then subject to Section 13 or 15(d) of the Exchange Act.

(i) If requested by you, to use its best efforts to permit the Securities to be designated PORTAL securities in accordance with the rules and regulations adopted by the National Association of Securities Dealers, Inc. relating to trading in the PORTAL Market.

(j) During the period of two years after the Closing Date or the Option Closing Date, if later, the Company will not, and will not permit any of its affiliates (as defined in Rule 144A under the Securities Act) to resell any of the Securities or the Underlying Securities which constitute "restricted securities" under Rule 144A that have been reacquired by any of them.

7. Offering of Securities; Restrictions on Transfer. Each Initial Purchaser, severally and not jointly, represents and warrants that such Initial Purchaser is a qualified institutional buyer as defined in Rule 144A under the Securities Act (a "QIB"). Each Initial Purchaser, severally and not jointly, agrees with the Company that (i) it will not solicit offers for, or offer or sell, such Securities by any form of general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act and (ii) it will solicit offers for such Securities only from, and will offer such Securities only to, persons that it reasonably believes to be (1) QIBs or (2) other institutional accredited investors (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act ("INSTITUTIONAL ACCREDITED INVESTORS") that, prior to their purchase of the Securities, deliver to such Initial Purchaser a letter containing the representations and agreements set forth in Annex A to the Memorandum that, in each case, in purchasing such Securities are deemed to have represented and agreed as provided in the Final Memorandum under the caption "Transfer Restrictions".

8. Indemnity and Contribution. (a) The Company agrees to indemnify and hold harmless each Initial Purchaser and each person, if any, who controls any Initial Purchaser within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred in connection with defending or investigating any such action or claim) caused by any untrue statement or alleged untrue statement of a material fact contained in either Memorandum (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto), or caused by any omission or alleged omission to state therein a material fact necessary to make the statements therein in the light of the circumstances under which they were made not misleading, except insofar as such losses, claims, damages or liabilities are caused by any such untrue statement or omission or alleged untrue statement or omission based upon information relating to any Initial Purchaser furnished to the Company in writing by such Initial Purchaser through you expressly for use therein; provided, however, that the indemnification contained in this paragraph (a) with respect to the Preliminary Memorandum shall not inure to the benefit of any Initial Purchaser (or to the benefit of any person controlling such Initial Purchaser) on account of any such loss, claim, damage, judgment, liability or expense arising from the sale of the Notes by such Initial Purchaser to any person if the untrue statement or alleged untrue statement or omission or alleged omission of a material fact contained in the Preliminary Memorandum was corrected in the Final Memorandum and such Initial Purchaser sold Notes to that person without sending or giving at or prior to the written confirmation of such sale, a copy of the Final Memorandum (as then amended or supplemented) if the Company has previously furnished sufficient copies thereof to such Initial Purchaser on a timely basis.

(b) Each Initial Purchaser agrees, severally and not jointly, to indemnify and hold harmless the Company, its directors, its officers and each

person, if any, who controls the Company within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the foregoing indemnity from the Company to such Initial Purchaser, but only with reference to information relating to such Initial Purchaser furnished to the Company in writing by such Initial Purchaser through you expressly for use in either Memorandum or any amendments or supplements thereto.

(c) In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to Section 8(a) or 8(b), such person (the "INDEMNIFIED PARTY") shall promptly notify the person against whom such indemnity may be sought (the "INDEMNIFYING PARTY") in writing and the indemnifying party, upon request of the indemnified party, shall retain counsel reasonably satisfactory to the indemnified party to represent the indemnified party and any others the indemnifying party may designate in such proceeding and shall pay the fees and disbursements of such counsel related to such proceeding. In any such proceeding, any indemnified party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the indemnifying party and the indemnified party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the indemnifying party and the indemnified party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the indemnifying party shall not, in respect of the legal expenses of any indemnified party in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all such indemnified parties and that all such fees and expenses shall be reimbursed as they are incurred. Such firm shall be designated in writing by Morgan Stanley & Co. Incorporated, in the case of parties indemnified pursuant to Section 8(a), and by the Company, in the case of parties indemnified pursuant to Section 8(b). The indemnifying party shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel as contemplated by the second and third sentences of this paragraph, the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by such indemnifying party of the aforesaid request and (ii) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request prior to the date of such settlement. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding.

(d) To the extent the indemnification provided for in Section 8(a) or 8(b) is unavailable to an indemnified party or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each indemnifying party under such paragraph, in lieu of indemnifying such indemnified party thereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Initial Purchasers on the other hand from the offering of the Securities or (ii) if the allocation provided by clause 8(d)(i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred

to in clause 8(d)(i) above but also the relative fault of the Company on the one hand and of the Initial Purchasers on the other hand in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Initial Purchasers on the other hand in connection with the offering of the Securities shall be deemed to be in the same respective proportions as the net proceeds from the offering of the Securities (before deducting expenses) received by the Company and the total discounts and commissions received by the Initial Purchasers, in each case as set forth in the Final Memorandum, bear to the aggregate offering price of the Securities. The relative fault of the Company on the one hand and of the Initial Purchasers on the other hand shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or by the Initial Purchasers and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Initial Purchasers' respective obligations to contribute pursuant to this Section 8 are several in proportion to the respective aggregate principal amount at maturity of Securities they have purchased hereunder, and not joint.

(e) The Company and the Initial Purchasers agree that it would not be just or equitable if contribution pursuant to this Section 8 were determined by pro rata allocation (even if the Initial Purchasers were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in Section 8(d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages and liabilities referred to in Section 8(d) shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 8, no Initial Purchaser shall be required to contribute any amount in excess of the amount by which the total price at which the Securities resold by it in the initial placement of such Securities were offered to investors exceeds the amount of any damages that such Initial Purchaser has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The remedies provided for in this Section 8 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

(f) The indemnity and contribution provisions contained in this Section 8 and the representations, warranties and other statements of the Company contained in this Agreement shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of any Initial Purchaser or any person controlling any Initial Purchaser or by or on behalf of the Company, its officers or directors or any person controlling the Company and (iii) acceptance of and payment for any of the Securities.

9. Termination. This Agreement shall be subject to termination by notice given by you to the Company, if (a) after the execution and delivery of this Agreement and prior to the Closing Date (i) trading generally shall have been suspended or materially limited on or by, as the case may be, any of the New York Plan Exchange, the National Association of Securities Dealers, Inc., the Chicago Board of Options Exchange or the Chicago Board of Trade, (ii) trading of any securities of the Company shall have been suspended on any exchange or in any over-the-counter market, (iii) a general moratorium on commercial banking activities in New York shall have been declared by either Federal or New York State authorities or (iv) there shall have occurred any outbreak or escalation of hostilities or any change in financial markets or any

calamity or crisis that, in your judgment, is material and adverse and (b) in the case of any of the events specified in clauses 9(a)(i) through 9(a)(iv), such event, singly or together with any other such event, makes it, in your judgment, impracticable to market the Securities on the terms and in the manner contemplated in the Final Memorandum.

10. Effectiveness; Defaulting Initial Purchasers. This Agreement shall become effective upon the execution and delivery hereof by the parties hereto.

If, on the Closing Date, or the Option Closing Date, as the case may be, any one or more of the Initial Purchasers shall fail or refuse to purchase Securities that it or they have agreed to purchase hereunder on such date, and the aggregate principal amount at maturity of Securities which such defaulting Initial Purchaser or Initial Purchasers agreed but failed or refused to purchase is not more than one-tenth of the aggregate principal amount at maturity of Securities to be purchased on such date, the other Initial Purchasers shall be obligated severally in the proportions that the aggregate principal amount at maturity of Firm Securities set forth opposite their respective names in Schedule I bears to the aggregate principal amount at maturity of Firm Securities set forth opposite the names of all such non-defaulting Initial Purchasers, or in such other proportions as you may specify, to purchase the Securities which such defaulting Initial Purchaser or Initial Purchasers agreed but failed or refused to purchase on such date; provided that in no event shall the aggregate principal amount at maturity of Securities that any Initial Purchaser has agreed to purchase pursuant to this Agreement be increased pursuant to this Section 10 by an amount in excess of one-ninth of such aggregate principal amount at maturity of Securities without the written consent of such Initial Purchaser. If, on the Closing Date any Initial Purchaser or Initial Purchasers shall fail or refuse to purchase Firm Securities which it or they have agreed to purchase hereunder on such date and the aggregate principal amount at maturity of Securities with respect to which such default occurs is more than one-tenth of the aggregate principal amount at maturity of Firm Securities to be purchased on such date, and arrangements satisfactory to you and the Company for the purchase of such Firm Securities are not made within 36 hours after such default, this Agreement shall terminate without liability on the part of any non-defaulting Initial Purchaser or of the Company. In any such case either you or the Company shall have the right to postpone the Closing Date, but in no event for longer than seven days, in order that the required changes, if any, in the Final Memorandum or in any other documents or arrangements may be effected. If, on the Option Closing Date, any Initial Purchaser or Initial Purchasers shall fail or refuse to purchase Additional Securities and the aggregate principal amount at maturity of Additional Securities with respect to which such default occurs is more than one-tenth of the aggregate principal amount at maturity of Additional Securities to be purchased, the non-defaulting Initial Purchasers shall have the option to (a) terminate their obligation hereunder to purchase Additional Securities or (b) purchase not less than the aggregate principal amount at maturity of Additional Securities that such non-defaulting Initial Purchasers would have been obligated to purchase in the absence of such default. Any action taken under this paragraph shall not relieve any defaulting Initial Purchaser from liability in respect of any default of such Initial Purchaser under this Agreement.

If this Agreement shall be terminated by the Initial Purchasers, or any of them, because of any failure or refusal on the part of the Company to comply with the terms or to fulfill any of the conditions of this Agreement, or if for any reason the Company shall be unable to perform its obligations under this Agreement, the Company will reimburse the Initial Purchasers or such Initial Purchasers as have so terminated this Agreement with respect to themselves, severally, for all out-of-pocket expenses (including the fees and disbursements of their counsel) reasonably incurred by such Initial Purchasers in connection with this Agreement or the offering contemplated hereunder.

11. Counterparts. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

12. Applicable Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York.

13. Headings. The headings of the sections of this Agreement have been inserted for convenience of reference only and shall not be deemed a part of this Agreement.

Very truly yours,

THE INTERPUBLIC GROUP OF
COMPANIES, INC.

By:

Name:
Title:

Accepted as of the date hereof

Morgan Stanley & Co. Incorporated
Goldman, Sachs & Co.
Salomon Smith Barney Inc.

Acting severally on behalf of themselves and the several Initial Purchasers named in Schedule I hereto.

By: Morgan Stanley & Co. Incorporated

By:

Name:
Title:

SCHEDULE I

INITIAL PURCHASER	AGGREGATE PRINCIPAL AMOUNT AT MATURITY OF FIRM SECURITIES TO BE PURCHASED
Morgan Stanley & Co. Incorporated.....	$219,100,000
Goldman, Sachs & Co.....	46,950,000
Salomon Smith Barney Inc.....	46,950,000
Total:.....	$313,000,000

EXHIBIT A

OPINION OF CLEARY, GOTTLIEB, STEEN & HAMILTON

The opinion of Cleary, Gottlieb, Steen & Hamilton, outside counsel for the Company, to be delivered pursuant to Section 5(c) of the Purchase Agreement shall be to the effect that, subject to such counsel's standard qualifications and assumptions:

A. The Purchase Agreement has been duly authorized, executed and delivered by the Company.

B. The Securities have been duly authorized by the Company and, when executed and authenticated in accordance with the provisions of the Indenture and delivered to and paid for by the Initial Purchasers in accordance with the terms of the Purchase Agreement, will be valid and binding obligations of the Company, enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and general principles of equity, and will be entitled to the benefits of the Indenture and the Registration Rights Agreement pursuant to which such Securities are to be issued.

C. Each of the Indenture and Registration Rights Agreement has been duly authorized, executed and delivered by, and is a valid and binding agreement of, the Company, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and general principles of equity and except as rights to indemnification and contribution under the Registration Rights Agreement may be limited under applicable law.

D. The Company is not, and after giving effect to the offering and sale of the Securities and the application of the proceeds thereof as described in the Final Memorandum, will not be an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

E. The statements in the Final Memorandum under the captions "Description of the Notes", "Description of Capital Plan -- Rights" and "Transfer Restrictions", insofar as such statements purport to summarize the legal matters, documents or proceedings referred to therein, fairly summarize the matters referred to therein.

F. The statements in the Final Memorandum under the caption "Certain Federal Income Tax Considerations," insofar as such statements purport to summarize federal laws of the United States referred to therein, constitute a fair summary of the principal United States federal income tax considerations relating to a purchase of the Notes.

G. Such counsel (i) is of the opinion that each document incorporated by reference in the Final Memorandum (except for financial statements and schedules and other financial and statistical data included therein as to which such counsel need not express any opinion), complied as to form when filed with the Commission in all material respects with the Exchange Act and the rules and regulations of the Commission thereunder and (ii) has no reason to believe that (except for financial statements and schedules and other financial and statistical data as to which such counsel need not express any belief) the Final Memorandum when issued contained, or as of the date such opinion is delivered contains, any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

H. Based upon the representations, warranties and agreements of the Company in Sections 1(n), 1(p), 6(f), and 6(g) of the Purchase Agreement and of the Initial Purchasers in Section 7 of the Purchase Agreement, it is not necessary in connection with the offer, sale and delivery of the Securities to the Initial Purchasers under the Purchase Agreement or in connection with the initial resale of such Securities by the Initial Purchasers in accordance with Section 7 of the Purchase Agreement to register the Securities under the Securities Act of 1933 or to qualify the Indenture under the Trust Indenture Act of 1939, it being understood that no opinion is expressed as to any subsequent resale of any Security or Underlying Security.

With respect to paragraph G above, counsel may state that his or her opinion and belief are based upon his or her participation in the preparation of the Final Memorandum (and any amendments or supplements thereto) and review and discussion of the contents thereof and review of the documents incorporated by reference therein, but are without independent check or verification except as specified.

EXHIBIT B

OPINION OF GENERAL COUNSEL OF THE COMPANY

The opinion of Nicholas J. Camera, General Counsel for the Company, to be delivered pursuant to Section 5(d) of the Purchase Agreement shall be to the effect, subject to such counsel's standard qualifications and assumptions that:

A. The Company has been duly incorporated, is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, has the corporate power and authority to own its property and to conduct its business as described in the Final Memorandum and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not have a material adverse effect on the Company and its subsidiaries, taken as a whole.

B. Each wholly-owned subsidiary of the Company has been duly incorporated, is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, has the corporate power and authority to own its property and to conduct its business as described in the Final Memorandum and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so incorporated or qualified or be in good standing would not have a material adverse effect on the Company and its subsidiaries, taken as a whole; all of the issued shares of capital stock of each subsidiary of the Company have been duly and validly authorized and issued, are fully paid and non-assessable, and are owned directly by the Company, free and clear of all liens, encumbrances, equities or claims.

C. The Purchase Agreement has been duly authorized, executed and delivered by the Company.

D. The authorized capital stock of the Company conforms as to legal matters to the description thereof contained in the Final Memorandum.

E. The shares of common stock outstanding on the Closing Date have been duly authorized and are validly issued, fully paid and non-assessable.

F. The Securities have been duly authorized by the Company and, when executed and authenticated in accordance with the provisions of the Indenture and delivered to and paid for by the Initial Purchasers in accordance with the terms of the Purchase Agreement, will be valid and binding obligations of the Company, enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and general principles of equity, and will be entitled to the benefits of the Indenture and the Registration Rights Agreement pursuant to which such Securities are to be issued.

G. (1) The Underlying Securities reserved for issuance upon conversion of the Securities have been duly authorized and reserved and, when issued upon conversion of the Securities in accordance with the terms of the Securities, will be validly issued, fully paid and non-assessable and the issuance of the Underlying Securities will not be subject to any preemptive or similar rights and (2) the Rights, if any, issuable upon conversion of the Securities have been duly authorized and, when and if issued upon conversion in accordance with the terms of the Indenture and the Rights Plan, will have been validly issued.

H. Each of the Indenture and Registration Rights Agreement has been duly authorized, executed and delivered by, and is a valid and binding agreement of, the Company, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and general principles of equity and except as rights to indemnification and contribution under the Registration Rights Agreement may be limited under applicable law.

I. The execution and delivery by the Company of, and the performance by the Company of its obligations under, the Purchase Agreement, the Indenture, the Registration Rights Agreement and the Securities will not contravene any provision of applicable law or the certificate of incorporation or by-laws of the Company or, to the best of such counsel's knowledge, any agreement or other instrument binding upon the Company or any of its subsidiaries that is material to the Company and its subsidiaries, taken as a whole, or, to the best of such counsel's knowledge, any judgment, order or decree of any governmental body, agency or court having jurisdiction over the Company or any subsidiary, and no consent, approval, authorization or order of, or qualification with, any governmental body or agency is required for the performance by the Company of its obligations under the Purchase Agreement, the Indenture, the Registration Rights Agreement or the Securities, except such as may be required by the securities or Blue Sky laws of the various states in connection with the offer and sale of the Securities and by Federal and state securities laws with respect to the Company's obligations under the Registration Rights Agreement.

J. After due inquiry, such counsel does not know of any legal or governmental proceedings pending or threatened to which the Company or any of its subsidiaries is a party or to which any of the properties of the Company or any of its subsidiaries is subject other than proceedings fairly summarized in all material respects in the Final Memorandum and proceedings which such counsel believes are not likely to have a material adverse effect on the Company and its subsidiaries, taken as a whole, or on the power or ability of the Company to perform its obligations under the Purchase Agreement, the Indenture, the Registration Rights Agreement or the Securities or to consummate the transactions contemplated by the Final Memorandum.

K. Such counsel (i) is of the opinion that each document incorporated by reference in the Final Memorandum (except for financial statements and schedules and other financial and statistical data included therein as to which such counsel need not express any opinion), complied as to form when filed with the Commission in all material respects with the Exchange Act and the rules and regulations of the Commission thereunder and (ii) has no reason to believe that (except for financial statements and schedules and other financial and statistical data as to which such counsel need not express any belief) the Final Memorandum when issued contained, or as of the date such opinion is delivered contains, any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

With respect to paragraph K above, counsel may state that his or her opinion and belief are based upon his or her participation in the preparation of the Final Memorandum (and any amendments or supplements thereto) and review and discussion of the contents thereof and review of the documents incorporated by reference therein, but are without independent check or verification except as specified.

EXHIBIT C

OPINION OF DAVIS POLK & WARDWELL

The opinion of Davis Polk & Wardwell to be delivered pursuant to Section 5(e) of the Purchase Agreement shall be to the effect that:

A. The Purchase Agreement has been duly authorized, executed and delivered by the Company.

B. The Securities have been duly authorized by the Company and, when executed and authenticated in accordance with the provisions of the Indenture and delivered to and paid for by the Initial Purchasers in accordance with the terms of the Purchase Agreement, will be valid and binding obligations of the Company, enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and general principles of equity, and will be entitled to the benefits of the Indenture and the Registration Rights Agreement pursuant to which such Securities are to be issued.

C. The Underlying Securities reserved for issuance upon conversion of the Securities have been duly authorized and reserved and, when issued upon conversion of the Securities in accordance with the terms of the Securities, will be validly issued, fully paid and non-assessable, and the issuance of the Underlying Securities will not be subject to any preemptive or similar rights and the Rights, if any, issuable upon conversion of the Securities have been duly authorized and, when and if issued upon conversion in accordance with the terms of the Indenture and the Rights Plan, will have been validly issued.

D. Each of the Indenture and the Registration Rights Agreement has been duly authorized, executed and delivered by, and is a valid and binding agreement of, the Company, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and general principles of equity and except as rights to indemnification and contribution under the Registration Rights Agreement may be limited under applicable law.

E. The statements in the Final Memorandum under the captions "Description of the Notes", "Plan of Distribution" and "Transfer Restrictions", insofar as such statements constitute summaries of the legal matters, documents or proceedings referred to therein, fairly summarize the matters referred to therein.

F. Such counsel has no reason to believe that (except for financial statements and other financial and statistical data as to which such counsel need not express any belief) the Final Memorandum when issued contained, or as of the date such opinion is delivered contains, any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

G. Based upon the representations, warranties and agreements of the Company in Sections 1(n), 1(p), 6(f), and 6(g) of the Purchase Agreement and of the Initial Purchasers in Section 7 of the Purchase Agreement, it is not necessary in connection with the offer, sale and delivery of the Securities to the Initial Purchasers under the Purchase Agreement or in connection with the initial resale of such Securities by the Initial Purchasers in accordance with Section 7 of the Purchase Agreement to register the Securities under the Securities Act of 1933 or to qualify the Indenture under the Trust Indenture Act of 1939, it being understood that no opinion is expressed as to any subsequent resale of any Security or Underlying Security.

With respect to paragraph F above, Davis Polk & Wardwell may state that their opinion and belief are based upon their participation in the preparation of the Final Memorandum (and any amendments or supplements thereto) and review and discussion of the contents thereof (including the review of, but not participation in the preparation of, the incorporated documents), but are without independent check or verification except as specified.

EXHIBIT D

[FORM OF LOCK-UP LETTER]

, 1999

Morgan Stanley & Co. Incorporated
Goldman, Sachs & Co.
Salomon Smith Barney Inc.
c/o Morgan Stanley & Co. Incorporated
1585 Broadway
New York, NY 10036

Dear Sirs and Mesdames:

The undersigned understands that Morgan Stanley & Co. Incorporated ("MORGAN STANLEY") proposes to enter into a Purchase Agreement (the "PURCHASE AGREEMENT") with The Interpublic Group of Companies, Inc., a Delaware corporation (the "COMPANY"), providing for the offering (the "OFFERING") by the several Initial Purchasers, including Morgan Stanley (the "INITIAL PURCHASERS"), of $313,000,000 aggregate principal amount at maturity of 1.87% Convertible Subordinated Notes due 2006 of the Company (the "SECURITIES"). The Securities will be convertible into shares of Common Plan of the Company, par value $0.10 per share of the Company (the "COMMON STOCK").

To induce the Initial Purchasers that may participate in the Offering to continue their efforts in connection with the Offering, the undersigned hereby agrees that, without the prior written consent of Morgan Stanley on behalf of the Initial Purchasers, it will not, during the period commencing on the date hereof and ending 90 days after the date of the final offering memorandum relating to the Offering (the "FINAL MEMORANDUM"), (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Plan or any securities convertible into or exercisable or exchangeable for Common Plan or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Plan, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Common Plan or such other securities, in cash or otherwise. The foregoing sentence shall not apply to (1) transactions relating to shares of Common Plan or other securities acquired in open market transactions after the completion of the Offering, (2) sales of shares of Common Plan, or options with respect thereto, to the Company, (3) the exercise of any options with respect to the Common Plan and (4) the sale of shares of Common Plan in order to pay any taxes arising from any gains from the exercise of any options with respect to the Common Plan; provided that in no event shall the aggregate amount of shares of Common Plan sold pursuant to clause (4) hereof by the undersigned and the other officers and directors of the Company who have signed similar "lock-up" agreements on the date hereof shall exceed 75,000. In addition, the undersigned agrees that, without the prior written consent of Morgan Stanley on behalf of the Initial Purchasers, it will not, during the period commencing on the date hereof and ending 90 days after the date of the Final Memorandum, make any demand for or exercise any right with respect to, the registration of any shares of Common Plan or any security convertible into or exercisable or exchangeable for Common Plan.

Whether or not the Offering actually occurs depends on a number of factors, including market conditions. Any Offering will be made only pursuant to a Purchase Agreement, the terms of which are subject to negotiation between the Company and the Initial Purchasers.

Very truly yours,

(Name)

(Address)

Exhibit 10(e)

THE INTERPUBLIC GROUP OF COMPANIES, INC.
THE INTERPUBLIC OUTSIDE DIRECTORS' STOCK INCENTIVE PLAN
("the Plan")

PLAN OPTION CERTIFICATE
THIS DOCUMENT IS IMPORTANT AND SHOULD BE KEPT IN A SAFE PLACE

THIS IS TO CERTIFY that, on the date shown below, an Option was granted, subject to the Rules of the above-mentioned Plan, to the under-mentioned to subscribe at the Exercise Price stated below the number of shares of Common Plan of The Interpublic Group of Companies, Inc. specified below.

Grantee: Name: Frank J. Borelli

Date of Grant: June 4, 1999

Number of shares of Common Plan subject to the Option: 2,000

Exercise Price per share: $78.6563

Option Expiration Date: June 4, 2009

The Option may not be exercised in any part until June 4, 2002. Thereafter the Option shall be exercisable in its entirety.

IN WITNESS WHEREOF this Certificate was duly executed this 4th day of June, 1999 by THE INTERPUBLIC GROUP OF COMPANIES, INC. by the affixing of its common seal in the presence of : -

Senior Vice President /s/ C. Kent Kroeber
C. Kent Kroeber

Secretary /s/ Nicholas J. Camera
Nicholas J. Camera

Grantee:
(Signature)

THE INTERPUBLIC GROUP OF COMPANIES, INC.

The Interpublic Outside Directors' Plan Incentive Plan

EXHIBIT A

OPTION CERTIFICATE between The Interpublic Group of Companies, Inc. (hereinafter called "the Corporation"), and the individual whose name appears on the document to which this Option Certificate is attached (hereinafter called the "Cover Document"), such individual being an Outside Director of the Corporation (hereinafter called "the Grantee");

PURSUANT TO and under all the terms and conditions of THE INTERPUBLIC OUTSIDE DIRECTORS' STOCK INCENTIVE PLAN (hereinafter called "the Plan"), the Corporation offers the Grantee an opportunity to purchase shares of the Common Plan of the Corporation on the following terms and conditions:

l. The Corporation hereby irrevocably grants to the Grantee the right and option (hereinafter called "the Option") to purchase from the Corporation an aggregate of that number of shares of the Common Plan of the Corporation shown on the Cover Document in accordance with all the terms and conditions of the Plan and this Agreement.

2. The purchase price of said shares is shown in the Cover Document. All issue and transfer taxes upon the sale of shares pursuant to the exercise of all or any part of the Option and all fees and expenses incident thereto shall be paid by the Corporation.

3. The term of the Option shall be for a period of ten years from the date as of which the Option is granted, subject to earlier termination as provided herein.

4. The Option may not be exercised in any part until the date on the Cover Document.

5. The Option when exercisable may be exercised at one time or from time to time except that such partial exercise of the Option shall be for 50 shares or a multiple thereof, or for all the remaining shares thereunder, whichever is the lesser.

6. The purchase price of the shares as to which the Option shall be exercised shall be paid in full in cash at the time of the exercise. If payment is made by check or draft, such check or draft must be drawn on a bank located in the United States of America.

7. This Option is not transferable otherwise than by will or by the laws of descent and distribution. During the lifetime of the Grantee, this Option may be exercised only by the Grantee.

8. (a) Upon Grantee's cessation of service as an Outside Director for any reason (including death) the Option, if exercisable upon the date of cessation of service, shall continue to be exercisable by the Grantee or the Grantee's legal representatives, heirs or beneficiaries for thirty-six months following cessation of service, but in no event shall the Option be exercisable more than ten years from the date it was granted.

(b) If the Option is not exercisable on the date on which the Grantee ceases to serve as an Outside Director, then the Option shall be forfeited. If the Option is exercisable and is not exercised in full before it ceases to be exercisable in accordance with paragraph 3 hereof and the preceding provisions of this paragraph 8, the Option shall, to the extent not previously exercised, thereupon be forfeited.

9. The Grantee shall not have voting or dividend rights or any other rights of a stockholder in respect of any shares of Common Plan covered by this Option prior to the time that his or her name is recorded on the stockholder ledger of the Corporation as the holder of record of such shares acquired pursuant to an exercise of the Option.

10. Subject to the terms and conditions of the Plan and of this Agreement, any exercise of this Option shall be by written notice delivered to the Chief Executive Officer or the Secretary of the Corporation, at its principal office, which is now located at 1271 Avenue of the Americas, Rockefeller Center, New York, New York 10020. Such written notice shall state the election to exercise the Option and the number of shares in respect of which it is being exercised and shall be signed by the person or persons so exercising the Option. Such notice shall be accompanied by payment of the full purchase price of said shares, whereupon the Corporation shall deliver a certificate or certificates representing said shares as soon as practicable. Unless there has been an effective registration of the securities offered under the Plan pursuant to the Securities Act of 1933, upon exercise of the Option the Grantee shall also furnish a statement in writing that the shares are being acquired for investment purposes and not with a view to their sale or distribution.

11. This Option shall not be treated as an incentive stock plan for purposes of Section 422 of the Internal Revenue Code of 1986, as amended from time to time or any successor provision.

12. All words and phrases used herein shall have the same meaning as in the Plan, and all provisions, terms and conditions of the Plan not herein specifically set forth are incorporated herein by reference.

(6/4/99)

Exhibit 10(f)

THE INTERPUBLIC GROUP OF COMPANIES, INC.
THE INTERPUBLIC OUTSIDE DIRECTORS' STOCK INCENTIVE PLAN
("the Plan")

PLAN OPTION CERTIFICATE
THIS DOCUMENT IS IMPORTANT AND SHOULD BE KEPT IN A SAFE PLACE

THIS IS TO CERTIFY that, on the date shown below, an Option was granted, subject to the Rules of the above-mentioned Plan, to the under-mentioned to subscribe at the Exercise Price stated below the number of shares of Common Plan of The Interpublic Group of Companies, Inc. specified below.

Grantee: Name: Reginald K. Brack

Date of Grant: June 4, 1999

Number of shares of Common Plan subject to the Option: 2,000

Exercise Price per share: $78.6563

Option Expiration Date: June 4, 2009

The Option may not be exercised in any part until June 4, 2002. Thereafter the Option shall be exercisable in its entirety.

IN WITNESS WHEREOF this Certificate was duly executed this 4th day of June, 1999 by THE INTERPUBLIC GROUP OF COMPANIES, INC. by the affixing of its common seal in the presence of : -

Senior Vice President /s/ C. Kent Kroeber

C. Kent Kroeber

Secretary /s/ Nicholas J. Camera

Nicholas J. Camera

Grantee:

(Signature)

THE INTERPUBLIC GROUP OF COMPANIES, INC.

The Interpublic Outside Directors' Plan Incentive Plan

EXHIBIT A

OPTION CERTIFICATE between The Interpublic Group of Companies, Inc. (hereinafter called "the Corporation"), and the individual whose name appears on the document to which this Option Certificate is attached (hereinafter called the "Cover Document"), such individual being an Outside Director of the Corporation (hereinafter called "the Grantee");

PURSUANT TO and under all the terms and conditions of THE INTERPUBLIC OUTSIDE DIRECTORS' STOCK INCENTIVE PLAN (hereinafter called "the Plan"), the Corporation offers the Grantee an opportunity to purchase shares of the Common Plan of the Corporation on the following terms and conditions:

l. The Corporation hereby irrevocably grants to the Grantee the right and option (hereinafter called "the Option") to purchase from the Corporation an aggregate of that number of shares of the Common Plan of the Corporation shown on the Cover Document in accordance with all the terms and conditions of the Plan and this Agreement.

2. The purchase price of said shares is shown in the Cover Document. All issue and transfer taxes upon the sale of shares pursuant to the exercise of all or any part of the Option and all fees and expenses incident thereto shall be paid by the Corporation.

3. The term of the Option shall be for a period of ten years from the date as of which the Option is granted, subject to earlier termination as provided herein.

4. The Option may not be exercised in any part until the date on the Cover Document.

5. The Option when exercisable may be exercised at one time or from time to time except that such partial exercise of the Option shall be for 50 shares or a multiple thereof, or for all the remaining shares thereunder, whichever is the lesser.

6. The purchase price of the shares as to which the Option shall be exercised shall be paid in full in cash at the time of the exercise. If payment is made by check or draft, such check or draft must be drawn on a bank located in the United States of America.

7. This Option is not transferable otherwise than by will or by the laws of descent and distribution. During the lifetime of the Grantee, this Option may be exercised only by the Grantee.

8. (a) Upon Grantee's cessation of service as an Outside Director for any reason (including death) the Option, if exercisable upon the date of cessation of service, shall continue to be exercisable by the Grantee or the Grantee's legal representatives, heirs or beneficiaries for thirty-six months following cessation of service, but in no event shall the Option be exercisable more than ten years from the date it was granted.

(b) If the Option is not exercisable on the date on which the Grantee ceases to serve as an Outside Director, then the Option shall be forfeited. If the Option is exercisable and is not exercised in full before it ceases to be exercisable in accordance with paragraph 3 hereof and the preceding provisions of this paragraph 8, the Option shall, to the extent not previously exercised, thereupon be forfeited.

9. The Grantee shall not have voting or dividend rights or any other rights of a stockholder in respect of any shares of Common Plan covered by this Option prior to the time that his or her name is recorded on the stockholder ledger of the Corporation as the holder of record of such shares acquired pursuant to an exercise of the Option.

10. Subject to the terms and conditions of the Plan and of this Agreement, any exercise of this Option shall be by written notice delivered to the Chief Executive Officer or the Secretary of the Corporation, at its principal office, which is now located at 1271 Avenue of the Americas, Rockefeller Center, New York, New York 10020. Such written notice shall state the election to exercise the Option and the number of shares in respect of which it is being exercised and shall be signed by the person or persons so exercising the Option. Such notice shall be accompanied by payment of the full purchase price of said shares, whereupon the Corporation shall deliver a certificate or certificates representing said shares as soon as practicable. Unless there has been an effective registration of the securities offered under the Plan pursuant to the Securities Act of 1933, upon exercise of the Option the Grantee shall also furnish a statement in writing that the shares are being acquired for investment purposes and not with a view to their sale or distribution.

11. This Option shall not be treated as an incentive stock plan for purposes of Section 422 of the Internal Revenue Code of 1986, as amended from time to time or any successor provision.

12. All words and phrases used herein shall have the same meaning as in the Plan, and all provisions, terms and conditions of the Plan not herein specifically set forth are incorporated herein by reference.

(6/4/99)

Exhibit 10(g)

THE INTERPUBLIC GROUP OF COMPANIES, INC.
THE INTERPUBLIC OUTSIDE DIRECTORS' STOCK INCENTIVE PLAN
("the Plan")

PLAN OPTION CERTIFICATE
THIS DOCUMENT IS IMPORTANT AND SHOULD BE KEPT IN A SAFE PLACE

THIS IS TO CERTIFY that, on the date shown below, an Option was granted, subject to the Rules of the above-mentioned Plan, to the under-mentioned to subscribe at the Exercise Price stated below the number of shares of Common Plan of The Interpublic Group of Companies, Inc. specified below.

Grantee: Name: Jill M. Considine

Date of Grant: June 4, 1999

Number of shares of Common Plan subject to the Option: 2,000

Exercise Price per share: $78.6563

Option Expiration Date: June 4, 2009

The Option may not be exercised in any part until June 4, 2002. Thereafter the Option shall be exercisable in its entirety.

IN WITNESS WHEREOF this Certificate was duly executed this 4th day of June, 1999 by THE INTERPUBLIC GROUP OF COMPANIES, INC. by the affixing of its common seal in the presence of : -

Senior Vice President /s/ C. Kent Kroeber

C. Kent Kroeber

Secretary /s/ Nicholas J. Camera

Nicholas J. Camera

Grantee:

(Signature)

THE INTERPUBLIC GROUP OF COMPANIES, INC.

The Interpublic Outside Directors' Plan Incentive Plan

EXHIBIT A

OPTION CERTIFICATE between The Interpublic Group of Companies, Inc. (hereinafter called "the Corporation"), and the individual whose name appears on the document to which this Option Certificate is attached (hereinafter called the "Cover Document"), such individual being an Outside Director of the Corporation (hereinafter called "the Grantee");

PURSUANT TO and under all the terms and conditions of THE INTERPUBLIC OUTSIDE DIRECTORS' STOCK INCENTIVE PLAN (hereinafter called "the Plan"), the Corporation offers the Grantee an opportunity to purchase shares of the Common Plan of the Corporation on the following terms and conditions:

l. The Corporation hereby irrevocably grants to the Grantee the right and option (hereinafter called "the Option") to purchase from the Corporation an aggregate of that number of shares of the Common Plan of the Corporation shown on the Cover Document in accordance with all the terms and conditions of the Plan and this Agreement.

2. The purchase price of said shares is shown in the Cover Document. All issue and transfer taxes upon the sale of shares pursuant to the exercise of all or any part of the Option and all fees and expenses incident thereto shall be paid by the Corporation.

3. The term of the Option shall be for a period of ten years from the date as of which the Option is granted, subject to earlier termination as provided herein.

4. The Option may not be exercised in any part until the date on the Cover Document.

5. The Option when exercisable may be exercised at one time or from time to time except that such partial exercise of the Option shall be for 50 shares or a multiple thereof, or for all the remaining shares thereunder, whichever is the lesser.

6. The purchase price of the shares as to which the Option shall be exercised shall be paid in full in cash at the time of the exercise. If payment is made by check or draft, such check or draft must be drawn on a bank located in the United States of America.

7. This Option is not transferable otherwise than by will or by the laws of descent and distribution. During the lifetime of the Grantee, this Option may be exercised only by the Grantee.

8. (a) Upon Grantee's cessation of service as an Outside Director for any reason (including death) the Option, if exercisable upon the date of cessation of service, shall continue to be exercisable by the Grantee or the Grantee's legal representatives, heirs or beneficiaries for thirty-six months following cessation of service, but in no event shall the Option be exercisable more than ten years from the date it was granted.

(b) If the Option is not exercisable on the date on which the Grantee ceases to serve as an Outside Director, then the Option shall be forfeited. If the Option is exercisable and is not exercised in full before it ceases to be exercisable in accordance with paragraph 3 hereof and the preceding provisions of this paragraph 8, the Option shall, to the extent not previously exercised, thereupon be forfeited.

9. The Grantee shall not have voting or dividend rights or any other rights of a stockholder in respect of any shares of Common Plan covered by this Option prior to the time that his or her name is recorded on the stockholder ledger of the Corporation as the holder of record of such shares acquired pursuant to an exercise of the Option.

10. Subject to the terms and conditions of the Plan and of this Agreement, any exercise of this Option shall be by written notice delivered to the Chief Executive Officer or the Secretary of the Corporation, at its principal office, which is now located at 1271 Avenue of the Americas, Rockefeller Center, New York, New York 10020. Such written notice shall state the election to exercise the Option and the number of shares in respect of which it is being exercised and shall be signed by the person or persons so exercising the Option. Such notice shall be accompanied by payment of the full purchase price of said shares, whereupon the Corporation shall deliver a certificate or certificates representing said shares as soon as practicable. Unless there has been an effective registration of the securities offered under the Plan pursuant to the Securities Act of 1933, upon exercise of the Option the Grantee shall also furnish a statement in writing that the shares are being acquired for investment purposes and not with a view to their sale or distribution.

11. This Option shall not be treated as an incentive stock plan for purposes of Section 422 of the Internal Revenue Code of 1986, as amended from time to time or any successor provision.

12. All words and phrases used herein shall have the same meaning as in the Plan, and all provisions, terms and conditions of the Plan not herein specifically set forth are incorporated herein by reference.

(6/4/99)

Exhibit 10(h)

THE INTERPUBLIC GROUP OF COMPANIES, INC.
THE INTERPUBLIC OUTSIDE DIRECTORS' STOCK INCENTIVE PLAN
("the Plan")

PLAN OPTION CERTIFICATE
THIS DOCUMENT IS IMPORTANT AND SHOULD BE KEPT IN A SAFE PLACE

THIS IS TO CERTIFY that, on the date shown below, an Option was granted, subject to the Rules of the above-mentioned Plan, to the under-mentioned to subscribe at the Exercise Price stated below the number of shares of Common Plan of The Interpublic Group of Companies, Inc. specified below.

Grantee: Name: Leif H. Olsen

Date of Grant: June 4, 1999

Number of shares of Common Plan subject to the Option: 2,000

Exercise Price per share: $78.6563

Option Expiration Date: June 4, 2009

The Option may not be exercised in any part until June 4, 2002. Thereafter the Option shall be exercisable in its entirety.

IN WITNESS WHEREOF this Certificate was duly executed this 4th day of June, 1999 by THE INTERPUBLIC GROUP OF COMPANIES, INC. by the affixing of its common seal in the presence of : -

Senior Vice President /s/ C. Kent Kroeber

C. Kent Kroeber

Secretary /s/ Nicholas J. Camera

Nicholas J. Camera

Grantee:

(Signature)

THE INTERPUBLIC GROUP OF COMPANIES, INC.

The Interpublic Outside Directors' Plan Incentive Plan

EXHIBIT A

OPTION CERTIFICATE between The Interpublic Group of Companies, Inc. (hereinafter called "the Corporation"), and the individual whose name appears on the document to which this Option Certificate is attached (hereinafter called the "Cover Document"), such individual being an Outside Director of the Corporation (hereinafter called "the Grantee");

PURSUANT TO and under all the terms and conditions of THE INTERPUBLIC OUTSIDE DIRECTORS' STOCK INCENTIVE PLAN (hereinafter called "the Plan"), the Corporation offers the Grantee an opportunity to purchase shares of the Common Plan of the Corporation on the following terms and conditions:

l. The Corporation hereby irrevocably grants to the Grantee the right and option (hereinafter called "the Option") to purchase from the Corporation an aggregate of that number of shares of the Common Plan of the Corporation shown on the Cover Document in accordance with all the terms and conditions of the Plan and this Agreement.

2. The purchase price of said shares is shown in the Cover Document. All issue and transfer taxes upon the sale of shares pursuant to the exercise of all or any part of the Option and all fees and expenses incident thereto shall be paid by the Corporation.

3. The term of the Option shall be for a period of ten years from the date as of which the Option is granted, subject to earlier termination as provided herein.

4. The Option may not be exercised in any part until the date on the Cover Document.

5. The Option when exercisable may be exercised at one time or from time to time except that such partial exercise of the Option shall be for 50 shares or a multiple thereof, or for all the remaining shares thereunder, whichever is the lesser.

6. The purchase price of the shares as to which the Option shall be exercised shall be paid in full in cash at the time of the exercise. If payment is made by check or draft, such check or draft must be drawn on a bank located in the United States of America.

7. This Option is not transferable otherwise than by will or by the laws of descent and distribution. During the lifetime of the Grantee, this Option may be exercised only by the Grantee.

8. (a) Upon Grantee's cessation of service as an Outside Director for any reason (including death) the Option, if exercisable upon the date of cessation of service, shall continue to be exercisable by the Grantee or the Grantee's legal representatives, heirs or beneficiaries for thirty-six months following cessation of service, but in no event shall the Option be exercisable more than ten years from the date it was granted.

(b) If the Option is not exercisable on the date on which the Grantee ceases to serve as an Outside Director, then the Option shall be forfeited. If the Option is exercisable and is not exercised in full before it ceases to be exercisable in accordance with paragraph 3 hereof and the preceding provisions of this paragraph 8, the Option shall, to the extent not previously exercised, thereupon be forfeited.

9. The Grantee shall not have voting or dividend rights or any other rights of a stockholder in respect of any shares of Common Plan covered by this Option prior to the time that his or her name is recorded on the stockholder ledger of the Corporation as the holder of record of such shares acquired pursuant to an exercise of the Option.

10. Subject to the terms and conditions of the Plan and of this Agreement, any exercise of this Option shall be by written notice delivered to the Chief Executive Officer or the Secretary of the Corporation, at its principal office, which is now located at 1271 Avenue of the Americas, Rockefeller Center, New York, New York 10020. Such written notice shall state the election to exercise the Option and the number of shares in respect of which it is being exercised and shall be signed by the person or persons so exercising the Option. Such notice shall be accompanied by payment of the full purchase price of said shares, whereupon the Corporation shall deliver a certificate or certificates representing said shares as soon as practicable. Unless there has been an effective registration of the securities offered under the Plan pursuant to the Securities Act of 1933, upon exercise of the Option the Grantee shall also furnish a statement in writing that the shares are being acquired for investment purposes and not with a view to their sale or distribution.

11. This Option shall not be treated as an incentive stock plan for purposes of Section 422 of the Internal Revenue Code of 1986, as amended from time to time or any successor provision.

12. All words and phrases used herein shall have the same meaning as in the Plan, and all provisions, terms and conditions of the Plan not herein specifically set forth are incorporated herein by reference.

(6/4/99)

EXHIBIT 10(i)

THE INTERPUBLIC GROUP OF COMPANIES, INC.
THE INTERPUBLIC OUTSIDE DIRECTORS' STOCK INCENTIVE PLAN
("the Plan")

PLAN OPTION CERTIFICATE
THIS DOCUMENT IS IMPORTANT AND SHOULD BE KEPT IN A SAFE PLACE

THIS IS TO CERTIFY that, on the date shown below, an Option was granted, subject to the Rules of the above-mentioned Plan, to the under-mentioned to subscribe at the Exercise Price stated below the number of shares of Common Plan of The Interpublic Group of Companies, Inc. specified below.

Grantee: Name: Allen Questrom

Date of Grant: June 4, 1999

Number of shares of Common Plan subject to the Option: 2,000

Exercise Price per share: $78.6563

Option Expiration Date: June 4, 2009

The Option may not be exercised in any part until June 4, 2002. Thereafter the Option shall be exercisable in its entirety.

IN WITNESS WHEREOF this Certificate was duly executed this 4th day of June, 1999 by THE INTERPUBLIC GROUP OF COMPANIES, INC. by the affixing of its common seal in the presence of : -

Senior Vice President /s/ C. Kent Kroeber

C. Kent Kroeber

Secretary /s/ Nicholas J. Camera

Nicholas J. Camera

Grantee:

(Signature)

THE INTERPUBLIC GROUP OF COMPANIES, INC.

The Interpublic Outside Directors' Plan Incentive Plan

EXHIBIT A

OPTION CERTIFICATE between The Interpublic Group of Companies, Inc. (hereinafter called "the Corporation"), and the individual whose name appears on the document to which this Option Certificate is attached (hereinafter called the "Cover Document"), such individual being an Outside Director of the Corporation (hereinafter called "the Grantee");

PURSUANT TO and under all the terms and conditions of THE INTERPUBLIC OUTSIDE DIRECTORS' STOCK INCENTIVE PLAN (hereinafter called "the Plan"), the Corporation offers the Grantee an opportunity to purchase shares of the Common Plan of the Corporation on the following terms and conditions:

l. The Corporation hereby irrevocably grants to the Grantee the right and option (hereinafter called "the Option") to purchase from the Corporation an aggregate of that number of shares of the Common Plan of the Corporation shown on the Cover Document in accordance with all the terms and conditions of the Plan and this Agreement.

2. The purchase price of said shares is shown in the Cover Document. All issue and transfer taxes upon the sale of shares pursuant to the exercise of all or any part of the Option and all fees and expenses incident thereto shall be paid by the Corporation.

3. The term of the Option shall be for a period of ten years from the date as of which the Option is granted, subject to earlier termination as provided herein.

4. The Option may not be exercised in any part until the date on the Cover Document.

5. The Option when exercisable may be exercised at one time or from time to time except that such partial exercise of the Option shall be for 50 shares or a multiple thereof, or for all the remaining shares thereunder, whichever is the lesser.

6. The purchase price of the shares as to which the Option shall be exercised shall be paid in full in cash at the time of the exercise. If payment is made by check or draft, such check or draft must be drawn on a bank located in the United States of America.

7. This Option is not transferable otherwise than by will or by the laws of descent and distribution. During the lifetime of the Grantee, this Option may be exercised only by the Grantee.

8. (a) Upon Grantee's cessation of service as an Outside Director for any reason (including death) the Option, if exercisable upon the date of cessation of service, shall continue to be exercisable by the Grantee or the Grantee's legal representatives, heirs or beneficiaries for thirty-six months following cessation of service, but in no event shall the Option be exercisable more than ten years from the date it was granted.

(b) If the Option is not exercisable on the date on which the Grantee ceases to serve as an Outside Director,
then the Option shall be forfeited. If the Option is exercisable and is not exercised in full before it ceases to be exercisable in accordance with paragraph 3 hereof and the preceding provisions of this paragraph 8, the Option shall, to the extent not previously exercised, thereupon be forfeited.

9. The Grantee shall not have voting or dividend rights or any other rights of a stockholder in respect of any shares of Common Plan covered by this Option prior to the time that his or her name is recorded on the stockholder ledger of the Corporation as the holder of record of such shares acquired pursuant to an exercise of the Option.

10. Subject to the terms and conditions of the Plan and of this Agreement, any exercise of this Option shall be by written notice delivered to the Chief Executive Officer or the Secretary of the Corporation, at its principal office, which is now located at 1271 Avenue of the Americas, Rockefeller Center, New York, New York 10020. Such written notice shall state the election to exercise the Option and the number of shares in respect of which it is being exercised and shall be signed by the person or persons so exercising the Option. Such notice shall be accompanied by payment of the full purchase price of said shares, whereupon the Corporation shall deliver a certificate or certificates representing said shares as soon as practicable. Unless there has been an effective registration of the securities offered under the Plan pursuant to the Securities Act of 1933, upon exercise of the Option the Grantee shall also furnish a statement in writing that the shares are being acquired for investment purposes and not with a view to their sale or distribution.

11. This Option shall not be treated as an incentive stock plan for purposes of Section 422 of the Internal Revenue Code of 1986, as amended from time to time or any successor provision.

12. All words and phrases used herein shall have the same meaning as in the Plan, and all provisions, terms and conditions of the Plan not herein specifically set forth are incorporated herein by reference.

(6/4/99)

Exhibit 10(j)

THE INTERPUBLIC GROUP OF COMPANIES, INC.
THE INTERPUBLIC OUTSIDE DIRECTORS' STOCK INCENTIVE PLAN
("the Plan")

PLAN OPTION CERTIFICATE
THIS DOCUMENT IS IMPORTANT AND SHOULD BE KEPT IN A SAFE PLACE

THIS IS TO CERTIFY that, on the date shown below, an Option was granted, subject to the Rules of the above-mentioned Plan, to the under-mentioned to subscribe at the Exercise Price stated below the number of shares of Common Plan of The Interpublic Group of Companies, Inc. specified below.

Grantee: Name: J. Phillip Samper

Date of Grant: June 4, 1999

Number of shares of Common Plan subject to the Option: 2,000

Exercise Price per share: $78.6563

Option Expiration Date: June 4, 2009

The Option may not be exercised in any part until June 4, 2002. Thereafter the Option shall be exercisable in its entirety.

IN WITNESS WHEREOF this Certificate was duly executed this 4th day of June, 1999 by THE INTERPUBLIC GROUP OF COMPANIES, INC. by the affixing of its common seal in the presence of : -

Senior Vice President /s/ C. Kent Kroeber

C. Kent Kroeber

Secretary /s/ Nicholas J. Camera

Nicholas J. Camera

Grantee:

(Signature)

THE INTERPUBLIC GROUP OF COMPANIES, INC.

The Interpublic Outside Directors' Plan Incentive Plan

EXHIBIT A

OPTION CERTIFICATE between The Interpublic Group of Companies, Inc. (hereinafter called "the Corporation"), and the individual whose name appears on the document to which this Option Certificate is attached (hereinafter called the "Cover Document"), such individual being an Outside Director of the Corporation (hereinafter called "the Grantee");

PURSUANT TO and under all the terms and conditions of THE INTERPUBLIC OUTSIDE DIRECTORS' STOCK INCENTIVE PLAN (hereinafter called "the Plan"), the Corporation offers the Grantee an opportunity to purchase shares of the Common Plan of the Corporation on the following terms and conditions:

l. The Corporation hereby irrevocably grants to the Grantee the right and option (hereinafter called "the Option") to purchase from the Corporation an aggregate of that number of shares of the Common Plan of the Corporation shown on the Cover Document in accordance with all the terms and conditions of the Plan and this Agreement.

2. The purchase price of said shares is shown in the Cover Document. All issue and transfer taxes upon the sale of shares pursuant to the exercise of all or any part of the Option and all fees and expenses incident thereto shall be paid by the Corporation.

3. The term of the Option shall be for a period of ten years from the date as of which the Option is granted, subject to earlier termination as provided herein.

4. The Option may not be exercised in any part until the date on the Cover Document.

5. The Option when exercisable may be exercised at one time or from time to time except that such partial exercise of the Option shall be for 50 shares or a multiple thereof, or for all the remaining shares thereunder, whichever is the lesser.

6. The purchase price of the shares as to which the Option shall be exercised shall be paid in full in cash at the time of the exercise. If payment is made by check or draft, such check or draft must be drawn on a bank located in the United States of America.

7. This Option is not transferable otherwise than by will or by the laws of descent and distribution. During the lifetime of the Grantee, this Option may be exercised only by the Grantee.

8. (a) Upon Grantee's cessation of service as an Outside Director for any reason (including death) the Option, if exercisable upon the date of cessation of service, shall continue to be exercisable by the Grantee or the Grantee's legal representatives, heirs or beneficiaries for thirty-six months following cessation of service, but in no event shall the Option be exercisable more than ten years from the date it was granted.

(b) If the Option is not exercisable on the date on which the Grantee ceases to serve as an Outside Director, then the Option shall be forfeited. If the Option is exercisable and is not exercised in full before it ceases to be exercisable in accordance with paragraph 3 hereof and the preceding provisions of this paragraph 8, the Option shall, to the extent not previously exercised, thereupon be forfeited.

9. The Grantee shall not have voting or dividend rights or any other rights of a stockholder in respect of any shares of Common Plan covered by this Option prior to the time that his or her name is recorded on the stockholder ledger of the Corporation as the holder of record of such shares acquired pursuant to an exercise of the Option.

10. Subject to the terms and conditions of the Plan and of this Agreement, any exercise of this Option shall be by written notice delivered to the Chief Executive Officer or the Secretary of the Corporation, at its principal office, which is now located at 1271 Avenue of the Americas, Rockefeller Center, New York, New York 10020. Such written notice shall state the election to exercise the Option and the number of shares in respect of which it is being exercised and shall be signed by the person or persons so exercising the Option. Such notice shall be accompanied by payment of the full purchase price of said shares, whereupon the Corporation shall deliver a certificate or certificates representing said shares as soon as practicable. Unless there has been an effective registration of the securities offered under the Plan pursuant to the Securities Act of 1933, upon exercise of the Option the Grantee shall also furnish a statement in writing that the shares are being acquired for investment purposes and not with a view to their sale or distribution.

11. This Option shall not be treated as an incentive stock plan for purposes of Section 422 of the Internal Revenue Code of 1986, as amended from time to time or any successor provision.

12. All words and phrases used herein shall have the same meaning as in the Plan, and all provisions, terms and conditions of the Plan not herein specifically set forth are incorporated herein by reference.

(6/4/99)

EXHIBIT 11

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
COMPUTATION OF EARNINGS PER SHARE
(Dollars in Thousands Except Per Share Data)

Basic	Three Months Ended June 30 1999	1998
Net income	$ 139,409	$ 118,511
Weighted average number of common shares outstanding	273,862,855	271,437,338
Earnings per common and common equivalent share	$ .51	$ .44

Diluted	Three Months Ended June 30 1999	1998
Net income	$ 139,409	$ 118,511
Add:		
After tax savings on assumed conversion of subordinated debentures and notes	2,813	2,132
Dividends paid net of related income tax applicable to restricted stock	160	153
Net income, as adjusted	$ 142,382	$ 120,796
Weighted average number of common shares outstanding	273,862,855	271,437,338
Weighted average number of incremental shares in connection with restricted stock and assumed exercise of stock options	10,302,720	10,820,290
Assumed conversion of subordinated debentures and notes	8,812,792	6,697,942
Total	292,978,367	288,955,570
Earnings per common and common equivalent share	$ .49	$ .42

All share data adjusted to reflect two-for-one stock split effective July 15, 1999.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
COMPUTATION OF EARNINGS PER SHARE
(Dollars in Thousands Except Per Share Data)

Basic	Six Months Ended June 30 1999	1998
Net income	$ 184,194	$ 156,250
Weighted average number of common shares outstanding	273,198,358	270,905,717
Earnings per common share	$ .67	$ .58

Diluted	Six Months Ended June 30 1999	1998

Net income	$ 184,194	$ 156,250
Add:		
After tax interest savings on assumed conversion of subordinated debentures and notes	3,898	-
Dividends paid net of related income tax applicable to restricted stock	303	276
Net income, as adjusted	$ 188,395	$ 156,526
Weighted average number of common shares outstanding	273,198,358	270,905,717
Weighted average number of incremental shares in connection with restricted stock and assumed exercise of stock options	10,559,202	10,453,915
Assumed conversion of subordinated debentures and notes	6,693,000	10,641
Total	290,450,560	281,370,273
Earnings per common and common equivalent share	$ .65	$ .56

Note: The computation of diluted EPS for 1999 and 1998 excludes the assumed conversion of the 1.87% and 1.8% Convertible Subordinated Notes, respectively, because they were anti-dilutive.

All share data adjusted to reflect two-for-one stock split effective July 15, 1999.

5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE BALANCE SHEET AND THE INCOME STATEMENT AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS. THE EPS PRIMARY NUMBER BELOW REFLECTS THE BASIC EARNINGS PER SHARE AS REQUIRED BY FINANCIAL ACCOUNTING STANDARDS NUMBER 128.

1,000

6-MOS	6-MOS
DEC-31-1999	DEC-31-1998
JUN-30-1999	JUN-30-1998
853,027	638,991
46,386	55,575
3,981,285	3,391,757
46,466	47,189
0	0
5,373,234	4,522,967
755,711	683,356
438,550	391,763
7,689,347	6,452,587
4,986,991	4,360,594
511,447	202,558
0	0
0	0
29,518	14,483
1,344,000	1,125,192
7,689,347	6,452,587
0	0
2,059,513	1,863,425
0	0
1,733,743	1,587,881
0	0
0	0
30,443	27,365
325,770	275,544
132,495	112,163
184,194	156,250
0	0
0	0
0	0
184,194	156,250
.67	.58
.65	.56