

PART I

Item 1. Business

The Interpublic Group of Companies, Inc. was incorporated in Delaware in September 1930 under the name of McCann-Erickson Incorporated as the successor to the advertising agency businesses founded in 1902 by A.W. Erickson and in 1911 by Harrison K. McCann. It has operated under the Interpublic name since January 1961. As used in this Annual Report, the "Registrant" or "Interpublic" refers to The Interpublic Group of Companies, Inc. while the "Company" refers to Interpublic and its subsidiaries.

The advertising agency business is the primary business of the Company. This business is conducted throughout the world through three advertising agency systems, McCann-Erickson Worldwide, Ammirati Puris Lintas and The Lowe Group. The Company also offers advertising agency services through association arrangements with local agencies in various parts of the world. Other activities conducted by the Company within the area of "marketing communications" include market research, sales promotion, product development, product design, direct marketing, telemarketing and other related services.

The principal functions of an advertising agency are to plan and create advertising programs for its clients and to place advertising in various media such as television, cable, radio, magazines, newspapers, transit, direct response media and outdoor. The planning function involves analysis of the market for the particular product or service, evaluation of alternative methods of distribution and choice of the appropriate media to reach the desired market most efficiently. The advertising agency then creates an advertising program, within the limits imposed by the client's advertising budget, and places orders for space or time with the media that have been selected. Interpublic also carries on a media buying business through its ownership of Western International Media and its affiliates.

The principal advertising agency subsidiaries of Interpublic operating within the United States directly or through subsidiaries and the locations of their respective corporate headquarters are:

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McCann-Erickson USA, Inc.....	New York, New York
Campbell-Ewald Company.....	Detroit (Warren), Michigan
Ammirati Puris Lintas Inc.....	New York, New York
Dailey & Associates.....	Los Angeles, California
Lowe & Partners Inc.....	New York, New York
Campbell Mithun Esty LLC.....	Minneapolis, Minnesota

In addition to domestic operations, the Company provides advertising services for clients whose business is international in scope as well as for clients whose business is restricted to a single country or a small number of countries. It has offices in Canada as well as in one or more cities in each of the following countries:

EUROPE, AFRICA AND THE MIDDLE EAST

Austria	Germany	Namibia	South Africa
Belgium	Greece	Netherlands	Spain
Croatia	Hungary	Norway	Sweden
Czech Republic	Ireland	Poland	Switzerland
Denmark	Italy	Portugal	Turkey
Finland	Ivory Coast	Romania	United Arab Emirates
France	Kenya	Russia	United Kingdom
	Malawi	Slovak Republic	Zimbabwe

LATIN AMERICA AND THE CARIBBEAN

Argentina	Costa Rica	Honduras	Peru
Barbados	Dominican Republic	Jamaica	Puerto Rico
Bermuda	Ecuador	Mexico	Trinidad
Brazil	El Salvador	Panama	Uruguay
Chile	Guatemala	Paraguay	Venezuela
Colombia			

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ASIA AND THE PACIFIC

Australia	Japan	People's Republic	South Korea
Hong Kong	Malaysia	of China	Taiwan
India	Nepal	Philippines	Thailand
	New Zealand	Singapore	

Operations in the foregoing countries are carried on by one or more operating companies, at least one of which is either wholly owned by Interpublic or a subsidiary or is a company in which Interpublic or a subsidiary owns a 51% interest or more, except in Malawi and Nepal, where Interpublic or a subsidiary holds a minority interest.

The Company also offers advertising agency services in Aruba, the Bahamas, Bahrain, Belize, Bolivia, Bulgaria, Cambodia, Cameroon, Egypt, Gabon, Ghana, Grand Cayman, Guadeloupe, Guam, Guyana, Haiti, Reunion, Indonesia, Iran, Israel, Ivory Coast, Jordan, Kuwait, Lebanon, Martinique, Mauritius, Morocco, Nicaragua, Nigeria, Oman, Pakistan, Paraguay, Saudi Arabia, Senegal, Sri Lanka, Surinam, Tunisia, Uganda, United Arab Emirates (Dubai), Vietnam and Zaire through association arrangements with local agencies operating in those countries.

For information concerning revenues, operating profits and identifiable assets on a geographical basis for each of the last three years, reference is made to Note 13: Geographic Areas of the Notes to the Consolidated Financial Statements in the Company's Annual Report to Stockholders for the year ended December 31, 1995, which Note is hereby incorporated by reference.

Developments in 1995

The Company completed several acquisitions within the United States and abroad in 1995.

Effective November 10, 1995, Anderson & Lembke, Inc. was acquired. Anderson & Lembke, Inc. is an advertising agency with headquarters in New York City and San Francisco.

As of June 29, 1995, the Company acquired a 50% interest in a limited liability company, Campbell Mithun Esty LLC. The other 50% is owned by former employees of Campbell Mithun Esty Inc. which are employed by the LLC.

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In 1995, the Company completed its integration of Ammirati & Puris (acquired in 1994) with its Lintas Agency System. In 1995, Ammirati & Puris Holdings, Inc. and Ammirati & Puris Inc. were merged into Lintas, Inc. and the name of the surviving corporation has been changed to Ammirati Puris Lintas Inc. Ammirati Puris Lintas Inc. continues to be headquartered in New York City. The Company also is in the process of changing the names of the corporations comprising the Lintas Worldwide Agency System to reflect the "Ammirati Puris Lintas" name.

See Note 3 to the Consolidated Financial Statements incorporated by reference in this Report on Form 10-K for discussion of additional acquisitions.

Income from Commissions, Fees and Publications

The Company generates income from planning, creating and placing advertising in various media. Historically, the commission customary in the industry was 15% of the gross charge ("billings") for advertising space or time; more recently lower commissions have been negotiated, but often with additional incentives for better performance. For example, an incentive component is frequently included in arrangements with clients based on increases in a client's sales of the products or services being advertised. Under commission arrangements, media bill the Company at their gross rates. The Company bills these amounts to its clients, remits the net charges to the media and retains the balance as its commission. Some clients, however, prefer to compensate the Company on a fee basis, under which the Company bills its client for the net charges billed by the media plus an agreed-upon fee. These fees usually are calculated to reflect the Company's salary costs and out-of-pocket expenses incurred on the client's behalf, plus proportional overhead and a profit mark-up.

Normally, the Company, like other advertising agencies, is primarily responsible for paying the media with respect to firm contracts for advertising time or space. This is a problem only if the client is unable to pay the Company because of insolvency or bankruptcy. The Company makes serious efforts to reduce the risk from a client's insolvency, including (1) carrying out credit clearances, (2) requiring in some cases payment of media in advance, or (3) agreeing with the media that the Company will be solely liable to pay the media only after the client has paid the Company for the media charges.

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The Company also receives commissions from clients for planning and supervising work done by outside contractors in the physical preparation of finished print advertisements and the production of television and radio commercials and infomercials. This commission is customarily 17.65% of the outside contractor's net charge, which is the same as 15% of the outside contractor's total charges including commission. With the spread of negotiated fees, the terms on which outstanding contractors' charges are billed are subject to wide variations and even include in some instances the elimination of commissions entirely provided that there are adequate negotiated fees.

The Company derives income in many other ways, including the planning and placement in media of advertising produced by unrelated advertising agencies; the maintenance of specialized media placement facilities; the creation and publication of brochures, billboards, point of sale materials and direct marketing pieces for clients; the planning and carrying out of specialized marketing research; managing special events at which clients' products are featured; and designing and carrying out interactive programs for special uses.

The five clients of the Company that made the largest contribution in 1995 to income from commissions and fees accounted individually for 2% to 11% of such income and in the aggregate accounted for over 31% of such income. Twenty clients of the Company accounted for approximately 45% of such income. Based on income from commissions and fees, the three largest clients of the Company are General Motors Corporation, Unilever and The Coca-Cola Company. General Motors Corporation first became a client of one of the Company's agencies in 1916 in the United States. Predecessors of several of the Lintas agencies have supplied advertising services to Unilever since 1893. The client relationship with The Coca-Cola Company began in 1942 in Brazil and in 1955 in the United States. While the loss of the entire business of one of the Company's three largest clients might have a material adverse effect upon the business of the Company, the Company believes that it is very unlikely that the entire business of any of these clients would be lost at the same time, because it represents several different brands or divisions of each of these clients in a number of geographical markets - in each case through more than one of the Company's agency systems.

Representation of a client rarely means that the Company handles advertising for all brands or product lines of the client in all geographical locations. Any client may transfer its

business from an advertising agency within the Company to a competing agency, and a client may reduce its advertising budget at any time. The Company's advertising agencies in many instances have written contracts with their clients.

As is customary in the industry, these contracts provide for termination by either party on relatively short notice, usually 90 days but sometimes shorter or longer. In 1995, however, 42% of income from commissions and fees was derived from clients that had been associated with one or more of the Company's agencies or their predecessors for 20 or more years.

Personnel

As of January 1, 1996, the Company employed approximately 19,700 persons, of whom approximately 5,900 were employed in the United States. Because of the personal service character of the marketing communications business, the quality of personnel is of crucial importance to continuing success. There is keen competition for qualified employees. Interpublic considers its employee relations to be satisfactory.

The Company has an active program for training personnel. The program includes meetings and seminars throughout the world. It also involves training personnel in its offices in New York and in its larger offices worldwide.

Competition and Other Factors

The advertising agency and other marketing communications businesses are highly competitive. The Company's agencies and media services must compete with other agencies, both large and small, and also with other providers of creative or media services which are not themselves advertising agencies, in order to maintain existing client relationships and to obtain new clients. Competition in the advertising agency business depends to a large extent on the client's perception of the quality of an agency's "creative product". An agency's ability to serve clients, particularly large international clients, on a broad geographic basis is also an important competitive consideration. On the other hand, because an advertising agency's principal asset is its people, freedom of entry into the business is almost unlimited and quite small agencies are, on occasion, able to take all or some portion of a client's account from a much larger competitor.

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Moreover, increasing size brings limitations to an agency's potential for securing new business, because many clients prefer not to be represented by an agency that represents a competitor. Also, clients frequently wish to have different products represented by different agencies. The fact that the Company owns three separate worldwide agency systems and interests in other advertising agencies gives it additional competitive opportunities.

The advertising business is subject to government regulation, both domestic and foreign. There has been an increasing tendency in the United States on the part of advertisers to resort to the courts to challenge comparative advertising on the grounds that the advertising is false and deceptive. Through the years, there has been a continuing expansion of specific rules, prohibitions, media restrictions, labeling disclosures and warning requirements with respect to the advertising for certain products. Representatives within state governments and the federal government as well as foreign governments continue to initiate proposals to ban the advertising of specific products and to impose taxes on or deny deductions for advertising which, if successful, may have an adverse effect on advertising expenditures.

Some countries are relaxing commercial restrictions as part of their efforts to attract foreign investment. However, with respect to other nations, the international operations of the Company still remain exposed to certain risks which affect foreign operations of all kinds, such as local legislation, monetary devaluation, exchange control restrictions and unstable political conditions. In addition, international advertising agencies are from time to time exposed to the threat of forced divestment in favor of local investors because they are considered an integral factor in the communications process. A provision of the present constitution in the Philippines is an example.

Item 2. Properties

Most of the advertising operations of the Company are conducted in leased premises, and its physical property consists primarily of leasehold improvements, furniture, fixtures and equipment. These facilities are located in various cities in

which the Company does business throughout the world. However, subsidiaries of the Company own office buildings in Louisville, Kentucky; Warren, Michigan; Frankfurt, Germany; Sao Paulo, Brazil; Lima, Peru; and Brussels, Belgium and own office condominiums in Buenos Aires, Argentina; Bogota, Colombia; Manila, the Philippines; in England, subsidiaries of the Company own office buildings in London, Manchester, Birmingham and Stoke-on-Trent.

The Company's ownership of the office building in Frankfurt is subject to three mortgages which became effective on or about February 1993. These mortgages terminate at different dates, with the last to expire in February 2003. Reference is made to Note 15: Commitments and Contingent Liabilities - of the Notes to the Consolidated Financial Statements in the Company's Annual Report to Stockholders for the year ended December 31, 1995, which Note is hereby incorporated by reference.

Item 3. Legal Proceedings

Neither the Company nor any of its subsidiaries are subject to any pending material legal proceedings.

Item 4. Submission of Matters to a Vote of Security Holders

Not applicable.

Executive Officers of the Registrant

There follows the information disclosed in accordance with Item 401 of Regulation S-K of the Securities and Exchange Commission (the "Commission") as required by Item 10 of Form 10-K with respect to executive officers of the Registrant.

Name	Age	Office
Philip H. Geier, Jr. (1)	61	Chairman of the Board, President and Chief Executive Officer
Eugene P. Beard (1)	60	Vice Chairman-Finance and Operations, Chief Financial Officer

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John J. Dooner, Jr. (1)	47	Chairman of McCann-Erickson Worldwide, Inc.
Nicholas J. Camera	49	Vice President, Secretary and General Counsel
Frank B. Lowe (1)	54	Chairman of The Lowe Group
C. Kent Kroeber	57	Senior Vice President-Human Resources
Martin F. Puris (1)	57	Chairman, Chief Executive Officer and Chief Creative Officer of Ammirati Puris Lintas Worldwide
Thomas J. Volpe	60	Senior Vice President-Financial Operations
Joseph M. Studley	43	Vice President and Controller

(1) Also a Director

There is no family relationship among any of the executive officers.

The employment histories for the past five years of Messrs. Geier, Beard, Dooner, Puris and Lowe are incorporated by reference to the Proxy Statement for Interpublic's 1996 Annual Meeting of Stockholders.

Mr. Camera joined Interpublic on May 17, 1993. He was elected Vice President, Assistant General Counsel and Assistant Secretary on June 1, 1994 and Vice President, General Counsel and Secretary on December 15, 1995.

Mr. Kroeber joined Interpublic in January 1966 as Manager of Compensation and Training. He was elected a Vice President in 1970 and Senior Vice President in May 1980.

Mr. Volpe joined Interpublic on March 3, 1986. He was appointed Senior Vice President-Financial Operations on March 18, 1986. He served as Treasurer from January 1, 1987 through May 17, 1988 and the Treasurer's office continues to report to him. He was Vice President and Treasurer of Colgate-Palmolive Company

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from February 1981 to February 1986 and Assistant Corporate Controller prior thereto.

Mr. Studley was elected as Vice President and Controller of Interpublic effective as of April 1, 1994, formerly he was Senior Vice President and Chief Financial Officer of E.C. Television, a division of Interpublic, since January 1, 1990. He was a Vice President of Lintas New York, a division of one of Interpublic's subsidiaries, from August 1, 1987 until December 31, 1989.

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PART II

Item 5. Market for the Registrant's Common Equity and Related Stockholder Matters

The response to this Item is incorporated by reference to the Registrant's Annual Report to Stockholders for the year ended December 31, 1995. See Note 12: Results by Quarter (Unaudited), of the Notes to the Consolidated Financial Statements and information under the heading Transfer Agent and Registrar for Common Stock.

Item 6. Selected Financial Data

The response to this Item is incorporated by reference to the Registrant's Annual Report to Stockholders for the year ended December 31, 1995 under the heading Selected Financial Data for Five Years.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The response to this Item is incorporated by reference to the Registrant's Annual Report to Stockholders for the year ended December 31, 1995 under the heading Management's Discussion and Analysis of Financial Condition and Results of Operations.

Item 8. Financial Statements and Supplementary Data

The response to this Item is incorporated in part by reference to the Registrant's Annual Report to Stockholders for the year ended December 31, 1995 under the headings Financial Statements and Notes to the Consolidated Financial Statements. Reference is also made to the Financial Statement Schedules listed under Item 14(a) of this Report on Form 10-K.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

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PART III

Item 10. Directors and Executive Officers of the Registrant

The information required by this Item is incorporated by reference to the Registrant's Proxy Statement for its 1996 Annual Meeting of Stockholders (the "Proxy Statement"), to be filed not later than 120 days after the end of the 1995 calendar year, except for the description of Interpublic's Executive Officers which appears in Part I of this Report on Form 10-K under the heading Executive Officers of the Registrant.

Item 11. Executive Compensation

The information required by this Item is incorporated by reference to the Proxy Statement. Such incorporation by reference shall not be deemed to incorporate specifically by reference the information referred to in Item 402(a)(8) of Regulation S-K.

Item 12. Security Ownership of Certain Beneficial Owners and Management

The information required by this Item is incorporated by reference to the Proxy Statement.

Item 13. Certain Relationships and Related Transactions

The information required by this Item is incorporated by reference to the Proxy Statement. Such incorporation by reference shall not be deemed to incorporate specifically by reference the information referred to in Item 402(a)(8) of Regulation S-K.

PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

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(a) Listed below are all financial statements, financial statement schedules and exhibits filed as part of this Report on Form 10-K.

1. Financial Statements:

See the Index to Financial Statements on page F-1.

2. Financial Statement Schedules:

See the Index to Financial Statement Schedules on page F-1.

3. Exhibits:

(Numbers used are the numbers assigned in Item 601 of Regulation S-K and the EDGAR Filer Manual. An additional copy of this exhibit index immediately precedes the exhibits filed with this Report on Form 10-K and the exhibits transmitted to the Commission as part of the electronic filing of the Report.)

Exhibit No. Description

- 3 (i) The Restated Certificate of Incorporation of the Registrant, as amended is incorporated by reference to its Report on Form 10-Q for the quarter ended June 30, 1995. See Commission file number 1-6686.
- (ii) The By-Laws of the Registrant, amended as of February 19, 1991, are incorporated by reference to its Report on Form 10-K for the year ended December 31, 1990. See Commission file number 1-6686.
- 4 Instruments Defining the Rights of Security Holders.
- (i) Indenture, dated as of April 1, 1992, between Interpublic and Morgan Guaranty Trust Company of New York is not included as an Exhibit to this Report but will be furnished to the Commission upon its request.
- (ii) The Preferred Share Purchase Rights Plan as adopted on July 18, 1989 is incorporated by reference to Registrant's Registration Statement on Form 8-A dated August 1, 1989 (No. 00017904) and, as amended, by reference to Registrant's Registration Statement on Form 8 dated October 3, 1989 (No. 00106686).

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10 Material Contracts.

- (a) Underwriting Agreement, dated March 30, 1992, by and between Interpublic and Goldman Sachs International Limited is incorporated by reference to Registrant's Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.
- (b) Employment, Consultancy and other Compensatory Arrangements with Management.

Employment and Consultancy Agreements and any amendments or supplements thereto and other compensatory arrangements filed with the Registrant's Reports on Form 10-K for the years ended December 31, 1980 through December 31, 1994, inclusive, or filed with the Registrant's Reports on Form 10-Q for the periods ended March 31, 1995, June 30, 1995 and September 30, 1995 are incorporated by reference in this Report on Form 10-K. See Commission file number 1-6686. Listed below are agreements or amendments to agreements between the Registrant and its executive officers which remain in effect on and after the date hereof or were executed during the year ended December 31, 1995 and thereafter, unless previously submitted, which are filed as exhibits to this Report on Form 10-K.

(i) John J. Dooner, Jr.

- (a) Employment Agreement made as of August 1, 1984.
- (b) Supplemental Agreement made as of June 1, 1985 to an Employment Agreement made as of August 1, 1984.
- (c) Supplemental Agreement made as of December 1, 1985 to an Employment Agreement made as of August 1, 1984.
- (d) Supplemental Agreement made as of June 1, 1986 to an Employment Agreement made as of August 1, 1984.

- (e) Executive Special Benefit Agreement made as of July 1, 1986.
- (f) Deferred Bonus Agreement made as of November 12, 1986.
- (g) Supplemental Agreement made as of June 1, 1987 to an Employment Agreement made as of August 1, 1984.
- (h) Executive Severance Agreement made as of August 10, 1987.
- (i) Supplemental Agreement made as of April 1, 1988 to an Employment Agreement made as of August 1, 1984.
- (j) Supplemental Agreement made as of November 1, 1988 to an Employment Agreement made as of August 1, 1984.
- (k) Supplemental Agreement made as of July 1, 1989 to an Employment Agreement made as of August 1, 1984.
- (l) Supplemental Agreement made as of May 23, 1990 to an Executive Special Benefit Agreement made as of July 1, 1986.
- (m) Supplemental Agreement made as of July 1, 1990 to an Employment Agreement made as of August 1, 1984.
- (n) Supplemental Agreement made as of October 1, 1991 to an Employment Agreement made as of August 1, 1984.
- (o) Supplemental Agreement made as of May 1, 1992 to an Employment Agreement made as of August 1, 1984.
- (p) Supplemental Agreement made as of August 10, 1992 to an Executive Severance Agreement made as of August 10, 1987.

- (q) Executive Special Benefit Agreement made as of July 1, 1992.
- (r) Employment Agreement made as of January 1, 1994.
- (s) Executive Special Benefit Agreement made as of June 1, 1994.
- (t) Supplemental Agreement made as of July 1, 1995 to an Employment Agreement made as of January 1, 1994.

(ii) Frank B. Lowe

- (a) Employment Agreement made as of January 1, 1996.
- (b) Executive Special Benefit Agreement made as of January 1, 1996.

(iii) Martin F. Puris

Employment Agreement made as of August 11, 1994.

(c) Executive Compensation Plans.

- (i) Trust Agreement, dated as of June 1, 1990 between The Interpublic Group of Companies, Inc., Lintas Campbell-Ewald Company, McCann-Erickson USA, Inc., McCann-Erickson Marketing, Inc., Lintas, Inc. and Chemical Bank, as Trustee, is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1990. See Commission file number 1-6686.
- (ii) The Stock Option Plan (1988) and the Achievement Stock Award Plan of the Registrant are incorporated by reference to Appendices C and D of the Prospectus dated May 4, 1989 forming part of its Registration Statement on Form S-8 (No. 33-28143).

- (iii) The Management Incentive Compensation Plan of the Registrant is incorporated by reference to the Registrant's Report on Form 10-Q for the quarter ended June 30, 1995. See Commission file number 1-6686.
- (iv) The 1986 Stock Incentive Plan of the Registrant is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1993. See Commission file number 1-6686.
- (v) The 1986 United Kingdom Stock Option Plan of the Registrant is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.
- (vi) The Employee Stock Purchase Plan (1985) of the Registrant, as amended, is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1993. See Commission file number 1-6686.
- (vii) The Long-Term Performance Incentive Plan of the Registrant is incorporated by reference to Appendix A of the Prospectus dated December 12, 1988 forming part of its Registration Statement on Form S-8 (No. 33-25555).
- (viii) Resolution of the Board of Directors adopted on February 16, 1993, amending the Long-Term Performance Incentive Plan is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.
- (ix) Resolution of the Board of Directors adopted on May 16, 1989 amending the Long-Term Performance Incentive Plan is incorporated by reference to Registrant's Report on Form 10-K for the year ended December 31, 1989. See Commission file number 1-6686.

(d) Loan Agreements.

- (i) Credit Agreement dated as of July 3, 1995, between Interpublic and Lloyds Bank Plc.
- (ii) Credit Agreement dated and effective December 21, 1995 between Interpublic and NBD Bank.
- (iii) Note dated as of December 21, 1995 between Interpublic and NBD Bank pursuant to the Credit Agreement dated and effective as of December 21, 1995.
- (iv) Other Loan and Guaranty Agreements filed with the Registrant's Annual Report on Form 10-K for the years ended December 31, 1988 and December 31, 1986 are incorporated by reference in this Report on Form 10-K. Other Credit Agreements, amendments to various Credit Agreements, Supplemental Agreements, Termination Agreements, Loan Agreements, a Note Purchase Agreement, dated August 20, 1991, Guarantee, dated December 17, 1991, Notification dated March 14, 1991 by Registrant and Intercreditor Agreements filed with the Registrant's Report on Form 10-K for the years ended December 31, 1989 through December 31, 1994, inclusive and filed with Registrant's Reports on Form 10-Q for the periods ended March 31, 1995, June 30, 1995 and September 30, 1995 are incorporated by reference into this Report on Form 10-K. See Commission file number 1-6686.

(e) Leases.

Material leases of premises are incorporated by reference to the Registrant's Annual Report on Form 10-K for the years ended December 31, 1980 and December 31, 1988. See Commission file number 1-6686.

(f) Acquisition Agreement for Purchase of Real Estate.

- (i) Acquisition Agreement (in German) between Treuhandgesellschaft Aktiengesellschaft & Co. Grundbesitz OHG and McCann-Erickson Deutschland GmbH & Co. Management Property KG ("McCann-Erickson Deutschland") and the English translation of the Acquisition Agreement are incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.

(g) Mortgage Agreements and Encumbrances.

- (i) Summaries In German and English of Mortgage Agreements between McCann-Erickson Deutschland and Frankfurter Hypothekenbank Aktiengesellschaft ("Frankfurter Hypothekenbank"), Mortgage Agreement, dated January 22, 1993, between McCann-Erickson Deutschland and Frankfurter Hypothekenbank, Mortgage Agreement, dated January 22, 1993, between McCann-Erickson Deutschland and Hypothekenbank are incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1993. See Commission file number 1-6686. Summaries In German and English of Mortgage Agreement, between McCann-Erickson Deutschland and Frankfurter Sparkasse and Mortgage Agreement, dated January 7, 1993, between McCann-Erickson Deutschland and Frankfurter Sparkasse are incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.
- (ii) Summaries In German and English of Documents Creating Encumbrances In Favor of Frankfurter Hypothekenbank and Frankfurter Sparkasse In Connection With the Aforementioned Mortgage Agreements, Encumbrance, dated January 15, 1993, In Favor Of Frankfurter Hypothekenbank, and Encumbrance, dated January 15, 1993, In Favor of Frankfurter Sparkasse are incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.

(iii) Loan Agreement (in English and German), dated January 29, 1993 between Lintas Deutschland GmbH and McCann-Erickson Deutschland is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.

11 Computation of Earnings Per Share.

13 This Exhibit includes: (a) those portions of the Annual Report to Stockholders for the year ended December 31, 1995 which are included therein under the following headings: Financial Highlights; Management's Discussion and Analysis of Financial Condition and Results Of Operations; Consolidated Balance Sheet; Consolidated Statement of Income; Consolidated Statement of Cash Flows; Consolidated Statement of Stockholders' Equity; Notes to Consolidated Financial Statements (the aforementioned consolidated financial statements together with the Notes to Consolidated Financial Statements hereinafter shall be referred to as the "Consolidated Financial Statements"); Report of Independent Accountants; Selected Financial Data For Five Years; Report of Management; and Stockholders' Information; and (b) Appendix to Exhibit 13.

21 Subsidiaries of the Registrant.

23 Consent of Independent Accountants.

24 Power of Attorney to sign Form 10-K and resolution of Board of Directors re Power of Attorney.

27 Financial Data Schedules

99 No reports on Form 8-K were filed during the quarter ended December 31, 1995.

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SIGNATURES

Pursuant to the requirements of Section 13 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)

March 28, 1996

BY: Philip H. Geier, Jr.
Philip H. Geier, Jr.,
Chairman of the Board,
President and Chief
Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Name	Title	Date
Frank J. Borelli Frank J. Borelli	Director	March 28, 1996
Philip H. Geier, Jr. Philip H. Geier, Jr.	Chairman of the Board, President and Chief Executive Officer (Principal Executive Officer) and Director	March 28, 1996
Eugene P. Beard Eugene P. Beard	Vice Chairman -Finance and Operations (Principal Financial Officer) and Director	March 28, 1996
John J. Dooner, Jr. John J. Dooner, Jr	Director	March 28, 1996
Frank B. Lowe Frank B. Lowe	Director	March 28, 1996

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Leif H. Olsen Leif H. Olsen	Director	March 28, 1996
Martin F. Puris Martin F. Puris	Director	March 28, 1996
J. Phillip Samper J. Phillip Samper	Director	March 28, 1996
Joseph J. Sisco Joseph J. Sisco	Director	March 28, 1996
Joseph M. Studley Joseph M. Studley	Vice President and Controller (Principal Accounting Officer)	March 28, 1996
Allen Questrom Allen Questrom	Director	March 28, 1996

By Philip H. Geier, Jr.
Philip H. Geier, Jr.
Attorney-in-fact

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INDEX TO FINANCIAL STATEMENTS

The Financial Statements appearing under the headings: Financial Highlights, Management's Discussion and Analysis of Financial Condition and Results of Operations, Consolidated Financial Statements, Notes to Consolidated Financial Statements, Report of Independent Accountants, Selected Financial Data for Five Years and Report of Management accompanying Annual Report to Stockholders for the year ended December 31, 1995, together with the report thereon of Price Waterhouse LLP dated February 13, 1996 appearing on page 40 thereof, are incorporated by reference in this report on Form 10-K. With the exception of the aforementioned information and the information incorporated in Items 5, 6 and 7, no other data appearing in the Annual Report to Stockholders for the year ended December 31, 1995 is deemed to be filed as part of this report on Form 10-K.

The following financial statement schedule should be read in conjunction with the financial statements in such Annual Report to Stockholders for the year ended December 31, 1995. Financial statement schedules not included in this report on Form 10-K have been omitted because they are not applicable or the required information is shown in the financial statements or the notes thereto.

Separate financial statements for the companies which are 50% or less owned and accounted for by the equity method have been omitted because, considered in the aggregate as a single subsidiary, they do not constitute a significant subsidiary.

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Financial Statement Schedules Required to be filed by Item 8 of this form:	
VIII Valuation and Qualifying Accounts	F-3

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REPORT OF INDEPENDENT ACCOUNTANTS
ON FINANCIAL STATEMENT SCHEDULES

To the Board of Directors of
The Interpublic Group of Companies, Inc.

Our audits of the consolidated financial statements referred to in our report dated February 13, 1996 appearing in the 1995 Annual Report to Stockholders of The Interpublic Group of Companies, Inc. (which report and consolidated financial statements are incorporated by reference in this Annual Report on Form 10-K) also included an audit of the Financial Statement Schedules listed in Item 14 (a) of this Form 10-K. In our opinion, these Financial Statement Schedules present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

PRICE WATERHOUSE LLP
New York, New York
February 13, 1996

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 of The Interpublic Group of Companies, Inc. (the "Company"), of our report dated February 13, 1996, appearing in the 1995 Annual Report to Stockholders which is incorporated in this Annual Report on Form 10-K: Registration Statements No. 2-79071; No. 2-43811; No. 2-56269; No. 2-61346; No. 2-64338; No. 2-67560; No. 2-72093; No. 2-88165; No. 2-90878, No. 2-97440 and No. 33-28143, relating variously to the Stock Option Plan (1971), the Stock Option Plan (1981), the Stock Option Plan (1988) and the Achievement Stock Award Plan of the Company; Registration Statements No. 2-53544; No. 2-91564, No. 2-98324, No. 33-22008, No. 33-64062 and No. 33-61371, relating variously to the Employee Stock Purchase Plan (1975), the Employee Stock Purchase Plan (1985) and the Employee Stock Purchase Plan of the Company (1995); Registration Statements No. 33-20291 and No. 33-2830 relating to the Management Incentive Compensation Plan of the Company; Registration Statement No. 33-5352 and No. 33-21605 relating to the 1986 Stock Incentive Plan and 1986 United Kingdom Stock Option Plan of the Company; and Registration Statement No. 33-10087 and No. 33-25555 relating to the Long-Term Performance Incentive Plan of the Company. We hereby consent to the incorporation by reference in the Prospectus constituting part of the Registration Statement on Form S-3 (No. 33-37346) of the Interpublic Group of Companies, Inc. of our report dated February 13, 1996, appearing in the 1995 Annual Report to Stockholders which is incorporated in this Annual Report on Form 10-K. We also consent to the incorporation by reference of our report on the Financial Statement Schedules, which appears above.

PRICE WATERHOUSE LLP
New York, New York
March 28, 1996

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SCHEDULE VIII

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS

For the Years Ended December 31, 1995, 1994 and 1993

(Dollars in Thousands)

COLUMN A	COLUMN B	COLUMN C		COLUMN D	COLUMN E
Description	Balance at Beginning of Period	Additions		Deductions- Describe	Balance at End of Period
		Charged to Costs & Expenses	Charged to Other Accounts- Describe		
Allowance for Doubtful Accounts - deducted from Receivables in the Consolidated Balance Sheet:					
1995	\$22,656	\$8,894	\$1,324 137	\$(9,619) (819) (632)	\$21,941
1994	\$16,834	\$6,522	\$4,097 699 613	\$ 6,109	\$22,656
1993	\$15,559	\$5,600	\$ 764 898 196	\$ 3,823 2,360	\$16,834

Allowance for doubtful accounts of acquired and newly consolidated companies.
Foreign currency translation adjustment.
Principally amounts written off.
Reversal of previously written off accounts.
Miscellaneous.

INDEX TO DOCUMENTS

Exhibit No. Description

- 3 (i) The Restated Certificate of Incorporation of the Registrant, as amended is incorporated by reference to its Report on Form 10-Q for the quarter ended June 30, 1995. See Commission file number 1-6686.
- (ii) The By-Laws of the Registrant, amended as of February 19, 1991, are incorporated by reference to its Report on Form 10-K for the year ended December 31, 1990. See Commission file number 1-6686.
- 4 Instruments Defining the Rights of Security Holders.
- (i) Indenture, dated as of April 1, 1992, between Interpublic and Morgan Guaranty Trust Company of New York is not included as an Exhibit to this Report but will be furnished to the Commission upon its request.
- (ii) The Preferred Share Purchase Rights Plan as adopted on July 18, 1989 is incorporated by reference to Registrant's Registration Statement on Form 8-A dated August 1, 1989 (No. 00017904) and, as amended, by reference to Registrant's Registration Statement on Form 8 dated October 3, 1989 (No. 00106686).
- 10 Material Contracts.
- (a) Underwriting Agreement, dated March 30, 1992, by and between Interpublic and Goldman Sachs International Limited is incorporated by reference to Registrant's Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.
- (b) Employment, Consultancy and other Compensatory Arrangements with Management.

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Employment and Consultancy Agreements and any amendments or supplements thereto and other compensatory arrangements filed with the Registrant's Reports on Form 10-K for the years ended December 31, 1980 through December 31, 1994, inclusive, or filed with the Registrant's Reports on Form 10-Q for the periods ended March 31, 1995, June 30, 1995 and September 30, 1995 are incorporated by reference in this Report on Form 10-K. See Commission file number 1-6686. Listed below are agreements or amendments to agreements between the Registrant and its executive officers which remain in effect on and after the date hereof or were executed during the year ended December 31, 1995 and thereafter, unless previously submitted, which are filed as exhibits to this Report on Form 10-K.

- (i) John J. Dooner, Jr.
 - (a) Employment Agreement made as of August 1, 1984.
 - (b) Supplemental Agreement made as of June 1, 1985 to an Employment Agreement made as of August 1, 1984.
 - (c) Supplemental Agreement made as of December 1, 1985 to an Employment Agreement made as of August 1, 1984.
 - (d) Supplemental Agreement made as of June 1, 1986 to an Employment Agreement made as of August 1, 1984.
 - (e) Executive Special Benefit Agreement made as of July 1, 1986.
 - (f) Deferred Bonus Agreement made as of November 12, 1986.
 - (g) Supplemental Agreement made as of June 1, 1987 to an Employment Agreement made as of August 1, 1984.
 - (h) Executive Severance Agreement made as of August 10, 1987.

- (i) Supplemental Agreement made as of April 1, 1988 to an Employment Agreement made as of August 1, 1984.
- (j) Supplemental Agreement made as of November 1, 1988 to an Employment Agreement made as of August 1, 1984.
- (k) Supplemental Agreement made as of July 1, 1989 to an Employment Agreement made as of August 1, 1984.
- (l) Supplemental Agreement made as of May 23, 1990 to an Executive Special Benefit Agreement made as of July 1, 1986.
- (m) Supplemental Agreement made as of July 1, 1990 to an Employment Agreement made as of August 1, 1984.
- (n) Supplemental Agreement made as of October 1, 1991 to an Employment Agreement made as of August 1, 1984.
- (o) Supplemental Agreement made as of May 1, 1992 to an Employment Agreement made as of August 1, 1984.
- (p) Supplemental Agreement made as of August 10, 1992 to an Executive Severance Agreement made as of August 10, 1987.
- (q) Executive Special Benefit Agreement made as of July 1, 1992.
- (r) Employment Agreement made as of January 1, 1994.
- (s) Executive Special Benefit Agreement made as of June 1, 1994.
- (t) Supplemental Agreement made as of July 1, 1995 to an Employment Agreement made as of January 1, 1994.

- (ii) Frank B. Lowe
 - (a) Employment Agreement made as of January 1, 1996.
 - (b) Executive Special Benefit Agreement made as of January 1, 1996.
- (iii) Martin F. Puris
 - Employment Agreement made as of August 11, 1994.
- (c) Executive Compensation Plans.
 - (i) Trust Agreement, dated as of June 1, 1990 between The Interpublic Group of Companies, Inc., Lintas Campbell-Ewald Company, McCann-Erickson USA, Inc., McCann-Erickson Marketing, Inc., Lintas, Inc. and Chemical Bank, as Trustee, is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1990. See Commission file number 1-6686.
 - (ii) The Stock Option Plan (1988) and the Achievement Stock Award Plan of the Registrant are incorporated by reference to Appendices C and D of the Prospectus dated May 4, 1989 forming part of its Registration Statement on Form S-8 (No. 33-28143).
 - (iii) The Management Incentive Compensation Plan of the Registrant is incorporated by reference to the Registrant's Report on Form 10-Q for the quarter ended June 30, 1995. See Commission file number 1-6686.
 - (iv) The 1986 Stock Incentive Plan of the Registrant is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1993. See Commission file number 1-6686.
 - (v) The 1986 United Kingdom Stock Option Plan of the Registrant is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.

- (vi) The Employee Stock Purchase Plan (1985) of the Registrant, as amended, is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1993. See Commission file number 1-6686.
 - (vii) The Long-Term Performance Incentive Plan of the Registrant is incorporated by reference to Appendix A of the Prospectus dated December 12, 1988 forming part of its Registration Statement on Form S-8 (No. 33-25555).
 - (viii) Resolution of the Board of Directors adopted on February 16, 1993, amending the Long-Term Performance Incentive Plan is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.
 - (ix) Resolution of the Board of Directors adopted on May 16, 1989 amending the Long-Term Performance Incentive Plan is incorporated by reference to Registrant's Report on Form 10-K for the year ended December 31, 1989. See Commission file number 1-6686.
- (d) Loan Agreements.
- (i) Credit Agreement dated as of July 3, 1995 between Interpublic and Lloyds Bank Plc.
 - (ii) Credit Agreement dated and effective December 21, 1995 between Interpublic and NBD Bank.
 - (iii) Note dated as of December 21, 1995 between Interpublic and NBD Bank pursuant to the Credit Agreement dated and effective as of December 21, 1995.
 - (iv) Other Loan and Guaranty Agreements filed with the Registrant's Annual Report on Form 10-K for the years ended December 31, 1988 and December 31, 1986 are incorporated by reference in this Report on Form 10-K. Other Credit Agreements, amendments to various Credit Agreements, Supplemental Agreements, Termination Agreements, Loan

Agreements, a Note Purchase Agreement, dated August 20, 1991, Guarantee, dated December 17, 1991, Notification dated March 14, 1991 by Registrant and Intercreditor Agreements filed with the Registrant's Report on Form 10-K for the years ended December 31, 1989 through December 31, 1994, inclusive and filed with Registrant's Reports on Form 10-Q for the periods ended March 31, 1995, June 30, 1995 and September 30, 1995 are incorporated by reference into this Report on Form 10-K. See Commission file number 1-6686.

(e) Leases.

Material leases of premises are incorporated by reference to the Registrant's Annual Report on Form 10-K for the years ended December 31, 1980 and December 31, 1988. See Commission file number 1-6686.

(f) Acquisition Agreement for Purchase of Real Estate.

Acquisition Agreement (in German) between Treuhandgesellschaft Aktiengesellschaft & Co. Grundbesitz OHG and McCann-Erickson Deutschland GmbH & Co. Management Property KG ("McCann-Erickson Deutschland") and the English translation of the Acquisition Agreement are incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.

(g) Mortgage Agreements and Encumbrances.

- (i) Summaries In German and English of Mortgage Agreements between McCann-Erickson Deutschland and Frankfurter Hypothekenbank Aktiengesellschaft ("Frankfurter Hypothekenbank"), Mortgage Agreement, dated January 22, 1993, between McCann-Erickson Deutschland and Frankfurter Hypothekenbank, Mortgage Agreement, dated January 22, 1993, between McCann-Erickson Deutschland and Hypothekenbank are incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1993.

See Commission file number 1-6686. Summaries In German and English of Mortgage Agreement, between McCann-Erickson Deutschland and Frankfurter Sparkasse and Mortgage Agreement, dated January 7, 1993, between McCann-Erickson Deutschland and Frankfurter Sparkasse are incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.

- (ii) Summaries In German and English of Documents Creating Encumbrances In Favor of Frankfurter Hypothekenbank and Frankfurter Sparkasse In Connection With the Aforementioned Mortgage Agreements, Encumbrance, dated January 15, 1993, In Favor Of Frankfurter Hypothekenbank, and Encumbrance, dated January 15, 1993, In Favor of Frankfurter Sparkasse are incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.
- (iii) Loan Agreement (in English and German), dated January 29, 1993 between Lintas Deutschland GmbH and McCann-Erickson Deutschland is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.

11 Computation of Earnings Per Share.

13 This Exhibit includes: (a) those portions of the Annual Report to Stockholders for the year ended December 31, 1995 which are included therein under the following headings: Financial Highlights; Management's Discussion and Analysis of Financial Condition and Results Of Operations; Consolidated Balance Sheet; Consolidated Statement of Income; Consolidated Statement of Cash Flows; Consolidated Statement of Stockholders' Equity; Notes to Consolidated Financial Statements (the aforementioned consolidated financial Statements together with the Notes to Consolidated Financial Statements hereinafter shall be referred to as the "Consolidated Financial Statements"); Report of Independent Accountants; Selected Financial Data For Five Years; Report of Management; and Stockholders' Information; and (b) Appendix to Exhibit 13.

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- 21 Subsidiaries of the Registrant.
- 23 Consent of Independent Accountants.
- 24 Power of Attorney to sign Form 10-K and resolution of Board of Directors re Power of Attorney.
- 27 Financial Data Schedules
- 99 No reports on Form 8-K were filed during the quarter ended December 31, 1995.

EMPLOYMENT AGREEMENT

AGREEMENT made as of August 1, 1984 by and between THE INTERPUBLIC GROUP OF COMPANIES, INC., a Delaware corporation, (hereinafter referred to as "Interpublic"), and JOHN J. DOONER, JR. (hereinafter referred to as "Executive").

In consideration of the mutual promises set forth herein the parties hereto agree as follows:

ARTICLE I

Term of Employment

1.01 Upon the terms and subject to the conditions set forth herein, Interpublic or one of its subsidiaries will employ Executive for the period beginning August 1, 1984 and ending on July 31, 1989, or on such earlier date as the employment of Executive shall terminate pursuant to Article IV or Article V. (The period during which Executive is employed hereunder is referred to herein as the "term of employment" and Interpublic or whichever of its subsidiaries shall from time to time employ Executive pursuant to this Agreement is referred to herein as the "Corporation".) Executive will serve the Corporation during the term of employment.

ARTICLE II

Duties

2.01 During the term of employment Executive will:

- (i) use his best efforts to promote the interests of the Corporation and devote his full time and efforts to its business and affairs;
- (ii) perform such duties as the Corporation may from time to time assign to him; and
- (iii) serve in such offices of the Corporation as he may be elected or appointed to.

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ARTICLE III
Compensation

3.01 The Corporation will compensate Executive for duties performed by him hereunder, including all services rendered as an officer or director of the Corporation' by payment of a salary at the rate of \$112,000 per annum, payable in equal installments, which the Corporation may pay at either monthly or semi-monthly intervals.

3.02 For purposes of this Agreement, each period of 12 months beginning on August 1, 1984, or any anniversary thereof, shall be referred to as a "Year". Thus the 12-month period beginning on August 1, 1984 shall be the "First Year.", the 12-month period beginning on August 1, 1985 shall be the "Second Year", and so forth. Subject to the provisions of Section 3.03 hereof, the Corporation will further compensate Executive for the duties specified in Section 2.01 hereof performed by Executive during a full Year by payment, at the times and upon the conditions specified in Section 3.03 hereof, of a sum ("Deferred Compensation") computed at the rate of \$5,000 for the First Year, \$10,000 for the Second Year, \$15,000 for the Third Year, \$20,000 for the Fourth Year and \$25,000 for the Fifth Year, and a proportionate amount of whichever of the foregoing sums is applicable for any partial Year during which Executive actually performs such duties (as well as for any period during which Executive is receiving payments pursuant to subdivision (ii) of Section 4.01). Deferred Compensation payable hereunder shall be entitled to credits equivalent to interest in accordance with the terms and conditions of the Plan for Credits Equivalent to Interest on Balances of Deferred Compensation Owning under Employment Agreements (hereinafter referred to as the "Interest Plan."), a copy of which is attached hereto as Exhibit I. Executive acknowledges that the Corporation has the right to discontinue further credits equivalent to interest in accordance with the terms and conditions of the Interest Plan. Payment of Deferred Compensation shall be contingent on full performance by Executive of all his obligations under Articles I, II and IV of this Agreement.

3.03 The Deferred Compensation provided for in Section 3.02 shall be payable at the times and upon the conditions set forth below:

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(a) If the employment of Executive by the Corporation terminates by reason of his voluntary resignation, he shall be entitled to receive no Deferred Compensation with respect to the Year in which such termination occurs or with respect to the first, second, third or fourth years preceding the Year in which such termination occurs. Voluntary retirement pursuant to the Interpublic Pension Plan shall not be deemed to be voluntary resignation if such retirement occurs at or after age 60 or occurs prior to age 60 with the consent of the Corporation.

(b) Deferred Compensation earned by Executive with respect to any Year and not forfeited pursuant to the provisions of subparagraph (a) of this Paragraph 3.03 will be paid to him within 30 days after the termination of his employment, together with the credits equivalent to interest relating to such payment.

(c) If Executive shall die while employed by the Corporation or prior to receiving the payment specified in subparagraph (b) of this Paragraph 3.03, any Deferred Compensation payable in accordance with these provisions shall be paid to the Executor of his Will or the Administrator of his Estate.

(d) It is understood that none of the payments of Deferred Compensation made in accordance with these provisions shall be considered for the purposes of determining Executive's benefits under the Interpublic Pension Plan unless paid to him while he is in the employ of a corporation which is a party to that Pension Plan.

3.04 If at any time during the term of employment the Corporation shall reduce the compensation of all its employees receiving compensation at the rate of \$25,000 per annum or more, the compensation of Executive hereunder may be reduced in the same proportion as the compensation of each such employee.

3.05 The Corporation may at any time increase the compensation paid to Executive hereunder if the Corporation in its discretion shall deem it advisable so to do in order to compensate him fairly for services rendered to the Corporation.

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ARTICLE IV
Termination

4.01 Interpublic may terminate the employment of Executive hereunder

(i) by giving Executive notice in writing at any time specifying a termination date not less than six months after the date on which such notice is given, in which event his employment hereunder shall terminate on the date specified in such notice, or

(ii) by giving him notice in writing at any time specifying a termination date less than six months after the date on which such notice is given. In this event his employment hereunder shall terminate on the date specified in such notice and the Corporation shall thereafter pay him a sum equal to the amount by which six months' salary at his then current rate exceeds the salary paid to him for the period from the date on which such notice is given to the termination date specified in such notice. Such payment shall be made during the period immediately following the termination date specified in such notice, in successive equal monthly installments each of which shall be equal to one month's salary at the rate in effect at the time of such termination, with any residue in respect of a period less than one month to be paid together with the last installment.

4.02 Executive may at any time give notice in writing to Interpublic specifying a termination date not less than six months after the date on which such notice is given, in which event his employment hereunder shall terminate on the date specified in such notice.

4.03 If the employment of Executive hereunder is terminated pursuant to this Article IV by either Interpublic or Executive, Executive shall continue to perform his duties hereunder until the termination date at his salary in effect on the date that notice of such termination is given.

4.04 If Executive dies before July 31, 1989, his employment hereunder shall terminate on the date of his death.

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ARTICLE V
Covenants

5.01 While Executive is employed hereunder by the Corporation he shall not without the prior written consent of the Corporation engage, directly or indirectly, in any other trade, business or employment, or have any interest, direct or indirect, in any other business, firm or corporation; provided, however that he may continue to own or may hereafter acquire any securities of any class of any publicly-owned company.

5.02 Executive shall treat as confidential and keep secret the affairs of the Corporation and shall not at any time during the term of employment or thereafter, without the prior written consent of the Corporation, divulge, furnish or make known or accessible to, or use for the benefit of, anyone other than the Corporation and its subsidiaries and affiliates any information of a confidential nature relating in any way to the business of the Corporation or its subsidiaries or affiliates or their clients and obtained by him in the course of his employment hereunder.

5.03 If Executive violates any provision of Section 5.01 or Section 5.02, Interpublic may, notwithstanding the provisions of Section 4.01, terminate the employment of Executive at any time by giving him notice in writing specifying a termination date. In such event, his employment hereunder shall terminate on the date specified in such notice.

5.04 All records, papers and documents kept or made by Executive relating to the business of the Corporation or its subsidiaries or affiliates or their clients shall be and remain the property of the Corporation.

5.05 All articles invented by Executive, processes discovered by him, trademarks, designs, advertising copy and art work, display and promotion materials and, in general, everything of value conceived or created by him pertaining to the business of the Corporation or any of its subsidiaries or affiliates during the term of employment, and any and all rights of every nature whatever thereto, shall immediately become the property of the Corporation, and Executive will assign, transfer and deliver all patents, copyrights, royalties, designs and copy, and any and all interests and rights whatever thereto and thereunder to the Corporation, without further compensation, upon notice to him from the Corporation.

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5.06 Following the termination of Executive's employment hereunder, Executive shall not for a period of twelve months from such termination either (a) solicit any employee of the Corporation to leave such employ to enter the employ of Executive or of any corporation or enterprise with which Executive is then associated or (b) solicit or handle on Executive's own behalf or on behalf of any other person, firm or corporation, the advertising, public relations, sales promotion or market research business of any advertiser which is a client of the Corporation at the time of such termination.

ARTICLE VI
Bonus

6.01 In addition to the compensation specified in Article III hereof, it is agreed that if Executive is in the employ of the Corporation on December 31, 1984, he will receive bonus with respect to his services in 1984 in an amount between 35% and 50% of the salary paid to, and deferred compensation accrued for, him in 1984 by the Corporation and any other subsidiary of Interpublic. The precise amount of the bonus will be dependent upon an evaluation of Executive's performance during 1984, which evaluation shall be made by Interpublic, and upon the financial performance in 1984 of such subsidiaries of Interpublic as may have employed Executive during 1984. The bonus shall be payable on or about February 15, 1985.

ARTICLE VII
Assignment

7.01 This Agreement shall be binding upon and enure to the benefit of the successors and assigns of Interpublic. Neither this Agreement or any rights hereunder shall be assignable by Executive and any such purported assignment by him shall be void.

ARTICLE VIII
Agreement Entire

8.01 This Agreement constitutes the entire understanding between Interpublic and Executive concerning his employment by Interpublic or any of its subsidiaries and supersedes any and all previous agreements between Executive and Interpublic or any of its subsidiaries concerning such employment. This Agreement may not be changed orally.

ARTICLE IX
Applicable Law

9.01 This Agreement shall be governed by and construed in accordance with the laws of the State of New York

THE INTERPUBLIC GROUP OF COMPANIES. INC.
By Philip H. Geier, Jr.

John J. Dooner, Jr.

SUPPLEMENTAL AGREEMENT

SUPPLEMENTAL AGREEMENT made as of June 1, 1985, by and between THE INTERPUBLIC GROUP OF COMPANIES, INC., a corporation of the State of Delaware (hereinafter referred to as the "Corporation"), and JOHN J. DOONER, JR. (hereinafter referred to as "Executive"):

W I T N E S S E T H

WHEREAS, the Corporation and Executive are parties to an Employment Agreement made as of August 1, 1984 (hereinafter referred to as the ("Employment Agreement")), and

WHEREAS, the Corporation and Executive desire to amend the Employment Agreement;

NOW, THEREFORE, in consideration of the mutual promises herein and in the Employment Agreement set forth, the parties hereto, intending to be legally bound, agree as follows:

1. Section 3.01 of the Employment is hereby amended effective as of June 1, 1985, so as to delete "112,000" and to substitute therefor "\$127,000".
2. Except as hereinabove amended, the Employment Agreement shall continue in full force and effect.
3. This Supplemental Agreement shall be governed by the laws of the State of New York.

THE INTERPUBLIC GROUP OF COMPANIES, INC.
By C. KENT KROEBER

John J. Dooner, Jr.

SUPPLEMENTAL AGREEMENT

SUPPLEMENTAL AGREEMENT made as of December 1, 1985, by and between THE INTERPUBLIC GROUP OF COMPANIES, INC., a corporation of the State of Delaware (hereinafter referred to as the "Corporation"), and JOHN J. DOONER, JR. (hereinafter referred to as "Executive"):

W I T N E S S E T H

WHEREAS, the Corporation and Executive are parties to an Employment Agreement made as of August 1, 1984 and a Supplemental Agreement made as of June 1, 1985 thereafter referred to collectively as the "Employment Agreement."), and

WHEREAS, the Corporation and Executive desire to amend the Employment Agreement:

NOW, THEREFORE, in consideration of the mutual promises herein and in the Employment Agreement set forth, the parties hereto, intending to be legally bound, agree as follows:

1. Section 3.01 of the Employment Agreement is hereby amended, effective as of December 1, 1985, so as to delete "\$127,000". and to substitute therefor "\$150,000".
2. Section 3.02 of the Employment Agreement is hereby amended, effective as of December 1, 1985, so as to delete the first three sentences thereof and substitute therefor the following: "Subject to the provisions of Section 3.03 hereof, the Corporation will further compensate Executive for the duties specified in Section 2.01 hereof by payment at the times and upon the conditions specified in Section 3.03, of sums ("Deferred Compensation") of \$5,000 for the period August 1, 1984 through July 31, 1985 and \$3,333.33 for the period August 1, 1985 through November 30, 1985."
3. Section 3.03(a) of the Employment Agreements hereby amended, effective as of December 1, 1985, so as to delete such Section in its entirety and substitute the following therefor: n (a) If the employment of Executive

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by the Corporation terminates by reason of his voluntary resignation prior to August 1, 1989, he shall be entitled to receive no Deferred Compensation. If the employment of Executive by the Corporation terminates by reason of his voluntary resignation between August 1, 1989 and November 30, 1989, he shall be entitled to receive the Deferred Compensation accrued for the period August 1, 1984 through July 31, 1985, but not the Deferred Compensation accrued for the period August 1, 1985 through November 30, 1985."

4. Section 3.03(b) of the Employment Agreement is hereby amended, effective as of December 1, 1985, so as to delete the word "Year" therefrom and substitute "period" therefor.
5. Except as hereinabove amended, the Employment Agreement shall continue in full force and effect.

6. This Supplemental Agreement shall be governed by the laws of the State of New York.

THE INTERPUBLIC GROUP OF COMPANIES, INC.
By C. Kent Kroeber

John J. Dooner, Jr.

SUPPLEMENTAL AGREEMENT

SUPPLEMENTAL AGREEMENT made as of June 1, 1986, by and between THE INTERPUBLIC GROUP OF COMPANIES, INC., a corporation of the State of Delaware (hereinafter referred to as the "Corporation"), and JOHN J. DOONER, JR. (hereinafter referred to as "Executive"):

W I T N E S S E T H

WHEREAS, the Corporation and Executive are parties to an Employment Agreement made as of August 1, 1984 and Supplemental Agreements made as of June 1, 1985 and December 1, 1985 (hereinafter referred to collectively as the "Employment Agreementn"), and

WHEREAS, the Corporation and Executive desire to amend the Employment Agreement;

NOW, THEREFORE, in consideration of the mutual promises herein and in the Employment Agreement set forth, the parties hereto, intending to be legally bound, agree as follows:

1. Section 3.01 of the Employment Agreement is hereby amended, effective as of June 1, 1986, so as to delete "\$150,000" and to substitute therefor "\$160,000".
2. Except as hereinabove amended, the Employment Agreement shall continue in full force and effect.
3. This Supplemental Agreement shall be governed by the laws of the State of New York.

THE INTERPUBLIC GROUP OF COMPANIES, INC.
By C. Kent Kroeber

John J. Dooner, Jr.

AGREEMENT made as of July 1, 1986, by and between THE INTERPUBLIC GROUP OF COMPANIES, INC., a corporation of the State of Delaware (hereinafter referred to as "Interpublic"), and JOHN J. DOONER, JR. (hereinafter referred to as "Executive"):

W I T N E S S E T H

WHEREAS, Executive is in the employ of Interpublic and/or one or more of its subsidiaries (Interpublic and its subsidiaries being hereinafter referred to collectively as the "Corporation"); and

WHEREAS, Interpublic and Executive desire to enter into an Executive Special Benefit Agreement which shall be supplementary to any employment agreement or arrangement which Executive now or hereafter may have with respect to his employment by Interpublic or any of its subsidiaries;

NOW, THEREFORE, in consideration of the mutual promises herein set forth, the parties hereto, intending to be legally bound, agree as follows:

ARTICLE I

Death and Special Retirement Benefits

1.01 For purposes of this Agreement the "Accrual Term" shall mean the period of seventy-two months beginning on the date of this Agreement and ending on the day preceding the sixth anniversary hereof or on such earlier date on which Executive shall cease to be in the employ of the Corporation.

1.02 In lieu of accruing deferred compensation for the benefit of Executive at the rate of Twenty Thousand Dollars (\$20,000) per annum during the Accrual Term, the Corporation shall provide Executive with the following benefits, using the sums which would otherwise have been accrued as deferred compensation to offset the costs of such benefits. Such benefits shall be contingent upon Executive's compliance with all the terms and conditions of this Agreement and Executive's satisfactory completion of a physical examination in connection with an insurance policy on the life of Executive which Interpublic proposes to obtain and own.

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1.03 If, during the Accrual Term or thereafter during a period of employment by the Corporation which is continuous from the date of this Agreement, Executive shall die while in the employ of the Corporation, the Corporation shall pay to such beneficiary or beneficiaries as Executive shall have designated pursuant to Section 1.07 (or in the absence of such designation, shall pay to the Executor of the Will or the Administrator of the Estate of Executive) survivor income payments of One Hundred Fourteen Thousand Dollars (\$114,000) per annum for fifteen years following Executive's death, such payments to be made on January 15 of each of the fifteen years beginning with the year following the year in which Executive dies.

1.04 If, after a continuous period of employment from the date of this Agreement, Executive shall retire from the employ of the Corporation so that the first day on which Executive is no longer in the employ of the Corporation occurs on or after Executive's sixtieth birthday, the Corporation shall pay to Executive special retirement benefits at the rate of One Hundred Fourteen Thousand Dollars (\$114,000) per annum for fifteen years beginning with the calendar month following Executive's last day of employment, such payments to be made in equal monthly installments.

1.05 If, after a continuous period of employment from the date of this Agreement, Executive shall retire, resign, or be terminated from the employ of the Corporation so that the first day on which Executive is no longer in the employ of the Corporation occurs on or after August 3, 2003 but prior to Executive's sixtieth birthday, the Corporation shall pay to Executive special retirement benefits at the annual rates set forth below for fifteen years beginning with the calendar month following Executive's last day of employment, such payments to be made in equal monthly installments:

Last Day of Employment	Annual Rate
On or after August 3, 2003 but prior to 56th birthday	\$79,800
On or after 56th birthday but prior to 57th birthday	\$86,640
On or after 57th birthday but prior to 58th birthday	\$93,480
On or after 58th birthday but prior to 59th birthday	\$100,320
On or after 59th birthday but prior to 60th birthday	\$107,160

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1.06 If, following such termination of employment, Executive shall die before payment of all of the installments provided for in Section 1.04 or Section 1.05, any remaining installments shall be paid to such beneficiary or beneficiaries as Executive shall have designated pursuant to Section 1.07 or, in the absence of such designation, to the Executor of the Will or the Administrator of the Estate of Executive.

1.07 For purposes of Sections 1.03, 1.04 and 1.05, or any of them, Executive may at any time designate a beneficiary or beneficiaries by filing with the chief personnel officer of Interpublic a Beneficiary Designation Form provided by such officer. Executive may at any time, by filing a new Beneficiary Designation Form, revoke or change any prior designation of beneficiary.

1.08 If Executive shall die while in the employ of the Corporation, no sum shall be payable pursuant to Sections 1.04, 1.05, 1.06, 2.01, 2.02 or 2.03.

1.09 In connection with the life insurance policy referred to in Section 1.02, Interpublic has relied on written representations made by Executive concerning his age and the state of his health. If said representations are untrue in any material respect, whether directly or by omission, and if the Corporation is damaged by any such untrue representations, no sum shall be payable pursuant to Sections 1.03, 1.04, 1.05, 1.06, 2.01, 2.02 or 2.03.

1.10 It is expressly agreed that Interpublic shall at all times be the sole and complete owner and beneficiary of the life insurance policy referred to in Sections 1.02 and 1.09, shall have the unrestricted right to use all amounts and exercise all options and privileges thereunder without the knowledge or consent of the Executive or his designated beneficiary or any other person, and that neither Executive nor his designated beneficiary nor any other person shall have any right, title or interest, legal or equitable, whatsoever in or to such policy.

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ARTICLE II

Alternative Deferred Compensation

2.01 If Executive shall, for any reason other than death, cease to be employed by the Corporation on a date prior to August 3, 2003, the Corporation shall, in lieu of any payment pursuant to Article I of this Agreement, compensate Executive by payment, at the times and in the manner specified in Section 2.02, of a sum computed at the rate of Twenty Thousand Dollars (\$20,000) per annum for each full year and proportionate amount for any part year from the date of this Agreement to the date of such termination during which Executive is in the employ of the Corporation. Such payment shall be conditional upon Executive's compliance with all the terms and conditions of this Agreement.

2.02 The aggregate compensation payable under Section 2.01 shall be paid in equal consecutive monthly installments commencing with the first month in which Executive is no longer in the employ of the Corporation and continuing for a number of months equal to the number of months which have elapsed from the date of this Agreement to the commencement date of such payments.

2.03 If Executive dies while receiving payments in accordance with the provisions of Section 2.02, any installments payable in accordance with the provisions of Section 2.02 less any amounts previously Paid Executive in accordance therewith, shall be paid to the Executor of the Will or the Administrator of the Estate of Executive.

2.04 It is understood that none of the payments made in accordance with Sections 2.01 and 2.02 shall be considered for purposes of determining benefits under the Interpublic Pension Plan, nor shall such sums be entitled to credits equivalent to interest under the Plan for Credits Equivalent to Interest on Balances of Deferred Compensation Owning under Employment Agreements adopted effective as of January 1, 1974 by Interpublic.

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ARTICLE III

Nonsolicitation of Clients or Employees

3.01 Following the termination of his employment with the Corporation for any reason, Executive shall not for a period of one year from such termination either (a) solicit any employee of the Corporation to leave such employ to enter into the employ of Executive or of any Corporation or other enterprise with which Executive is then associated or (b) solicit or handle on his own behalf or on behalf of any other person, firm or corporation, the advertising, public relations, sales promotion or market research business of any advertiser which is client of the Corporation at the time of such termination.

ARTICLE IV

Assignment

4.01 This Agreement shall be binding upon and enure to the benefit of the successors and assigns of Interpublic. Neither this Agreement nor any rights hereunder shall be assignable by Executive and any such purported assignment by him shall be void. This Agreement may not be changed orally.

ARTICLE V

Applicable Law

5.01 This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

THE INTERPUBLIC GROUP OF COMPANIES, INC.
By C. Kent Kroeber

John J. Dooner., Jr.

McCann-Erickson, Inc.
485 Lexington Avenue, New York, NY 10017
Phone 212-697-6000. Telex 620514

As of November 12, 1986

Mr. John J. Dooner, Jr.
McCann-Erickson, Inc.
485 Lexington Avenue
New York, N.Y. 10017

Dear Mr. Dooner:

This letter sets forth the terms and conditions under which McCann-Erickson, Inc. ("McCann") will pay you a special bonus ("Bonus") with respect to your services during the calendar year 1986.

In addition to any salary or other compensation which may be payable to you from time to time with respect to your services for McCann during 1986, McCann will pay you a bonus in the amount of \$100,000 provided that you are in the employ of McCann on December 31, 1986.

Payment of the Bonus will be deferred until January 15, 1988, at which time the Bonus will be paid to you together with credits equivalent to interest payable in accordance with the terms and conditions of the Plan for Credits Equivalent to Interest on Balances of Deferred Compensation Owing under Employment Agreements (the "Plan"), adopted effective January 1, 1974 by our parent company, The Interpublic Group of Companies, Inc. A copy of the Plan is attached to this letter.

If you die prior to receiving the Bonus in accordance with the provisions hereof, any amount payable in accordance with the provisions hereof shall be paid to the Executor of your Will or the Administrator of Your Estate.

Nothing in this letter shall obligate you to remain in McCann's employ or obligate McCann to retain you in its employ. This letter shall be supplementary to any Employment Agreement you may have covering your employment by McCann or any affiliate thereof.

It is understood that no payment made in accordance with this letter shall be considered for purposes of determining your benefits under the Interpublic Pension Plan unless made to you while you are in the employ of McCann or any affiliate thereof.

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Mr. John J. Dooner, Jr.
As of November 12, 1986

This agreement shall be governed by and construed in accordance with the laws of the State of New York.

Will you please indicate your agreement to the foregoing by signing the enclosed copy of this letter.

Very truly yours,

McCANN-ERICKSON, INC.

By Robert L. James

AGREED

John J. Dooner, Jr.

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Plan for Credits Equivalent to Interest
on
Balances of Deferred Compensation
Owing under Employment Agreements

Effective Date: January 1, 1974.

Balances Covered:

All deferred compensation, under Employment Agreements to which the Corporation is a party, owing (even though not yet payable and even though subject to conditions) on January 1, 1974 or thereafter to persons who on January 1, 1974 or thereafter are in the employ of the Corporation or its subsidiaries, including balances owing to persons who cease to be employees after that date; subject to the right of the Corporation to discontinue further credits of sums equivalent to interest effective at the beginning of any calendar year on prior notice to the employees or former employees affected.

Date on Which
Sums Equivalent
to Interest Are
Credited:

Last day of each calendar quarter (hereafter referred to as a "Crediting Date"), but in the Year in which the final balance is paid equivalents are also creditable on the date of the last payment and shall be included in the amounts so disbursed on that date.

Rates:

The prevailing rate payable on regular savings accounts by New York City savings banks on average for the year plus 1%, such rate to be determined conclusively by the Chief Financial Officer of the Corporation and set forth by him in a certificate filed with the Secretary of the Corporation; provided, however, that the rate credited under this plan shall not be less than 8% for the calendar year 1980; not be less than 9% for the calendar years 1981 and 1982; not be less than 10% for the calendar years 1983, 1984 and 1985; not be less than 9% for the calendar year 1986; and not be less than 6 1/2% for the calendar year 1987.

Computation and
Compounding
Procedures:

On each Crediting Date, credits equivalent to interest for the relevant period are to be computed on the average balance of deferred compensation owing by the Corporation under each Employment Agreement including sums equivalent to interest credited on prior Crediting Dates, such average balance to be computed pursuant to such method or methods as shall be determined conclusively by the Chief Financial Officer of the Corporation.

Terms of Payment
to employees and
Former employees:

Credits equivalent to interest shall be paid out at the same times, in the same manner, and on the same terms and conditions as other items of deferred compensation accrued pursuant to each Employment Agreement.

As amended through 11/86

SUPPLEMENTAL AGREEMENT

SUPPLEMENTAL AGREEMENT made as of June 1, 1987, by and between THE INTERPUBLIC GROUP OF COMPANIES, INC., a corporation of the State of Delaware (hereinafter referred to as the "Corporation"), and JOHN J. DOONER, JR. (hereinafter referred to as "Executive"):

W I T N E S S E T H

WHEREAS, the Corporation and Executive are parties to an Employment Agreement dated as of August 1, 1984, and Supplemental Agreements made as of June 1, 1985, December 1, 1985 and June 1, 1986 (hereinafter referred to collectively as the "Employment Agreement"); and

WHEREAS, the Corporation and Executive desire to amend the Employment Agreement;

NOW, THEREFORE, in consideration of the mutual promises herein and in the Employment Agreement set forth, the parties hereto, intending to be legally bound, agree as follows:

1. Section 3.01 of the Employment Agreement is hereby amended effective as of June 1, 1987, so as to delete "\$160,000" and substitute "\$180,000" therefor.

2. Except as hereinabove amended, the Employment Agreement shall continue in full force and effect.

3. This Supplemental Agreement shall be governed by the law of the State of New York.

THE INTERPUBLIC GROUP OF COMPANIES. INC.

By C. Kent Kroeber

John J. Dooner, Jr.

This AGREEMENT ("Agreement") dated August 10, 1987, by and between The Interpublic Group of Companies, Inc. ("Interpublic"), a Delaware corporation (Interpublic and its subsidiaries being referred to herein collectively as the "Company"), and John J. Dooner, Jr. (the "Executive").

W I T N E S S E T H:

WHEREAS, the Company recognizes the valuable services that the Executive has rendered thereto and desires to be assured that the Executive will continue to attend to the business and affairs of the Company without regard to any potential or actual change of control of Interpublic;

WHEREAS, the Executive is willing to continue to serve the Company but desires assurance that he will not be materially disadvantaged by a change of control of Interpublic; and

WHEREAS, the Company is willing to accord such assurance provided that, should the Executive's employment be terminated consequent to a change of control, he will not for a period thereafter engage in certain activities that could be detrimental to the Company;

NOW, THEREFORE, in consideration of the Executive's continued service to the Company and the mutual agreements herein contained, Interpublic and the Executive hereby agree as follows:

ARTICLE I
RIGHT TO PAYMENTS

Section 1.1. Triggering Events. If Interpublic undergoes a Change of Control, the Company shall make payments to the Executive as provided in article II of this Agreement. If, within two years following a Change of Control, either (a) the Company terminates the Executive other than by means of a termination for Cause or for death or (b) the Executive resigns for a Good Reason (either of which events shall constitute a "Qualifying Termination") r the Company shall make payments to the Executive as provided in article III hereof.

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Section 1.2. Change of Control. A Change of Control of Interpublic shall be deemed to have occurred if (a) any person (within the meaning of Sections 13(d) and 14(d) of the Securities Exchange Act of 1934 (the "1934 Act")), other than Interpublic or any of its majority-controlled subsidiaries, becomes the beneficial owner (within the meaning of Rule 13d-3 under the 1934 Act) of 30 percent or more of the combined voting power of Interpublic's then outstanding voting securities; (b) a tender offer or exchange offer (other than an offer by Interpublic or a majority-controlled subsidiary), pursuant to which 30 percent or more of the combined voting power of Interpublic's then outstanding voting securities was purchased, expires; (c) the stockholders of Interpublic approve an agreement to merge or consolidate with another corporation (other than a majority-controlled subsidiary of Interpublic) unless Interpublic's shareholders immediately before the merger or consolidation are to own more than 70 percent of the combined voting power of the resulting entity's voting securities; (d) Interpublic's stockholders approve an agreement (including, without limitation, a plan of liquidation) to sell or otherwise dispose of all or substantially all of the business or assets of Interpublic; or (e) during any period of two consecutive years, individuals who, at the beginning of such period, constituted the Board of Directors of Interpublic cease for any reason to constitute at least a majority thereof, unless the election or the nomination for election by Interpublic'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. However, no Change of Control shall be deemed to have occurred by reason of any transaction in which the Executive, or a group of persons or entities with which the Executive acts in concert, acquires, directly or indirectly, more than 30 percent of the common stock or the business or assets of Interpublic.

Section 1.3. Termination for Cause. Interpublic shall have Cause to terminate the Executive for purposes of section 1.1 Of this Agreement only if, following the Change of Control, the Executive (a) engages in conduct that constitutes a felony under the laws of the United States or a state or country in which he works or resides and that results or was intended to result, directly or indirectly, in the personal enrichment of the Executive at the Company's expense; (b) refuses (except by reason

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of incapacity due to illness or injury) to make a good faith effort to substantially perform his duties with the Company on a full-time basis and continues such refusal for 15 days following receipt of notice from the Company that his effort is deficient; or (c) deliberately and materially breaches any agreement between himself and the Company and fails to remedy that breach within 30 days following notification thereof by the Company. If the Company has Cause to terminate the Executive, it may in fact terminate him for Cause for purposes of section 1.1 hereof if (a) it notifies the Executive of such Cause, (b) it gives him reasonable opportunity to appear before a majority of Interpublic's Board of Directors to respond to the notice of Cause and (c) a majority of the Board of Directors subsequently votes to terminate him.

Section 1.4. Resignation for Good Reason. The Executive shall have a Good Reason for resigning only if (a) the Company fails to elect the Executive to, or removes him from, any office of the Company, including without limitation membership on any Board of Directors, that the Executive held immediately prior to the Change of Control; (b) the Company reduces the Executive's rate of regular cash and fully vested deferred base compensation ("Regular Compensation") from that which he earned immediately prior to the Change of Control or fails to increase it within 12 months following the Change of Control by (in addition to any increase pursuant to section 2.2 hereof) at least the average of the rates of increase in his Regular Compensation during the four consecutive 12-month periods immediately prior to the Change of Control (or, if fewer, the number of 12-month periods immediately prior to the Change of Control during which the Executive was continuously employed by the Company); (c) the Company fails to provide the Executive with fringe benefits and/or bonus plans, such as stock option, stock purchase, restricted stock, life insurance, health, accident, disability, incentive. bonus, pension and profit sharing plans ("Benefit or Bonus Plans"), that, in the aggregate, (except insofar as the Executive has waived his rights thereunder pursuant to article II hereof) are as valuable to him as those that he enjoyed immediately prior to the Change of Control; (d) the Company fails to provide the Executive with an annual number of paid vacation days at least equal to that to which he was entitled immediately prior to the Change of Control; (e) the Company breaches any agreement between

it and the Executive (including this Agreement); (f) without limitation of the foregoing clause (e), Interpublic fails to obtain the express assumption of this Agreement by any successor of Interpublic as provided in section 6.3 hereof; (g) the Company attempts to terminate the Executive for Cause without complying with the provisions of section 1.3 hereof; (h) the Company requires the Executive, without his express written consent, to be based in an office outside of New York City or to travel substantially more extensively than he did prior to the Change of Control; or (i) the Executive determines in good faith that the Company has, without his consent, effected a significant change in his status within, or the nature or scope of his duties or responsibilities with, the Company that obtained immediately prior to the Change of Control (including but not limited to, subjecting the Executive's activities and exercise of authority to greater immediate supervision than existed prior to the Change of Control); provided, however, that no event designated in clauses (a) through (i) of this sentence shall constitute a Good Reason unless the Executive notifies Interpublic that the Company has committed an action or inaction specified in clauses (a) through (i) (a "Covered Action") and the Company does not cure such Covered Action within 30 days after such notice, at which time such Good Reason shall be deemed to have arisen.

Notwithstanding the immediately preceding sentence, no action by the Company shall give rise to a Good Reason if it results from the Executive's termination for Cause or death or from the Executive's resignation for other than a Good Reason, and no action by the Company specified in clauses (a) through (d) or (i) of the preceding sentence shall give rise to a Good Reason if it results from the Executive's Disability. If the Executive has a Good Reason to resign, he may in fact resign for a Good Reason for purposes of section 1.1 of this Agreement by, within 30 days after the Good Reason arises, giving Interpublic a minimum of 30 and a maximum of 90 days advance notice of the date of his resignation.

prior to the Change of Control; or (i) the Executive determines in good faith that the Company has, without his consent, effected a significant change in his status within, or the nature or scope of his duties or responsibilities with, the Company that obtained immediately prior to the Change of Control (including but not limited to, subjecting the Executive's activities and exercise of authority to greater immediate supervision than existed prior to the Change of Control); provided, however, that no event designated in clauses (a) through (i) of this sentence shall constitute a Good Reason unless the Executive notifies Interpublic that the Company has committed an action or inaction specified in clauses (a) through (i) (a "Covered Action") and the Company does not cure such Covered Action within 30 days after such notice, at which time such Good Reason shall be deemed to have arisen. Notwithstanding the immediately preceding sentence, no action by the Company shall give rise to a Good Reason if it results from the Executive's termination for Cause or death or from the Executive's resignation for other than a Good Reason, and no action by the Company specified in clauses (a) through (d) or (i) of the preceding sentence shall give rise to a Good Reason if it results from the Executive's Disability. If the Executive has a Good Reason to resign, he may in fact resign for a Good Reason for purposes of section 1.1 of this Agreement by, within 30 days after the Good Reason arises, giving Interpublic a minimum of 30 and a maximum of 90 days advance notice of the date of his resignation.

Section 1.5. Disability. For all purposes of this Agreement, the term "Disability" shall have the same meaning as that term has in the Interpublic Long-Term Disability Plan.

ARTICLE II PAYMENTS UPON A CHANGE OF CONTROL

Section 2.1. Elections by the Executive. If the Executive so elects prior to a Change of Control, the Company shall pay him, within 30 days following the Change of Control, cash amounts in respect of certain Benefit or Bonus Plans or deferred compensation arrangements designated in sections 2.2 through 2.4 hereof ("Plan Amounts"). The Executive may make an election with respect to the Benefit or Bonus Plans or deferred compensation arrangements covered under any one or more of sections 2.2 through 2.4, but an election with respect to any such section shall apply to all Plan Amounts that are specified therein. Each election shall be made by notice to Interpublic on a form satisfactory to Interpublic and, once made, may be revoked by such notice on such form at any time prior to a Change of Control. If the Executive elects to receive payments under a section of this article II, he shall, upon receipt of such payments, execute a waiver, on a form satisfactory to
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Interpublic, of such rights as are indicated in that section. If the Executive does not make an election under this article with respect to a Benefit or Bonus Plan or deferred compensation arrangement, his rights to receive payments in respect thereof shall be governed by the Plan or arrangement itself.

Section 2.2. ESBA. The Plan Amount in respect of all Executive Special Benefit Agreements ("ESBA's") between the Executive and Interpublic shall consist of an amount equal to the present discounted values, using the Discount Rate designated in section 5.8 hereof as of the date of the Change of Control, of all payments that the Executive would have been entitled to receive under the ESBA's if he had terminated employment with the Company on the day immediately prior to the Change of Control. Upon receipt of the Plan Amount in respect of the ESBA's, the Executive shall waive any rights that he may have to payments under the ESBA's. If the Executive makes an election pursuant to, and executes the waiver required under, this section 2.2, his Regular Compensation shall be increased as of the date of the Change of Control at an annual rate equal to the sum of the annual rates of deferred compensation in lieu of which benefits are provided the Executive under any ESBA the Accrual Term for which (as defined in the ESBA) includes the date of the Change of Control.

Section 2.3. MICP. The Plan Amount in respect of the Company's Management Incentive Compensation Plans ("MICP") shall consist of an amount equal to the sum of all amounts awarded to the Executive under, but deferred pursuant to, the MICP as of the date of the Change of Control and all amounts equivalent to interest creditable thereon up to the date that the Plan Amount is paid. Upon receipt of that Plan Amount, the Executive shall waive his rights to receive any amounts under the MICP that were deferred prior to the Change of Control and any interest equivalents thereon.

Section 2.4. Deferred Compensation. The Plan Amount in respect of deferred compensation (other than amounts referred to in other sections of this article II) shall be an amount equal to all compensation from the Company that the Executive has earned and agreed to defer (other than through the Interpublic Savings Plan pursuant to Section 401(k) of the Internal Revenue Code (the "Code")) but has not received as of the date of the Change of

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Control, together with all amounts equivalent to interest creditable thereon through the date that the Plan Amount is paid. Upon receipt of this Plan Amount, the Executive shall waive his rights to receive any deferred compensation that he earned prior to the date of the Change of Control and any interest equivalents thereon.

Section 2.5. 1986 Stock Incentive Plan. The effect of a Change of Control on the rights of the Executive with respect to options and restricted shares awarded to him under the Interpublic 1986 Stock Incentive Plan shall be governed by that Plan and not by this Agreement.

ARTICLE III
PAYMENTS UPON QUALIFYING TERMINATION

Section 3.1. Basic Severance Payment. In the event that the Executive is subjected to a Qualifying Termination within two years after a Change of Control, the Company shall pay the Executive within 30 days after the effective date of his Qualifying Termination (his "Termination Date") a cash amount equal to his Base Amount times the number designated in section 5.9 of this Agreement (the "Designated Number"). The Executive's Base Amount shall equal the average of the Executive's Includable Compensation for the two whole calendar years immediately preceding the date of the Change of Control (or, if the Executive was employed by the Company for only one of those years, his Includable Compensation for that year). The Executive's Includable Compensation for a calendar year shall consist of (a) the compensation reported by the Company on the Form W-2 that it filed with the Internal Revenue Service for that year in respect of the Executive or which would have been reported on such form but for the fact that Executive's services were performed outside of the United States, plus (b) any compensation payable to the Executive during that year the receipt of which was deferred at the Executive's election or by employment agreement to a subsequent year, minus (c) any amounts included on the Form W2 (or which would have been included if Executive had been employed in the United States) that represented either (i) amounts in respect of a stock option or restricted stock plan of the Company or (ii) payments during the

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year of amounts payable in prior years but deferred at the Executive's election or by employment agreement to a subsequent year. The compensation referred to in clause (b) of the immediately preceding sentence shall include, without limitation, amounts initially payable to the Executive under the MICP or a Long-Term Performance Incentive Plan in that year but deferred to a subsequent year, the amount of deferred compensation for the year in lieu of which benefits are provided the Executive under an ESBA and amounts of Regular Compensation earned by the Executive during the year but deferred to a subsequent year (including amounts deferred under Interpublic Savings Plan pursuant to Section 401(k) of the Code); clause (c) of such sentence shall include, without limitation, all amounts equivalent to interest paid in respect of deferred amounts and all amounts of Regular Compensation paid during the year but earned in a prior year and deferred.

Section 3.2. MICP Supplement. The Company shall also pay the Executive within 30 days after his Termination Date a cash amount equal to (a) in the event that the Executive received an award under the MICP (or the Incentive Award program applicable outside the United States) in respect of the year immediately prior to the year that includes the Termination Date (the latter year constituting the "Termination Year"), the amount of that award multiplied by the fraction of the Termination Year preceding the Termination Date or (b) in the event that the Executive did not receive an MICP award (or an Incentive Award) in respect of the year immediately prior to the Termination Year, the amount of the MICP award (or Incentive Award) that Executive received in respect of the second year immediately prior to the Termination Year multiplied by one plus the fraction of the Termination Year preceding the Termination Date.

ARTICLE IV
TAX MATTERS

Section 4.1. Withholding. The Company may withhold from any amounts payable to the Executive hereunder all federal, state, city or other taxes that the Company may reasonably determine are required to be withheld pursuant to any applicable law or regulation, but, if the Executive has made the election provided

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in section 4.2 hereof, the Company shall not withhold amounts in respect of the excise tax imposed by Section 4999 of the Code or its successor.

Section 4.2. Disclaimer. If the Executive so agrees prior to a Change of Control by notice to the Company in form satisfactory to the Company, the amounts payable to the Executive under this Agreement but not yet paid thereto shall be reduced to the largest amounts in the aggregate that the Executive could receive, in conjunction with any other payments received or to be received by him from any source, without any part of such amounts being subject to the excise tax imposed by Section 4999 of the Code or its successor. The amount of such reductions and their allocation among amounts otherwise payable to the Executive shall be determined either by the Company or by the Executive in consultation with counsel chosen (and compensated) by him, whichever is designated by the Executive in the aforesaid notice to the Company (the "Determining Party"). If, subsequent to the payment to the Executive of amounts reduced pursuant to this section 4.2, the Determining Party should reasonably determine, or the Internal Revenue Service should assert against the party other than the Determining Party, that the amount of such reductions was insufficient to avoid the excise tax under Section 4999 (or the denial of a deduction under Section 280G of the Code or its successor), the amount by which such reductions were insufficient shall, upon notice to the other party, be deemed a loan from the Company to the Executive that the Executive shall repay to the Company within one year of such reasonable determination or assertion, together with interest thereon at the applicable federal rate provided in section 7872 of the Code or its successor. However, such amount shall not be deemed a loan if and to the extent that repayment thereof would not eliminate the Executive's liability for any Section 4999 excise tax.

ARTICLE V COLLATERAL MATTERS

Section 5.1. Nature of Payments. All payments to the Executive under this Agreement shall be considered either payments in consideration of his continued service to the Company, severance payments in consideration of his past services

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thereto or payments in consideration of the covenant contained in section 5.10 hereof. No payment hereunder shall be regarded as a penalty to the Company.

Section 5.2. Legal Expenses. The Company shall pay all legal fees and expenses that the Executive may incur as a result of the Company's contesting the validity, the enforceability or the Executive's interpretation of, or determinations under, this Agreement. Without limitation of the foregoing, Interpublic shall, prior to the earlier of (a) 30 days after notice from the Executive to Interpublic so requesting or (b) the occurrence of a Change of Control, provide the Executive with an irrevocable letter of credit in the amount of \$100,000 from a bank satisfactory to the Executive against which the Executive may draw to pay legal fees and expenses in connection with any attempt to enforce any of his rights under this Agreement. Said letter of credit shall not expire before 10 years following the date of this Agreement.

Section 5.3. Mitigation. The Executive shall not be required to mitigate the amount of any payment provided for in this Agreement either by seeking other employment or otherwise. The amount of any payment provided for herein shall not be reduced by any remuneration that the Executive may earn from employment with another employer or otherwise following his Termination Date.

Section 5.4. Setoff for Debts. The Company may reduce the amount of any payment due the Executive under article III of this Agreement by the amount of any debt owed by the Executive to the Company that is embodied in a written instrument, that is due to be repaid as of the due date of the payment under this Agreement and that the Company has not already recovered by setoff or otherwise.

Section 5.5. Coordination with Employment Contract. Payments to the Executive under article III of this Agreement shall be in lieu of any payments for breach of any employment contract between the Executive and the Company to which the Executive may be entitled by reason of a Qualifying Termination, and, before making the payments to the Executive provided under article III hereof, the Company may require the Executive to execute a waiver of any rights that he may have to recover payments in respect of

a breach of such contract as a result of a Qualifying Termination. [f the Executive has a Good Reason to resign and does so by providing the notice specified in the last sentence of section 1.4 of this Agreement, he shall be deemed to have satisfied any notice requirement for resignation, and any service requirement following such notice, under any employment contract between the Executive and the Company.

Section 5.6. Benefit of Bonus Plans. Except as otherwise provided in this Agreement or required by law, the Company shall not be compelled to include the Executive in any of its Benefit or Bonus Plans following the Executive's Termination Date, and the Company may require the Executive, as a condition to receiving the payments provided under article III hereof, to execute a waiver of any such rights. However, said waiver shall not affect any rights that the Executive may have in respect of his participation in any Benefit or Bonus Plan prior to his Termination Date.

Section 5.7. Funding. Except as provided in section 5.2 of this Agreement, the Company shall not be required to set aside any amounts that may be necessary to satisfy its obligations hereunder. The Company's potential obligations to make payments to the Executive under this Agreement are solely contractual ones, and the Executive shall have no rights in respect of such payments except as a general and unsecured creditor of the Company.

Section 5.8. Discount Rate. For purposes of this Agreement, the term "Discount Rate" shall mean the applicable Federal short-term rate determined under Section 1274(d) of the Code or its successor. If such rate is no longer determined, the Discount Rate shall be the yield on 2-year Treasury notes for the most recent period reported in the most recent issue of the Federal Reserve Bulletin or its successor, or, if such rate is no longer reported therein, such measure of the yield on 2-year Treasury notes as the Company may reasonably determine.

Section 5.9. Designated Number. For purposes of this Agreement, the Designated Number shall be two (2).

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Section 5.10. Covenant of Executive. In the event that the Executive undergoes a Qualifying Termination that entitles him to any payment under article III of this Agreement, he shall not, for 18 months following his Termination Date, either (a) solicit any employee of Interpublic or a majority-controlled subsidiary thereof to leave such employ and enter into the employ of the Executive or any person or entity with which the Executive is associated or (b) solicit or handle on his own behalf or on behalf of any person or entity with which he is associated the advertising, public relations, sales promotion or market research business of any advertiser that is a client of Interpublic or a majority-controlled subsidiary thereof as of the Termination Date. Without limitation of any other remedies that the Company may pursue, the Company may enforce its rights under this section 5.10 by means of injunction. This section shall not limit any other right or remedy that the Company may have under applicable law or any other agreement between the Company and the Executive.

ARTICLE VI
GENERAL PROVISIONS

Section 6.1. Term of Agreement. This Agreement shall terminate upon the earliest of (a) the expiration of five years from the date of this Agreement if no Change of Control has occurred during that period; (b) the termination of the Executive's employment with the Company for any reason prior to a Change of Control; (c) the Company's termination of the Executive's employment for Cause or death, the Executive's compulsory retirement within the provisions of 29 U.S.C. Section 631(c) (or, if Executive is not a citizen or resident of the United States, compulsory retirement under any applicable procedure of the Company in effect immediately prior to the change of control) or the Executive's resignation for other than Good Reason, following a Change of Control and the Company's and the Executive's fulfillment of all of their obligations under this Agreement; and (d) the expiration following a Change of Control of the Designated Number plus three years and the fulfillment by the Company and the Executive of all of their obligations hereunder.

Section 6.2. Governing Law. Except as otherwise expressly provided herein, this Agreement and the rights and obligations

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hereunder shall be construed and enforced in accordance with the laws of the State of New York.

Section 6.3. Successors to the Company. This Agreement shall inure to the benefit of Interpublic and its subsidiaries and shall be binding upon and enforceable by Interpublic and any successor thereto, including, without limitation, any corporation or corporations acquiring directly or indirectly all or substantially all of the business or assets of Interpublic whether by merger, consolidation, sale or otherwise, but shall not otherwise be assignable by Interpublic. without limitation of the foregoing sentence, Interpublic shall require any successor (whether direct or indirect, by merger, consolidation, sale or otherwise) to all or substantially all of the business or assets of Interpublic, by agreement in form satisfactory to the Executive, expressly, absolutely and unconditionally to assume and agree to perform this Agreement in the same manner and to the same extent as Interpublic would have been required to perform it if no such succession had taken place. As used in this agreement, "Interpublic" shall mean Interpublic as heretofore defined and any successor to all or substantially all of its business or assets that executes and delivers the agreement provided for in this section 6.3 or that becomes bound by this Agreement either pursuant to this Agreement or by operation of law.

Section 6.4. Successor to the Executive. This Agreement shall inure to the benefit of and shall be binding upon and enforceable by the Executive and his personal and legal representatives, executors, administrators, heirs, distributees, legatees and, subject to section 6.5 hereof, his designees ("Successors"). [f the Executive should die while amounts are or may be payable to him under this Agreement, references hereunder to the "Executive" shall, where appropriate, be deemed to refer to his Successors.

Section 6.5. Nonalienability. No right of or amount payable to the Executive under this Agreement shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, hypothecation, encumbrance, charge, execution, attachment, levy or similar process or (except as provided in section 5.4 hereof) to setoff against any obligations or to assignment by operation of law. Any attempt, voluntary or

involuntary, to effect any action specified in the immediately preceding sentence shall be void. However, this section 6.5 shall not prohibit the Executive from designating one or more persons, on a form satisfactory to the Company, to receive amounts payable to him under this Agreement in the event that he should die before receiving them.

Section 6.6. Notices. All notices provided for in this Agreement shall be in writing. Notices to Interpublic shall be deemed given when personally delivered or sent by certified or registered mail or overnight delivery service to The Interpublic Group of Companies, Inc., 1271 Avenue of the Americas, New York, New York 10020, attention: Corporate Secretary. Notices to the Executive shall be deemed given when personally delivered or sent by certified or registered mail or overnight delivery service to the last address for the Executive shown on the records of the Company. Either Interpublic or the Executive may, by notice to the other, designate an address other than the foregoing for the receipt of subsequent notices.

Section 6.7. Amendment. No amendment of this Agreement shall be effective unless in writing and signed by both the Company and the Executive.

Section 6.8. Waivers. No waiver of any provision of this Agreement shall be valid unless approved in writing by the party giving such waiver. No waiver of a breach under any provision of this Agreement shall be deemed to be a waiver of such provision or any other provision of this Agreement or any subsequent breach. No failure on the part of either the Company or the Executive to exercise, and no delay in exercising, any right or remedy conferred by law or this Agreement shall operate as a waiver of such right or remedy, and no exercise or waiver, in whole or in part, of any right or remedy conferred by law or herein shall operate as a waiver of any other right or remedy.

Section 6.09 Severability. If any provision of this Agreement shall be held invalid or unenforceable in whole or in part, such invalidity or unenforceability shall not affect any other provision of this Agreement or part thereof, each of which shall remain in full force and effect.

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Section 6.10. Captions. The captions to the respective articles and sections of this Agreement are intended for convenience of reference only and have no substantive significance.

Section 6.11. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original but all of which together shall constitute a single instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By C. Kent Kroeber

John J. Dooner, Jr.

SUPPLEMENTAL AGREEMENT

SUPPLEMENTAL AGREEMENT made as of April 1, 1988, by and between THE INTERPUBLIC GROUP OF COMPANIES, INC., a corporation of the State of Delaware (hereinafter referred to as the "Corporation"), and JOHN J. DOONER, JR. (hereinafter referred to as "Executive"):

W I T N E S S E T H

WHEREAS, the Corporation and Executive are parties to an Employment Agreement dated as of August 1, 1984, and Supplemental Agreements made as of June 1, 1985, December 1, 1985, June 1, 1986 and June 1, 1987 (hereinafter referred to collectively as the "Employment Agreement"); and

WHEREAS, the Corporation and Executive desire to amend the Employment Agreement;

NOW, THEREFORE, in consideration of the mutual promises herein and in the Employment Agreement set forth, the parties hereto, intending to be legally bound, agree as follows:

1. Section 3.01 of the Employment Agreement is hereby amended effective as of April 1, 1988, so as to delete "\$180,000" and substitute "\$230,000" therefor.

2. Except as hereinabove amended, the Employment Agreement shall continue in full force and effect.

3. This Supplemental Agreement shall be governed by the law of the State of New York.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By C. Kent Kroeber

John J. Dooner, Jr.

SUPPLEMENTAL AGREEMENT

SUPPLEMENTAL AGREEMENT made as of November 1, 1988, by and between THE INTERPUBLIC GROUP OF COMPANIES, INC., a corporation of the State of Delaware (hereinafter referred to as the "Corporation"), and JOHN J. DOONER, JR. (hereinafter referred to as "Executive"):

W I T N E S S E T H

WHEREAS, the Corporation and Executive are parties to an Employment Agreement dated as of August 1, 1984, and Supplemental Agreements made as of June 1, 1985, December 1, 1985, June 1, 1986, June 1, 1987 and April 1, 1988 (hereinafter referred to collectively as the "Employment Agreement"); and

WHEREAS, the Corporation and Executive desire to amend the Employment Agreement;

NOW, THEREFORE, in consideration of the mutual promises herein and in the Employment Agreement set forth, the parties hereto, intending to be legally bound, agree as follows:

1. Section 4.01(i) of the Employment Agreement is hereby amended effective as of November 1, 1988, so as to delete "six months" and substitute "twelve months" therefor.

2. Section 4.01(ii) of the Employment Agreement is hereby amended effective as of November 1, 1988, so as to delete "six months" in the second and sixth lines thereof and substitute "twelve months" therefor.

3. Section 4.02 of the Employment Agreement is hereby amended effective as of November 1, 1988, so as to delete "six months" and substitute "twelve months" therefor.

4. Section 5.06 of the Employment Agreement is hereby amended effective as of November 1, 1988, so as to delete "twelve months" and substitute "twenty-four months" therefor.

5. Except as hereinabove amended, the Employment Agreement shall continue in full force and effect.

6. This Supplemental Agreement shall be governed by the law of the State of New York.

THE INTERPUBLIC GROUP OF COMPANIES, INC.
By C. Kent Kroeber

John J. Dooner, Jr.

SUPPLEMENTAL AGREEMENT

SUPPLEMENTAL AGREEMENT made as of July 1, 1989, by and between THE INTERPUBLIC GROUP OF COMPANIES, INC., a corporation of the State of Delaware (hereinafter referred to as the "Corporation"), and JOHN J. DOONER (hereinafter referred to as "Executive"):

W I T N E S S E T H

WHEREAS, the Corporation and Executive are parties to an Employment Agreement made as of August 1, 1984 and Supplemental Agreements made as of June 1, 1985, December 1, 1985, June 1, 1986, June 1, 1987, April 1, 1988 and November 1, 1988 (hereinafter referred to as the "Employment Agreement"), and

WHEREAS, the Corporation and Executive desire to amend the Employment Agreement;

NOW, THEREFORE, in consideration of the mutual promises herein and in the Employment Agreement set forth, the parties hereto, intending to be legally bound, agree as follows:

1. Section 3.01 of the Employment Agreement is hereby amended effective as of July 1, 1989, by deleting "Two Hundred Thirty Thousand Dollars (\$230,000)" and substituting "Two Hundred Sixty Thousand Dollars (\$260,000)" therefor;

2. Sections 1.01 and 4.04 are hereby amended effective as of July 1, 1989 so as to delete "July 31, 1989" therefrom and substitute "July 31, 1994" therefor;

3. Except as hereinabove amended, the Employment Agreement shall continue in full force and effect.

4. This Supplemental Agreement shall be governed by the laws of the State of New York.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By C. Kent Kroeber

John J. Dooner, Jr.

SUPPLEMENTAL AGREEMENT

SUPPLEMENTAL AGREEMENT made as of July 1, 1990 by and between THE INTERPUBLIC GROUP OF COMPANIES, INC., a corporation of the State of Delaware (hereinafter referred to as the "Corporation"), and JOHN J. DOONER (hereinafter referred to as "Executive"):

W I T N E S S E T H

WHEREAS, the Corporation and Executive are parties to an Employment Agreement made as of August 1, 1984 and Supplemental Agreements made as of June 1, 1985, December 1, 1985, June 1, 1986, June 1, 1987, April 1, 1988, November 1, 1988, and July 1, 1989 (hereinafter referred to collectively as the "Employment Agreement"); and

WHEREAS, the Corporation and Executive desire to amend the Employment Agreement;

NOW, THEREFORE, in consideration of the mutual promises herein and in the Employment Agreement set forth, the parties hereto, intending to be legally bound, agree as follows:

1. Section 3.01 of the Employment Agreement is hereby amended effective as of July 1, 1990, so as to delete "\$260,000" and to substitute "\$330,000" therefor.
2. Except as hereinabove amended, the Employment Agreement shall continue in full force and effect.
3. This Supplemental Agreement shall be governed by the laws of the State of New York.

THE INTERPUBLIC GROUP OF COMPANIES INC.

By C. Kent Kroeber

John J. Dooner, Jr.

SUPPLEMENTAL AGREEMENT

AGREEMENT made as of May 23, 1990, by and between THE INTERPUBLIC GROUP OF COMPANIES, INC., a corporation of the State of Delaware (hereinafter referred to as "Interpublic"), and JOHN J. DOONER, JR. (hereinafter referred to as "Executive").

W I T N E S S E T H

WHEREAS, Executive and Interpublic are parties to an Executive Special Benefit Agreement made as of July 1, 1986 (hereinafter referred to as the "ESBA"); and

WHEREAS, the Corporation and Executive desire to amend the ESBA;

NOW, THEREFORE, in consideration of the mutual promises herein set forth, the parties hereto, intending to be legally bound, agree as follows:

1. Section 1.02 of the ESBA is hereby amended to read in its entirety as follows:

1.02. "The Corporation shall provide Executive with the following benefits contingent upon Executive's compliance with all the terms and conditions of this Agreement and Executive's satisfactory completion of a physical examination in connection with an insurance policy on the life of Executive which Interpublic or its assignee (other than Executive) proposes to obtain and own. Effective at the end of the Accrual Term, Executive's annual compensation will be increased by \$20,000 if Executive is in the employ of the Corporation at that time."

2. Section 1.10 of the ESBA is hereby amended so as to add "or its assignee (other than Executive)" after "Interpublic" in the first line thereof.

3. Section 4.01 of the ESBA is hereby amended to read in its entirety as follows:

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4.01. "This Agreement shall be binding upon and inure to the benefit of the successors and assigns of Interpublic. Neither this Agreement nor any rights hereunder shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge by Executive, and any such attempted action by Executive shall be void. This Agreement may not be changed orally, nor may this Agreement be amended to increase the amount of any benefits that are payable pursuant to this Agreement or to accelerate the payment of any such benefits."

4. Article V and Section 5.01 of the ESBA are hereby amended by renumbering them as new Article VI and new Section 6.01, respectively.

5. New Article V and a new Section 5.01 of the ESBA are hereby added to read in their entirety as follows:

"ARTICLE V

"Contractual Nature of Obligation

"5.01. The liabilities of the Corporation to Executive pursuant to this Agreement shall be those of a debtor pursuant to such contractual obligations as are created by the Agreement. Executive's rights with respect to any benefit to which he has become entitled under this Agreement, but which he has not yet received, shall be solely the rights of a general unsecured creditor of the Corporation."

6. Except as hereinabove amended, the ESBA shall remain in full force and effect.

THE INTERPUBLIC GROUP OF COMPANIES, INC.
BY C. Kent Kroeber

John J. Dooner, Jr.

SUPPLEMENTAL AGREEMENT

SUPPLEMENTAL AGREEMENT made as of October 1, 1991 by and between THE INTERPUBLIC GROUP OF COMPANIES, INC., a corporation of the State of Delaware (hereinafter referred to as the "Corporation"), and JOHN J. DOONER (hereinafter referred to as "Executive"):

W I T N E S S E T H

WHEREAS, the Corporation and Executive are parties to an Employment Agreement made as of August 1, 1984 and Supplemental Agreements made as of June 1, 1985, December 1, 1985, June 1, 1986, June 1, 1987, April 1, 1988, November 1, 1988, July 1, 1989 and July 1, 1990 (hereinafter referred to collectively as the "Employment Agreement"); and

WHEREAS, the Corporation and Executive desire to amend the Employment Agreement;

NOW, THEREFORE, in consideration of the mutual promises herein and in the Employment Agreement set forth, the parties hereto, intending to be legally bound, agree as follows:

1. Section 3.01 of the Employment Agreement is hereby amended effective as of October 1, 1991, so as to delete "330,000" and to substitute "\$405,000" therefor.
2. Except as hereinabove amended, the Employment Agreement shall continue in full force and effect.
3. This Supplemental Agreement shall be governed by the laws of the State of New York.

THE INTERPUBLIC GROUP OF COMPANIES, INC.
C. KENT KROEBER

JOHN J. DOONER, JR.

SUPPLEMENTAL AGREEMENT

SUPPLEMENTAL AGREEMENT made as of May 1, 1992 by and between THE INTERPUBLIC GROUP OF COMPANIES, INC., a corporation of the State of Delaware (hereinafter referred to as the "Corporation"), and JOHN J. DOONER (hereinafter referred to as "Executive"):

W I T N E S S E T H:

WHEREAS, the Corporation and Executive are parties to an Employment Agreement made as of August 1, 1984 and Supplemental Agreements made as of June 1, 1985, December 1, 1985, June 1, 1986, June 1, 1987, April 1, 1988, November 1, 1988, July 1, 1989, July 1, 1990 and October 1, 1991 (hereinafter referred collectively as the "Employment Agreement"); and

WHEREAS, the Corporation and Executive desire to amend the Employment Agreement;

NOW, THEREFORE, in consideration of the mutual promises herein and in the Employment Agreement set forth, the parties hereto, intending to be legally bound, agree as follows:

1. Section 3.01 of the Employment Agreement is hereby amended effective as of May 1, 1992, so as to delete "\$405,000" and to substitute "\$455,000" therefor.
2. Except as hereinabove amended, the Employment Agreement shall continue in full force and effect.
3. This Supplemental Agreement shall be governed by the laws of the State of New York.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By C. Kent Kroeber

John J. Dooner, Jr.

AGREEMENT made as of July 1, 1992, by and between THE INTERPUBLIC GROUP OF COMPANIES, INC., a corporation of the State of Delaware (hereinafter referred to as "Interpublic"), and JOHN J. DOONER (hereinafter referred to as "Executive"):

W I T N E S S E T H

WHEREAS, Executive is in the employ of Interpublic and/or one or more of its subsidiaries (Interpublic and its subsidiaries being hereinafter referred to collectively as the "Corporation"); and

WHEREAS, Interpublic and Executive desire to enter into an Executive Special Benefit Agreement which shall be supplementary to any employment agreement or arrangement which Executive now or hereafter may have with respect to Executive's employment by Interpublic or any of its subsidiaries;

NOW, THEREFORE, in consideration of the mutual promises herein set forth, the parties hereto, intending to be legally bound, agree as follows:

ARTICLE I

Death and Special Retirement Benefits

1.01 For purposes of this Agreement the "Accrual Term" shall mean the period of seventy-two months beginning on the date of this Agreement and ending on the day preceding the sixth anniversary hereof or on such earlier date on which Executive shall cease to be in the employ of the Corporation.

1.02 The Corporation shall provide Executive with the following benefits contingent upon Executive's compliance with all the terms and conditions of this Agreement and Executive's satisfactory completion of a physical examination in connection with an insurance policy on the life of Executive which Interpublic or its assignee (other than Executive) proposes to obtain and own. Effective at the end of the Accrual Term, Executive's annual compensation will be increased by \$20,000.00 if Executive is in the employ of the Corporation at that time.

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1.03 If, during the Accrual Term or thereafter during a period of employment by the Corporation which is continuous from the date of this Agreement, Executive shall die while in the employ of the Corporation, the Corporation shall pay to such beneficiary or beneficiaries as Executive shall have designated pursuant to Section 1.07 (or in the absence of such designation, shall pay to the Executor of the Will or the Administrator of the Estate of Executive) survivor income payments of Seventy Two Thousand Dollars (\$72,000) per annum for fifteen years following Executive's death, such payments to be made on January 15 of each of the fifteen years beginning with the year following the year in which Executive dies.

1.04 If, after a continuous period of employment from the date of this Agreement, Executive shall retire from the employ of the Corporation so that the first day on which Executive is no longer in the employ of the Corporation occurs on or after Executive's sixtieth birthday, the Corporation shall pay to Executive special retirement benefits at the rate of Seventy Two Thousand Dollars (\$72,000) per annum for fifteen years beginning with the calendar month following Executive's last day of employment, such payments to be made in equal monthly installments.

1.05 If, after a continuous period of employment from the date of this Agreement, Executive shall retire, resign, or be terminated from the employ of the Corporation so that the first day on which Executive is no longer in the employ of the Corporation occurs on or after Executive's fifty-fifth birthday but prior to Executive's sixtieth birthday, the Corporation shall pay to Executive special retirement benefits at the annual rates set forth below for fifteen years beginning with the calendar month following Executive's last day of employment, such payments to be made in equal monthly installments:

Last Day of Employment	Annual Rate
On or after 55th birthday but prior to 56th birthday	\$50,400
On or after 56th birthday but prior to 57th birthday	\$54,720
On or after 57th birthday but prior to 58th birthday	\$59,040
On or after 58th birthday but prior to 59th birthday	\$63,360
On or after 59th birthday but prior to 60th birthday	\$67,680

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1.06 If, following such termination of employment, Executive shall die before payment of all of the installments provided for in Section 1.04 or Section 1.05, any remaining installments shall be paid to such beneficiary or beneficiaries as Executive shall have designated pursuant to Section 1.07 or, in the absence of such designation, to the Executor of the Will or the Administrator of the Estate of Executive.

1.07 For purposes of Sections 1.03, 1.04 and 1.05, or any of them, Executive may at any time designate a beneficiary or beneficiaries by filing with the chief personnel officer of Interpublic a Beneficiary Designation Form provided by such officer. Executive may at any time, by filing a new Beneficiary Designation Form, revoke or change any prior designation of beneficiary.

1.08 If Executive shall die while in the employ of the Corporation, no sum shall be payable pursuant to Sections 1.04, 1.05, 1.06, 2.01, 2.02 or 2.03.

1.09 In connection with the life insurance policy referred to in Section 1.02, Interpublic has relied on written representations made by Executive concerning Executive's age and the state of Executive's health. If said representations are untrue in any material respect, whether directly or by omission, and if the Corporation is damaged by any such untrue representations, no sum shall be payable pursuant to Sections 1.03, 1.04, 1.05, 1.06, 2.01, 2.02 or 2.03.

1.10 It is expressly agreed that Interpublic or its assignee (other than Executive) shall at all times be the sole and complete owner and beneficiary of the life insurance policy referred to in Sections 1.02 and 1.09, shall have the unrestricted right to use all amounts and exercise all options and privileges thereunder without the knowledge or consent of Executive or Executive's designated beneficiary or any other person and that neither Executive nor Executive's designated beneficiary nor any other person shall have any right, title or interest, legal or equitable, whatsoever in or to such policy.

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ARTICLE II

Alternative Deferred Compensation

2.01 If Executive shall, for any reason other than death, cease to be employed by the Corporation on a date prior to Executive's fifty-fifth birthday, the Corporation shall, in lieu of any payment pursuant to Article I of this Agreement, compensate Executive by payment, at the times and in the manner specified in Section 2.02, of a sum computed at the rate of Twenty Thousand Dollars (\$20,000) per annum for each full year and proportionate amount for any part year from the date of this Agreement to the date of such termination during which Executive is in the employ of the Corporation. Such payment shall be conditional upon Executive's compliance with all the terms and conditions of this Agreement.

2.02 The aggregate compensation payable under Section 2.01 shall be paid in equal consecutive monthly installments commencing with the first month in which Executive is no longer in the employ of the Corporation and continuing for a number of months equal to the number of months which have elapsed from the date of this Agreement to the commencement date of such payments.

2.03 If Executive dies while receiving payments in accordance with the provisions of Section 2.02, any installments payable in accordance with the provisions of Section 2.02 less any amounts previously paid Executive in accordance therewith, shall be paid to the Executor of the Will or the Administrator of the Estate of Executive.

2.04 It is understood that none of the payments made in accordance with this Agreement shall be considered for purposes of determining benefits under the Interpublic Pension Plan, nor shall such sums be entitled to credits equivalent to interest under the Plan for Credits Equivalent to Interest on Balances of Deferred Compensation Owing under Employment Agreements adopted effective as of January 1, 1974 by Interpublic.

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ARTICLE III

Nonsolicitation of Clients or Employees

3.01 Following the termination of the employment of Executive with the Corporation for any reason, Executive shall not for a period of one year from such termination either (a) solicit any employee of the Corporation to leave such employ to enter into the employ of Executive or of any Corporation or other enterprise with which Executive is then associated or (b) solicit or handle on Executive's own behalf or on behalf of any other person, firm or corporation, the advertising, public relations, sales promotion or market research business of any advertiser which is a client of the Corporation at the time of such termination.

ARTICLE IV

Assignment

4.01 This Agreement shall be binding upon and inure to the benefit of the successors and assigns of Interpublic. Neither this Agreement nor any rights hereunder shall be subject in any matter to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge by Executive and any such attempted action by Executive shall be void. This Agreement may not be changed orally, nor may this Agreement be amended to increase the amount of any benefits that are payable pursuant to this Agreement or to accelerate the payment of any such benefit.

ARTICLE V

Contractual Nature of Obligation

5.01 The liabilities of the Corporation to Executive pursuant to this Agreement shall be those of a debtor pursuant to such contractual obligations as are created by the Agreement. Executive's rights with respect to any benefit to which Executive has become entitled under this Agreement, but which Executive has not yet received, shall be solely the rights of a general unsecured creditor of the Corporation.

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ARTICLE VI

Applicable Law

6.01 This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By C. Kent Kroeber

John J. Dooner, Jr.

SUPPLEMENTAL AGREEMENT

SUPPLEMENTAL AGREEMENT made as of August 10, 1992, by and between THE INTERPUBLIC GROUP OF COMPANIES, INC., a corporation of the State of Delaware (hereinafter referred to as the "Corporation"), and John J. Dooner (hereinafter referred to as "Executive"):

W I T N E S S E T H

WHEREAS, the Corporation and Executive are parties to an Executive Severance Agreement made as of August 10, 1987 (hereinafter referred to as the "Agreement"); and

WHEREAS, the Corporation and Executive desire to amend the Employment Agreement;

NOW, THEREFORE, in consideration of the mutual promises herein and in the Agreement set forth, the parties hereto, intending to be legally bound, agree as follows:

1. Section 6.01 of the Agreement is hereby amended effective August 10, 1992, so as to delete "five" and to substitute therefor "ten".
2. Except as hereinabove amended, the Agreement shall continue in full force and effect
3. This Supplemental Agreement shall be governed by the laws of the State of New York.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By C. Kent Kroeber

John J. Dooner, Jr.

EMPLOYMENT AGREEMENT

AGREEMENT made as of January 1, 1994 by and between THE INTERPUBLIC GROUP OF COMPANIES, INC., a corporation of the State of Delaware (hereinafter referred to as "Interpublic"), and JOHN J. DOONER (hereinafter referred to as "Executive").

In consideration of the mutual promises set forth herein the parties hereto agree as follows:

ARTICLE I
Term of Employment

1.01 Upon the terms and subject to the conditions set forth herein, Interpublic or one of its subsidiaries will employ Executive for the period beginning January 1, 1994 and ending on December 31, 1998, or on such earlier date as the employment of Executive shall terminate pursuant to Article IV or Article V. (The period during which Executive is employed hereunder is referred to herein as the "term of employment" and Interpublic or whichever of its subsidiaries shall from time to time employ Executive pursuant to this Agreement is referred to herein as the "Corporation".) Executive will serve the Corporation during the term of employment.

ARTICLE II
Duties

2.01 During the term of employment Executive will:

(i) use his best efforts to promote the interests of the Corporation and devote his full time and efforts to its business and affairs;

(ii) perform such duties as the Corporation may from time to time assign to him: and

(iii) serve in such offices of the Corporation as he may be elected or appointed to.

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ARTICLE III
Compensation

3.01 The Corporation will compensate Executive for the duties performed by him hereunder, including all services rendered as an officer or director of the Corporation, by payment of a salary at the rate of \$580,000 per annum, payable in equal installments, which the Corporation may pay at either monthly or semi-monthly intervals.

3.02 The Corporation may at any time increase the compensation paid to Executive hereunder if the Corporation in its discretion shall deem it advisable so to do in order to compensate him fairly for services rendered to the Corporation.

ARTICLE IV
Termination

4.01 Interpublic may terminate the employment of Executive hereunder

(i) by giving Executive notice in writing at any time specifying a termination date not less than twelve months after the date on which such notice is given, in which event his employment hereunder shall terminate on the date specified in such notice, or

(ii) by giving him notice in writing at any time specifying a termination date less than twelve months after the date on which such notice is given. In this event his employment hereunder shall terminate on the date specified in such notice and the Corporation shall thereafter pay him a sum equal to the amount by which twelve months' salary at his then current rate exceeds the salary paid to him for the period from the date on which such notice is given to the termination date specified in such notice. Such payment shall be made during the period immediately following the termination date specified in such notice, in successive equal monthly installments each of which shall be equal to one month's salary at the rate in effect at the time of such termination, with any residue in respect of a period less than one month to be paid together with the last installment.

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4.02 Executive may at any time give notice in writing to Interpublic specifying a termination date not less than twelve months after the date on which such notice is given, in which event his employment hereunder shall terminate on the date specified in such notice.

4.03 If the employment of Executive hereunder is terminated pursuant to this Article IV by either Interpublic or Executive, Executive shall continue to perform his duties hereunder until the termination date at his salary in effect on the date that notice of such termination is given.

4.04 If Executive dies before December 31, 1998, his employment hereunder shall terminate on the date of his death.

ARTICLE V Covenants

5.01 While Executive is employed hereunder by the Corporation he shall not without the prior written consent of the Corporation engage, directly or indirectly, in any other trade, business or employment, or have any interest, direct or indirect, in any other business, firm or corporation; provided, however, that he may continue to own or may hereafter acquire any securities of any class of any publicly-owned company.

5.02 Executive shall treat as confidential and keep secret the affairs of the Corporation and shall not at any time during the term of employment or thereafter, without the prior written consent of the Corporation, divulge, furnish or make known or accessible to, or use for the benefit of, anyone other than the Corporation and its subsidiaries and affiliates any information of a confidential nature relating in any way to the business of the Corporation or its subsidiaries or affiliates or their clients and obtained by him in the course of his employment hereunder.

5.03 If Executive violates any provision of Section 5.01 or Section 5.02, Interpublic may, notwithstanding the provisions of Section 4.01, terminate the employment of Executive at any time by giving him notice in writing specifying a termination date. In such event, his employment hereunder shall terminate on the date specified in such notice.

5.04 All records, papers and documents kept or made by Executive relating to the business of the Corporation or its subsidiaries or affiliates or their clients shall be and remain the property of the Corporation.

5.05 All articles invented by Executive, processes discovered by him, trademarks, designs, advertising copy and art work, display and promotion materials and, in general, everything of value conceived or created by him pertaining to the business of the Corporation or any of its subsidiaries or affiliates during the term of employment, and any and all rights of every nature whatever thereto, shall immediately become the property of the Corporation, and Executive will assign, transfer and deliver all patents, copyrights, royalties, designs and copy, and any and all interests and rights whatever thereto and thereunder to the Corporation, without further compensation, upon notice to him from the Corporation.

5.06 Following the termination of Executive's employment hereunder for any reason, Executive shall not for a period of twenty-four months from such termination either (a) solicit any employee of the Corporation to leave such employ to enter the employ of Executive or of any corporation or enterprise with which Executive is then associated or (b) solicit or handle on Executive's own behalf or on behalf of any other person, firm or corporation, the advertising, public relations, sales promotion or market research business of any advertiser which is a client of the Corporation at the time of such termination.

ARTICLE VI
Assignment

6.01 This Agreement shall be binding upon and enure to the benefit of the successors and assigns of Interpublic. Neither this Agreement nor any rights hereunder shall be assignable by Executive and any such purported assignment by him shall be void.

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ARTICLE VII
Agreement Entire

7.01 This Agreement constitutes the entire understanding between Interpublic and Executive concerning his employment by Interpublic or any of its subsidiaries and supersedes any and all previous agreements between Executive and Interpublic or any of its subsidiaries concerning such employment. This Agreement may not be changed orally.

ARTICLE VIII
Applicable Law

8.01 The Agreement shall be governed by and construed in accordance with the laws of the State of New York.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By C. Kent Kroeber

John J. Dooner, Jr.

AGREEMENT made as of June 1, 1994, by and between THE INTERPUBLIC GROUP OF COMPANIES, INC., a corporation of the State of Delaware (hereinafter referred to as "Interpublic"), and JOHN J. DOONER, JR. (hereinafter referred to as "Executive"):

W I T N E S S E T H

WHEREAS, Executive is in the employ of Interpublic and/or one or more of its subsidiaries (Interpublic and its subsidiaries being hereinafter referred to collectively as the "Corporation"); and

WHEREAS, Interpublic and Executive desire to enter into an Executive Special Benefit Agreement which shall be supplementary to any employment agreement or arrangement which Executive now or hereafter may have with respect to Executive's employment by Interpublic or any of its subsidiaries;

NOW, THEREFORE, in consideration of the mutual promises herein set forth, the parties hereto, intending to be legally bound, agree as follows:

Article I

Death and Special Retirement Benefits

1.01 The Corporation shall provide Executive with the following benefits contingent upon Executive's compliance with all the terms and conditions of this Agreement and Executive's satisfactory completion of a physical examination in connection with an insurance policy on the life of Executive which Interpublic or its assignee (other than Executive) proposes to obtain and own.

1.02 If, during a period of employment by the Corporation which is continuous from the date of this Agreement, Executive shall die while in the employ of the Corporation, the Corporation shall pay to such beneficiary or beneficiaries as Executive shall have designated pursuant to Section 1.06 (or in the absence of such designation, shall pay to the Executor of the Will or the Administrator of the Estate of Executive) survivor

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income payments of Eighty Eight Thousand Five Hundred Dollars (\$88,500) per annum for fifteen years following Executive's death, such payments to be made on January 15 of each of the fifteen years beginning with the year following the year in which Executive dies.

1.03 If, after a continuous period of employment from the date of this Agreement, Executive shall retire from the employ of the Corporation so that the first day on which Executive is no longer in the employ of the Corporation occurs on or after July 18, 1998, the Corporation shall pay to Executive special retirement benefits at the rate of Eighty Eight Thousand Five Hundred Dollars (\$88,500) per annum for fifteen years beginning with the calendar month following Executive's last day of employment, such payments to be made in equal monthly installments.

1.04 If, after a continuous period of employment from the date of this Agreement, Executive shall retire, resign, or be terminated from the employ of the Corporation so that the first day on which Executive is no longer in the employ of the Corporation occurs prior to July 18, 1998, the Corporation shall pay Executive no special retirement benefits unless (a) Executive retires or resigns due to a Disability or (b) the Compensation Committee of the Board of Directors of Interpublic determines in its sole discretion that Executive should receive special retirement benefits, in either of which cases the Corporation shall pay to Executive the special retirement benefits provided for in Section 1.03. For purposes of the preceding sentence "Disability" means a condition that renders Executive completely and presumably permanently unable to perform any or every duty of his regular occupation.

1.05 If, following such termination of employment, Executive shall die before payment of all of the installments, if any, provided for in Section 1.03 or Section 1.04, any remaining installments shall be paid to such beneficiary or beneficiaries as Executive shall have designated pursuant to Section 1.06 or, in the absence of such designation, to the Executor of the Will or the Administrator of the Estate of Executive.

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1.06 For purposes of Sections 1.02, 1.03 and 1.04, or any of them, Executive may at any time designate a beneficiary or beneficiaries by filing with the chief personnel officer of Interpublic a Beneficiary Designation Form provided by such officer. Executive may at any time, by filing a new Beneficiary Designation Form, revoke or change any prior designation of beneficiary.

1.07 If Executive shall die while in the employ of the Corporation, no sum shall be payable pursuant to Sections 1.03, 1.04 or 1.05.

1.08 In connection with the life insurance policy referred to in Section 1.01, Interpublic has relied on written representations made by Executive concerning Executive's age and the state of Executive's health. If said representations are untrue in any material respect, whether directly or by omission, and if the Corporation is damaged by any such untrue representations, no sum shall be payable pursuant to Sections 1.02, 1.03, 1.04 or 1.05.

1.09 It is expressly agreed that Interpublic or its assignee (other than Executive) shall at all times be the sole and complete owner and beneficiary of the life insurance policy referred to in Sections 1.01 and 1.08, shall have the unrestricted right to use all amounts and exercise all options and privileges thereunder without the knowledge or consent of Executive or Executive's designated beneficiary or any other person and that neither Executive nor Executive's designated beneficiary nor any other person shall have any right, title or interest, legal or equitable, whatsoever in or to such policy.

ARTICLE II

Nonsolicitation of Clients or Employees

2.01 Following the termination of the employment of Executive with the Corporation for any reason, Executive shall not for a period of one year from such termination either (a) solicit any employee of the Corporation to leave such employ to enter into the employ of Executive or of any corporation or other

enterprise with which Executive is then associated or (b) solicit or handle on Executive's own behalf or on behalf of any other person, firm or corporation, the advertising, public relations, sales promotion or market research business of any advertiser which is a client of the Corporation at the time of such termination.

ARTICLE III

Assignment

3.01 This Agreement shall be binding upon and inure to the benefit of the successors and assigns of Interpublic. Neither this Agreement nor any rights hereunder shall be subject in any matter to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge by Executive, and any such attempted action by Executive shall be void. This Agreement may not be changed orally, nor may this Agreement be amended to increase the amount of any benefits that are payable pursuant to this Agreement or to accelerate the payment of any such benefits.

ARTICLE IV

Contractual Nature of Obligation

4.01 The liabilities of the Corporation to Executive pursuant to this Agreement shall be those of a debtor pursuant to such contractual obligations as are created by the Agreement. Executive's rights with respect to any benefit to which Executive has become entitled under this Agreement, but which Executive has not yet received, shall be solely the rights of a general unsecured creditor of the Corporation.

ARTICLE V

General Provisions

5.01 It is understood that none of the payments made in accordance with this Agreement shall be considered for
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purposes of determining benefits under the Interpublic Pension Plan, nor shall such sums be entitled to credits equivalent to interest under the Plan for Credits Equivalent to Interest on Balances of Deferred Compensation Owing under Employment Agreements adopted effective as of January 1, 1974 by Interpublic.

5.02 This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By C. Kent Kroeber

John J. Dooner, Jr.

SUPPLEMENTAL AGREEMENT

Supplemental Agreement made as of July 1, 1995, by and between The Interpublic Group of Companies, Inc., a corporation of the State of Delaware (hereinafter referred to as the "Corporation"), and JOHN J. DOONER (hereinafter referred to as "Executive").

W I T N E S S E T H:

WHEREAS, the Corporation and Executive are parties to an Employment Agreement made as of January 1, 1994 (hereinafter referred to as the "Employment Agreement"); and

WHEREAS, the Corporation and Executive desire to amend the Employment Agreement;

NOW, THEREFORE, in consideration of the mutual promises herein and in the Employment Agreement set forth, the parties hereto intending to be legally bound, agree as follows:

1. Section 3.01 of the Employment Agreement is hereby amended, effective as of July 1, 1995, so as to delete "\$580,000" and to substitute "\$750,000" therefore. The parties agree, however, that \$20,000 of the aforementioned salary increase will be regarded as temporary and will be deleted as of June 30, 1998. On July 1, 1998, \$20,000 will be added to Executive's salary pursuant to, and subject to, the terms of section 1.02 of an Executive Special Benefit Agreement entered into between Executive and the Corporation dated July 1, 1992.

2. Except as herein above amended, the Employment Agreement shall continue in full force and effect.

3. This Supplemental Agreement shall be governed by the laws of the State of New York.

The Interpublic Group of Companies, Inc.

By C. Kent Kroeber

John J. Dooner, Jr.

EMPLOYMENT AGREEMENT

AGREEMENT made as of January 1, 1996 by and between THE INTERPUBLIC GROUP OF COMPANIES, INC., a corporation of the State of Delaware (hereinafter referred to as "Interpublic"), and FRANK B. LOWE (hereinafter referred to as "Executive").

In consideration of the mutual promises set forth herein the parties hereto agree as follows:

ARTICLE I
Term of Employment

1.01 Upon the terms and subject to the conditions set forth herein, Interpublic or one of its subsidiaries will employ Executive for the period beginning January 1, 1996 and ending on December 31, 2000, or on such earlier date as the employment of Executive shall terminate pursuant to Article V or Article VI. (The period during which Executive is employed hereunder is referred to herein as the "term of employment" and Interpublic or whichever of its subsidiaries shall from time to time employ Executive pursuant to this Agreement is referred to herein as the "Corporation"). Executive will serve the Corporation during the term of employment.

ARTICLE II

Duties

2.01 During the term of employment Executive will:

(i) use his best efforts to promote the interests of the Corporation and devote his full time and efforts to its business and affairs;

(ii) perform such duties as the Corporation may from time to time assign to him;

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(iii) serve as Chairman and Chief Executive Officer at the Lowe Group plc and have responsibility for the management of the Lowe Group Worldwide and in addition accept appointments to such other positions in Interpublic as are commensurate with his role and status. In these capacities Executive shall report directly to the Chief Executive Officer of Interpublic. No significant change in Executive's status in Interpublic or the nature or scope of his duties shall be effected without his consent.

(iv) be proposed as a member of the Corporation's Board of Directors.

ARTICLE III

Compensation

3.01 The Corporation will compensate Executive for the duties performed by him hereunder, including all services rendered as an officer or director of the Corporation, by payment of a salary at the rate of \$750,000 per annum, payable in equal installments, which the Corporation may pay at either monthly or semi-monthly intervals.

3.02 The Corporation may at any time increase the compensation paid to Executive hereunder if the Corporation in its discretion shall deem it advisable so to do in order to compensate him fairly for services rendered to the Corporation.

ARTICLE IV

BONUSES

4.01 Executive will be eligible during the term of employment to participate in the Management Incentive Compensation Plan ("MICP" or the "Plan") in accordance with the terms and conditions of the Plan established from time to time, and appropriate for an executive holding such a position.

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ARTICLE V

Termination

5.01 Interpublic may terminate the employment of Executive hereunder:

(i) by giving Executive notice in writing at any time specifying a termination date not less than the greater of (a) twelve months or (b) the number of whole calendar months remaining until February 28, 1997, after the date on which such notice is given, in which event his employment hereunder shall terminate on the date specified in such notice, or

(ii) Notwithstanding clause (i) above, Interpublic may terminate the employment of Executive hereunder by giving him notice in writing specifying any termination date after February 28, 1997. In this event his employment hereunder shall terminate on the date specified in such notice and the Corporation shall thereafter pay him a sum equal to the amount by which twelve months' salary, at his then current rate exceeds the salary paid to him for the period from the date on which such notice is given to the termination date specified in such notice. Such payment shall be made during the period immediately following the termination date specified in such notice, in successive equal monthly installments each of which shall be equal to one month's salary at the rate in effect at the time of such termination, with any residue in respect of a period less than one month to be paid together with the last installment.

(iii) However, with respect to any payments of salary due to Executive after notice of termination shall have been given pursuant to Sub-section 5.01 (i), should Executive commence other employment during the period when payments thereunder are being made, said payments shall cease forthwith. Moreover, with respect to any payments of salary or salary equivalents to Executive after notice of termination shall have been given pursuant to Sub-section 5.01 (ii), should Executive commence other employment prior to the last payment due under that Sub-section, no further payments shall be made to Executive.

5.02 Executive may at any time give notice in writing to the Corporation specifying a termination date not less than twelve months after the date on which such notice is given, in

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which event his employment hereunder shall terminate on the date specified in such notice.

5.03 If the employment of Executive hereunder is terminated pursuant to this Article V by either the Corporation or Executive, Executive shall continue to perform his duties hereunder until the termination date at his salary in effect on the date that notice of such termination is given.

5.04 If Executive dies before December 31, 2000, his employment hereunder shall terminate on the date of his death.

ARTICLE VI

Covenants

6.01 While Executive is employed hereunder by the Corporation he shall not without the prior written consent of the Corporation engage, directly or indirectly, in any other trade, business or employment, or have any interest, direct or indirect, in any other business, firm or corporation; provided, however, that he may continue to own or may hereafter acquire any securities of any class of any publicly-owned company as well as investments in other entities that are held for investment purposes only provided that such entities are not in competition with the Corporation and that investment in such entities does not create a conflict of interest on the part of Executive.

6.02 Executive shall treat as confidential and keep secret the affairs of the Corporation and shall not at any time during the term of employment or thereafter, without the prior written consent of the Corporation, divulge, furnish or make known or accessible to, or use for the benefit of, anyone other than the Corporation and its subsidiaries and affiliates any information of a confidential nature relating in any way to the business of the Corporation or its subsidiaries or affiliates or their clients and obtained by him in the course of his employment hereunder.

6.03 If Executive deliberately and seriously violates any provision of Section 6.01 or Section 6.02, the Corporation may, notwithstanding the provisions of Section 5.01, terminate

the employment of Executive at any time by giving him notice in writing specifying a termination date. In such event, his employment hereunder shall terminate on the date specified in such notice.

6.04 All records, papers and documents kept or made by Executive relating to the business of the Corporation or its subsidiaries or affiliates or their clients shall be and remain the property of the Corporation.

6.05 All articles invented by Executive, processes discovered by him, trademarks, designs, advertising copy and art work, display and promotion materials and, in general, everything of value conceived or created by him pertaining to the business of the Corporation or any of its subsidiaries or affiliates during the term of employment, and any and all rights of every nature whatever thereto, shall immediately become the property of the Corporation, and Executive will assign, transfer and deliver all patents, copyrights, royalties, designs and copy, and any and all interests and rights whatever thereto and thereunder to the Corporation, provided that the Corporation shall bear any legal or other costs reasonably incurred by Executive in connection therewith.

6.06 Following the termination of Executive's employment hereunder or otherwise for any reason, Executive shall not for a period of twenty-four months from such termination either (a) solicit any employee of the Corporation to leave such employ to enter the employ of Executive or of any corporation or enterprise with which Executive is then associated or (b) solicit or handle on Executive's own behalf or on behalf of any other person, firm or corporation, the advertising, public relations, sales promotion or market research business of any advertiser which is a client of the Corporation at the time of such termination.

ARTICLE VII

LONG TERM PERFORMANCE INCENTIVE PLAN; OTHER BENEFITS

7.01 As soon as practicable following execution of this Agreement by both parties hereto, Interpublic will cause its Compensation Committee to grant Executive an award of 8,885 performance units for the 1995-1998 performance period under Interpublic's Long-Term Performance Incentive Plan tied to the

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cumulative compound profit growth of The Lowe Group plc and options under Interpublic's 1986 Stock Incentive Plan to purchase 30,000 shares of Interpublic common stock, which options shall not be exercisable until January 1, 1998, at which time they shall become exercisable in full.

7.02 During the term of this Agreement, Executive shall be entitled to a housing allowance of up to \$200,000 per year.

7.03 During the term of this Agreement, Executive shall be entitled to an automobile allowance of up to \$10,000 per year.

7.04 Interpublic agrees to have its Management Human Resources Committee elect Executive to membership in the Development Council, and Executive shall be entitled to receive all fringe benefits, vacation and perquisites given to Interpublic executives of similar title and position.

7.05 During the term of this Agreement, Executive shall be entitled to receive reimbursement for travel of his spouse related to Lowe or Interpublic business of up to \$30,000 per year.

ARTICLE VIII

Assignment

8.01 This Agreement shall be binding upon and enure to the benefit of the successors and assigns of the Corporation. Neither this Agreement nor any rights hereunder shall be assignable by Executive and any such purported assignment by him shall be void.

ARTICLE IX

Arbitration

9.01 Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, including claims involving alleged legally protected rights, such as claims for age discrimination in violation of the Age Discrimination in Employment Act of 1967, as amended, Title VII of the Civil Rights Act, as amended, and all other federal and state law claims for

defamation, breach of contract, wrongful termination and any other claim arising because of Executive's employment, termination of employment or otherwise, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and Section 11.01 hereof, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The arbitration shall take place in the city where Executive customarily renders services to the Corporation. The prevailing party in any such arbitration shall be entitled to receive attorney's fees and costs.

ARTICLE X

Agreement Entire

10.01 This Agreement constitutes the entire understanding between Interpublic and Executive concerning his employment by Interpublic or any of its affiliates or subsidiaries and supersedes any and all previous agreements between Executive and Interpublic or any of its affiliates or subsidiaries concerning such employment. This Agreement may not be changed orally.

ARTICLE XI

Applicable Law

11.01 The Agreement shall be governed by and construed in accordance with the laws of the State of New York.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By C. KENT KROEBER

FRANK B. LOWE

EXECUTIVE SPECIAL BENEFIT AGREEMENT

AGREEMENT made as of January 1, 1996, by and between THE INTERPUBLIC GROUP OF COMPANIES, INC., a corporation of the State of Delaware (hereinafter referred to as "Interpublic"), and FRANK B. LOWE (hereinafter referred to as "Executive"):

W I T N E S S E T H

WHEREAS, Executive is in the employ of Interpublic and/or one or more of its subsidiaries (Interpublic and its subsidiaries being hereinafter referred to collectively as the "Corporation"); and

WHEREAS, Interpublic and Executive desire to enter into an Executive Special Benefit Agreement which shall be supplementary to any employment agreement or arrangement which Executive now or hereinafter may have with respect to Executive's employment by Interpublic or any of its subsidiaries;

NOW, THEREFORE, in consideration of the mutual promises herein set forth, the parties hereto, intending to be legally bound, agree as follows:

ARTICLE I

Death and Special Retirement Benefits

1.01 For purposes of this Agreement the "Accrual Term" shall mean the period of seventy-two months beginning on the date of this Agreement and ending on the day preceding the sixth anniversary hereof or on such earlier date on which Executive shall cease to be in the employ of the Corporation.

1.02 The Corporation shall provide Executive with the following benefits contingent upon Executive's compliance with all the terms and conditions of this Agreement and Executive's satisfactory completion of a physical examination in connection with an insurance policy on the life of Executive which Interpublic or its assignee (other than Executive) proposes to obtain and own.

1.03 If, during the Accrual Term or thereafter

PAGE during a period of employment by the Corporation which is continuous from the date of this Agreement, Executive shall die while in the employ of the Corporation, the Corporation shall pay to such beneficiary or beneficiaries as Executive shall have designated pursuant to Section 1.07 (or in the absence of such designation, shall pay to the Executor of the Will or the Administrator of the Estate of Executive) survivor income payments of One Hundred Thirty-Three Thousand Two-Hundred Dollars (\$133,200) per annum for fifteen years following Executive's death, such payments to be made on January 15 of each of the fifteen years beginning with the year following the year in which Executive dies.

1.04 If, after a continuous period of employment from the date of this Agreement, Executive shall retire from the employ of the Corporation so that the first day on which Executive is no longer in the employ of the Corporation occurs on or after Executive's sixty-fourth birthday, the Corporation shall pay to Executive special retirement benefits at the rate of One Hundred Thirty-Three Thousand Two Hundred Dollars (\$133,200) per annum for fifteen years beginning with the calendar month following Executive's last day of employment, such payments to be made in equal monthly installments.

1.05 If, after a continuous period of employment from the date of this Agreement, Executive shall retire, resign, or be terminated from the employ of the Corporation so that the first day on which Executive is no longer in the employ of the Corporation occurs on or after Executive's sixtieth birthday but prior to Executive's sixty-fourth birthday, the Corporation shall pay to Executive special retirement benefits at the annual rates set forth below for fifteen years beginning with the calendar month following Executive's last day of employment, such payments to be made in equal monthly installments:

Age At Retirement	Annual Benefit
63	\$117,216
62	\$101,232
61	\$ 85,248
60	\$ 60,952

1.06 If, following such termination of employment, Executive shall die before payment of all of the installments provided for in Section 1.04 or Section 1.05, any remaining

installments shall be paid to such beneficiary or beneficiaries as Executive shall have designated pursuant to Section 1.07 or, in the absence of such designation, to the Executor of the Will or the Administrator of the Estate of Executive.

1.07 For purposes of Sections 1.03, 1.04 and 1.05, or any of them, Executive may at any time designate a beneficiary or beneficiaries by filing with the chief personnel officer of Interpublic a Beneficiary Designation Form provided by such officer. Executive may at any time, by filing a new Beneficiary Designation Form, revoke or change any prior designation of beneficiary.

1.08 If Executive shall die while in the employ of the Corporation, no sum shall be payable pursuant to Sections 1.04, 1.05, 1.06, 2.01, 2.02, or 2.03.

1.09 In connection with the life insurance policy referred to in Section 1.02, Interpublic has relied on written representations made by Executive concerning Executive's age and the state of Executive's health. If said representations are untrue in any material respect, whether directly or by omission, and if the Corporation is damaged by any such untrue representations, no sum shall be payable pursuant to Sections 1.03, 1.04, 1.05, 1.06, 2.01, 2.02, or 2.03.

1.10 It is expressly agreed that Interpublic or its assignee (other than Executive) shall at all times be the sole and complete owner and beneficiary of the life insurance policy referred to in Sections 1.02 and 1.09, shall have the unrestricted right to use all amounts and exercise all options and privileges thereunder without the knowledge or consent of Executive or Executive's designated beneficiary or any other person and that neither Executive nor Executive's designated beneficiary nor any other person shall have any right, title or interest, legal or equitable, whatsoever in or to such policy.

ARTICLE II

Nonsolicitation of Clients or Employees

2.01 Following the termination of Executive's employment hereunder for any reason, Executive shall not for a period of one year from such termination either (a) solicit any
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employee of the Corporation to leave such employ to enter the employ of Executive or of any corporation or enterprise with which Executive is then associated or (b) solicit or handle on Executive's own behalf or on behalf of any other person, firm or corporation, the advertising, public relations, sales promotion or market research business of any advertiser which is a client of the Corporation at the time of such termination.

ARTICLE III

Assignment

3.01 This Agreement shall be binding upon and inure to the benefit of the successors and assigns of Interpublic. Neither this Agreement nor any rights hereunder shall be subject in any matter to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge by Executive, and any such attempted action by Executive shall be void. This Agreement may not be changed orally, nor may this Agreement be amended to increase the amount of any benefits that are payable pursuant to this Agreement or to accelerate the payment of any such benefits.

ARTICLE IV

Contractual Nature of Obligation

4.01 The liabilities of the Corporation to Executive pursuant to this Agreement shall be those of a debtor pursuant to such contractual obligations as are created by the Agreement. Executive's rights with respect to any benefit to which Executive has become entitled under this Agreement, but which Executive has not yet received, shall be solely the rights of a general unsecured creditor of the Corporation.

ARTICLE V

Applicable Law

5.01 This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By C. KENT KROEBER

FRANK B. LOWE

AGREEMENT made as of August 11, 1994 by and among THE INTERPUBLIC GROUP OF COMPANIES, INC., a corporation of the State of Delaware (hereinafter referred to as "Interpublic"), Ammirati & Puris Inc., a corporation of the State of New York ("A & P") and Martin Puris (hereinafter referred to as "Executive").

In consideration of the mutual promises set forth herein the parties hereto agree as follows:

ARTICLE I

Term of Employment

1.01 Upon the terms and subject to the conditions set forth herein A & P, or another subsidiary of Interpublic into which A & P may be merged (A & P or such other subsidiary sometimes being referred to herein as the "Corporation") will employ Executive for the period beginning August 11, 1994 and ending on August 10, 1999 or on such earlier date as the employment of Executive shall terminate pursuant to Article VI or Article VII. (The period during which Executive is employed hereunder is referred to herein as the "term of employment".) Executive will serve the Corporation during the term of employment.

ARTICLE II

Duties

2.01 During the term of employment Executive will:

- (i) use his best efforts to promote the interests of the Corporation and devote his full time and efforts to its business and affairs;
- (ii) perform such duties as the Corporation may from time to time assign to him; and
- (iii) serve in such offices of the Corporation or its subsidiaries as he may be elected or appointed to, which

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initially shall be Chief Executive Officer of A & P, and Vice Chairman of Lintas Worldwide. In addition, Executive will be appointed or elected to the Oversight Committee, the Executive Committee and the Board of Directors of Lintas Worldwide. Executive will report exclusively to Interpublic's Chief Executive Officer.

2.02 In connection with Executive's employment, he shall be based at the offices of the Corporation at New York, New York except for reasonable necessary travel on business for the Corporation or Interpublic in connection with his duties hereunder, or as otherwise specifically consented to by Executive.

ARTICLE III

Compensation

3.01 The Corporation will compensate Executive for the duties performed by him hereunder, including all services rendered as an officer or director of the Corporation or Interpublic, by payment of a salary at the rate of \$600,000 per annum, payable in equal installments, which the Corporation may pay at either monthly or semi-monthly intervals.

3.02 Interpublic may at any time increase the compensation paid to Executive hereunder if Interpublic in its discretion shall deem it advisable so to do in order to compensate him fairly for services rendered to the Corporation. In any event, Executive's salary shall be reviewed no less often than every 24 months during the term of this Agreement, beginning 24 months following the last such review prior to the effective date of this Agreement.

ARTICLE IV

Bonuses

4.01 Executive shall, subject to full execution of this Agreement, receive a sign-up bonus of \$1.9 million, which shall be paid within thirty days of the date hereof.

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4.02 Except as may be provided in Section 4.04 of this Agreement, in addition to the bonus set forth in section 4.01 above, Executive shall receive an additional bonus of \$1.9 million, which shall be paid in February, 1995.

4.03 Executive additionally shall be eligible to receive a bonus of up to \$1.5 million subject, however, to the attainment of certain operating profit targets which will be determined by the Oversight Committee of the Corporation and Interpublic, which bonus, if any, will be paid in February, 1996.

4.04 In addition, Executive shall be entitled for calendar year 1994 to share in an executive bonus pool of \$1.5 million, of which \$661,348 has been paid as of the date hereof. Of the remaining \$838,652 available for distribution, there will be a dollar for dollar reduction for any 1994 revenue shortfall from \$53.5 million. Should such revenue shortfall exceed the \$838,652 remaining available for distribution pursuant to this Section 4.04, such additional shortfall will be deducted, dollar for dollar from the bonus amount due pursuant to Section 4.02 hereof. The portion of such bonus pool which Executive shall receive, which shall be paid in January, 1995, shall be determined in the sole discretion of Executive.

4.05 For calendar year 1995, and all subsequent calendar years during the term of this Agreement, Executive will be eligible to participate in Interpublic's Management Incentive Compensation Plan ("MICP"), in accordance with the terms and conditions of the MICP established from time to time. Executive shall be eligible to receive MICP awards of up to fifty percent of base salary, but the actual award, if any, shall be determined by the Corporation and Interpublic and shall be based on profits of the Corporation and Interpublic, Executive's individual performance and management discretion.

4.06 The bonus described in Section 4.01 shall be paid irrespective of whether Executive's employment with the Corporation has terminated for any reason prior to payment. Executive shall be eligible for the bonuses described in Sections 4.03 and 4.04, and shall be paid the bonus described in Section 4.02, only if Executive is employed by the Corporation on the date of payment, or if Executive's employment has terminated

earlier due to (i) death, (ii) disability, (iii) termination by the Corporation for reasons other than a violation of Sections 7.01 or 7.02, or (iv) termination by Executive for "good reason" as defined in Section 6.02.

ARTICLE V

Other Employment Benefits and Compensation

5.01 Executive shall participate in the Interpublic Long Term Performance Incentive Plan ("LTPIP"), in accordance with the terms of such plan. Executive shall participate in such other employee benefits and executive compensation programs as are available to senior executives of Interpublic generally, and as are available from time to time to other Interpublic key management executives in accordance with the then-current terms and conditions established by Interpublic for eligibility and employee contributions required for participation in such benefits opportunities.

5.02 Executive shall be entitled to 6 weeks paid vacation per year.

5.03 Executive shall be entitled to receive prompt reimbursement from the Corporation of all reasonable expenses incurred by Executive in promoting the business of the Corporation and in performing services hereunder, including all expenses of travel and entertainment and living expenses while away from home on business or at the request of or in the service of the Corporation, provided that such expenses are incurred and accounted for in accordance with the policies and procedures established by Interpublic from time to time. Executive shall be entitled to first class travel on business trips to the extent that such class of services is available.

5.04 Executive shall be entitled to receive benefits accorded to members of Interpublic's Development Council, including up to \$5,000 per annum reimbursement for financial planning and tax preparation expenses, and 100% reimbursement for medical expenses in accordance with the terms and conditions of the Development Council Health Care Program, as they may exist from time to time.

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5.05 The Corporation shall continue to provide Executive with an automobile under the lease in effect with respect to Executive on the date hereof, and pay related expenses to the extent on the date hereof. Following the expiration of such lease, the Corporation shall provide Executive with an automobile allowance in an amount comparable to the cost of such lease for the remainder of the term of this Agreement, or provide Executive with the cash equivalent value thereof plus a gross up for tax liability.

5.06 As soon as administratively feasible after full execution of this Agreement, Interpublic will use its best efforts to have the Compensation Committee of its Board of Directors ("Committee") grant Executive an award for the 1995-1998 performance period under the LTPIP equal to 3,600 performance units tied to the cumulative compound profit growth of the Corporation, and an option under Interpublic's 1986 Stock Incentive Plan (the "Stock Plan") to purchase 14,400 shares of Interpublic common stock at the fair market value of such stock on January 1, 1995 (as determined in accordance with the terms of the Stock Plan), which option may not be exercised in any part prior to January 1, 1999 and thereafter shall be exercisable in whole or part; provided, however, that in the event Executive's employment is terminated for any reason other than in accordance with Section 7.03 after December 31, 1996 but before January 1, 1999, Interpublic shall use its best efforts to have the Committee (i) pay a pro-rata share of the compensation tied to such performance units immediately following the end of the performance period and (ii) vest a pro-rata portion of such stock options, in either case based upon the number of calendar months following December 31, 1994 but before January 1, 1999 in which Executive was employed.

5.07 The terms of disability provisions under A & P's policies existing on the date hereof, as applicable to Executive, will remain in effect during the term of this Agreement.

5.08 The two split-dollar life insurance policies on Executive's life in effect on the date hereof (Metropolitan Life Insurance Company policy numbers 930750497A and 930750498A), shall be maintained in effect by the Corporation in accordance with their terms and conditions during the term of this Agreement.

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5.9 The Corporation will continue to pay Executive's club memberships which exist on the date of this Agreement.

5.10 The Corporation will continue to pay the premium on the \$5 million term life insurance policy on the life of Executive, in effect on the date hereof, and such premium payments will continue to be treated as compensation to Executive to the extent required under applicable tax law.

5.11 Following Executive's retirement, Interpublic will cause Executive to become eligible for retiree medical coverage under the terms and conditions of its then existing plan.

ARTICLE VI

Termination

6.01 (i) Interpublic may terminate the employment of Executive hereunder by giving Executive notice in writing at any time specifying a termination date not earlier than the later of

- (A) one year following the date of such notice or (B) December 31, 1996.

(ii) Notwithstanding clause (i) above, Interpublic may terminate the employment of Executive hereunder by giving him notice in writing specifying any termination date after December 31, 1996, which date shall be no less than ten days following such Executive's receipt of such notice. In this event, his employment hereunder shall terminate on the date specified in such notice and the Corporation shall thereafter pay him a sum equal to the amount by which 12 months salary at his then current rate exceeds the salary paid to him for the period from the date on which such notice is given to the termination date specified in such notice. Such payment shall be made during the period immediately following the termination date specified in such notice, in successive equal monthly installments, each of which shall be equal to one month's salary at the rate in effect at the time of such termination, with any residue in respect of a period less than one month to be paid together with the last installment.

6.02 Executive may at any time give notice in writing to the Corporation specifying a termination date not less than six months after the date on which such notice is given, in which event his employment hereunder shall terminate on the date specified in such notice. Notwithstanding the above, Executive may at any time give notice in writing to the Corporation specifying a termination date not less than 10 days after the date on which such notice is given, if Executive has "good reason" to terminate his employment. In that case, and unless the Corporation has undone to the reasonable satisfaction of Executive the actions giving rise to such good reason prior to the termination date set forth in such notice, such termination shall be treated as termination by the Corporation pursuant to Section 6.01 (ii), and Executive shall be entitled to an extension of salary payments accordingly. For purposes of this Agreement, Executive shall have "good reason" to terminate his employment in the event of (i) a substantial breach by the Corporation of any material provision of this Agreement, including a reduction in salary, or (ii) a substantial diminution in Executive's authority, duties or responsibilities, except with respect to such assignment or diminution which is made on a temporary basis (not more than 30 days).

6.03 If the employment of Executive hereunder is terminated pursuant to this Article VI by either the Corporation or Executive, Executive shall continue to perform his duties hereunder until the termination date at his salary in effect on the date that notice of such termination is given.

6.04 If Executive dies before the fifth anniversary of the date hereof, his employment hereunder shall terminate on the date of his death.

6.05 Executive shall be under no duty to mitigate, by obtaining other employment or otherwise, any payments due him by the Corporation pursuant to Sections 6.01 or 6.02 and the Corporation shall have no right to offset any amounts earned by Executive from other employment or other sources against such payments.

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ARTICLE VII

Covenants

7.01 While Executive is employed hereunder by the Corporation he shall not without the prior written consent of the Corporation engage, directly or indirectly, in any other trade, business or employment, or have any interest, direct or indirect, in any other business, firm or corporation; provided, however, that he may continue to own or may hereafter acquire any securities of any class of any publicly-owned company (including any publicly listed mutual fund), and provided further that he may continue to serve as a member of the Board of Directors of the Mystic Seaport Museum and the Upward Fund.

7.02 Executive shall treat as confidential and keep secret the affairs of the Corporation and shall not at any time during the term of employment or thereafter, without the prior written consent of the Corporation, divulge, furnish or make known or accessible to, or use for the benefit of, anyone other than the Corporation and its subsidiaries and affiliates any information of a confidential nature relating in any way to the business of the Corporation or its subsidiaries or affiliates or their clients and obtained by him in the course of his employment hereunder.

7.03 If Executive violates any provision of Section 7.01 or Section 7.02, the Corporation may, notwithstanding the provisions of Section 6.01, terminate the employment of Executive at any time by giving him notice in writing specifying a termination date. In such event, his employment hereunder shall terminate on the date specified in such notice.

7.04 All records, papers and documents kept or made by Executive relating to the business of the Corporation or its subsidiaries or affiliates or their clients shall be and remain the property of the Corporation.

7.05 All articles invented by Executive, processes discovered by him, trademarks, designs, advertising copy and art work, display and promotion materials and, in general, everything of value conceived or created by him pertaining to the business

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of the Corporation or any of its subsidiaries or affiliates during the term of employment, and any and all rights of every nature whatever thereto, shall immediately become the property of the Corporation, and Executive will assign, transfer and deliver all patents, copyrights, royalties, designs and copy, and any and all interests and rights whatever thereto and thereunder to the Corporation, without further compensation, upon notice to him from the Corporation.

7.06 Following the termination of Executive's employment hereunder for any reason, Executive shall not for a period of twenty-four months from such termination either (a) solicit any employee of the Corporation or Interpublic to leave such employ to enter the employ of Executive or of any corporation or enterprise with which Executive is then associated or (b) solicit or handle on Executive's own behalf or on behalf of any other person, firm or corporation, the advertising, public relations, sales promotion or market research business of any advertiser for which the Corporation had actively performed services for compensation during the 180-day period immediately prior to Executive's termination, or to whom the Corporation had made a substantive presentation during such period seeking such advertiser's business.

ARTICLE VIII

Assignment

8.01 This Agreement shall be binding upon and enure to the benefit of the successors and assigns of the Corporation, and the heirs, legatees, administrators and personal representatives of Executive. Neither this Agreement nor any rights hereunder shall be assignable by Executive and any such purported assignment by him shall be void. Neither this Agreement nor any rights hereunder shall be assignable by the Corporation without the prior written consent of Executive.

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ARTICLE IX

Agreement Entire

9.01 This Agreement supersedes any and all previous agreements between Executive and the Corporation concerning his employment by the Corporation, and/or any compensation or bonuses. This Agreement may not be amended except by an instrument signed by both parties hereto.

ARTICLE X

Applicable Law

10.01 The Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to conflicts of law.

ARTICLE XI

Notices

11.01 All notices and other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given if delivered personally, mailed by certified mail (return receipt requested) or sent by overnight delivery service or facsimile transmission to the parties at the following addresses or at such other addresses as shall be specified by the parties by like notice:

(a) If to A & P or the Corporation:
Ammirati & Puris Inc.
100 Fifth Avenue
New York, New York 10011
Attn: Chief Executive Officer
Facsimile: (212) 337-9481

(b) If to Interpublic:
The Interpublic Group of Companies, Inc.
1271 Avenue of the Americas
New York, New York 10020
Attn: C. Kent Kroeber
Senior Vice President, Human Resources
Facsimile: (212) 399-8130

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(c) If to Executive:
At Executive's last known address as listed with
Employer

ARTICLE XII

Counterparts

12.01 This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, with the same effect as if all parties had signed the same document. All such counterparts shall be deemed an original, shall be construed together and shall constitute one and the same instrument.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By C. Kent Kroeber

AMMIRATI & PURIS, INC.

By Philip Palazzo, Jr.

Employee: Martin F. Puris

CREDIT AGREEMENT

BETWEEN

THE INTERPUBLIC GROUP OF COMPANIES, INC.
AND
LLOYDS BANK Plc

US\$15,000,000

Dated as of July 3, 1995

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CREDIT AGREEMENT

AGREEMENT dated as of July 3, 1995 between THE INTERPUBLIC GROUP OF COMPANIES, INC., a Delaware corporation (the "Borrower"), and LLOYDS BANK Plc (the "Bank").

SECTION I

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 established from time to time by the Bank in the United States as its prime or reference rate of interest, changes in which are to be effective from the opening of business on the day such change is made and (ii) the sum of (A) .5% plus (B) the overnight federal funds rate for such day as published in the weekly statistical release designated by the Board of Governors of the Federal Reserve System as "H.15(519)" (or any successor publication thereto).

"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 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 the address set forth on the signature pages hereof for its Domestic Lending Office, 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 the address set forth on the signature pages hereof for its Eurodollar Lending Office, 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.

"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(f), 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(g) and (h) 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(j), 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 July 3, 1998 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.

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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 \$15,000,000 (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; whether the Loan is to be a Base Rate Loan, a CD Loan or a Eurodollar Loan (and, if such Loan is to be a Eurodollar Loan, whether Section 2.14 is to be applicable thereto);
- (iii) in the case of a Fixed Rate Loan, the duration of the Interest Period applicable thereto, subject to the definition of Interest Period; and
- (iv) whether Section 2.15 is to be applicable to such Loan.

(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 of 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:

$$\text{ACDR} = \frac{\text{CDBR} + \text{AR}}{1 - \text{DRP}}$$

- 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 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.

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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. (local time) on the date when due in funds immediately available at the Applicable Lending Office 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.

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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, the Money Market Rate 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.

2.14 Sterling Option.

(a) Designation of Loan. Any notice of a Eurodollar Loan borrowing pursuant to Section 2.2(a) may include, at the option of the Borrower, a designation that the terms and provisions of this Section 2.14 shall be applicable to such Eurodollar Loan. Any Eurodollar Loan as to which such a designation is made is referred to herein as a "Sterling Loan". Except to the extent inconsistent with any term or provision of this Section 2.14, the terms and provisions of

this Agreement shall apply to each Sterling Loan to the same extent as applicable to any other Eurodollar Loan.

(b) Payments. Each Sterling Loan shall be denominated in pounds sterling, the lawful money of England ("Pounds Sterling"), and on the date of each Sterling Loan the proceeds thereof shall be made available to the Borrower in Pounds Sterling at the Eurodollar Lending Office. All payments on account of the principal of and interest on any Sterling Loan shall be made exclusively in Pounds Sterling at the Eurodollar Lending Office.

(c) Commitment. Each Sterling Loan shall be in the principal amount of 1,000,000 Pounds Sterling (except that any Sterling Loan may be in the amount of the unused Commitment) or any larger multiple thereof. For purposes of computing the amount from time to time of the unused Commitment, the outstanding principal amount of a Sterling Loan at any time shall be deemed to be equal to the amount in Dollars that would be required to purchase Pounds Sterling in the amount of such outstanding Sterling Loan, on the date that the Borrower's notice was given pursuant to Section 2.2(a) with respect to such Sterling Loan, based upon the average spot buying rate at which the Bank offers to exchange Dollars for Pounds Sterling at approximately 11:00 a.m. (London time) on such date.

(d) Interest. For purposes of the computation of the interest rate applicable to any Interest Period for any Sterling Loan, the London Interbank Offered Rate shall mean the rate per annum at which deposits in Pounds Sterling are offered to the Bank in the London Interbank market at approximately 11:00 a.m. (London time) on the first day of such Interest Period in an amount approximately equal to the principal amount of the Sterling Loan to which such Interest Period is to apply and for a period of time comparable to such Interest Period.

2.15 Subsidiary Borrowers.

(a) Designation of Subsidiary Borrower. Any notice of a borrowing pursuant to Section 2.2(a) may include, at the option of the Borrower, a designation that (i) the terms and provisions of this Section 2.15 shall be applicable to such Loan, and (ii) one of Lowe International Limited, Lowe & Partners Inc. or Interpublic Ltd. shall be the borrower with respect to such Loan. Any Loan as to which such a designation is made is referred to herein as a "Subsidiary Loan" and any Subsidiary so designated as a borrower is

referred to herein as a "Subsidiary Borrower". Except to the extent inconsistent with any term or provision of this Section 2.15, the terms and provisions of this Agreement shall apply to each Subsidiary Loan (and to each promissory note evidencing a Subsidiary Loan) to the same extent as applicable to any other Loan (and any Note).

(b) Funding and Notes; Commitment. On the date of each Subsidiary Loan, the Bank will make the proceeds thereof available to the Subsidiary Borrower at the Applicable Lending Office. Each Subsidiary Loan shall be evidenced by a separate promissory note of the Subsidiary Borrower, substantially in the form of Exhibit C hereto, payable to the order of the Bank for the account of its Applicable Lending Office ("Subsidiary Note"). For purposes of computing the amount from time to time of the unused Commitment, the outstanding principal amount of all Subsidiary Loans at any time shall be deemed to constitute outstanding Loans of like principal amount under this Agreement.

(c) Payments, Prepayments, Sterling Option, Funding Losses, Etc. The terms and provisions of Sections 2.9, 2.10, 2.12, 2.14, 4 and 8.3 of this Agreement are intended to be applicable to Subsidiary Loans (and the Subsidiary Notes), provided that references to the Borrower's rights and obligations therein (including rights and obligations in respect of notices) shall, in the case of any Subsidiary Loan, be deemed to be references to the Subsidiary Borrower's rights and obligations. Except as provided in the preceding sentence, all references to the "Borrower" in this Agreement shall be deemed to be references to The Interpublic Group of Companies, Inc.

(d) Conditions to Subsidiary Loans. In addition to the conditions set forth in Section 3, the obligation of the Bank to make the initial Subsidiary Loan to any Subsidiary Borrower shall be subject to the receipt by the Bank of the following:

- (i) a duly executed Subsidiary Note of such Subsidiary Borrower, with the duly executed guaranty of Borrower affixed thereto; and
- (ii) an opinion of counsel to such Subsidiary Borrower to the effect that (A) such Subsidiary Borrower is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, (B) the execution, delivery and performance by such Subsidiary Borrower of the

Subsidiary Note are within the Subsidiary Borrower's corporate powers and have been duly authorized by all necessary corporate action, and (C) the Subsidiary Note of such Subsidiary Borrower constitutes a valid and binding obligation of the Subsidiary Borrower.

Each borrowing by a Subsidiary Borrower shall be deemed to be a representation and warranty by the Borrower on the date of such Subsidiary Loan as to the matters specified in clause (ii)(A), (ii)(B) and (ii) (C) above.

(e) Notices. Notices, requests, demands or communications to any Subsidiary Borrower shall be delivered or addressed to the Borrower as provided in Section 8.1(a).

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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, 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, 1994 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 Price Waterhouse, 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, 1994 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.

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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, 1987. 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 Price Waterhouse 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 against risks 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;

(k) any Liens on any asset of Quest & Associates, Inc., a Subsidiary of Borrower, created in connection with the August 1995 investment by Quest & Associates, Inc. in a portfolio of computer equipment leases; and

(l) 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-1 referred to in Regulation U.

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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) any Subsidiary Borrower shall fail to pay any principal of or interest on any Subsidiary Loan when due and such failure shall not be remedied by such Subsidiary Borrower or the Borrower within four Domestic Business Days after written notice thereof has been given to such Subsidiary Borrower and the Borrower by the Bank; or

(c) 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

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

(e) 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

(f) (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

(g) 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

(h) 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 undismitted 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

(i) 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

(j) 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

(k) 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 (g) or (h) 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 (including without limitation any Sterling 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 2.15 and 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, 4.1 through 4.3 or 8.5 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) or 8.5(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 Withholding Taxes.

(a) With respect to any Loan as to which the Bank's Applicable Lending Office is located outside the United States, all payments by the Borrower to the Bank under this Agreement are to be made free and clear of any and all taxes, duties, imposts, fees, withholdings or deductions (the "Deductions") of any nature now or hereafter imposed by the United States of America or any political subdivision or taxing authority thereof or therein. If any Deduction is, by law, required to be made from any payment hereunder, then the Borrower shall (i) make such Deduction, (ii) pay the amount of such Deduction to the relevant taxing authority and (iii) pay to the Bank such additional amount as will result in receipt by the Bank of a net amount equal to the amount the Bank would have received hereunder had no such Deduction been required, provided that the Borrower shall not be required to pay any such additional amount (A) in respect of any tax imposed on the net income of the Bank by the jurisdiction under the laws of which the Bank is organized or where its principal place of business or Applicable Lending Office is located, or any political subdivision or taxing authority thereof or therein, or (B) to the extent such Deduction is required as a result of the Bank's failure to comply with its obligations pursuant to Section 8.5(b) hereof. In the event such Deduction is so required to be made from any payment hereunder, the Borrower shall, as soon as practicable, deliver to the Bank any receipts issued by the relevant taxing authority evidencing the amount of such Deduction and its payment.

(b) The Bank agrees to complete and deliver to the Borrower, prior to the date on which the first payment to the Bank is due under any Loan made hereunder and (so long

as it remains eligible to do so) from time to time thereafter, (i) with respect to any Loan as to which the Bank's Applicable Lending Office is located outside the United States, an Internal Revenue Service Form 1001 certifying that it is entitled to benefits under an income tax treaty to which the United States is a party that reduces the rate of withholding tax on payments of interest to zero or (ii) with respect to any Loan as to which the Bank's Applicable Lending Office is located in the United States, an Internal Revenue Service Form 4224 in duplicate certifying that the income receivable pursuant to this Agreement is effectively connected with the conduct of a trade or business in the United States. The Bank further agrees to complete and deliver to the Borrower from time to time, so long as it is eligible to do so, any successor or additional form required by the Internal Revenue Service in order to secure an exemption from, or reduction in the rate of, U.S. withholding tax.

(c) The Bank agrees that if the Borrower is required to pay any additional amounts pursuant to Section 8.5(a) hereof in respect of any Loan, the Bank will, upon the request of the Borrower, designate a different Applicable Lending Office if such designation will reduce the amount of the Deductions required to be made by the Borrower and will not otherwise be materially disadvantageous to the Bank.

8.6 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.

8.7 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.

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

PAGE

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of July 3, 1995.

THE INTERPUBLIC GROUP OF
COMPANIES, INC.

By: ALAN M. FORSTER

Title: Vice President & Treasurer

LLOYDS BANK Plc

By: THEODORE WALSER

Title: Senior Vice President

By: STEPHEN J. ATTREE

Title: Assistant Vice President

Domestic Lending Office
Lloyds Bank
One Seaport Plaza
199 Water Street
New York, New York 10038
Attn.: Ms. Patricia Kilian
Tel #: 212-607-4501
Fax #: 212-607-4999
Fed Wire: ABA #021001033
Acct.: Lloyds Bank Plc
c/o Bankers Trust
One Bankers Trust Plaza
New York, New York 10006
Acct. No.: 042-009-15

Eurodollar Lending Office
Lloyds Bank Plc
Bank House
Wine Street
Bristol BS1 2AN
England
Attn.: Mr. Ted Roylance
Tel #: (0117) 923-3346
Fax #: (0117) 923-3317
Fed Wire: 30-15-57
Acct.: Loans Administration Dept.
Acct. No. 00002727

NOTE

_____, 1995
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 LLOYDS BANK Plc (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 _____.

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 July 3, 1995 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: _____

EXHIBIT B

MONEY MARKET NOTE

_____, 1995
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 LLOYDS BANK Plc (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 _____.

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 July 3, 1995, 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: _____

NOTE

_____, 1995
New York, New York

FOR VALUE RECEIVED, [name of Subsidiary Borrower] a _____ corporation (the "Subsidiary Borrower"), hereby promises to pay to the order of LLOYDS BANK Plc (the "Bank"), for the account of its Applicable Lending Office, the unpaid principal amount of each Subsidiary Loan made by the Bank to the Subsidiary Borrower pursuant to Section 2.15 of the Credit Agreement referred to below on the last day of the Interest Period relating to such Subsidiary Loan. The Subsidiary Borrower promises to pay interest on the unpaid principal amount of each such Subsidiary 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 _____.

All Subsidiary 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 Subsidiary Borrower hereunder or under the Credit Agreement.

This note is the Subsidiary Note referred to in Section 2.15 of the Credit Agreement dated as of July 3, 1995 between The Interpublic Group of Companies, Inc. 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.

[SUBSIDIARY BORROWER]

By: _____

Title: _____

GUARANTY

The Interpublic Group of Companies, Inc. (the "Guarantor") hereby unconditionally guarantees to the Bank the due and punctual payment of the principal of, and interest on, the Note upon which this Guaranty is endorsed (the "Note"). The foregoing is an absolute, continuing and irrevocable guaranty of payment and not of collectibility or performance. The Guarantor hereby waives diligence, presentment and demand of payment (except as provided in the Credit Agreement) and covenants that this Guaranty will not be discharged except by payment as herein provided. Until all amounts of principal of, and interest on, the Note have been paid or otherwise satisfied in full, the Guarantor will not exercise any rights that it may have acquired by way of subrogation under this Guaranty, by any payment made hereunder or otherwise, or accept any payment on account of such subrogation rights. If any payment (or part thereof) of the principal of, or interest on, the Note is rescinded or must otherwise be returned by the Bank upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the primary obligor under the Note, this Guaranty shall continue to be effective, or be reinstated, as to said payment (or part thereof) as if such payment (or part thereof) had not been made.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By: _____

Title: _____

CREDIT AGREEMENT
BETWEEN
INTERPUBLIC GROUP OF COMPANIES, INC.

AND
NBD BANK

US\$25,000,000

Dated as of December 21, 1995

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CREDIT AGREEMENT

AGREEMENT dated as of December 21, 1995 between THE INTERPUBLIC GROUP OF COMPANIES, INC., a Delaware corporation (the "Borrower"), and NBD BANK, a Michigan banking corporation (the "Bank").

SECTION 1
INTERPRETATIONS AND DEFINITIONS

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

"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.

"Business Day" means a day other than a Saturday, Sunday or other day on which the Bank is not open to the public for carrying on substantially all of its banking functions.

"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).

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

"Commitment" means the commitment of the Bank to make the Term Loan pursuant to Section 2.1 in the principal amount of \$25,000,000.

"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.

"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.

"Event of Default" has the meaning set forth in Section 6 hereof.

"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 Payment Date" means subject to Section 2.4 hereof, the last day of each March, June, September and December occurring after the date hereof, commencing with the first such day occurring after the date of this Agreement, except that an adjustment will be made if any Interest Payment Date would otherwise fall on a day that is not a New York Banking Day and a London Banking Day so that the Interest Payment Date will be the first following day that is a New York Banking Day and a London Banking Day, unless that day falls in the next calendar month, in which case the Interest Payment Date will be the first preceding day that is a New York Banking Day and a London Banking Day.

"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.

"London Banking Day" means any day in which dealings and deposits in U.S. dollars are transacted in the London interbank market.

"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.

"Maturity Date" means the Interest Payment Date occurring on December 21, 2002.

"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.

"New York Banking Day" means any day other than a Saturday, a Sunday or a day on which commercial banks in New York City are required or authorized to be closed.

"Overdue Rate" means a rate per annum that is equal to the sum of three percent (3%) per annum plus the per annum rate in effect under the Term Note.

"PBGIC" 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 7.3.

"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 6.1.(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 6.1.(f) and (g) and the last sentence of Section 5.10, the condition or event described therein shall

exist with respect to each Consolidated Subsidiary included in such group or (z) Section 6.1.(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.

"Term Loan" means the borrowing under Section 2.3 evidenced by the Term Note and made pursuant to Section 2.1.

"Term Note" means any promissory note of the Borrower evidencing the Term Loan, in substantially the form annexed hereto as Exhibit A, as amended or modified from time to time and together with any promissory note or notes issued in exchange or replacement therefor.

"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.

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SECTION 2
TERMS OF THE LOANS

2.1 Commitment of the Bank. The Bank agrees, subject to the terms and conditions of this Agreement, to make a single Term Loan to the Borrower, and the Borrower agrees to borrow such Term Loan from the Bank, on December 21, 1995, in the principal amount of \$25,000,000.

2.2 Termination and Reduction of Commitment. Neither the Borrower nor the Bank shall have the right to terminate or reduce the Commitment.

2.3 Disbursement of Term Loan. (a) Subject to the terms and conditions of this Agreement, the proceeds of the Term Loan shall be made available to the Borrower by depositing the proceeds thereof, in immediately available funds, in an account maintained and designated by the Borrower at the Bank or by wire transfer or otherwise as requested by the Borrower.

(b) The Term Loan made under this Section 2.3 shall be evidenced by the Term Note, and the Term Loan shall be due and payable and bear interest as provided in Sections 2.4 and 2.5. The Bank is hereby authorized by the Borrower to record on the schedule attached to the Term Note, or in its books and records, the amount of each payment of principal thereon, and the other information provided for on such schedule, which schedule or books and records, as the case may be, shall constitute prima facie evidence of the information so recorded, provided, however, that failure of the Bank to record, or any error in recording, any such information shall not relieve the Borrower of its obligation to repay the outstanding principal amount of the Term Loan, all accrued interest thereon and other amounts payable with respect thereto in accordance with the terms of this Agreement.

2.4. Principal Payments.

(a) Unless earlier payment is required under this Agreement pursuant to Section 6.1, the Borrower shall pay to the Bank the outstanding principal amount of the Term Loan in the amount of \$25,000,000 on the Maturity Date, when the entire outstanding principal amount of, and accrued interest on, the Term Loan shall be due and payable.

(b) The Borrower may prepay all (but not less than all) of the outstanding principal amount of the Term Loan, on any Interest Payment Date provided, that the Borrower shall have paid to the Bank, together with such prepayment of principal, all accrued interest on the principal amount prepaid to the

date of prepayment and the amount, if any, of the prepayment indemnity determined pursuant to Section 2.9 to be payable to the Bank. The Borrower shall give the Bank not more than ten, and not less than five, London Banking Days' notice of any proposed prepayment specifying the prepayment date and the person or persons authorized to notify the Bank of acceptance of the terms of prepayment referred to in the next succeeding sentence. The Bank shall provide oral notice to a person so specified by the Borrower on the second London Banking Day prior to the proposed prepayment date of the amount, if any, of the prepayment indemnity which shall be paid in connection with such proposed prepayment by the Borrower or the Bank, as the case may be, pursuant to Section 2.9. At the time of such oral notice, such person shall state whether the Borrower elects to make such proposed prepayment on such terms. If the Borrower so elects to make such prepayment, the notice of prepayment given by the Borrower shall be irrevocable and the entire outstanding principal amount of the Term Loan, together with such accrued interest and any such additional sum payable pursuant to Section 2.9, shall become due and payable on the specified prepayment date. The Bank may, but shall not be obligated to, provide written confirmation of such election to the Borrower, but any failure of the Bank to provide such confirmation shall not affect the obligation of the Borrower to make such prepayment on the agreed terms.

2.5 Interest Payments. The Borrower shall pay interest to the Bank on the unpaid principal amount of the Term Loan, for the period commencing on the date such Term Loan is made until such Term Loan is paid in full, on each Interest Payment Date and at maturity (whether at stated maturity, by acceleration or otherwise), at the per annum rate of six and forty-five one-hundredths percent (6.45%). Notwithstanding the foregoing, the Borrower shall pay interest on demand at the Overdue Rate on the outstanding principal amount of the Term Loan and any other amount payable by the Borrower hereunder (other than interest) which is not paid in full when due (whether at stated maturity, by acceleration or otherwise) for the period commencing on the due date thereof until the same is paid in full.

2.6 Payment Method. (a) All payments to be made by the Borrower hereunder will be made in Dollars and in immediately available funds to the Bank at its address set forth in Section 7.1 not later than 3:00 p.m. Detroit time on the date on which such payment shall become due. Payments received after 3:00 p.m. Detroit time shall be deemed to be payments made prior to 3:00 p.m. Detroit time on the next succeeding Business Day.

(b) At the time of making each such payment, the

Borrower shall, subject to the other terms and conditions of this Agreement, specify to the Bank that obligation of the Borrower hereunder to which such payment is to be applied. In the event that the Borrower fails to so specify the relevant obligation or if an Event of Default shall have occurred and be continuing, the Bank may apply such payments as it may determine in its sole discretion to obligations of the Borrower to the Bank arising under this Agreement.

2.7 No Setoff or Deduction. All payments of principal and interest on the Term Note and other amounts payable by the Borrower hereunder shall be made by the Borrower without setoff or counterclaim, and free and clear of, and without deduction or withholding for, or on account of, any present or future taxes, levies, imposts, duties, fees, or assessments imposed by any governmental authority, or by any department, agency or other political subdivision or taxing authority.

2.8 Payment on Non-Business Day; Payment Computations. Except as otherwise provided in this Agreement to the contrary, whenever any interest on the Term Loan or any other amount due hereunder becomes due and payable on a day which is not a Business Day, the maturity thereof shall be extended to the next succeeding Business Day. Computations of interest and other amounts due under this Agreement shall be made on the basis of a year of 360 days for the actual number of days elapsed, including the first day but excluding the last day of the relevant period.

2.9 Indemnification.

(a) In the event that the Borrower shall make any optional prepayment pursuant to Section 2.4 (b), the Borrower will pay to the Bank, if a positive number, and the Bank will pay to the Borrower, if a negative number, a prepayment indemnity equal to the amount determined in accordance with clause(c) below.

(b) In the event that the principal of, and accrued interest on, the Term Loan shall become due and payable prior to scheduled maturity under Section 6, the Borrower will pay to the Bank a prepayment indemnity equal to the amount, if a positive number, determined in accordance with clause (c) below.

(c) The amount payable by the Borrower pursuant to clauses (a) or (b) above, or by the Bank pursuant to clause (a) above, shall be the amount (expressed as a positive number) determined by the Bank in good faith to be necessary to preserve the economic equivalent of the yield anticipated to be earned by the Bank in connection with the Term Loan and

to compensate the Bank for any other losses and costs (including loss of bargain and loss of funding) that it may incur as a result of such prepayment or acceleration of, the Term Loan. If the Bank determines that it would gain or benefit from such occurrence, the Bank's loss will be an amount (expressed as a negative number) equal to the amount of the gain or benefit as determined by the Bank. Unless such quotations are not ascertainable, are not deemed by Bank to reasonably preserve such economic equivalent or the determination is being made due to an Event of Default specified in Section 6.1 (g), the amount payable by the Borrower or the Bank pursuant to this Section 2.9 shall be determined by the Bank on the basis of quotations obtained by the Bank in its discretion from one or more dealers or other counterparties in the interest rate swap market for an interest rate swap (i) with payment dates coincident with the Interest Payment Dates hereunder after the date of such occurrence, (ii) with a notional amount equal to the principal amount of the Term Loan scheduled to be outstanding after such date, and (iii) pursuant to which such dealer or other counterparty is the fixed rate payor and the Bank is the floating rate payor at the three-month London interbank offered rate.

(d) The parties agree that the amounts payable under this Section 2.9 are a reasonable pre-estimate of loss and not a penalty. Such amounts are payable for the loss of bargain and payment of such amounts shall not in any way reduce, affect or impair the obligations of the Borrower under this Agreement to pay the principal amount of, and interest on, the Term Loan. The Bank shall provide a certificate by an officer of the Bank to confirm the amounts payable under this Section 2.9 and such certificate of the Bank shall, in the absence of manifest error, constitute prima facie evidence of such amount payable under this Section 2.9.

2.10 Additional Costs. 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 with any request or directive regarding a 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 the Bank such additional amount or amounts as will compensate the Bank for such reduction. 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.

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SECTION 3
CONDITIONS OF LENDING

3.1 Conditions of Lending. The obligation of the Bank to make the 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:

- (a) receipt by the Bank of a duly executed Note;
- (b) that on the date the Term Loan is made no Default or Event of Default shall have occurred and be continuing;
- (c) that the representations and warranties contained in this Agreement shall be true on and as of the date of the Term Loan;
- (d) receipt by the Bank of an opinion of counsel to the Borrower as to the matters referred to in Sections 4.1, 4.2, 4.3, 4.5 and 4.8 hereof, and covering such other matters as the Bank may reasonably request, dated the date of the Loan, satisfactory in form and substance to the Bank;
- (e) 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 Loan hereunder and such other corporate documents and other papers as the Bank may reasonably request;
- (f) 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
- (g) 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.

The Borrower shall be deemed to have made a representation and warranty to the Bank at the time of the making of the Term Loan to the effects set forth in clauses (b) and (c) of this Section 3.

PAGE

SECTION 4
REPRESENTATIONS AND WARRANTIES

The Borrower hereby represents and warrants to the Bank that:

4.1 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.

4.2 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.

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

4.4 Financial Information.

(a) The consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as at December 31, 1994 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 Price Waterhouse, 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, 1994 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.

4.5 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 Note.

4.6 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.

4.7 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, 1987. 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.

4.8 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 5
COVENANTS

So long as the Term Loan shall be in effect, the Borrower agrees that:

5.1 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 Price Waterhouse 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 5.6 to 5.8, 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 the Term 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).

5.2 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.

5.3 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 5.10 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.

5.4 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.

5.5 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.

5.6 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.

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

5.8 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.

5.9 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;

(k) any Lien(s) on any asset of Quest & Associates, Inc., a Subsidiary of Borrower, created in connection with the August 1995 investment by Quest & Associates, Inc., in a portfolio of computer equipment leases; and

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

5.10 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.

5.11 Use of Proceeds. The proceeds of the Term Loan 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 the Term Loan hereunder a statement in conformity with the requirements of Federal Reserve Form U-1 referred to in Regulation U.

SECTION 6
EVENTS OF DEFAULT

6.1 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 Note when due or (ii) interest on any Note within four days after the same has become due; or

(b) the Borrower shall fail to observe or perform any covenant contained in Section 5.1(d) or Sections 5.6 to 5.8 or 5.10 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 5.4); 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 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, 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 7
MISCELLANEOUS

7.1 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 Vice President and General Counsel);

(b) if to the Bank, to it at 611 Woodward Avenue, Detroit, Michigan 48226; Attention: Carolyn J. Parks, National Division;

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

7.2 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 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.

7.3 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 5.10 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 the Loan. 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 which (i) reduces the principal of or rate of interest on the Loan or (ii) postpones the date fixed for any payment of principal of or interest on the Loan without the consent of the Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Section 2 with respect to its participating interest.

(c) No Participant or other transferee of the Bank's rights shall be entitled to receive any greater payment under Section 2 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.

7.4 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 the Term Loan 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.

7.5 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.

7.6 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.

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

PAGE

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of December 21, 1995.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By: ALAN M. FORSTER
Vice President & Treasurer

NBD Bank

By: CAROLYN J. PARKS
Vice President

NOTE

U.S. \$25,000,000

December 21, 1995
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 NBD BANK (the "Bank"), the principal sum of TWENTY-FIVE MILLION AND NO/100 United States Dollars (U.S. \$25,000,000.), plus all accrued and unpaid interest thereon. Principal shall be due and payable on December 21, 2002.

Interest shall be payable at the rate and on the dates provided 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 611 Woodward Avenue, Detroit, Michigan 48226, or at such other place as the holder hereof may designate.

This note is the Note referred to in the Credit Agreement dated as of December 21, 1995, 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 same meanings. Reference is made to the Credit Agreement for provisions prohibiting prepayment hereof and providing for the acceleration of the maturity hereof.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By: ALAN M. FORSTER

Title: VICE PRESIDENT AND TREASURER

THE INTERPUBLIC GROUP OF COMPANIES, INC.
 COMPUTATION OF EARNINGS PER SHARE
 (Dollars in Thousands Except Per Share Data)
 Year Ended December 31

	1995	1994	1993	1992	1991
PRIMARY:					
Net Income before effect of accounting changes	\$129,812	\$115,247	\$125,279	\$111,913	\$ 94,557
Effect of accounting changes	-	(21,780)	(512)	(24,640)	-
Add: Dividends paid net of related income tax applicable to the Restricted Stock Plan	427	349	311	365	282
Net income, as adjusted	\$130,239	\$ 93,816	\$125,078	\$ 87,638	\$ 94,839
Weighted average number of common shares outstanding		75,756,630	73,363,084	72,607,363	72,168,964
Weighted average number of incremental shares in connection with assumed exercise of stock options based on the treasury stock method using average market price	1,141,532	1,010,179	1,088,155	1,321,447	631,682
Weighted average number of incremental shares in connection with the Restricted Stock Plan based on the treasury stock method using average unamortized deferred compensation and average market price	1,281,910	1,197,182	1,520,003	1,484,207	1,788,296
Total	78,180,072	75,570,445	75,215,521	74,974,618	72,860,086
Primary earnings per common and common equivalent share	\$1.66	\$1.24	\$1.66	\$1.17	\$1.30

Restated to reflect the two-for-one stock split effected in June 1992 in the form of a 100% stock dividend.

THE INTERPUBLIC GROUP OF COMPANIES, INC.
 COMPUTATION OF EARNINGS PER SHARE
 (Dollars in Thousands Except Per Share Data)
 Year Ended December 31

	1995	1994	1993	1992	1991
FULLY DILUTED:					
Net Income before effect of accounting changes	\$ 129,812	\$ 115,247	\$ 125,279	\$ 111,913	\$ 94,557
Effect of accounting changes	-	(21,780)	(512)	(24,640)	-
After tax interest savings on assumed conversion of subordinated debentures	6,217	6,074	5,941	4,385	-
Add: Dividends paid net of related income tax applicable to the Restricted Stock Plan	461	366	330	375	308
Net income, as adjusted	\$ 136,490	\$ 99,907	\$ 131,038	\$ 92,033	\$ 94,865
Weighted average number of common shares outstanding	75,756,630	73,363,084	72,607,363	72,168,964	70,440,108
Assumed conversion of subordinated debentures	3,002,130	3,002,130	3,002,130	2,251,598	-
Weighted average number of incremental shares in connection with assumed exercise of stock options based on year-end market price when higher than average market prices and market prices on dates of exercise and termination	1,281,282	1,015,837	1,097,745	1,333,738	743,142
Weighted average number of incremental shares in connection with the Restricted Stock Plan based on ending unamortized deferred compensation and ending or average market price, whichever is higher	1,386,711	1,247,564	1,598,026	1,525,738	1,929,348
Total	81,426,753	78,628,615	78,305,264	77,280,038	73,112,598
Fully diluted earnings per common and common equivalent share	\$1.68	\$1.27	\$1.67	\$1.19	\$1.30

Restated to reflect the two-for-one stock split effected in June 1992 in the form of a 100% stock dividend.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

The Interpublic Group of Companies is one of the largest organizations of advertising agencies in the world. It includes the parent company, The Interpublic Group of Companies, Inc., McCann-Erickson Worldwide, Ammirati Puris Lintas, The Lowe Group, Western International Media and other affiliated companies. The Interpublic Group employs more than 19,000 people and maintains offices in over 100 countries.

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FINANCIAL HIGHLIGHTS

(Dollars in Thousands Except Per Share Data)

	1995	1994	Percent Increase (Decrease)	
Operating Data				
Gross income		\$ 2,179,739	\$ 1,984,255	9.9%
Income before effect of accounting change		129,812	115,247	12.6
Effect of accounting change:				
Postemployment benefits		-	(21,780)	-
Net Income		129,812	93,467	38.9
Per Share Data				
Income before effect of accounting change		1.66	1.53	8.5
Effect of accounting change:				
Postemployment benefits		-	(.29)	-
Net Income		1.66	1.24	33.9
Cash dividends	\$.605	.545	11.0
Weighted average number of shares		78,180,072	75,570,445	3.5
Financial Position				
Working capital	\$	147,701	80,134	84.3
Total assets		4,259,766	3,793,418	12.3
Stockholders' equity per share:				
Before effect of accounting change		9.42	8.64	9.0
After effect of accounting change	\$	9.42	8.36	12.7
Return on average stockholders' equity:				
Before effect of accounting change		18.4%	18.6%	(1.1)
After effect of accounting change		18.4%	15.5%	18.7%

Gross Income

1995	\$2,179,739		
1994	\$1,984,255	1992	\$1,855,971
1993	\$1,793,856	1991	\$1,677,498

Earnings Per Share

1995	\$ 1.66		
1994	\$ 1.53/1.24	1992	\$ 1.50/1.17
1993	\$ 1.67/1.66	1991	\$ 1.30

Cash Dividends Per Share

1995	\$.605		
1994	\$.545	1992	\$.45
1993	\$.49	1991	\$.41

Return On Average Stockholders' Equity

1995	18.4%		
1994	18.6/15.5%	1992	19.1/15.4%
1993	23.3/23.2%	1991	18.5%

Includes an after-tax charge of \$21,780,000 or \$.29 per share for the cumulative effect of accounting change, FAS 112, "Employers' Accounting for Postemployment Benefits".

Includes a charge of \$512,000 or \$.01 per share for the cumulative effect of accounting change, FAS 109, "Accounting for Income Taxes."

Includes an after-tax charge of \$24,640,000 or \$.33 per share for cumulative effect of accounting change, FAS 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions".

Note: All data are restated to reflect the two-for-one stock split effected in June 1992 in the form of a 100% stock dividend.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Liquidity and Capital Resources

Working capital increased by \$67.6 million in 1995, and decreased by \$87.0 million and \$57.4 million in 1994 and 1993, respectively. The increase in working capital in 1995 primarily resulted from the growth in the Company's business, and the long-term refinancing of short-term debt. The decline in working capital in 1994 and 1993 was primarily due to acquisitions. The ratio of current assets to current liabilities was approximately 1.1 to 1 in 1995, and approximately 1.0 to 1 in 1994 and 1993.

The Company's principal source of working capital during the three years has been from operations. The Company's solid financial position provides flexibility in obtaining short and long-term financing on competitive terms. The Company is not aware of any significant event or trend which would potentially affect its liquidity. In the event such a trend develops, The Company believes that there are sufficient funds available under the lines of credit and from internal cash-generating capabilities to adequately manage its liquidity requirements for the foreseeable future.

The principal use of the Company's working capital is to provide for the operating needs of its advertising agencies, which includes payments for space or time purchased from various media on behalf of clients. The Company's practice is to bill and collect from its clients in sufficient time to pay the amounts due media on a timely basis. Other uses of working capital include the repurchase of the Company's stock, payment of cash dividends, capital expenditures, and acquisitions.

During 1995, the Company acquired 1,910,555 shares (\$69.7 million) of its own common stock for purposes of fulfilling its obligations under various compensation plans. During 1994 and 1993, 1,264,761 shares (\$44.5 million) and 1,219,151 shares (\$37.2 million), respectively, were acquired for similar purposes. Quarterly dividends paid to shareholders increased to \$46.1 million (15.5 cents per share) in 1995 from \$40.4 million (14.0 cents per share) in 1994 and \$35.9 million (12.5 cents per share) in 1993.

The Company's capital expenditures in 1995 were \$69.6 million, an increase of 25% from 1994. Capital expenditures for 1994 were \$55.9 million, an increase of 38% from 1993. Additionally, the Company purchased a building and land in Frankfurt, Germany during 1993 for a purchase price of approximately \$41.5 million. The Company's capital expenditures are typically for furniture and fixtures, leasehold improvements and computer and telecommunications equipment.

The Company's domestic subsidiaries had credit lines aggregating \$199.5 million in 1995, \$203.5 million in 1994 and \$156.0 million in 1993. At December 31, 1995, \$36.2 million of these credit lines were utilized compared with utilization of \$11.5 million in 1994, and \$17.6 million in 1993. Subsidiaries outside the United States had credit lines totalling \$229.1 million in 1995, \$243.4 million in 1994, and \$205.7 million in 1993. At December 31, 1995, \$73.5 million of these credit lines were utilized compared with utilization of \$86.5 million in 1994, and \$93.0 million in 1993.

Approximately 57%, 59% and 66% of the Company's assets at December 31, 1995, 1994 and 1993, respectively, were outside the United States. Working capital

was not significantly affected by the fluctuation of foreign exchange rates during 1995, 1994 and 1993, but the continuation of this trend is dependent upon the future movement of the dollar in relation to foreign currencies. The Company hedges currency exposure to mitigate any negative effect on working capital.

During 1995, 1994 and 1993, the Company acquired several advertising agencies and related companies with funds provided by existing cash balances and shares of the Company's common stock. Some of these acquisitions provide for deferred payments which are contingent upon future revenues or profits of the companies acquired.

Return on average equity was 18.4%, 15.5% and 23.2% in 1995, 1994 and 1993, respectively. The return on average equity in 1995 excluding the effect of the write-down of goodwill and other related assets was 23.5%. The decrease in 1994 compared to 1993 is mainly due to the effects of adopting FAS 112, "Employers' Accounting for Postemployment Benefits" and restructuring charges. Excluding the effect of FAS 112, return on average equity was 18.6% in 1994.

The U.S. dollar weakened during 1995 and 1994, resulting in a credit to the cumulative translation adjustment account of approximately \$4.2 million and \$18.9 million, respectively. The overall strengthening of the U.S. dollar beginning in the latter part of 1992 and continuing into 1993 resulted in a charge of approximately \$26 million to the cumulative translation adjustment account in 1993.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

Worldwide income from commissions and fees increased 9.3% in 1995 and 10.2% in 1994 after a decrease of 3.6% in 1993. The increase in 1995 was primarily due to the acquisitions of Anderson & Lembke, and Bosch & Butz, coupled with net new business gains. The increase in 1994 was mainly attributable to the acquisitions of Western International Media and Ammirati & Puris. The decrease in 1993 was primarily due to the unfavorable effect of foreign exchange rates which had a negative impact on revenue of \$105.3 million.

Revenue from outside the United States increased \$136.4 million in 1995 and \$45.3 million in 1994. In 1993, revenue from outside the United States decreased by \$86.4 million. The decrease in 1993 was mainly due to the unfavorable effects of foreign exchange. Foreign revenue accounted for 64%, 64% and 67% of worldwide revenue in 1995, 1994 and 1993, respectively.

Commissions and fees from domestic operations increased 5.8% in 1995, 22.0% in 1994 and 3.9% in 1993. The increases in 1995, 1994 and 1993 were largely attributable to acquisitions of Anderson & Lembke coupled with net new business gains in 1995, Western International Media and Ammirati & Puris in 1994 and Scali, McCabe, Sloves in 1993.

Other income increased 26.6% in 1995, 25.5% in 1994 and 4.9% in 1993. The increase in 1995 is attributable to investment income from non-core activities. The 1994 and 1993 increases are primarily due to interest income from international operations.

Total costs and expenses worldwide increased 8% and 14% in 1995 and 1994, respectively, and decreased 5% in 1993. The 1995 increase is attributable to the write-down of goodwill and other related assets, and operating costs of acquired companies. The increase in 1994 is primarily due to restructuring charges and operating costs of acquired companies. A significant portion of the Company's expenses relate to compensation and various employee incentive and benefit programs which are based principally upon operating results. Costs and expenses outside the United States increased in 1995 primarily due to operating costs of acquired companies following decreases in 1994 and 1993. The decreases in 1994 and 1993 are attributable to the Company's continuing cost containment efforts. Domestic costs increased 6% in 1995, 29% in 1994 and 1% in 1993. The increases in 1995 and 1994, are mainly due to the operating costs of acquired companies.

The Company recorded restructuring charges of approximately \$48.7 million in the fourth quarter of 1994. The net effect of such charges on net income in 1994 was \$25.7 million or \$.34 per share. These restructuring charges, which were of a one-time nature, related principally to terminations and office consolidations resulting from the merger of the Lintas New York and Ammirati & Puris agencies and various other international offices. These charges have permitted the Company to operate effectively and efficiently in serving its growing list of clients and to concentrate its resources on creative talent and client service.

Restructuring charges included severance costs of \$38.3 million for involuntary terminations of approximately 600 employees. The Company realized a reduction of approximately \$18.2 million in salary costs in 1995 from these

terminations. As a direct result of the Lintas New York and Ammirati & Puris merger, the Company sold its Fahlgren Martin and GS&B operations, incurring charges of \$6.7 million. Other costs related to the consolidation of the Lintas New York and Ammirati & Puris agencies amounted to \$3.7 million.

At December 31, 1994, the liability related to these restructuring charges amounted to \$29.6 million, which consisted of \$27.6 million for severance and \$2.0 million for the consolidation of facilities. The amount of cash payments made during 1995 was approximately \$27.8 million. At December 31, 1995, the Company's liability related to these restructuring charges totalled \$1.3 million for severance, and is expected to be paid in the first quarter of 1996.

Interest expense increased 15.5% and 24.5% in 1995 and 1994 and decreased 20.4% in 1993. The increases in 1995 and 1994 are primarily attributable to increases in borrowings and interest rates. The decrease in 1993 was due to the effects of foreign exchange rates and the general decline in interest rates worldwide.

Equity in net income of unconsolidated affiliates increased in both 1995 and 1994 after a decrease in 1993. The 1995 increase was due to the Company's investment in Campbell Mithun Esty. The increase in 1994 resulted from the Company's investment in All American Communications Inc. The decrease in 1993 was mainly due to the consolidation of additional subsidiaries as a result of increased ownership. Income applicable to minority interests increased in 1995 after a decrease in 1994 and an increase in 1993. The increase in 1995 was primarily attributable to acquisitions.

The decrease in 1994 was attributable to the sale of Fremantle in 1994 and the purchase of the remaining interest in McCann Hakuodo, Inc. in the latter part of 1993.

In 1995, the Company wrote down goodwill and other related assets and recorded a charge of \$38.2 million or \$.49 per share. On January 1, 1994, the Company adopted FAS 112, "Employers' Accounting for Postemployment Benefits" and recorded a net charge of \$21.8 million or \$.29 per share.

The Company's effective income tax rates were 48.3% in 1995, 43.0% in 1994 and 43.1% in 1993. The increase in 1995 is primarily attributable to the impact of the write-down of goodwill and other related assets of \$38.2 million. The reduction in the effective rate from 1993 to 1994 is due to a decline in state and local taxes, partly offset by an increase in taxes in foreign jurisdictions. The Company changed its accounting for income taxes effective January 1, 1993, as required by FAS 109, "Accounting for Income Taxes". The impact of adoption was a \$.5 million reduction in net income in 1993.

FINANCIAL STATEMENTS
 THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
 CONSOLIDATED BALANCE SHEET
 DECEMBER 31

(Dollars in Thousands Except Per Share Data)

ASSETS	1995	1994
Current Assets:		
Cash and cash equivalents (includes certificates of deposit: 1995-\$114,182; 1994-\$151,341)	\$ 418,448	\$ 413,709
Marketable securities, at cost which approximates market	38,926	27,893
Receivables (net of allowance for doubtful accounts: 1995-\$21,941; 1994-\$22,656)	2,320,248	2,072,764
Expenditures billable to clients	108,165	104,787
Prepaid expenses and other current assets	88,611	56,154
Total current assets	2,974,398	2,675,307
Other Assets:		
Investment in unconsolidated affiliates	119,473	63,824
Deferred taxes on income	103,497	84,788
Other investments and miscellaneous assets	144,963	120,242
Total other assets	367,933	268,854
Fixed Assets, at cost:		
Land and buildings	76,813	73,370
Furniture and equipment	360,653	320,164
	437,466	393,534
Less accumulated depreciation	240,274	212,755
	197,192	180,779
Unamortized leasehold improvements	82,075	67,348
Total fixed assets	279,267	248,127
Intangible Assets (net of accumulated amortization: 1995-\$157,673; 1994-\$130,045)		
	638,168	601,130
Total Assets	\$4,259,766	\$3,793,418

The notes on pages 25 to 39 are an integral part of these statements.

FINANCIAL STATEMENTS
INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
DECEMBER 31

(Dollars in Thousands Except Per Share Data)

LIABILITIES AND STOCKHOLDERS' EQUITY	1995	1994
Current Liabilities:		
Payable to banks	\$ 162,524	\$ 128,529
Accounts payable	2,291,208	2,090,406
Accrued expenses	256,408	292,436
Accrued income taxes	116,557	83,802
Total current liabilities	2,826,697	2,595,173
Noncurrent Liabilities:		
Long-term debt	170,262	131,276
Convertible subordinated debentures	113,235	110,527
Deferred compensation and reserve for termination allowances	235,325	215,893
Accrued postretirement benefits	46,461	45,751
Other noncurrent liabilities	102,909	32,886
Minority interests in consolidated subsidiaries	15,171	12,485
Total noncurrent liabilities	683,363	548,818
Stockholders' Equity:		
Preferred Stock, no par value shares authorized: 20,000,000 shares issued: none		
Common Stock, \$.10 par value shares authorized: 150,000,000 shares issued: 1995 - 89,630,568; 1994 - 87,705,760	8,963	8,771
Additional paid-in capital	446,931	383,678
Retained earnings	704,946	619,627
Adjustment for minimum pension liability	(9,088)	(6,422)
Cumulative translation adjustment	(93,436)	(97,587)
Less:	1,058,316	908,067
Treasury stock, at cost: 1995 - 10,002,567 shares; 1994 - 10,001,680 shares	268,946	222,698
Unamortized expense of restricted stock grants	39,664	35,942
Total stockholders' equity	749,706	649,427
Commitments and Contingencies (see Note 15)		
Total Liabilities and Stockholders' Equity	\$4,259,766	\$3,793,418

FINANCIAL STATEMENTS
THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME
YEAR ENDED DECEMBER 31
(Dollars in Thousands Except Per Share Data)

	1995	1994	1993
Income:			
Commissions and fees	\$2,093,832	\$1,916,376	\$1,739,778
Other income	85,907	67,879	54,078
Gross income	2,179,739	1,984,255	1,793,856
Costs and Expenses:			
Salaries and related expenses	1,149,964	1,040,579	917,185
Office and general expenses	699,423	661,238	618,466
Interest expense	38,020	32,924	26,445
Write-down of goodwill and other related assets	38,177	-	-
Restructuring charges	-	48,715	-
Total costs and expenses	1,925,584	1,783,456	1,562,096
Income before provision for income taxes and effect of accounting changes	254,155	200,799	231,760
Provision for Income Taxes:			
United States - federal	40,900	26,816	29,277
- state and local	12,366	9,862	14,289
Foreign	69,477	49,655	56,253
Total provision for income taxes	122,743	86,333	99,819
Income of consolidated companies	131,412	114,466	131,941
Income applicable to minority interests	(7,686)	(3,262)	(7,606)
Equity in net income of unconsolidated affiliates	6,086	4,043	944
Income before effect of accounting changes	129,812	115,247	125,279
Effect of accounting changes:			
Postemployment benefits	-	(21,780)	-
Income taxes	-	-	(512)
Net Income	\$ 129,812	\$ 93,467	\$ 124,767
Per Share Data:			
Income before effect of accounting changes	\$ 1.66	\$ 1.53	\$ 1.67
Effect of accounting changes:			
Postemployment benefits	-	(.29)	-
Income taxes	-	-	(.01)
Net Income	\$ 1.66	\$ 1.24	\$ 1.66

The notes on pages 25 to 39 are an integral part of these statements.

FINANCIAL STATEMENTS
THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31

(Dollars in Thousands)

CASH FLOWS FROM OPERATING ACTIVITIES:	1995	1994	1993
Net Income	\$129,812	\$ 93,467	\$124,767
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and amortization of fixed assets	49,967	45,565	42,537
Amortization of intangible assets	27,628	18,335	18,730
Amortization of restricted stock awards	13,558	11,694	8,837
Provision for deferred income taxes	(18,535)	(16,609)	(524)
Equity in net income of unconsolidated affiliates	(6,086)	(4,043)	(944)
Income applicable to minority interests	7,686	3,262	7,606
Translation losses	4,071	13,962	15,513
Effect of accounting changes	-	21,780	512
Restructuring charges, non-cash	-	14,001	-
Write-down of goodwill and other related assets	38,177	-	-
Other	(9,526)	(8,272)	(7,647)
Change in assets and liabilities, net of acquisitions			
Receivables	(243,109)	(114,077)	(66,374)
Expenditures billable to clients	(2,107)	(2,120)	15,570
Prepaid expenses and other assets	(30,008)	3,207	(29,232)
Accounts payable and accrued expenses	182,580	192,600	59,363
Accrued income taxes	11,633	3,233	8,576
Deferred compensation and reserve for termination allowances	8,638	9,293	5,343
Net cash provided by operating activities	164,379	285,278	202,633
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisitions	(64,224)	(54,926)	(76,528)
Capital expenditures	(69,562)	(55,925)	(78,813)
Proceeds from sales of assets	1,722	34,057	1,513
(Net purchase of) net proceeds from sales of marketable securities	(8,524)	5,161	2,807
Investment in unconsolidated affiliates	(14,044)	-	(9,490)
Net cash used in investing activities	(154,632)	(71,633)	(160,511)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase (decrease) in short-term borrowings	17,565	(44,007)	35,467
Proceeds from long-term debt	67,858	33,026	42,409
Payments of long-term debt	(14,682)	(24,528)	(15,533)
Treasury stock acquired	(69,720)	(44,520)	(37,153)
Issuance of common stock	31,206	12,977	19,413
Cash dividends	(46,124)	(40,360)	(35,901)
Net cash (used in) provided by financing activities	(13,897)	(107,412)	8,702
Effect of exchange rates on cash and cash equivalents	8,889	15,208	(14,334)
Increase in cash and cash equivalents	4,739	121,441	36,490
Cash and cash equivalents at beginning of year	413,709	292,268	255,778
Cash and cash equivalents at end of year	\$418,448	\$413,709	\$292,268

The notes on pages 25 to 39 are an integral part of these statements.

FINANCIAL STATEMENTS
THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
For The Three-Year Period Ended December 31, 1995
(Dollars in Thousands)

	Common Stock	Additional Paid-In Capital	Retained Earnings	Minimum Pension Liability	Cumulative Translation Adjustment	Treasury Stock	Unamortized Expense of Restricted Stock Grants
Balances, December 31, 1994	\$8,771	\$383,678	\$619,627	\$(6,422)	\$(97,587)	\$222,698	\$35,942
Net income			129,812				
Cash dividends			(46,124)				
Foreign currency translation adjustment					4,151		
Awards of common stock under Company plans:							
Achievement Stock Award Plan		167				(98)	
1986 Stock Incentive Plan - Restricted Stock	50	18,256					18,306
Employee Stock Purchase Plan	15	5,073					
Exercise of stock options	127	28,849					
Purchase of Company's own stock						75,229	
Tax benefit relating to exercise of stock options		5,809					
Restricted Stock: Forfeitures						1,608	(1,026)
Amortization							(13,558)
Issuance of shares for acquisitions and poolings of interests		5,099	1,631			(30,491)	
Adjustment for minimum pension liability				(2,666)			
Balances, December 31, 1995	\$8,963	\$446,931	\$704,946	\$(9,088)	\$(93,436)	\$268,946	\$39,664

The notes on pages 25 to 39 are an integral part of these statements.

FINANCIAL STATEMENTS
THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
For The Three-Year Period Ended December 31, 1995
(Dollars in Thousands)

	Common Stock	Additional Paid-In Capital	Retained Earnings	Minimum Pension Liability	Cumulative Translation Adjustment	Treasury Stock	Unamortized Expense of Restricted Stock Grants
Balances, December 31, 1993	\$8,630	\$335,340	\$570,267	\$(704)	\$(116,432)	\$208,821	\$24,265
Net income before effect of accounting change			115,247				
Effect of accounting change			(21,780)				
Cash dividends			(40,360)				
Foreign currency translation adjustment					18,845		
Awards of common stock under Company plans:							
Achievement Stock Award Plan		209				(119)	
1986 Stock Incentive Plan - Restricted Stock	63	23,386				(1,749)	25,087
Employee Stock Purchase Plan	15	3,910					
Exercise of stock options	63	8,988					
Purchase of Company's own stock						44,520	
Tax benefit relating to exercise of stock options		2,923					
Restricted Stock: Forfeitures						2,283	(1,716)
Amortization							(11,694)
Issuance of shares for acquisitions and pooling of interests		8,922	(3,747)			(31,058)	
Adjustment for minimum pension liability				(5,718)			
Balances, December 31, 1994	\$8,771	\$383,678	\$619,627	\$(6,422)	\$(97,587)	\$222,698	\$35,942

FINANCIAL STATEMENTS
THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
FOR THE THREE-YEAR PERIOD ENDED DECEMBER 31, 1995
(Dollars in Thousands)

	Common Stock	Additional Paid-In Capital	Minimum Retained Earnings	Cumulative Pension Liability	Translation Adjustment	Treasury Stock	Unamortized Expense of Restricted Stock Grants
Balances, December 31, 1992	\$8,518	\$308,377	\$481,401	\$ -	\$(90,472)	\$169,374	\$27,280
Net income before effect of accounting change			125,279				
Effect of accounting change			(512)				
Cash dividends			(35,901)				
Foreign currency translation adjustment					(25,960)		
Awards of common stock under Company plans:							
Achievement Stock Award Plan		239				(96)	
1986 Stock Incentive Plan - Restricted Stock	14	6,548				(945)	7,507
Employee Stock Purchase Plan	17	4,359					
Exercise of stock options	81	12,303					
Purchase of Company's own stock						37,153	
Tax benefit relating to exercise of stock options		2,653					
Restricted Stock: Forfeitures						3,739	(1,685)
Amortization							(8,837)
Issuance of shares for acquisitions		861				(404)	
Adjustment for minimum pension liability				(704)			
Balances, December 31, 1993	\$8,630	\$335,340	\$570,267	\$(704)	\$(116,432)	\$208,821	\$24,265

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations: The Company is a worldwide provider of advertising agency and media services. This business is conducted through three advertising agency systems, (McCann-Erickson Worldwide, Ammirati Puris Lintas, and The Lowe Group) and Western International Media. The Company also offers advertising agency services through association arrangements with local agencies in various parts of the world. Other activities conducted by the Company within the area of "marketing communications" include market research, sales promotion, product development, direct marketing, telemarketing and other related services.

Principles of Consolidation: The consolidated financial statements include the accounts of the Company and its subsidiaries, most of which are wholly owned. The Company's investment in unconsolidated affiliates is carried on the equity basis.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Translation of Foreign Currencies: Balance sheet accounts are translated principally at rates of exchange prevailing at the end of the year except for fixed assets and related depreciation in countries with highly inflationary economies which are translated at rates in effect on dates of acquisition. Revenue and expense accounts are translated at average rates of exchange in effect during each year. Translation adjustments are included as a separate component of stockholders' equity except for countries with highly inflationary economies, which are included in current operations.

Commissions, Fees and Costs: Commissions and fees are generally recognized when media placements appear and production costs are incurred. Salaries and other agency costs are generally expensed as incurred.

Depreciation and Amortization: Depreciation is computed principally using the straight-line method over estimated useful lives of the related assets, ranging generally from 3 to 20 years for furniture and equipment and from 10 to 45 years for various component parts of buildings.

Leasehold improvements and rights are amortized over the terms of related leases. Company policy provides for the capitalization of all major expenditures for renewal and improvements and for current charges to income for repairs and maintenance.

Intangible Assets: The excess of purchase price over the value of net tangible assets acquired is amortized on a straight-line basis over periods not exceeding 40 years.

Recoverability of the carrying value of long-lived assets is evaluated whenever events or changes in circumstances indicate that the net book value may not be recoverable. If the sum of projected future undiscounted cash flows is less than the carrying value, an impairment loss is recognized. The impairment loss is measured by the excess of the carrying value over fair value based on estimated discounted future cash flows or other valuation measures.

Income Taxes: Deferred income taxes reflect the impact of temporary differences between the amount of assets and liabilities recognized for financial reporting purposes and such amounts recognized for income tax purposes. The total amount of undistributed earnings of foreign subsidiaries for income tax purposes was approximately \$278.0 million at December 31, 1995. No provision has been made for foreign withholding taxes or United States income taxes which may become payable if undistributed earnings of foreign subsidiaries were paid as dividends to the Company, since a major portion of these earnings has been reinvested in working capital and other business needs.

The additional taxes on that portion of undistributed earnings which is available for dividends are not practicably determinable.

Earnings per Common and Common Equivalent Share: Earnings per share are based on the weighted average number of common shares outstanding during each year and, if dilutive, common equivalent shares applicable to grants under the stock incentive and stock option plans, and assumed conversion of Convertible Subordinated Debentures.

Treasury Stock: Treasury stock is acquired at market value and is recorded at cost. Issuances are accounted for on a first in, first out basis.

Concentrations of Credit Risk: The Company's clients are in various businesses, located in North America, Latin America, Europe and the Pacific Region. The Company performs ongoing credit evaluations of its clients. Reserves for credit losses are maintained at levels considered adequate by management. The Company invests its excess cash in deposits with major banks and in money market securities. These securities typically mature within 90 days and bear minimal risk.

NOTE 2: STOCKHOLDERS' EQUITY

In May 1995, the Company's certificate of incorporation was amended to increase the number of authorized shares of common stock from 100,000,000 to 150,000,000.

In June 1992, a two-for-one stock split was effected by the payment of a 100 percent stock dividend. The number of shares of common stock reserved for issuance pursuant to various plans under which stock is issued was increased by 100 percent.

The Company has a Preferred Share Rights Plan designed to deter coercive takeover tactics. Pursuant to this plan, common stockholders are entitled to purchase 1/100 of a share of preferred stock at an exercise price of \$100 if a person or group acquires or commences a tender offer for 15% or more of Interpublic's Common Stock. Rights holders (other than the 15% stockholder) will also be entitled to buy, for the \$100 exercise price, shares of Interpublic's Common Stock with a market value of \$200 in the event a person or group actually acquires 15% or more of Interpublic's Common Stock. Rights may be redeemed at \$.01 per right under certain circumstances.

NOTE 3: ACQUISITIONS AND RELATED COSTS

During 1995, the Company acquired several advertising agencies and related companies for an aggregate purchase price of approximately \$140.1 million. This amount includes the acquisition of Anderson & Lembke effective October 1995 for 587,842 shares of the Company's common stock in exchange for all the issued and outstanding common stock of Anderson & Lembke. The Company issued 260,756 shares of the Company's common stock in exchange for all the issued and outstanding common stock of Addison Whitney. These acquisitions were accounted for as poolings of interests; however, the Company's financial statements were not restated for the prior periods as the Company's consolidated results would not have changed significantly. In addition, the Company acquired all the outstanding stock of Hasan & Partners for approximately \$11.6 million which included cash payments of \$6.9 million and the issuance of 121,160 shares of the Company's common stock. The Company acquired 80% of the outstanding stock of Bosch & Butz for 63,720 shares of the Company's common stock and a cash payment of \$2.6 million. During 1995, the Company purchased Newspaper Services of America Inc. ("NSA") and Kevin Morley Marketing ("KMM"). The purchase price for NSA was comprised of cash payments of \$5.3 million and 48,882 shares of the Company's common stock. The purchase price of the KMM acquisition amounted to cash payments of \$8.0 million. The Company acquired 50% ownership in Mark Goodson Productions for 656,167 shares of the Company's common stock. Also, the Company acquired 50% ownership in Campbell Mithun Esty for a cash payment of \$3.2 million. Additionally, the Company acquired a 28% interest in the CKS Group for cash payments totaling \$9.6 million. During 1995, the Company made deferred payments of \$26.9 million related to prior year acquisitions.

During 1994, the Company acquired several advertising agencies and related companies for an aggregate purchase price of approximately \$100.2 million. The 1994 acquisitions included Ammirati & Puris, Alice France, Adam Turkey, the minority interest in Fremantle International and a pooling of interests with Western International Media. The Company acquired Ammirati & Puris effective September 1994 for \$56.0 million, which included cash

payments of \$21.9 million and the issuance of \$1,092,629 shares of the Company's common stock. The Company acquired a 50% interest in Alice France for \$7.7 million. The Company purchased the remaining 20% ownership interest in Fremantle for \$6.3 million and the issuance of 112,000 shares of the Company's Common Stock. The Company subsequently sold Fremantle for \$31.5 million in cash and a 39% ownership interest in All American Communications Inc. valued at \$31.5 million. In 1994, the Company issued 1,472,393 shares of common stock in exchange for all the issued and outstanding common stock of Western International Media. This acquisition was accounted for as a pooling of interests; however, the Company's financial statements were not restated for prior periods as the Company's consolidated results would not have changed significantly. During 1994, the Company made deferred payments of \$18.3 million relating to prior year acquisitions.

During 1993, the Company acquired several advertising agencies and related companies for an aggregate purchase price of approximately \$88.6 million. The 1993 acquisitions included Scali, McCabe, Sloves, Inc., the minority interest in McCann-Erickson Hakuhodo, Inc. in Japan and an ownership interest in Atlantis Communications, Inc. The Company acquired Scali, McCabe, Sloves, Inc. effective September 1993 for \$49.1 million, which included cash payments of \$37.8 million, the issuance of 37,625 shares of the Company's Common Stock, and \$10.1 million for deferred payments, of which \$4.7 million and \$5.3 million were made in 1995 and 1994, respectively with the remaining payments to be made thereafter. The Company acquired the remaining 49% ownership interest in McCann-Erickson Hakuhodo, Inc. in Japan for \$23.6 million. The Company acquired a 20% interest in Atlantis Communications, Inc., a Canadian television production company, through cash payments, conversion of debt to equity and a transfer of Canadian programming rights for a total of approximately \$12.5 million. These acquisitions were accounted for as purchases. During 1993, the Company made deferred payments of \$15.4 million relating to prior year acquisitions.

For each of the three years presented, the Company's consolidated results would not have changed significantly had the revenue and net income of the companies acquired as purchases been fully included in each year.

In March 1995, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (FAS) No 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of", which establishes accounting standards for recognition and measurement of impairment of long-lived assets, certain identifiable intangibles and goodwill related to those assets. Although the statement is not required to be adopted until fiscal years beginning after December 15, 1995, the Company has carried out a review for impairment in accordance with the statement and, as encouraged in the statement, elected to adopt the statement in the fourth quarter of 1995.

In the fourth quarter of 1995, the Company recorded a non-cash charge of \$38.2 million for impairment of assets (including investments in and advances to certain unconsolidated companies) and related goodwill. This write-down is comprised of goodwill of \$25.8 million and investments and advances of \$12.4 million and is shown as the write-down of goodwill and other related assets in the consolidated statement of income.

The write-down related primarily to a number of advertising and promotion agencies, most of which are located in Europe. The amount of the write-down was based on the excess of the carrying value of the assets over the fair value of these operations based primarily on discounted projected cash flows. In determining the fair values, among other factors, management considered the profitability and trend in profitability of each of the units, the effects of economic recessions in various markets, changes in client relationships and spending patterns, the effects of the strong U.S. dollar versus certain foreign currencies and other economic and legal factors where applicable.

NOTE 4: PROVISION FOR INCOME TAXES

Effective January 1, 1993, the Company adopted FAS 109, "Accounting for Income Taxes". This Statement applies an asset and liability approach that requires the recognition of deferred tax assets and liabilities with respect to the expected future tax consequences of events that have been recognized in the consolidated financial statements and tax returns.

The components of income before taxes are as follows:

(Dollars in Thousands)	1995	1994	1993
Domestic	\$107,431	\$ 70,135	\$ 78,488
Foreign	146,724	130,664	153,272
Total	\$254,155	\$200,799	\$231,760

The provision for income taxes consisted of:

(Dollars in Thousands)	1995	1994	1993
Federal income taxes (including foreign withholding taxes):			
Current	\$ 37,149	\$ 29,657	\$ 28,071
Deferred	3,751	(2,841)	1,206
	40,900	26,816	29,277
State and local income taxes:			
Current	11,741	12,293	14,682
Deferred	625	(2,431)	(393)
	12,366	9,862	14,289
Foreign income taxes:			
Current	61,255	60,992	57,590
Deferred	8,222	(11,337)	(1,337)
	69,477	49,655	56,253
Total	\$122,743	\$ 86,333	\$ 99,819

At December 31, 1995 and 1994 the deferred tax assets and (liabilities) consisted of the following items:

	1995	1994
Postretirement/postemployment benefits	\$ 36,695	\$ 39,236
Deferred compensation	7,066	15,006
Pension costs	10,060	8,294
Depreciation	(4,695)	(1,775)
Rent	26,902	1,402
Interest	5,048	2,779
Accrued reserves	12,388	5,678
Tax loss/tax credit carryforwards	24,833	25,022
Other	4,279	9,195
Total deferred tax assets	122,576	104,837
Deferred tax valuation allowance	19,079	20,049
Net deferred tax assets	\$103,497	\$ 84,788

The valuation allowance of \$19,079,000 and \$20,049,000 at December 31, 1995 and 1994, respectively, represents a provision for uncertainty as to the realization of certain deferred tax assets, including U.S. tax credit carryforwards and net operating loss carryforwards in certain jurisdictions. At December 31, 1995, there were \$11,290,000 of tax credit carryforwards with expiration periods through 2000 and net operating loss carryforwards with a tax effect of \$13,543,000 with various expiration periods. The Company has concluded that based upon expected future results, it is more likely than not that the net deferred tax asset balance will be realized.

A reconciliation of the Company's effective income tax rate as shown in the consolidated statement of income to the federal statutory rate is as follows:

	1995	1994	1993
Statutory federal income tax rate	35.0%	35.0%	35.0%
State and local income taxes, net of federal income tax benefit	3.2	2.5	4.0
Impact of foreign operations, including withholding taxes	3.8	5.4	3.3
Goodwill and intangible assets	7.3	3.1	2.7
Other	(1.0)	(3.0)	(1.9)
Effective tax rate	48.3%	43.0%	43.1%

NOTE 5: LONG-TERM PERFORMANCE INCENTIVE PLAN

Under the Long-Term Performance Incentive Plan (the "Plan"), grants consisting of performance units are awarded to certain key employees of the Company and its subsidiaries. The ultimate value of these performance units is contingent upon the annual growth of profit (as defined in the Plan) of the Company, its operating components or both, over a four-year performance period (1993-1996 Plan and the 1995-1998 Plan), and is generally payable in cash. The projected value of these units is accrued by the Company and charged to expense over the four-year performance period.

The Plan also provides that a portion of each participant's grant may be issued as the equivalent of "phantom" shares of the Company's common stock, at the rate of thirty-six phantom shares for each performance unit. The value of phantom shares is a function of the amount, if any, by which the market value of the Company's common stock increases during the performance period and is payable either in cash or in shares of the Company's common stock. The increase in the value of these units is accrued and expensed over the four-year performance period. In addition, for the 1993-1996 Plan, amounts of cash equivalent to the quarterly dividends paid on the Company's common stock are paid to phantom share recipients and expensed pursuant to the provisions of the Plan.

The Plan cost charged to income was \$9.6 million in 1995, \$8.5 million in 1994 and \$10.0 million in 1993. As of December 31, 1995, the Company's liability was \$24.1 million, which represents the estimated amounts payable for the 1993-1996 and 1995-1998 performance periods.

The Company's liability for the 1991-1994 performance period was \$12.5 million as of December 31, 1994 and was paid in the first quarter of 1995.

NOTE 6: EMPLOYEE STOCK PLANS

The 1986 Stock Incentive Plan, 1986 United Kingdom Stock Option Plan and 1988 Stock Option Plan

The 1986 Stock Incentive Plan (the "Plan") incorporates both stock option and restricted stock award features. Under the Plan, 20,000,000 shares of common stock of the Company are reserved for issuance pursuant to the exercise of nonqualified stock options granted during the period ending May 20, 1996. Key employees of the Company and its subsidiaries are eligible to participate in the Plan. At December 31, 1995, there were unexercised options under the Plan for 6,204,571 shares of the Company's common stock.

Stock options under the Plan have been awarded by the Compensation Committee (the "Committee") at prices not less than 85 percent of the fair market value of the Company's common stock on the date each option is granted. Generally, stock options have been granted at 100% of market value on the date of grant. The options become exercisable on the basis of a schedule determined by the Committee. Those awarded prior to December 20, 1988 are generally exercisable in increments of 25 percent per year commencing on the first anniversary of the grant of the option. Awards issued on or after December 20, 1988 generally become exercisable in three annual installments of 40 percent in the first year and 30 percent in the succeeding two years, commencing on the third anniversary of the grant of the option. All options expire ten years from the grant date.

Shares of restricted stock awarded under the 1986 Stock Incentive Plan are subject to certain restrictions and vesting requirements. No monetary consideration is paid by a recipient for a restricted stock award. During 1995 and 1994, the Company awarded 497,228 shares and 810,517 shares, respectively.

The Company recognized expenses of approximately \$13.5 million, \$11.6 million and \$8.8 million for amortization related to all restricted awards in 1995, 1994 and 1993, respectively. At December 31, 1995, under the Plan 2,348,962 shares of restricted stock awarded under this Plan were outstanding. The cost of these shares is being amortized over the restriction periods. The Plan also authorizes the Committee to direct that discretionary tax assistance payments may be made to recipients when the restrictions lapse. Such payments are expensed as awarded.

The 1986 United Kingdom Stock Option Plan ("UK Plan") is similar to the stock option portion of the 1986 Stock Incentive Plan, except that the exercise price of options granted under the UK Plan may not be less than the fair market value of the Company's common stock at the date of grant. Stock options awarded under the UK Plan are included in the 20,000,000 share limit provided for in the 1986 Stock Incentive Plan. At December 31, 1995, there were unexercised options for 366,211 shares of the Company's common stock under the UK Plan.

Under the 1988 Stock Option Plan, the Company can grant, through 1998, options to purchase 600,000 shares of the Company's common stock to key employees employed outside the United States. Exercise requirements are similar to those under the 1986 Stock Incentive Plan; however, grants may be made at prices which are less than 85 percent of the fair market value of the Company's common stock on the date the option is granted. At December 31, 1995, there were unexercised options under the 1988 Stock Option Plan for 44,175 shares of the Company's common stock.

Under the IPG Outside Directors' Stock Option Plan, the Company can grant, through 2004, options to purchase 75,000 shares of the Company's common stock to outside directors who are not current employees. At December 31, 1995, there were unexercised options under this plan for 9,811 shares of the Company's Common Stock. Stock options under this plan are awarded at the fair market value of the Company's common stock on the date the option is granted, generally become exercisable three years after the date of grant and expire ten years from the date of grant.

Following is a summary of stock option transactions during the three-year period ended December 31, 1995:

	Number of Shares Under Option	Option Price Range Per Share		
Balances, December 31, 1992	7,136,722			
New Awards:				
1986 Stock Incentive Plan	667,820	\$21.463 - \$34.063		
1986 United Kingdom Stock Option Plan	33,720	28.688 - 31.938		
Exercised	(810,009)	6.951 - 24.172		
Cancelled	(301,033)	9.083 - 34.000		
Balances, December 31, 1993	6,727,220			
New Awards:				
1986 Stock Incentive Plan	342,658	24.756 - 34.250		
1986 United Kingdom Stock Option Plan*	39,020	31.125 - 32.750		
IPG Outside Directors Stock Option Plan*	5,646	31.875 - 31.875		
Exercised	(627,374)	6.951 - 28.688		
Cancelled	(397,028)	6.951 - 34.000		
Balances, December 31, 1994	6,090,142			
New Awards:				
1986 Stock Incentive Plan	1,910,442	32.063 - 40.500		
1986 United Kingdom Stock Option Plan	162,190	32.063 - 40.500		
IPG Outside Directors Stock Option Plan	4,165	36.000 - 36.000		
Exercised	(1,269,033)	6.951 - 34.000		
Cancelled	(273,138)	6.951 - 33.063		
Balances, December 31, 1995	6,624,768	6.951 - 40.500		
Exercisable, December 31, 1995	3,025,655	\$6.951 - \$40.500		

* Disaggregated for comparative purposes.

Under the Company's Achievement Stock Award Plan, awards may be made up to an aggregate of 1,248,000 shares of common stock together with cash awards to cover any applicable withholding taxes. As of December 31, 1995, 1,170,617 shares had been awarded, with 7,185 shares awarded during 1995.

The Employee Stock Purchase Plan (the "1995 Plan") was adopted by the stockholders, effective July 1, 1995. It replaced the 1985 Employee Stock Purchase Plan (the "1985 Plan") which was in effect from July 1, 1985 through June 30, 1995. The essential features of both the 1985 Plan and the 1995 Plan are the same. Employees may purchase common stock of the Company through one or more consecutive annual offerings. Employees may purchase common stock of the Company through payroll deductions not exceeding 10 percent of their compensation. The price an employee pays for a share of the Company's common stock is 85 percent of the average market price on the last business day of the month. During 1995, 158,547 shares were issued (69,953 shares under the 1985 Plan and 88,594 shares under the 1995 Plan). At December 31, 1995, an additional 5,911,406 shares were reserved for issuance under the 1995 Plan.

FAS 123, "Accounting for Stock-Based Compensation" is effective for financial statements for fiscal years beginning after December 15, 1995. The Company will adopt this Statement in 1996. As permitted by this Statement, the Company intends to continue to apply Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees", in accounting for its stock-based employee compensation arrangements. Accordingly, the adoption of FAS 123 will only impact the Company's disclosure requirements.

NOTE 7: RETIREMENT PLANS

Domestic Retirement Plan

The Company and certain of its domestic subsidiaries have a defined benefit plan ("Domestic Plan") which covers substantially all regular employees. The Company's policy is to fund pension costs as permitted by applicable tax regulations. Pension costs are determined by the projected unit credit method based upon career average pay. Funding requirements for the Domestic Plan are determined using the accrued benefit unit credit method. The Domestic Plan was amended as of January 1, 1992 to provide that pension benefits accrued after that date would be calculated under a new "cash balance" formula. Under the cash balance formula, the participant's account balance is credited each year with an amount equal to a percentage of that year's annual compensation, plus interest credits. Participants in the Domestic Plan on December 31, 1991 who continued to work for the Company after that date had their normal retirement benefits under the plan as of that date converted on an actuarial basis into an opening account balance as of January 1, 1992.

In accordance with FAS 87, "Employers' Accounting for Pensions", the Company recorded an additional minimum pension liability for the Domestic Plan of \$19.5 million and \$17.2 million at December 31, 1995 and 1994, respectively, representing the excess of unfunded accumulated benefit obligation over previously recorded pension cost liabilities. A corresponding amount was recognized as an intangible asset to the extent of unrecognized prior service cost and net transition obligation, with the balance recorded as a separate reduction of stockholders' equity. In 1995 and 1994, the Company recorded an intangible asset of \$10.5 million and \$10.8 million and a reduction charge to stockholders' equity of \$9.0 million and \$6.4 million, respectively.

Net pension costs for the Domestic Plan for 1995, 1994 and 1993 included the following components:

(Dollars in Thousands)	1995	1994*	1993*
Service cost-benefits earned during the year	\$ 3,322	\$ 3,688	\$ 3,735
Interest cost on projected benefit obligation	10,398	9,768	9,943
Actual return on plan assets	(20,622)	2,457	(10,831)
Amortization of unrecognized transition obligation - asset	1,887	1,887	1,887
Amortization of unrecognized prior service cost	(1,769)	(1,738)	(1,522)
Amortization of unrecognized losses	309	-	-
Deferred investment loss (gain)	10,874	(13,174)	685
Total pension cost	\$ 4,399	\$ 2,888	\$ 3,897

* Disaggregated Reclassified for comparative purposes.

The following table sets forth the funded status and amounts recognized for the Domestic Plan in the Company's consolidated balance sheet at December 31, 1995 and 1994:

(Dollars in Thousands)	1995	1994
Actuarial present value of accumulated benefit obligation (including vested benefits of \$124,701 in 1995 and \$112,251 in 1994)	\$127,964	\$115,675
Actuarial present value of projected benefit obligation	135,458	121,111
Plan assets at fair value	110,730	99,819
Projected benefit obligation in excess of plan assets	(24,728)	(21,292)
Unrecognized net losses	16,582	11,858
Unrecognized prior service cost	(867)	(2,411)
Unrecognized net transition obligation	11,324	13,211
Additional minimum liability	(19,545)	(17,222)
Accrued pension liability	\$(17,234)	\$(15,856)

At December 31, 1995, Domestic Plan assets were primarily invested in fixed income and equity securities. Prior service costs are being amortized over the estimated average remaining service period of active employees. The initial net transition obligation is being amortized over 15 years.

A discount rate of 7.25% in 1995, 8.5% in 1994 and 7.5% in 1993 and a salary increase assumption of 6% in 1995, 1994, and 1993 were used in determining the actuarial present value of the projected benefit obligation. The expected return on assets was 10% in 1995, 1994 and 1993.

Foreign Retirement Plans

The Company has several foreign pension plans in which benefits are based primarily on years of service and employee compensation. It is the Company's policy to fund these plans in accordance with local laws and income tax regulations.

Net pension costs for foreign pension plans for 1995, 1994 and 1993 included the following components:

(Dollars in Thousands)	1995	1994*	1993*
Service cost-benefits earned during the year	\$ 5,276	\$ 6,215	\$ 5,117
Interest cost on projected benefit obligation	11,054	9,726	10,204
Actual return on plan assets	(8,738)	5,109	(21,029)
Net amortization and deferral	1,372	(12,690)	13,604
Unrecognized net(gain)/loss	(1,367)	23	-
Other	-	59	339
Total pension cost	\$ 7,597	\$ 8,442	\$ 8,235

* Disaggregated for comparative purposes.

The following table sets forth the funded status and amounts recognized for the foreign pension plans in the Company's consolidated balance sheet at December 31, 1995 and 1994:

(Dollars in Thousands)	1995		1994	
	Assets Exceed Accumulated Benefits	Accumulated Benefits Exceed Assets	Assets Exceed Accumulated Benefits	Accumulated Benefits Exceed Assets
Actuarial present value of accumulated benefit obligation (including vested benefits of: 1995 - \$57,723 and \$70,747; 1994 - \$51,978 and \$69,315)	\$57,806	\$77,075	\$52,093	\$ 76,929
Actuarial present value of projected benefit obligation	64,974	89,844	58,949	87,499
Plan assets at fair value	103,438	11,440	87,998	10,047
Projected benefit obligation less than (in excess of) plan assets	38,464	(78,404)	29,049	(77,452)
Unrecognized net loss	(27,370)	(4,745)	(22,383)	(2,495)
Unrecognized prior service cost	4,174	46	4,944	-
Unrecognized net (asset)/obligation	(1,807)	7,171	(2,239)	8,746
Prepaid (accrued) pension cost at December 31, 1995 and 1994	\$13,461	\$(75,932)	\$ 9,371	\$(71,201)

Foreign plans utilized discount rates ranging from 5.5% to 12.0% and 4.0% to 12.0% in 1995 and 1994, respectively, and salary increase assumptions ranging from 2.0% to 10.0% in both 1995 and 1994, to determine the actuarial present value of the projected benefit obligation. The expected rates of return on assets of foreign plans ranged from 4.0% to 12.0% in 1995 and 5.5% to 12.0% in 1994.

The Company also has Special Deferred Benefit Arrangements with certain key employees. Vesting is based upon the age of the employee and the terms of the employee's contract. Life insurance contracts have been purchased in amounts which may be used to fund these arrangements.

NOTE 8: POSTRETIREMENT AND POSTEMPLOYMENT BENEFITS

Postretirement Benefit Plans

The Company and its subsidiaries provide certain postretirement health care benefits for employees who were in the employ of the Company as of January 1, 1988, and life insurance benefits for employees who were in the employ of the Company as of December 1, 1961. The plans cover employees in the United States and certain key employees in foreign countries. Effective January 1, 1993, the Company's plan covering postretirement medical benefits was amended to place a cap on annual benefits payable to retirees. Such coverage is self-insured, but is administered by an insurance company.

The Company accrues the expected cost of postretirement benefits other than pensions over the period in which the active employees become eligible for such postretirement benefits.

The components of periodic expense for these postretirement benefits for 1995 and 1994 were as follows:

(Dollars in Thousands)	1995	1994
Service cost - benefits earned during the year	\$ 583	\$ 653
Interest cost on accumulated postretirement benefit obligation	3,047	2,714
Amortization of prior service cost	(934)	(463)
Total periodic expense	\$2,696	\$2,904

The following table sets forth the funded status and amounts recognized for the Company's postretirement benefit plans in the consolidated balance sheet at December 31, 1995 and 1994:

(Dollars in Thousands)

	1995	1994*
Accumulated postretirement benefit obligation:		
Retirees	\$ 28,505	\$ 24,392
Fully eligible active plan participants	5,614	4,764
Other active plan participants	8,133	6,914
Total accumulated postretirement benefit obligation	42,252	36,070
Plan assets at fair value	-	-
Accumulated postretirement benefit obligation in excess of plan assets	(42,252)	(36,070)
Unrecognized net loss/(gain)	1,423	(3,115)
Unrecognized prior service cost	(5,632)	(6,566)
Accrued postretirement benefit liability	\$(46,461)	\$(45,751)

* Disaggregated for comparative purposes.

A discount rate of 7.25% in 1995 and 8.5% in 1994 and a salary increase assumption of 6% in both 1995 and 1994, were used in determining the accumulated postretirement benefit obligation. A 9.5% and a 11% increase in the cost of covered health care benefits were assumed for 1995 and 1994, respectively. This rate is assumed to decrease incrementally to 6% in the year 2002 and remain at that level thereafter. The health care cost trend rate assumption does not have a significant effect on the amounts reported. For example, a 1% increase in the health care cost trend rate would increase the accumulated postretirement benefit obligation at December 31, 1995 by approximately \$1.8 million, and the net periodic cost for 1995 by approximately \$.2 million.

Postemployment Benefits

Effective January 1, 1994, the Company adopted FAS 112, "Employer's Accounting for Postemployment Benefits", and recognized a one-time after-tax charge of \$21.8 million. This Statement requires the Company to accrue the costs of certain benefits, including severance, worker's compensation and health care coverage over an employee's service life.

The Company's liability for postemployment benefits totalled \$36.2 million and \$34.6 million at December 31, 1995 and 1994, respectively, and is included in deferred compensation and reserve for termination allowances. The net periodic expense recognized in 1995 and 1994 was \$8.8 million and \$5.9 million, respectively.

NOTE 9: SHORT-TERM BORROWINGS AND FINANCIAL INSTRUMENTS

The Company and its domestic subsidiaries have lines of credit with various banks. These credit lines permit borrowings at fluctuating interest rates determined by the banks. Short-term borrowings by subsidiaries outside the United States principally consist of drawings against bank overdraft facilities and lines of credit. These borrowings bear interest at the prevailing local rates. Where required, the Company has guaranteed the repayment of the borrowings. Unused lines of credit by the Company and its subsidiaries at December 31, 1995 and 1994 aggregated \$319 million and \$349 million, respectively. The weighted average interest rate on outstanding balances at December 31, 1995 was 8.4%. Included in payable to banks are current maturities of long-term debt.

The Company occasionally uses forwards and options to hedge a portion of its net investment in foreign subsidiaries and certain intercompany transactions in order to mitigate any impact of changes in foreign exchange rates on working capital. The amount of such hedges at the end of the year was not significant.

NOTE 10: LONG-TERM DEBT

Long-term debt at December 31 consisted of the following:

(Dollars in Thousands)	1995	1994
Convertible Subordinated Debentures - 3.75%	\$113,235	\$110,527
Term loans-5.5% to 14.0%. (5.5% to 14.0% in 1994)	158,333	106,667
Mortgage notes payable and other long-term loans- 7.5% to 9.0% (7.6% to 9.7% in 1994)	44,604	39,507
	316,172	256,701
Less: current portion	32,675	14,899
Long-term debt	\$283,497	\$241,802

The increase in long-term debt during 1995 primarily resulted from an additional private placement with the Prudential Insurance Company (Prudential) of \$25.0 million at 7.9%, and additional term loans of \$25.0 million at 6.5% with National Bank of Detroit and \$15.0 million at 7.8% with Trust Company Bank. This debt represents long-term refinancing of short-term debt.

The Convertible Subordinated Debentures were issued in April 1992 and mature on April 1, 2002 with a face value of \$135 million. The terms of the bond offering included an issuance price equal to 77% of the face value with a coupon of 3.75%. The debentures are convertible into common stock of the Company at a rate of 22.238 shares per each U.S. \$1,000 principal amount. Most of the proceeds were used to pay down existing debt.

Additional long-term debt at December 31, 1995 consisted of \$100 million of private placements with Prudential, \$30 million in term loans with National Bank of Detroit, \$23 million in term loans with Trust Company Bank and a \$5 million private placement loan with Massachusetts Mutual. The private placements with Prudential have payments due in 1996 through 1998 and 2002 through 2005. The other term loans have payments due in 1996 through 1998 and 2000 through 2002.

Mortgage notes payable and other long-term loans at December 31, 1995 primarily related to a \$38.4 million mortgage which was used to finance

the purchase of a building and land by one of the Company's subsidiaries during 1993. The terms of the mortgage call for payments of approximately \$.6 million from 1996-2001 with a balloon payment of \$34.7 million thereafter.

Under various loan agreements, the Company must maintain specified levels of net worth and meet certain cash flow requirements, and is limited in the level of indebtedness. The Company has complied with the limitations under the terms of these loan agreements.

Long-term debt maturing over the next five years is as follows: 1996: \$32.7 million; 1997: \$19.3 million; 1998: \$19.0 million; 1999: \$.7 million; and 2000: \$5.7 million. Of the remaining debt of \$233.7 million, \$199.0 million matures during the years 2001-2005 while \$34.7 million matures in subsequent years.

All material financial instruments are carried in the consolidated balance sheet at amounts which approximate fair values. The fair value was estimated by obtaining quotes from brokers.

NOTE 11: DISCLOSURES UNDER FAS 95

This Statement requires disclosures of specific cash payments and non-cash investing and financing activities. The Company considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

Cash paid for income taxes was \$80.8 million, \$67.1 million, \$78.5 million, in 1995, 1994 and 1993, respectively. Interest payments were \$25.0 million in 1995, \$23.0 million in 1994 and \$24.1 million in 1993.

As more fully described in Note 3, in 1995 the Company issued 587,842 and 260,756 shares of its common stock in exchange for all the issued and outstanding stock of Anderson & Lembke and Addison Whitney, respectively. Additionally, the Company issued in conjunction with the acquisitions of Hasan & Partners, Bosch & Butz, and Newspaper Services of America, Inc., 121,160, 63,720, and 48,882 shares of its common stock, respectively. In 1994, the Company issued 1,092,629 shares of its common stock in conjunction with the acquisition of Ammirati & Puris and a total of 1,472,393 shares of its common stock in connection with the pooling of interest with Western International Media. During 1993, the Company issued 37,625 shares in conjunction with the acquisition of Scali, McCabe, Sloves, Inc.

Details of businesses acquired in transaction accounted for as purchases were as follows:

(Dollars in Thousands)	1995	1994	1993
Fair value of assets acquired	\$ 73,142	\$163,423	\$172,166
Liabilities assumed	11,170	64,998	91,736
Net assets acquired	61,972	98,425	80,430
Less: non-cash consideration	9,637	38,525	1,135
Less: cash acquired	5,481	4,974	2,767
Net cash paid for acquisitions	\$ 46,854	\$ 54,926	\$ 76,528

The 1995 amounts shown above exclude deferred payments of \$3.2 million in connection with the acquisitions of various advertising agencies, which are payable in 1996 and thereafter, but includes \$26.9 million of deferred payments made during 1995 relating to various prior year acquisitions.

The 1994 amounts shown above exclude deferred payments of \$9.5 million in connection with the acquisition of various advertising agencies, which are payable in future years, but include \$18.3 million of deferred payments made during 1994 relating to various acquisitions. The 1993 amounts shown above exclude deferred payments of \$10.1 million in connection with the Scali, McCabe, Sloves, Inc. acquisition, which were paid in 1994 and 1995, but include \$15.4 million of deferred payments made during 1993 relating to various prior year acquisitions.

NOTE 12: RESULTS BY QUARTER (UNAUDITED)

(Dollars in Thousands Except Per Share Data)	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter	
	1995	1994	1995	1994	1995	1994	1995	1994
Gross income	\$460,420	\$420,962	\$557,154	\$497,505	\$492,486	\$440,508	\$669,679	\$625,280
Operating expenses	425,592	389,688	435,588	396,331	444,909	400,591	543,298	515,207
Restructuring charges	-	-	-	-	-	-	-	48,715
Write-down of goodwill and Other related assets	-	-	-	-	-	-	38,177	-
Provision for income taxes	11,567	10,367	47,390	39,268	15,953	14,279	47,833	22,419
Net income before effect of accounting change	15,176	12,990	63,768	54,099	22,181	17,404	28,687	30,754
Effect of accounting change: Postemployment benefits	-	(21,780)	-	-	-	-	-	-
Net income/(loss)	15,176	(8,790)	63,768	54,099	22,181	17,404	28,687	30,754
Per Share Data:								
Before effect of accounting change	.20	.17	.82	.72	.28	.23	.36	.40
Effect of accounting change: Postemployment benefits	-	(.29)	-	-	-	-	-	-
Net income/(loss)	.20	(.12)	.82	.72	.28	.23	.36	.40
Cash dividends per share	.140	.125	.155	.140	.155	.140	.155	.140
Price range per share:								
High	37 3/8	34	39	33	40	34 3/4	43 3/8	35 3/8
Low	\$32 3/8	\$29 5/8	\$35 1/4	\$27 7/8	\$36	\$30 1/2	\$37 3/8	\$29 1/2

NOTE 13: GEOGRAPHIC AREAS

Total assets, income from commissions and fees and income before provision for income taxes are presented below by major geographic area:

(Dollars in Thousands)	1995	1994	1993
Total Assets:			
United States	\$1,864,095	\$1,559,768	\$ 970,242
International			
Europe	1,554,283	1,372,466	1,133,057
Asia Pacific	515,219	560,965	457,444
Latin America	193,592	183,701	171,826
Other	132,577	116,518	137,248
Total International	2,395,671	2,233,650	1,899,575
Total Consolidated	\$4,259,766	\$3,793,418	\$2,869,817
Income From Commissions and Fees:			
United States	\$ 754,576	\$ 713,497	\$ 582,183
International			
Europe	837,006	719,881	710,386
Asia Pacific	281,961	268,124	242,255
Latin America	152,503	153,469	136,509
Other	67,786	61,405	68,445
Total International	1,339,256	1,202,879	1,157,595
Total Consolidated	\$2,093,832	\$1,916,376	\$1,739,778

(Dollars in Thousands)	1995	1994	1993
Income Before Provision for Income Taxes:			
Operating income:			
United States	\$ 131,194	\$ 88,208	\$ 94,475
International			
Europe	73,424	56,281	80,139
Asia Pacific	48,292	43,376	44,193
Latin America	31,626	40,975	34,021
Other	7,638	4,884	5,376
Total International	160,980	145,516	163,729
Items not allocated to operations, principally interest expense:			
United States	(23,763)	(18,073)	(15,987)
International	(14,256)	(14,852)	(10,457)
Total Consolidated	\$ 254,155	\$ 200,799	\$ 231,760

The largest client of the Company contributed approximately 11% in 1995, and 10% in both 1994 and 1993 to income from commissions and fees. The Company's second largest client contributed approximately 8% in both 1995 and 1994, and 10% in 1993 to income from commissions and fees.

Dividends received from foreign subsidiaries were \$31.8 million in 1995, \$43.6 million in 1994 and \$40.1 million in 1993. Net assets of foreign subsidiaries were approximately \$584 million, \$558 million and \$512 million at December 31, 1995, 1994 and 1993, respectively.

Consolidated net income includes losses from exchange and translation of foreign currencies of \$4.7 million, \$10.6 million and \$13.9 million in 1995, 1994 and 1993, respectively.

NOTE 14: RESTRUCTURING CHARGES

In the fourth quarter of 1994, the Company recorded restructuring charges of \$48.7 million in connection with the elimination of duplicate facilities and excess personnel resulting primarily from the merger of Lintas New York and Ammirati & Puris agencies and certain international offices. This amount included \$38.3 million of severance charges for involuntary terminations of approximately 600 employees, \$6.7 million related to the abandonment of operations and \$3.7 million for the consolidation of facilities. At December 31, 1995, the Company's liability related to these restructuring charges totalled \$1.3 million for severance, and is included in accrued expenses. The amount of cash payments made during 1995 was approximately \$27.8 million. The remaining liability is expected to be paid in the first quarter of 1996.

NOTE 15: COMMITMENTS AND CONTINGENT LIABILITIES

At December 31, 1995, the Company's subsidiaries operating outside the United States were contingently liable for discounted notes receivable of approximately \$12.0 million.

The Company and its subsidiaries lease certain facilities and equipment. Gross rental expense amounted to approximately \$164 million for 1995, \$141 million for 1994 and \$135 million for 1993, which was reduced by sublease income of \$19.5 million, \$10.8 million and \$15.4 million in 1995, 1994 and 1993, respectively. During 1995, the Company entered into a transaction whereby it acquired the leasing operations of a third party at a cost of approximately \$7 million. These leasing operations include equipment leased from the equipment owner (the "Owner"), which has in turn been leased to a third party (the "Sublessee"). Both leases are accounted for by the Company as operating leases. The Sublessee has prepaid \$46.6 million of its obligations under the sublease agreement. This prepayment is held in an interest-bearing escrow account and is to be used to meet the Company's lease obligations to the Owner. At December 31, 1995, the escrow amount of \$44.9 million is reflected in prepaid expenses and miscellaneous assets and the unearned sublease income amount of \$41.3 million is reflected in other noncurrent liabilities. The deferred tax asset attributable to the prepaid sublease obligation amounts to \$31.1 million at December 31, 1995.

Minimum rental commitments for the rental of office premises and equipment under noncancellable leases, some of which provide for rental adjustments due to increased property taxes and operating costs for 1995 and thereafter, are as follows:

(Dollars in Thousands)

Period	Gross Amount	Sublease Income
1996	\$143,464	\$25,659
1997	118,398	22,420
1998	93,087	12,580
1999	74,349	5,836
2000	68,366	4,664
2001 and thereafter	200,810	8,589

Certain of the Company's acquisition agreements provide for the payment by the Company of future contingent consideration based upon future revenues or profits of the companies acquired.

The Company and certain of its subsidiaries are party to various tax examinations, some of which have resulted in assessments. The Company intends to vigorously defend any and all assessments and believes that additional taxes (if any) that may ultimately result from the settlement of such assessments and open examinations would not have a material adverse effect on the consolidated financial statements.

1177 Avenue of the Americas
New York, New York 10036

To the Board of Directors and Stockholders of
The Interpublic Group of Companies, Inc.

February 13, 1996

In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of income, of stockholders' equity and of cash flows present fairly, in all material respects, the financial position of The Interpublic Group of Companies, Inc. and its subsidiaries (the "Company") at December 31, 1995 and 1994, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1995, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

As discussed in Notes 3, 8 and 4 to the consolidated financial statements, during 1995, the Company changed its method of accounting for long-lived assets in accordance with Statement of Financial Accounting Standards No. 121, effective January 1, 1994, the Company changed its method of accounting for postemployment benefits as required by Statement of Financial Accounting Standards No. 112, and effective January 1, 1993, the Company changed its method of accounting for income taxes as required by Statement of Financial Accounting Standards No. 109.

Price Waterhouse LLP

SELECTED FINANCIAL DATA FOR FIVE YEARS

(Dollars in Thousands Except Per Share Data)	1995	1994	1993	1992	1991
Operating Data					
Gross income	\$ 2,179,739	\$ 1,984,255	\$ 1,793,856	\$ 1,855,971	\$ 1,677,498
Operating expenses	1,849,387	1,701,817	1,535,651	1,615,592	1,458,716
Restructuring charges	-	48,715	-	-	-
Write-down of goodwill and other related assets	38,177	-	-	-	-
Interest expense	38,020	32,924	26,445	33,221	33,499
Provision for income taxes:					
United States - federal	40,900	26,816	29,277	23,719	24,740
- state and local	12,366	9,862	14,289	12,181	11,451
Foreign	69,477	49,655	56,253	55,435	51,493
Total provision for income taxes		122,743	86,333	99,819	91,335
Income before effect of accounting changes	129,812	115,247	125,279	111,913	94,557
Effect of accounting changes:					
Postemployment benefits	-	(21,780)	-	-	-
Income taxes	-	-	(512)	-	-
Postretirement benefits	-	-	-	(24,640)	-
Net Income	129,812	93,467	124,767	87,273	94,557
Cash dividends	46,124	40,360	35,901	32,483	29,265
Per Share Data					
Income before effect of accounting changes	1.66	1.53	1.67	1.50	1.30
Effect of accounting changes:					
Postemployment benefits	-	(.29)	-	-	-
Income taxes	-	-	(.01)	-	-
Postretirement benefits	-	-	-	(.33)	-
Net Income	1.66	1.24	1.66	1.17	1.30
Cash dividends	.605	.545	.49	.45	.41
Financial Position					
Working capital	147,701	80,134	167,175	224,534	178,004
Total assets	4,259,766	3,793,418	2,869,817	2,623,345	2,784,300
Long-term debt	283,497	241,803	226,085	200,237	170,458
Stockholders' equity per share	\$ 9.42	\$ 8.36	\$ 7.54	\$ 6.81	\$ 7.78
Other Data					
Weighted average number of shares	78,180,072	75,570,445	75,215,521	74,974,618	72,860,086
Number of employees	19,700	18,100	17,600	16,800	16,800

Reflects the cumulative effect of adopting FAS 112, "Employers' Accounting for Postemployment Benefits."
 <55> Reflects the cumulative effect of FAS 109, "Accounting for Income Taxes"
 Reflects the cumulative effect of FAS 106, "Employers' Accounting for Postretirement Benefits Other than Pensions"

Note: All data are restated to reflect the two-for-one stock split effected in June 1992 in the form of a 100% stock dividend.

REPORT OF MANAGEMENT

The financial statements, including the financial analyses and all other information in this Annual Report, were prepared by management, who is responsible for their integrity and objectivity. Management believes the financial statements, which require the use of certain estimates and judgements, reflect the Company's financial position and operating results in conformity with generally accepted accounting principles. All financial information in this Annual Report is consistent with the financial statements.

Management maintains a system of internal accounting controls which provides reasonable assurance that, in all material respects, assets are maintained and accounted for in accordance with management's authorization and transactions are recorded accurately in the books and records. To assure the effectiveness of the internal control system, the organizational structure provides for defined lines of responsibility and delegation of authority. The Company has formally stated and communicated policies requiring of employees high ethical standards in their conduct of its business. As a further enhancement of the above, the Company's comprehensive internal audit program is designed for continual evaluation of the adequacy and effectiveness of its internal controls and measures adherence to established policies and procedures.

The Audit Committee of the Board of Directors is comprised of three directors who are not employees of the Company. The Committee reviews audit plans, internal controls, financial reports and related matters, and meets regularly with management, internal auditors and independent accountants. The independent accountants and the internal auditors have free access to the Audit Committee, without management being present, to discuss the results of their audits or any other matters.

The independent accountants, Price Waterhouse LLP, are recommended by the Audit Committee of the Board of Directors and selected by the Board of Directors, and their appointment is ratified by the shareholders. The independent accountants have examined the financial statements of the Company and their opinion is presented on page 40.

NAME	JURISDICTION UNDER WHICH ORGANIZED	PERCENTAGE OF VOTING SECURITIES OWNED BY IMMEDIATE PARENT (%)	IMMEDIATE PARENT
Domestic:			
The Interpublic Group of Companies, Inc. (Registrant)	Delaware	-	-
Campbell Mithun Esty Inc.	Minnesota	50	Registrant
Casablanca Productions	California	100	Registrant
The Fulfillment House	California	100	Registrant
Dailey & Associates	California	100	Registrant
International Business Services, Inc.	California	100	Infoplan International, Inc.
NRG Vitamins	California	100	Registrant
North Light, Ltd.	California	100	Dailey & Associates
Radio Home Shopping Network	California	100	Registrant
Specialized Media/Marketing Services, Inc.	California	100	Registrant
Sports Call, Inc.	California	100	Registrant
Spotlink Incorporated	California	100	Registrant
Television Marketing Group, Inc.	California	100	Registrant
The Phillips-Ramsey Co.	California	100	Registrant
University Sports Connection	California	100	Registrant
US Yellow Pages, Inc.	California	100	Registrant
Western International Media Corporation	California	100	Registrant
Western International Entertainment Corporation	California	100	Registrant
Western International Premiums Corporation	California	100	Registrant
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Western International Syndication Corporation	California	100	Registrant
Western Media Associates, Inc.	California	100	Registrant
McCann-Erickson Event Marketing, Inc.	Colorado	100	McCann-Erickson USA, Inc.
Ammirati Puris Lintas Inc.	Delaware	100	Registrant
Asian Media Corporation	Delaware	100	Registrant
Asset Recovery Group, Inc.	Delaware	100	Registrant
Broadcast Audit Bureau	Delaware	100	Registrant
Business Science Research Corporation, Inc.	Delaware	100	Registrant
Healthcare Capital, Inc.	Delaware	100	McCann Healthcare, Inc.
Infoplan International, Inc.	Delaware	100	Registrant
Interpublic Television, Inc.	Delaware	100	Registrant
LFS, Inc.	Delaware	100	Registrant
Lintas Campbell-Ewald Company	Delaware	100	Registrant
Lintas USA, Inc.	Delaware	100	Registrant
Jack Tinker Advertising, Inc.	Delaware	100	Registrant
McCann-Erickson USA, Inc.	Delaware	100	Registrant
McCann-Erickson Corporation (International)	Delaware	100	Registrant
McCann-Erickson Corporation (S.A.)	Delaware	100	Registrant
McCann-Erickson (Paraguay) Co.	Delaware	100	Registrant
McCann-Erickson Worldwide, Inc.	Delaware	100	Registrant
McCann Healthcare, Inc.	Delaware	100	McCann-Erickson USA, Inc.
The Lowe Group, Inc.	Delaware	100	Deo Nederland B.V.
Time Machine, Inc.	Delaware	100	Registrant
Benito Advertising, Inc.	Florida	100	LFS, Inc.
Quest & Associates, Inc.	Kansas	100	Registrant
Adware Systems, Inc.	Kentucky	100	McCann-Erickson USA, Inc.
Lintas Marketing Communications, Inc.	Michigan	100	Registrant
Western International Media Corporation of Michigan	Michigan	100	Registrant
Interpublic, Inc.	New Jersey	100	Registrant
Ammirati & Puris, Inc.	New York	100	Registrant
McCann Direct, Inc.	New York	100	Registrant
Western International Media Corporation of New York	New York	100	Registrant

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The Gotham Group, Inc.	New York	100	Registrant
Momentum IMC Company	New York	100	Registrant
Lowe & Partners Inc.	New York	100	Lowe International Limited (80%) and Lowe Worldwide Holdings B.V. (20%)
LCF&L, Inc.	New York		The Lowe Group, Inc. (99.9%) and GDL, Inc. (.1%)
Goldschmidt Dunst & Lawson Corp.	New York	100	The Lowe Group, Inc.
GDL, Inc.	New York	100	The Lowe Group, Inc. (100% of Common Stock) and Goldschmidt Dunst & Lawson Corp. (100% of Preferred Stock)
Scali, McCabe, Sloves, Inc.	New York	100	Registrant
Long Haymes Carr Lintas, Inc.	North Carolina	100	Registrant
The Martin Agency, Inc.	Virginia	91	Scali, McCabe, Sloves, Inc.
Alan S. Newman Associates, Inc.	Virginia	100	The Martin Agency, Inc.
The Stenrich Group Inc.	Virginia	100	The Martin Agency, Inc.
Cabell Eanes, Inc.	Virginia	100	The Martin Agency, Inc.

FOREIGN:

Interpublic S.A. de Publicidad	Argentina	100	Registrant
Lintas Proprietary Limited	Australia (New South Wales)	100	Registrant
Lintas Communications Pty. Limited	Australia (New South Wales)	100	Lintas Proprietary Limited
Underline Design Group Pty. Limited	Australia	51	Lintas Communications Pty. Limited
McCann-Erickson Advertising Pty. Limited	Australia (New South Wales)	100	Registrant
Sales Communications International Pty. Limited	Australia (New South Wales)	100	McCann Erickson Advertising Pty. Ltd.
Merchant and Partners (Sydney) Pty. Ltd.	Australia	100	Merchant and Partners Australia Pty. Limited

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Merchant and Partners Australia Pty. Limited	Australia	100	Registrant
Lintas Melbourne Proprietary Limited	Australia (Victoria)	100	Lintas Proprietary Limited
Initiatives Media Werbemittlung Ges. m.b.H.	Austria	100	Lintas Werbeagentur Gesellschaft m.b.H.
Lintas Werbeagentur Gesellschaft m.b.H.	Austria	100	Registrant
McCann-Erickson Gesellschaft m.b.H.	Austria	100	Registrant
PCS Werbeagentur Ges. m.b.H.	Austria	100	Lintas Werbeagentur Gesellschaft m.b.H.
Campbell Ewald Werbeagentur Ges.m.b.H.	Austria	100	Lowe Worldwide Holdings B.V.
Initiative Media Brussels S.A.	Belgium	100	Lintas Brussels S.A. (96%) and Initiatives Media (a French corporation) (4%)
Programming Media International-PMI S.A.	Belgium	100	Registrant
Initiative Media International S.A.	Belgium	100	Lintas Holding B.V.
McCann-Erickson Co. S.A.	Belgium	100	Registrant
Lintas Brussels S.A.	Belgium	100	Lintas Holding B.V.
Universal Media, S.A.	Belgium	100	McCann Belgium (50%) Lowe Troost S.A. (50%)
A.C.E. Advertising Creation Marketing N.V.	Belgium	100	Lintas Brussels S.A.
De Roeck En Heering P.R. Consultants N.V.	Belgium	100	Lintas Brussels S.A.
Lowe Troost S.A.	Belgium	100	Lowe Worldwide Holdings B.V.
Direct Creations S.A.	Belgium	100	Lowe Troost S.A.
Triad Assurance Limited	Bermuda	100	Registrant
Interpublic Publicidade e Pesquisas Sociedade Limitada	Brazil	100	International Business Services, Inc.
McCann-Erickson Publicidade Ltda.	Brazil	100	Registrant
MPM Lintas Comunicacoes Ltda.	Brazil	98.75	Registrant
PPA Profissionais de Promocao Associados Ltda.	Brazil	100	MPM Lintas Comunicacoes Ltda.
Universal Publicidade Ltda	Brazil	100	Interpublic Publicidade E Pesquisas Sociedade Ltda.
Harrod & Mirlin, Inc.	Canada	100	Registrant (61.5%) and McCann-Erickson Advertising of Canada Ltd. (38.5%)
McCann-Erickson Advertising of Canada Ltd.	Canada (Federal)	100	Registrant
MacLaren Lintas Inc.	Canada (Federal)	100	Registrant
Promaction Corporation	Canada	100	McCann-Erickson Advertising of Canada

Lowe SMS Ltd.	Canada	100	Lowe Worldwide Holdings B.V. (43%) and Scali, McCabe, Sloves, Inc. (57%)
McCann-Erickson S.A. de Publicidad	Chile	100	Registrant
Lintas Chile S.A.	Chile	100	Lintas Holding B.V.
Harrison Publicidad De Colombia S.A.	Colombia	100	Registrant
McCann-Epoca S.A.	Colombia	60	Registrant
McCann-Erickson Centroamericana (Costa Rica) Ltda.	Costa Rica	100	Registrant
McCann-Erickson Zagreb	Croatia	100	McCann-Erickson International GmbH
McCann-Erickson Prague	Czech Republic	100	McCann-Erickson International GmbH
Lintas Praha Spol. s.r.o.	Czech Republic	100	Lintas Deutschland GmbH
Milvang/GR2 A/S	Denmark	100	Lintas Danmark A/S
Signatur APS	Denmark	100	Lintas Danmark A/S
Lintas Danmark A/S	Denmark	100	Lintas Holding B.V.
McCann-Erickson A/S	Denmark	100	Registrant
Pool Media International Aps	Denmark	100	Registrant
McCann-Erickson Dominicana, S.A.	Dominican Republic	100	Registrant
McCann-Erickson (Ecuador) Publicidad S.A.	Ecuador	96	McCann-Erickson Corporation (International)
McCann-Erickson Centro Americana (El Salvador) S.A.	El Salvador	100	Registrant
Artel Studios Limited	England	100	Stowe, Bowden, Wilson Limited
The Below the Line Agency Limited	England	100	Interpublic Limited
Bureau of Commercial Information Limited	England	100	Registrant
Bureau of Commercial Research Limited	England	100	Registrant
CM Lintas International Ltd.	England	100	Interpublic Limited
Epic (Events & Programming International Consultancy) Limited	England	100	Interpublic Limited
H.K. McCann Limited	England	100	McCann Erickson Advertising Limited
Initiative Media Limited	England	100	Interpublic Limited
Interpublic Limited	England	100	Registrant
Fieldplan Ltd.	England	100	Interpublic Limited

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Interpublic Pension Fund Trustee Company Limited	England	100	Interpublic Limited
Lintas International Limited	England	100	Interpublic Limited
Lintas Overseas Limited	England	100	Interpublic Limited
Lintas Superannuation Trustees Limited	England	100	Lintas International Limited
Talbot Television Limited	England	100	Fremantle International Inc.
Lintas W.A. Limited	England	100	Interpublic Limited
Still Price Court Twivy D'Souza Lintas Group Limited	England	100	Interpublic Limited
Still Price Court Twivy D'Souza Lintas Limited	England	100	Still Price Court Twivy D'Souza Lintas Group Limited
Initiative Media London Limited	England	99.5	Still Price Court Twivy D'Souza Lintas Group Limited
Brilliant Pictures Limited	England	100	Still Price Court Twivy D'Souza Lintas Group Limited
Lintas Supplementary Pension Trustees Limited	England	100	Lintas International Limited
Matter of Fact Communications Limited	England	100	McCann-Erickson Bristol Limited
Orkestra Ltd.	England	100	Interpublic Limited
Adware Systems Limited	England	100	Orkestra Limited
McCann Communications Limited	England	100	Interpublic Limited
McCann-Erickson Advertising Limited	England	100	Interpublic Limited
McCann-Erickson Bristol Limited	England	100	McCann-Erickson United Kingdom Limited
McCann-Erickson Central Limited	England	100	McCann-Erickson United Kingdom Limited
McCann-Erickson United Kingdom Limited	England	100	Interpublic Limited
McCann-Erickson Manchester Limited	England	100	McCann-Erickson United Kingdom Limited
McCann Properties Limited	England	100	McCann-Erickson United Kingdom Limited
The Howland Street Studio Ltd.	England	100	Interpublic Limited
Coachouse Ltd.	England	100	McCann-Erickson Manchester Limited
Salesdesk Limited	England	100	Orkestra Ltd.
Stowe, Bowden, Wilson Limited	England	100	McCann-Erickson United Kingdom Limited
Universal McCann Limited	England	100	Interpublic Limited
Lowe International Limited	England	100	Interpublic Limited
The Brompton Group Ltd.	England	100	Lowe International Limited
Brompton Advertising Ltd.	England	100	The Brompton Group Ltd.

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Brompton Promotions Ltd.	England	100	The Brompton Group Ltd.
Orbit International (1990) Ltd.	England	100	Low International Limited
Low Howard-Spink Ltd.	England	100	Low International Limited
International Poster Management Ltd.	England	100	Interpublic Limited
Tavistock Advertising Limited	England	100	Low International Limited
Allen Brady & Marsh Ltd.	England	100	Tavistock Advertising Limited
Poundhold Ltd.	England	100	Low International Limited
Colourwatch Ltd.	England	100	Low International Limited
Low Direct Limited	England	100	Low International Limited
S.C. Advertising (UK) Limited	England	100	Low International Limited
Colourwheel Limited	England	100	Lighthold Limited
Face Photosetting Ltd.	England	100	Smithfield Lease Limited
Smithfield Lease Limited	England	100	Low International Limited
Two Six Seven Limited	England	100	Low International Limited
Lighthold Limited	England	100	Low International Limited
ABM Kershaw Limited	England	100	Low International Limited
The Low Group Limited	England	100	Low International Limited
Gotham Limited	England	100	Low International Limited
The Results Machine Limited	England	100	Low International Limited
LHSB Management Services Ltd.	England	100	Low International Limited
Low & Howard-Spink Media Limited	England	100	Lighthold Limited
The Low Group Nominees Ltd.	England	100	Low International Limited
Hasan Oy	Finland	100	Registrant
Impulse International Oy	Finland	100	Lintas Oy
Lintas Oy	Finland	100	Lintas Holding B.V.
Lintas Make Direct Oy	Finland	100	Lintas Oy
Lintas Service Oy	Finland	100	Lintas Oy
Womana-Myynninvaudittajat Oy	Finland	100	Oy Liikemainonta-McCann AB
Oy Liikemainonta-McCann AB	Finland	100	Registrant
McCann-Pro Oy	Finland	100	Oy Liikemainonta-McCann AB
Mainostoinisto Womana - McCann Oy	Finland	100	Registrant
PMI - Mediaporssi Oy	Finland	66	Oy Liikemainonta-McCann AB (33%) and Lintas Oy (33%)
Low Brindfors Oy	Finland	100	Low Scandinavia AB

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Brindfors Production Oy	Finland	100	Lowe Brindfors Oy
E.C. Television/Paris, S.A.	France	100	France C.C.P.M.
France C.C.P.M.	France	100	Lintas Holding B.V.
Initiatives Media Paris	France	100	France C.C.P.M.
Initiative Media International S.A.	France	100	Lintas Holding B.V.
McCann Communications	France	75	McCann-Erickson (France)
McCann - Promotion S.A.	France	99.8	McCann-Erickson (France)
Lintas-Paris	France	100	France C.C.P.M.
McCann-Erickson (France)	France	100	Registrant
McCann-Erickson (Paris) S.A.	France	100	McCann-Erickson (France)
SP3 Conseil S.A.	France	100	SP3 S.A.
Creation Sarl	France	97.5	SP3 S.A.
Fab + S.A.	France	99.4	SP3 S.A.
Infernal Sarl	France	100	SP3 S.A.
SP3 Conseils Paris S.A.	France	99.8	SP3 S.A.
SP3 Lyon S.A.	France	95	SP3 S.A.
SP3 S.A.	France	100	McCann-Erickson (France)
Delacroix et Gervasi S.A.	France	100	SP3
McCann Rhone Alpes S.A.	France	100	McCann-Erickson (France)
Delacroix S.A.	France	60.1	McCann-Erickson (France)
Publi Media Service	France	50	Owned in quarters by McCann, Lintas agencies in France, Publicis and Idemedia
			France C.C.P.M.
Sprint S.A.	France	100	McCann-Erickson (France)
Universal Media S.A.	France	100	Lowe Worldwide Holdings B.V.
Lowe Alice S.A.	France	100	Scali, McCabe, Sloves, Inc.
Audour, Soum, Larue/Scali, McCabe, Sloves, S.A.	France	60	Vibalm S.A. France
Alice SNC France	France	50	Lintas Deutschland GmbH
Initiativ Media GmbH	Germany	100	Lintas Hamburg GmbH
Initiativ Verkaufsforderung GmbH	Germany	100	Registrant
Interpublic GmbH	Germany	100	McCann-Erickson Deutschland GmbH
Krakow McCann-Erickson GmbH	Germany	100	Registrant
Lintas Deutschland GmbH	Germany	100	Lintas Deutschland GmbH
Lintas Direct GmbH	Germany	100	

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Lintas Frankfurt GmbH	Germany	100	Lintas Hamburg GmbH
Lintas Hamburg GmbH	Germany	100	Lintas Deutschland GmbH
Lintas S Sales Communications GmbH	Germany	100	Lintas Deutschland GmbH
Max W.A. Kamer GmbH	Germany	100	Lintas Deutschland GmbH
Baader-Lang-Behnken GmbH	Germany	75	Lintas Deutschland GmbH
Creative Media Services GmbH	Germany	100	Lintas Deutschland GmbH
McCann Direct GmbH Agentur fuer Direktmarketing	Germany	100	McCann-Erickson Deutschland GmbH
McCann-Erickson (International) GmbH	Germany	100	Registrant
McCann-Erickson Deutschland GmbH	Germany	100	McCann-Erickson(International)GmbH
McCann-Erickson Scope GmbH	Germany	100	McCann-Erickson Deutschland GmbH
McCann-Erickson Frankfurt GmbH	Germany	100	McCann-Erickson Deutschland GmbH
McCann-Erickson Hamburg GmbH	Germany	100	McCann-Erickson Deutschland GmbH
McCann-Erickson Nurnberg GmbH	Germany	100	McCann-Erickson Deutschland GmbH
McCann-Erickson Service GmbH	Germany	100	McCann-Erickson Deutschland GmbH
McCann-Promotion GmbH	Germany	100	McCann-Erickson Deutschland GmbH
Universalcommunication Media Intensiv GmbH	Germany	100	Interpublic GmbH
McCann Healthcare Pharma Kommunikation GmbH	Germany	100	McCann-Erickson Deutschland GmbH
McCann-Erickson Management Property GmbH	Germany	100	McCann-Erickson Deutschland GmbH (80%) Interpublic GmbH (20%)
Typo-Wenz Artwork GmbH	Germany	100	Interpublic GmbH
Unterstuetzungskasse der H.K. McCann Company mbH	Germany	100	McCann-Erickson (International) GmbH
Lowe & Partners GmbH Dusseldorf	Germany	100	Lowe Worldwide Holdings B.V. (75%) and Registrant (25%)
Heinrich Hoffman & Partner GmbH	Germany	100	Lowe & Partners GmbH Frankfurt
Lowe & Partners GmbH Frankfurt	Germany	100	Lowe & Partners GmbH Dusseldorf
Adplus GmbH	Germany	100	Lowe & Partners GmbH Frankfurt
K&S Werbeagentur Marketing und Consulting GmbH	Germany	100	Adplus GmbH
Lowe & Partners GmbH Hamburg	Germany	100	Lowe & Partners GmbH Dusseldorf
Fremantle (Deutschland) Fernsehproduktions GmbH	Germany	100	Fremantle International, Inc. Registrant
McCann-Erickson (Hellas) E.P.E.	Greece	100	McCann-Erickson (International) GmbH
Universal Media Greece	Greece	100	Interpublic Limited
Lintas Worldwide Advertising (Hellas) L.L.C.	Greece	100	Fieldplan Limited
Sprint Advertising S.A.	Greece	51	

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Initiative Media Advertising S.A.	Greece	100	Fieldplan Limited
Fremantle Hellas	Greece	95	Talbot Television Limited
Publicidad McCann-Erickson Centroamericana (Guatemala), S.A.	Guatemala	100	Registrant
McCann-Erickson Centroamericana S. de R.L. (Honduras)	Honduras	100	Registrant
Interpublic (China) Limited	Hong Kong	100	Registrant
Lintas Hong Kong Limited	Hong Kong	100	Lintas Holding B.V.
Infoplan (Hong Kong) Limited	Hong Kong	100	McCann-Erickson (HK) Limited
McCann-Erickson (HK) Limited	Hong Kong	100	Registrant
McCann-Erickson Interpress International Advertising Agency Ltd.	Hungary	100	Registrant
Lintas Budapest Reklam es Marketing Kommunicacios Kft	Hungary	90	Lintas Deutschland GmbH
McCann-Erickson (India) Pvt.	India	60	McCann-Erickson Worldwide Inc.
Centro Media Planning-Buying-Booking S.r.l.	Italy	100	Lintas Milano S.p.A.
Harrison McCann S.r.l.	Italy	100	McCann-Erickson Italiana S.p.A.
Lintas Milano S.p.A.	Italy	100	Lintas Holding B.V.
McCann-Erickson Italiana S.p.A.	Italy	100	Registrant
McCann Marketing Communications S.p.A.	Italy	100	McCann-Erickson Italiana S.p.A.
Pool Media International (P.M.I.) S.r.l.	Italy	100	Registrant (95%) and Business Science Research Corp (5%)
Universal Media S.r.l.	Italy	100	McCann-Erickson Italiana S.p.A. (50%) Pirella Gottsche Lowe S.p.A. (50%)
Universal S.r.l.	Italy	100	McCann-Erickson Italiana S.p.A.
Pirella Gottsche Lowe S.p.A.	Italy	95	Lowe Worldwide Holdings B.V.
De Toffel & PG S.r.l.	Italy	100	Pirella Gottsche Lowe S.p.A.
Europa Immagine & Comunicazione Srl	Italy	90	Pirella Gottsche Lowe S.p.A.
Lintas - Abidjan	Ivory Coast	67	France C.C.P.M.
McCann-Erickson (Jamaica) Limited	Jamaica	100	Registrant
Hakuhodo Lintas K.K.	Japan	50	Registrant
McCann-Erickson Inc.	Japan	100	Registrant
Lintas Japan K.K.	Japan	100	Lintas Nederland B.V.
McCann-Erickson (Kenya) Limited	Kenya	73	Registrant

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McCann-Erickson (Malaysia) Sdn. Bhd.	Malaysia	100	Registrant
Mutiara-McCann (Malaysia) Sdn. Bhd.	Malaysia	83.50	Registrant
Lintas Worldwide (Malaysia) Sdn. Bhd.	Malaysia	100	Registrant
Initiative Media (M) Sdn. Bhd.	Malaysia	100	Lintas Worldwide (Malaysia) Sdn. Bhd.
Universal Communication Sdn. Bhd.	Malaysia	100	McCann-Erickson (Malaysia) Sdn. Bhd.
Lintas Direct S.A. de C.V.	Mexico	100	Registrant
Corporacion Interpublic Mexicana, S.A. de C.V.	Mexico	100	Registrant and Inversionistas Asociados, S.A. de C.V.
Inversionistas Asociados, S.A. de C.V.	Mexico	100	Registrant
Lintas Mexico S.A. de C.V.	Mexico	100	Registrant
Lintas Worldwide Namibia (Pty) Limited	Namibia	100	Fieldplan Ltd.
Data Gold B.V.	Netherlands	100	IPG Nederland B.V.
Initiative Media B.V.	Netherlands	100	Lintas Nederland B.V.
IPG Nederland B.V.	Netherlands	100	Registrant
Lintas Direct B.V.	Netherlands	80	Lintas Nederland B.V.
Lintas Holding B.V.	Netherlands	100	Registrant
Lintas Nederland B.V.	Netherlands	100	IPG Nederland B.V.
McCann-Direct B.V.	Netherlands	100	McCann-Erickson (Nederland) B.V.
McCann-Erickson (Nederland) B.V.	Netherlands	100	IPG Nederland B.V.
McCann-Erickson Industrieel B.V.	Netherlands	100	McCann-Erickson (Nederland) B.V.
P. Strating Promotion B.V.	Netherlands	100	IPG Nederland B.V.
Reclame-Adviesbureau Via B.V.	Netherlands	100	IPG Nederland B.V.
Programming Media International B.V.	Netherlands	100	Registrant
Universal Media B.V.	Netherlands	100	IPG Nederland B.V.
Zet Zet B.V.	Netherlands	100	Data Gold B.V.
Lowe Worldwide Holdings B.V.	Netherlands	100	Poundhold Ltd.
Lowe International Holdings B.V.	Netherlands	100	Registrant
Deo Nederland B.V.	Netherlands	100	Lowe Worldwide Holdings B.V.
Lowe Kuiper & Schouten B.V.	Netherlands	100	Lowe Worldwide Holdings B.V.
Lowe Europa B.V.	Netherlands	100	Lowe Worldwide Holdings B.V.
Lintas (NZ) Limited	New Zealand	100	Registrant
McCann-Erickson Limited	New Zealand	100	Registrant
Universal Media Limited	New Zealand	100	McCann-Erickson Limited
McCann-Erickson Belfast Limited	Northern Ireland	100	McCann-Erickson United Kingdom Limited

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McCann-Erickson A/S	Norway	100	Registrant
Universal Media A/S	Norway	100	McCann-Erickson A/S
McCann Production A/S	Norway	100	McCann-Erickson A/S
JBR Reklamebyra A/S	Norway	100	McCann-Erickson A/S
JBR Filialen A/S	Norway	100	JBR Reklamebyra A/S
JBR Film A/S	Norway	100	JBR Reklamebyra A/S
JBR Invest A/S	Norway	100	JBR Reklamebyra A/S
Lowe Brindfors A/S	Norway	100	Lowe Scandinavia AB
McCann-Erickson de Panama, S.A.	Panama	100	Registrant
Universal Ideas S.A.	Panama	100	McCann-Erickson de Panama, S.A.
Conte/McCann-Erickson de Panama S.A.	Panama	51	McCann-Erickson de Panama, S.A.
McCann-Erickson (Paraguay) Company	Paraguay	100	McCann-Erickson (Paraguay) Co. (Delaware)
McCann-Erickson Guangming Advertising Limited	People's Republic of China	51	McCann-Erickson Worldwide
McCann-Erickson Corporacion Publicidad S.A.	Peru	100	Registrant
McCann Group of Companies, Inc.	Philippines	100	Registrant
ITI McCann-Erickson International Advertising	Poland	50	McCann-Erickson International GmbH
Lintas Warszawa	Poland	100	Lintas Deutschland GmbH
Lintas, Agencia Internacional de Publicidade, Ltda.	Portugal	100	Lintas Holding B.V.
Iniciativas De Meios-Actividades Publicitarias, Limitada	Portugal	98	Lintas, Agencia Internacional de Publicidade, Ltda.
McCann-Erickson/Portugal Limitada	Portugal	100	Business Science Research Corporation
Universal Media Publicidade, Limitada	Portugal	100	McCann-Erickson/Portugal Limitada
Lowe Portuguesa Publicidade a Estudios de Mercado, S.A.	Portugal	100	Lowe Worldwide Holdings B.V.
Fremantle Portugal, Producoes Televisas, LDA	Portugal	100	Talbot Television Limited (95%) and
Lintas Puerto Rico, Inc.	Puerto Rico	100	Lintas, Inc.
McCann-Erickson, Limited	Republic of Ireland	100	Registrant
McCann-Erickson Moscow	Russia	100	McCann-Erickson International GmbH
McCann-Erickson Scotland Limited	Scotland	100	McCann-Erickson United Kingdom Limited
McCann-Erickson (Singapore) Private Limited	Singapore	100	Registrant

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Lintas Worldwide (Singapore) Private Limited	Singapore	100	Registrant Fremantle International Inc. (5%) Registrant
McCann-Erickson South Africa (Pty.) Ltd. ("McCann Group")	South Africa	100	
McCann Cape Town (Proprietary) Limited	South Africa	100	McCann Group
McCann Durban (Proprietary) Limited	South Africa	100	McCann Group
McCann International (Proprietary) Limited	South Africa	100	McCann Group
Media Solutions (Proprietary) Limited	South Africa	100	McCann Group
Universal Media (Proprietary) Limited	South Africa	100	McCann Group
McCannix Proprietary Limited	South Africa	100	McCann-Erickson Johannesburg (Proprietary) Limited
McCann South Africa Proprietary Limited	South Africa	100	McCann-Erickson Johannesburg (Proprietary) Limited
McCann-Erickson Johannesburg (Proprietary) Limited	South Africa	100	McCann-Erickson South Africa (Proprietary) Limited
Media Initiative (Proprietary) Limited	South Africa	100	Lintas (Proprietary) Limited
Lintas (Proprietary) Limited	South Africa	100	Lintas Holding B.V. (76%) Registrant (24%)
McCann-Erickson, Inc.	South Korea	51	McCann-Erickson Marketing, Inc.
Lintas Korea, Inc.	South Korea	100	Registrant
Clarín, S.A.	Spain	100	McCann-Erickson S.A.
Events & Programming International Consultancy, S.A. (EPIC)	Spain	100	Registrant
Cinestar S.A.	Spain	100	Clarín, S.A.
Encuadre S.A.	Spain	67	Clarín, S.A.
Iniciativas de Medios, S.A.	Spain	100	Lintas, S.A.
Lintas S.A.	Spain	100	Lintas Holding B.V.
McCann-Erickson S.A.	Spain	100	Registrant
McCann-Erickson Barcelona S.A.	Spain	100	Registrant
Pool Media International S.A.	Spain	100	Registrant
Universal Media S.A.	Spain	100	McCann-Erickson S.A.
Lowe Dospordos S.A.	Spain	83.7	Lowe Worldwide Holdings B.V.
Lowe RZR S.A.	Spain	80	Lowe International Holdings B.V.
Lowe MBAC S.A.	Spain	100	Lowe Worldwide Holdings B.V.

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Fremantle de Espana S.L.
AB Lintas Shoppen
McCann-Erickson AB
Lintas AB
Werne & Co. Annonbyra I Malmoe AB
Werne & Co. Annonbyra AB

Spain
Sweden
Sweden
Sweden
Sweden
Sweden

100
100
100
100
100
100

Fremantle International Inc.
Lintas AB
Registrant
Lintas Holding B.V.
McCann-Erickson AB
McCann-Erickson AB

Ronnberg & Co. A.B.	Sweden	100	McCann-Erickson AB
PMI Initiative Universal Media AB	Sweden	100	Lintas AB (50%)
			McCann-Erickson AB (50%)
Low Scandinavia AB	Sweden	100	Interpublic Svenska AB (66.9%) and Brindfors Intressenter Invest AB (33.1%)
Brindfors Intressenter Invest AB	Sweden	100	Interpublic Svenska AB
Interpublic Svenska AB	Sweden	100	Low International Holdings B.V.
Low Brindfors AB	Sweden	100	Low Scandinavia AB
Low Brindfors Annonsbyra AB	Sweden	100	Low Scandinavia AB
Boxer Film Produktion AB	Sweden	100	Low Scandinavia AB
Ulla Andersson Mediaaktiebolag	Sweden	85	Low Scandinavia AB
Message Mediaformedling AB	Sweden	100	Low Scandinavia AB
Boisen & Partners Annonsbyra AB	Sweden	100	Low Scandinavia AB
Bosch & Butz Werbeagenker	Switzerland	80	Low International Holdings B.V.
Lintas A.G.	Switzerland	100	Lintas Holding B.V.
Max W.A. Kamer AG	Switzerland	100	Lintas Deutschland GmbH
McCann-Erickson S.A.	Switzerland	100	Registrant
McCann-Erickson Services S.A.	Switzerland	100	Registrant
P.C.M. Marketing AG	Switzerland	100	Lintas Deutschland GmbH
Pool Media-PMI S.A.	Switzerland	100	Registrant
Unimedia S.A.	Switzerland	100	Registrant
Lintas Taiwan Limited	Taiwan	100	Registrant
McCann-Erickson Communications Group Co.Ltd.	Taiwan	100	Registrant
McCann-Erickson (Thailand) Ltd.	Thailand	100	Registrant

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Lintas (Thailand) Ltd.	Thailand	80	Registrant
Lintas Gulf Limited	Tortola	51	Lintas International Limited
McCann-Erickson (Trinidad) Limited	Trinidad	100	Registrant
PARS McCann-Erickson Reklamcilik A.S. ("PARS")	Turkey	100	Registrant
Link Ajams Limited Sirketi	Turkey	100	PARS
Universal Media Planlama Ve Dagitim	Turkey	100	PARS
McCann-Direct Reklam Tanitama Servisleri A.S.	Turkey	100	PARS
Grafika Lintas Reklamcilik A.S.	Turkey	51	Registrant
McCann-Erickson Publicidad De Venezuela, S.A.	Venezuela	99.67	Registrant
McCann-Erickson Payne, Golley Ltd.	Wales	75.9	McCann-Erickson United Kingdon Limited
Lintas (Private) Limited	Zimbabwe	85	Fieldplan Ltd.

A number of inactive subsidiaries and other subsidiaries, all of which considered in the aggregate as a single subsidiary would not constitute a significant subsidiary, are omitted from the above list.

These subsidiaries normally do business under their official corporate names. International Business Services, Inc. does business in Michigan under the name "McCann-I.B.S., Inc." and in New York under the name "McCann International Business Services". Lintas, Inc. conducts business through its Lintas New York division. McCann-Erickson conducts some of its business in the states of Kentucky and Michigan under the name "McGraphics". McCann-Erickson USA, Inc. does business in Michigan under the name SAS and does business in Indiana, Michigan, New York, Pennsylvania and Wisconsin under the name of McCann-Erickson Universal Group.

REPORT OF INDEPENDENT ACCOUNTANTS
ON FINANCIAL STATEMENT SCHEDULES

To the Board of Directors of
The Interpublic Group of Companies, Inc.

Our audits of the consolidated financial statements referred to in our report dated February 13, 1996 appearing in the 1995 Annual Report to Stockholders of The Interpublic Group of Companies, Inc. (which report and consolidated financial statements are incorporated by reference in this Annual Report on Form 10-K) also included an audit of the Financial Statement Schedules listed in Item 14 (a) of this Form 10-K. In our opinion, these Financial Statement Schedules present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

PRICE WATERHOUSE LLP
New York, New York
February 13, 1996

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 of The Interpublic Group of Companies, Inc. (the "Company"), of our report dated February 13, 1996, appearing in the 1995 Annual Report to Stockholders which is incorporated in this Annual Report on Form 10-K: Registration Statements No. 2-79071; No. 2-43811; No. 2-56269; No. 2-61346; No. 2-64338; No. 2-67560; No. 2-72093; No. 2-88165; No. 2-90878, No. 2-97440 and No. 33-28143, relating variously to the Stock Option Plan (1971), the Stock Option Plan (1981), the Stock Option Plan (1988) and the Achievement Stock Award Plan of the Company; Registration Statements No. 2-53544; No. 2-91564, No. 2-98324, No. 33-22008, No. 33-64062 and No. 33-61371, relating variously to the Employee Stock Purchase Plan (1975), the Employee Stock Purchase Plan (1985) and the Employee Stock Purchase Plan of the Company (1995); Registration Statements No. 33-20291 and No. 33-2830 relating to the Management Incentive Compensation Plan of the Company; Registration Statement No. 33-5352 and No. 33-21605 relating to the 1986 Stock Incentive Plan and 1986 United Kingdom Stock Option Plan of the Company; and Registration Statement No. 33-10087 and No. 33-25555 relating to the Long-Term Performance Incentive Plan of the Company. We hereby consent to the incorporation by reference in the Prospectus constituting part of the Registration Statement on Form S-3 (No. 33-37346) of the Interpublic Group of Companies, Inc. of our report dated February 13, 1996, appearing in the 1995 Annual Report to Stockholders which is incorporated in this Annual Report on Form 10-K. We also consent to the incorporation by reference of our report on the Financial Statement Schedules, which appears above.

PRICE WATERHOUSE LLP
New York, New York
March 28, 1996

KNOW ALL MEN BY THESE PRESENTS, that each individual whose signature appears below constitutes and appoints PHILIP H. GEIER, JR., EUGENE P. BEARD, JOSEPH STUDLEY and NICHOLAS J. CAMERA, and each of them, as true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution, for him, and in his name, place and stead, in any and all capacities, to sign the Report on Form 10-K for the year ended December 31, 1995, for The Interpublic Group of Companies, Inc., S.E.C. File No. 1-6686, and any and all amendments and supplements thereto and all other instruments necessary or desirable in connection therewith, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission and the New York Stock Exchange, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requested and necessary to be done in and about the premises as fully to all intents and purposes as he might do or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Dated: March 18, 1996

Philip H. Geier, Jr.

Martin F. Puris

Eugene P. Beard

Allen Questrom

Frank J. Borelli

J. Phillip Samper

John J. Dooner, Jr.

Joseph J. Sisco

Frank B. Lowe

Joseph Studley

Leif H. Olsen

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THE INTERPUBLIC GROUP OF COMPANIES, INC.

Certified Resolutions

I, Nicholas J. Camera, Secretary of The Interpublic Group of Companies, Inc. (the "Corporation"), hereby certify that the resolutions attached hereto were duly adopted on March 18, 1996 by the Board of Directors of the Corporation and that such resolutions have not been amended or revoked.

WITNESS my hand and the seal of the Corporation this 18th day of March, 1996.

Nicholas J. Camera

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THE INTERPUBLIC GROUP OF COMPANIES, INC.
MEETING OF THE BOARD OF DIRECTORS

Resolutions re Form 10-K

RESOLVED, that the Chairman of the Board and President and the Vice Chairman-Finance and Operations of the Corporation be, and each of them hereby is, authorized to execute and deliver on behalf of the Corporation an annual report on Form 10-K for the year ended December 31, 1995, in the form presented to this meeting with such changes therein as either of them with the advice of the General Counsel shall approve; and further

RESOLVED, that the Chairman of the Board and President in his capacity as Chief Executive Officer, the Vice Chairman-Finance and Operations in his capacity as Chief Financial Officer, and the Vice President and Controller in his capacity as Chief Accounting Officer of the Corporation be, and each of them hereby is, authorized to execute such annual report on Form 10-K; and further

RESOLVED, that the officers of the Corporation be, and each of them hereby is, authorized and directed to file such annual report on Form 10-K, with all the exhibits thereto and any other documents that may be necessary or desirable in connection therewith, after its execution by the foregoing officers and by a majority of this Board of Directors, with the Securities and Exchange Commission and the New York Stock Exchange; and further

RESOLVED, that the officers and directors of the Corporation who may be required to execute such annual report on Form 10-K be, and each of them hereby is, authorized to execute a power of attorney in the form submitted to this meeting appointing Philip H. Geier, Jr., Eugene P. Beard, Joseph Studley and Nicholas J. Camera, and each of them, severally, his or her true and lawful attorneys and agents to act in his or her name, place and stead, to execute said annual report on Form 10-K and any and all amendments and supplements thereto and all other instruments necessary or desirable in connection therewith; and further

RESOLVED, that the signature of any officer of the Corporation required by law to affix his signature to such annual report on Form 10-K or to any amendment or supplement thereto and such additional documents as they may deem necessary or advisable in connection therewith, may be affixed by said officer personally or by any attorney-in-fact duly constituted in writing by said officer to sign his name thereto; and further

RESOLVED, that the officers of the Corporation be, and each of them hereby is, authorized to execute such amendments or supplements to such annual report on Form 10-K and such additional documents as they may deem necessary or advisable in connection with any such amendment or supplement and to file the foregoing with the Securities and Exchange Commission and the New York Stock Exchange; and further

RESOLVED, that the officers of the Corporation be, and each of them hereby is, authorized to take such actions and to execute such other documents, agreements or instruments as may be necessary or desirable in connection with the foregoing.

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.

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YEAR			
	DEC-31-1995		
	DEC-31-1995		
		418,448	
		38,926	
		2,320,248	
		21,941	
		0	
	2,974,398		
		437,466	
		240,274	
		4,259,766	
	2,826,697		
		113,235	
	8,963		
		0	
		0	
		749,706	
4,259,766			
		0	
	2,179,739		
		0	
		1,925,584	
		0	
		0	
	38,020		
		254,155	
		122,743	
	129,812		
		0	
		0	
		0	
		129,812	
		1.66	
		0	