

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

FORM 8-K

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

Date of report (Date of earliest event reported): October 24, 2017

The Interpublic Group of Companies, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware

1-6686

13-1024020

(State or Other Jurisdiction
of Incorporation)

(Commission File
Number)

(IRS Employer
Identification No.)

909 Third Avenue, New York, New York

10022

(Address of Principal Executive Offices)

(Zip Code)

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

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On October 24, 2017, The Interpublic Group of Companies, Inc. (i) issued a press release, a copy of which is attached hereto as Exhibit 99.1 and incorporated by reference herein, announcing its results for the third quarter and first nine months of 2017, (ii) held a conference call to discuss the foregoing results and (iii) posted an investor presentation, a copy of which is attached hereto as Exhibit 99.2 and incorporated by reference herein, on its website in connection with the conference call.

Item 9.01. Financial Statements and Exhibits.

[Exhibit 99.1](#): Press release dated October 24, 2017 (furnished pursuant to Item 2.02)

[Exhibit 99.2](#): Investor presentation dated October 24, 2017 (furnished pursuant to Item 2.02)

SIGNATURES

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

Date: October 24, 2017

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By: /s/ Andrew Bonzani

Name: Andrew Bonzani

Title: Senior Vice President, General Counsel and Secretary



FOR IMMEDIATE RELEASE

New York, NY (October 24, 2017)

Interpublic Announces Third Quarter and First Nine Months 2017 Results

- *Third quarter reported revenue decrease of 1.0%, organic revenue increase of 0.5%, and organic revenue increase of 1.5% excluding the impact of lower pass-through revenue.*
- *In the U.S., third quarter organic revenue increase was 1.3% and was 2.0% excluding the impact of lower pass-through revenue.*
- *Third quarter operating income of \$219.1 million and operating margin of 11.5%.*
- *Third quarter diluted earnings per share of \$0.37, and \$0.31 as adjusted for below-the-line items, compared with \$0.32 and \$0.31 as adjusted a year ago.*
- *First nine months reported revenue decrease of 0.7%, organic revenue increase of 1.1%, and organic revenue increase of 1.6% excluding the impact of lower pass-through revenue.*
- *First nine months diluted earnings per share was \$0.66 and \$0.63 as adjusted for below-the-line items, compared with \$0.71 and \$0.66 as adjusted a year ago.*
- *Company's revised full-year 2017 operating targets are operating margin expansion of 40 basis points and organic revenue growth of 1-2%.*

Summary

Revenue

- Third quarter 2017 revenue decreased 1.0% to \$1.90 billion, compared to \$1.92 billion in the third quarter of 2016, with an organic revenue increase of 0.5% compared to the prior-year period. This was comprised of an organic increase of 1.3% in the U.S. and a decrease of 0.7% internationally. Excluding the impact of lower pass-through revenues, the organic revenue increase would have been 2.0% in the U.S. and 0.7% internationally.
- First nine months 2017 revenue decreased 0.7% to \$5.54 billion, compared to \$5.58 billion in the first nine months of 2016, with an organic revenue increase of 1.1% compared to the prior-year period. This was comprised of an organic increase of 1.6% in the U.S. and 0.4% internationally. Excluding the impact of lower pass-through revenues, the organic revenue increase would have been 1.9% in the U.S. and 1.2% internationally.
- Pass-through revenues are offset dollar-for-dollar in operating expenses. As a result, changes in pass-through revenues do not change operating profit.

Operating Results

- Operating income in the third quarter of 2017 was \$219.1 million, compared to \$208.0 million in 2016. Operating margin was 11.5% for the third quarter of 2017, compared to 10.8% in 2016.
- For the first nine months of 2017, operating income of \$455.3 million and operating margin of 8.2% remained constant compared to the same period in 2016.

Net Results

- Income tax provision in the third quarter of 2017 was \$42.5 million on income before income taxes of \$192.3 million.
- Third quarter 2017 net income available to IPG common stockholders was \$146.2 million, resulting in earnings of \$0.38 per basic share and \$0.37 per diluted share, and \$0.31 per adjusted diluted share. This compares to net income available to IPG common stockholders a year ago of \$128.6 million, resulting in earnings of \$0.32 per basic share and diluted share, and \$0.31 per adjusted diluted share.
- Income tax provision in the first nine months of 2017 was \$115.8 million on income before income taxes of \$377.2 million.
- First nine months 2017 net income available to IPG common stockholders was \$262.4 million, resulting in earnings of \$0.67 per basic share and \$0.66 per diluted share, and \$0.63 per adjusted diluted share. This compares to net income available to IPG common stockholders a year ago of \$290.9 million, resulting in earnings of \$0.73 per basic share and \$0.71 per diluted share, and \$0.66 per adjusted diluted share.
- For the three and nine months ended September 30, 2017, net income available to IPG common stockholders included \$31.2 million related to foreign tax credits from distributions of unremitted earnings and pre-tax net losses of \$8.7 million and \$20.9 million, respectively, on sales of businesses in "Other (expense) income, net". Excluding these items, our diluted earnings per share for the three and nine months ended September 30, 2017 would have been \$0.31 and \$0.63, respectively. Adjusted diluted earnings per share was \$0.31 and \$0.66 in the respective prior-year periods. Refer to reconciliations in the back for more detail.

"Results in the quarter reflect strong operating margin expansion, although organic revenue was negatively impacted by broader trends that are being felt throughout much of the industry. Our agencies and our talent across the portfolio remain among the best in their respective disciplines, which gives us confidence in the long-term competitiveness of our offerings, and our client-centric service model," said Michael I. Roth, Interpublic's Chairman and CEO. "Domestic performance in the quarter also demonstrates that the business is fundamentally sound in our largest geographic market. That said, client caution and the macro environment require that we adjust our outlook for this year, to margin expansion of 40 basis points, with one to two percent organic revenue growth. Combined with the strength of our balance sheet and our proven commitment to capital returns, delivering on these targets will allow us to enhance shareholder value," concluded Michael Roth.

Operating Results

Revenue

Revenue of \$1.90 billion in the third quarter of 2017 decreased 1.0% compared with the same period in 2016. During the quarter, the effect of foreign currency translation was positive 0.4%, the impact of net divestitures was negative 1.9%, and the resulting organic revenue increase was 0.5%. Excluding the decrease in organic pass-through revenue in the third quarter of 2017, the organic revenue increase would have been 1.5%.

Revenue of \$5.54 billion in the first nine months of 2017 decreased 0.7% compared with the same period in 2016. During the first nine months of 2017, the effect of foreign currency translation was negative 0.5%, the impact of net divestitures was negative 1.3%, and the resulting organic revenue increase was 1.1%. Excluding the decrease in organic pass-through revenue in the first nine months of 2017, the organic revenue increase would have been 1.6%.

Operating Expenses

During the third quarter of 2017, total operating expenses decreased 1.8% compared with revenue decrease of 1.0% from a year ago. For the first nine months of 2017, total operating expenses decreased 0.8% compared with a decrease in revenue of 0.7% from a year ago.

During the third quarter of 2017, salaries and related expenses remained constant at \$1.23 billion, compared to the same period in 2016. During the first nine months of 2017, salaries and related expenses were \$3.74 billion, an increase of 0.4% compared to the same period in 2016.

Staff cost ratio, which is total salaries and related expenses as a percentage of total revenue, was 64.5% in the third quarter of 2017 compared to 63.9% a year ago, and was 67.5% in the first nine months of 2017 compared to 66.8% in the same period in 2016.

During the third quarter of 2017, office and general expenses were \$455.9 million, a decrease of 6.2% compared to the same period in 2016. During the first nine months of 2017, office and general expenses were \$1.34 billion, a decrease of 4.0% compared to the same period in 2016.

Office and general expenses decreased to 24.0% of total revenue in the third quarter of 2017 compared to 25.3% a year ago, and also decreased to 24.3% in the first nine months of 2017 compared to 25.1% a year ago.

Non-Operating Results and Tax

Other expense of \$9.9 million in the third quarter of 2017 and \$24.5 million in the first nine months of 2017 is primarily related to net losses on sales of businesses and the classification of certain assets and liabilities as held for sale.

The income tax provision in the third quarter of 2017 was \$42.5 million on income before income taxes of \$192.3 million, compared to a provision of \$63.8 million on income before income taxes of \$196.3 million in the same period in 2016.

The income tax provision in the first nine months of 2017 was \$115.8 million on income before taxes of \$377.2 million, compared to a provision of \$91.9 million on income before income taxes of \$389.1 million in the same period in 2016.

Balance Sheet

At September 30, 2017, cash, cash equivalents and marketable securities totaled \$705.0 million, compared to \$1.10 billion at December 31, 2016 and \$894.6 million at September 30, 2016. Total debt was \$2.10 billion at September 30, 2017, compared to \$1.69 billion at December 31, 2016.

Share Repurchase Program and Common Stock Dividend

During the third quarter of 2017, the company repurchased 4.7 million shares of its common stock at an aggregate cost of \$101.0 million and an average price of \$21.69 per share, including fees. During the first nine months of 2017, the company repurchased 9.4 million shares of its common stock at an aggregate cost of \$216.0 million and an average price of \$22.92 per share, including fees.

During the third quarter of 2017, the company declared and paid a common stock cash dividend of \$0.18 per share, for a total of \$69.8 million.

For further information regarding the company's financial results as well as certain non-GAAP measures and the reconciliation thereof, please refer to pages 18 and 19 of the earnings materials filed on Form 8-K here with and available on our website, www.interpublic.com.

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About Interpublic

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

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Cautionary Statement

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

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

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

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

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED SUMMARY OF EARNINGS
THIRD QUARTER REPORT 2017 AND 2016
(Amounts in Millions except Per Share Data)
(UNAUDITED)

	Three Months Ended September 30,		
	2017	2016	Fav. (Unfav.) % Variance
Revenue:			
United States	\$ 1,156.0	\$ 1,165.9	(0.8)%
International	746.6	756.3	(1.3)%
Total Revenue	<u>1,902.6</u>	<u>1,922.2</u>	<u>(1.0)%</u>
Operating Expenses:			
Salaries and Related Expenses	1,227.6	1,228.0	0.0 %
Office and General Expenses	455.9	486.2	6.2 %
Total Operating Expenses	<u>1,683.5</u>	<u>1,714.2</u>	<u>1.8 %</u>
Operating Income	<u>219.1</u>	<u>208.0</u>	<u>5.3 %</u>
Operating Margin %	11.5%	10.8%	
Expenses and Other Income:			
Interest Expense	(21.0)	(21.7)	
Interest Income	4.1	4.7	
Other (Expense) Income, Net	(9.9)	5.3	
Total (Expenses) and Other Income	<u>(26.8)</u>	<u>(11.7)</u>	
Income Before Income Taxes	192.3	196.3	
Provision for Income Taxes	42.5	63.8	
Income of Consolidated Companies	<u>149.8</u>	<u>132.5</u>	
Equity in Net (Loss) Income of Unconsolidated Affiliates	(1.0)	0.2	
Net Income	<u>148.8</u>	<u>132.7</u>	
Net Income Attributable to Noncontrolling Interests	(2.6)	(4.1)	
Net Income Available to IPG Common Stockholders	<u>\$ 146.2</u>	<u>\$ 128.6</u>	
Earnings Per Share Available to IPG Common Stockholders:			
Basic	\$ 0.38	\$ 0.32	
Diluted	\$ 0.37	\$ 0.32	
Weighted-Average Number of Common Shares Outstanding:			
Basic	389.5	397.7	
Diluted	397.2	407.9	
Dividends Declared Per Common Share	\$ 0.18	\$ 0.15	

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED SUMMARY OF EARNINGS
THIRD QUARTER REPORT 2017 AND 2016
(Amounts in Millions except Per Share Data)
(UNAUDITED)

	Nine Months Ended September 30,		
	2017	2016	Fav. (Unfav.) % Variance
Revenue:			
United States	\$ 3,428.3	\$ 3,426.2	0.1 %
International	2,113.1	2,155.9	(2.0)%
Total Revenue	<u>5,541.4</u>	<u>5,582.1</u>	<u>(0.7)%</u>
Operating Expenses:			
Salaries and Related Expenses	3,742.3	3,726.3	(0.4)%
Office and General Expenses	1,343.8	1,400.5	4.0 %
Total Operating Expenses	<u>5,086.1</u>	<u>5,126.8</u>	<u>0.8 %</u>
Operating Income	<u>455.3</u>	<u>455.3</u>	<u>0.0 %</u>
Operating Margin %	8.2%	8.2%	
Expenses and Other Income:			
Interest Expense	(67.6)	(68.8)	
Interest Income	14.0	16.1	
Other Expense, Net	(24.5)	(13.5)	
Total (Expenses) and Other Income	<u>(78.1)</u>	<u>(66.2)</u>	
Income Before Income Taxes	377.2	389.1	
Provision for Income Taxes	115.8	91.9	
Income of Consolidated Companies	<u>261.4</u>	<u>297.2</u>	
Equity in Net Income (Loss) of Unconsolidated Affiliates	0.1	(1.6)	
Net Income	<u>261.5</u>	<u>295.6</u>	
Net Loss (Income) Attributable to Noncontrolling Interests	0.9	(4.7)	
Net Income Available to IPG Common Stockholders	<u>\$ 262.4</u>	<u>\$ 290.9</u>	
Earnings Per Share Available to IPG Common Stockholders:			
Basic	\$ 0.67	\$ 0.73	
Diluted	\$ 0.66	\$ 0.71	
Weighted-Average Number of Common Shares Outstanding:			
Basic	391.2	399.5	
Diluted	398.6	408.8	
Dividends Declared Per Common Share	\$ 0.54	\$ 0.45	

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

	Three Months Ended September 30, 2017			
	As Reported	Net Losses on Sales of Businesses ¹	U.S. Federal Tax Credits	Adjusted Results
Income Before Income Taxes	\$ 192.3	\$ (8.7)		\$ 201.0
Provision for Income Taxes	42.5	1.7	\$ 31.2	75.4
Effective Tax Rate	22.1%			37.5%
Equity in Net Loss of Unconsolidated Affiliates	(1.0)			(1.0)
Net Income Attributable to Noncontrolling Interests	(2.6)			(2.6)
Net Income Available to IPG Common Stockholders	\$ 146.2	\$ (7.0)	\$ 31.2	\$ 122.0
Weighted-Average Number of Common Shares Outstanding - Basic	389.5			389.5
Dilutive effect of stock options and restricted shares	7.7			7.7
Weighted-Average Number of Common Shares Outstanding - Diluted	397.2			397.2

Earnings Per Share Available to IPG Common Stockholders:

Basic	\$ 0.38	\$ (0.02)	\$ 0.08	\$ 0.31
Diluted	\$ 0.37	\$ (0.02)	\$ 0.08	\$ 0.31

¹ Includes losses on completed dispositions and the classification of certain assets as held for sale.

Note: Management believes the resulting comparisons provide useful supplemental data that, while not a substitute for GAAP measures, allow for greater transparency in the review of our financial and operational performance.

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

	Nine Months Ended September 30, 2017			
	As Reported	Net Losses on Sales of Businesses ¹	U.S. Federal Tax Credits	Adjusted Results
Income Before Income Taxes	\$ 377.2	\$ (20.9)		\$ 398.1
Provision for Income Taxes	115.8	1.7	\$ 31.2	148.7
Effective Tax Rate	30.7%			37.4%
Equity in Net Income of Unconsolidated Affiliates	0.1			0.1
Net Loss Attributable to Noncontrolling Interests	0.9			0.9
Net Income Available to IPG Common Stockholders	\$ 262.4	\$ (19.2)	\$ 31.2	\$ 250.4
Weighted-Average Number of Common Shares Outstanding - Basic	391.2			391.2
Dilutive effect of stock options and restricted shares	7.4			7.4
Weighted-Average Number of Common Shares Outstanding - Diluted	398.6			398.6
Earnings Per Share Available to IPG Common Stockholders:				
Basic	\$ 0.67	\$ (0.05)	\$ 0.08	\$ 0.64
Diluted	\$ 0.66	\$ (0.05)	\$ 0.08	\$ 0.63

¹ Includes losses on completed dispositions and the classification of certain assets as held for sale.

Note: Management believes the resulting comparisons provide useful supplemental data that, while not a substitute for GAAP measures, allow for greater transparency in the review of our financial and operational performance.

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

	Three Months Ended September 30, 2016		
	As Reported	Gain on Sale of Business	Adjusted Results ¹
Income Before Income Taxes	\$ 196.3	\$ 3.9	\$ 192.4
Provision for Income Taxes	63.8		63.8
Effective Tax Rate	32.5%		33.2%
Equity in Net Income of Unconsolidated Affiliates	0.2		0.2
Net Income Attributable to Noncontrolling Interests	(4.1)		(4.1)
Net Income Available to IPG Common Stockholders	\$ 128.6	\$ 3.9	\$ 124.7
Weighted-Average Number of Common Shares Outstanding - Basic	397.7		397.7
Dilutive effect of stock options and restricted shares	10.2		10.2
Weighted-Average Number of Common Shares Outstanding - Diluted	407.9		407.9
Earnings Per Share Available to IPG Common Stockholders:			
Basic	\$ 0.32	\$ 0.01	\$ 0.31
Diluted	\$ 0.32	\$ 0.01	\$ 0.31

¹ The effect of the adoption of the Financial Accounting Standards Board Accounting Standards Update 2016-09, which was previously included in this table in 2016, has now been removed as the effect of the adoption is reflected in both periods.

Note: Management believes the resulting comparisons provide useful supplemental data that, while not a substitute for GAAP measures, allow for greater transparency in the review of our financial and operational performance.

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

	Nine Months Ended September 30, 2016				
	As Reported	Net Losses on Sales of Businesses	Valuation Allowance Reversals	Settlement of Certain Tax Positions	Adjusted Results ¹
Income Before Income Taxes	\$ 389.1	\$ (16.1)			\$ 405.2
Provision for Income Taxes	91.9	0.4	\$ 12.2	\$ 23.4	127.9
Effective Tax Rate	23.6%				31.6%
Equity in Net Loss of Unconsolidated Affiliates	(1.6)				(1.6)
Net Income Attributable to Noncontrolling Interests	(4.7)				(4.7)
Net Income Available to IPG Common Stockholders	\$ 290.9	\$ (15.7)	\$ 12.2	\$ 23.4	\$ 271.0

Weighted-Average Number of Common Shares Outstanding - Basic	399.5				399.5
Dilutive effect of stock options and restricted shares	9.3				9.3
Weighted-Average Number of Common Shares Outstanding - Diluted	408.8				408.8

Earnings Per Share Available to IPG Common Stockholders:

Basic	\$ 0.73	\$ (0.04)	\$ 0.03	\$ 0.06	\$ 0.68
Diluted	\$ 0.71	\$ (0.04)	\$ 0.03	\$ 0.06	\$ 0.66

¹ The effect of the adoption of the Financial Accounting Standards Board Accounting Standards Update 2016-09, which was previously included in this table in 2016, has now been removed as the effect of the adoption is reflected in both periods.

Note: Management believes the resulting comparisons provide useful supplemental data that, while not a substitute for GAAP measures, allow for greater transparency in the review of our financial and operational performance.



Interpublic Group

THIRD QUARTER 2017 EARNINGS CONFERENCE CALL

October 24, 2017

Overview - Third Quarter 2017

- Total revenue change was -1.0%; organic revenue growth was +0.5%, and was +1.5% excluding the impact of lower pass-through revenue
 - U.S. organic growth was +1.3%, and was +2.0% excluding lower pass-through revenue
 - International organic change was -0.7%, and was +0.7% excluding lower pass-through revenue
- Operating income was \$219 million compared with \$208 million
- Operating margin was 11.5% compared with 10.8%, an increase of 70 basis points
- Diluted EPS was \$0.37, and was \$0.31 as adjusted for below-the-line items, compared with \$0.32 reported and \$0.31 adjusted diluted EPS in Q3-16

Operating Performance

	Three Months Ended September 30,	
	2017	2016
Revenue	\$ 1,902.6	\$ 1,922.2
Salaries and Related Expenses ⁽¹⁾	1,227.6	1,228.0
Office and General Expenses	455.9	486.2
Operating Income	219.1	208.0
Interest Expense	(21.0)	(21.7)
Interest Income	4.1	4.7
Other (Expense) Income, net ⁽¹⁾	(9.9)	5.3
Income Before Income Taxes	192.3	196.3
Provision for Income Taxes	42.5	63.8
Equity in Net (Loss) Income of Unconsolidated Affiliates	(1.0)	0.2
Net Income	148.8	132.7
Net Income Attributable to Noncontrolling Interests	(2.6)	(4.1)
Net Income Available to IPG Common Stockholders	\$ 146.2	\$ 128.6

Earnings per Share Available to IPG Common Stockholders:

Basic	\$ 0.38	\$ 0.32
Diluted	\$ 0.37	\$ 0.32

Weighted-Average Number of Common Shares Outstanding:

Basic	389.5	397.7
Diluted	397.2	407.9

Dividends Declared per Common Share

\$ 0.18	\$ 0.15
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(1) As part of the adoption of FASB ASU 2017-07, we have reclassified a portion of postretirement costs from Salaries and Related Expenses to Other (Expense) Income, net. The amounts reclassified were \$4.8 and \$0.8 for the three months ended September 30, 2017 and 2016, respectively.

Revenue

	Three Months Ended		Nine Months Ended	
	\$	% Change	\$	% Change
September 30, 2016	\$ 1,922.2		\$ 5,582.1	
Total change	(19.6)	(1.0%)	(40.7)	(0.7%)
Foreign currency	7.7	0.4%	(30.7)	(0.5%)
Net acquisitions/(divestitures)	(37.2)	(1.9%)	(73.8)	(1.3%)
Organic	9.9	0.5%	63.8	1.1%
Change in pass-throughs	(19.1)	(1.0%)	(27.2)	(0.5%)
Organic ex change in pass-throughs	29.0	1.5%	91.0	1.6%
September 30, 2017	\$ 1,902.6		\$ 5,541.4	

	Three Months Ended September 30,					Nine Months Ended September 30,				
			Change					Change		
	2017	2016	Total	Organic	Organic ex-PT	2017	2016	Total	Organic	Organic ex-PT
IAN	\$ 1,520.2	\$ 1,503.2	1.1%	2.0%	2.4%	\$ 4,465.6	\$ 4,453.3	0.3%	1.7%	2.0%
CMG	\$ 382.4	\$ 419.0	(8.7%)	(5.0%)	(1.7%)	\$ 1,075.8	\$ 1,128.8	(4.7%)	(1.2%)	0.1%

"ex-PT": excluding the organic change in our pass-through revenues, which are offset in our operating expenses.

Page 4 See reconciliations of segment organic revenue change on pages 18 and 19.

(\$ in Millions)



Geographic Revenue Change

	Three Months Ended September 30, 2017			Nine Months Ended September 30, 2017		
	Total	Organic	Organic ex-PT	Total	Organic	Organic ex-PT
United States	(0.8%)	1.3%	2.0%	0.1%	1.6%	1.9%
International	(1.3%)	(0.7%)	0.7%	(2.0%)	0.4%	1.2%
United Kingdom	1.4%	3.0%	8.1%	(4.7%)	1.7%	5.3%
Continental Europe	2.0%	0.4%	1.5%	(2.4%)	1.3%	1.8%
Asia Pacific	(1.8%)	(2.1%)	(2.2%)	(1.7%)	(1.9%)	(2.3%)
Latin America	(17.7%)	(9.9%)	(10.3%)	(7.1%)	(3.1%)	(3.3%)
All Other Markets	6.4%	3.4%	4.0%	6.4%	4.5%	4.5%
Worldwide	(1.0%)	0.5%	1.5%	(0.7%)	1.1%	1.6%

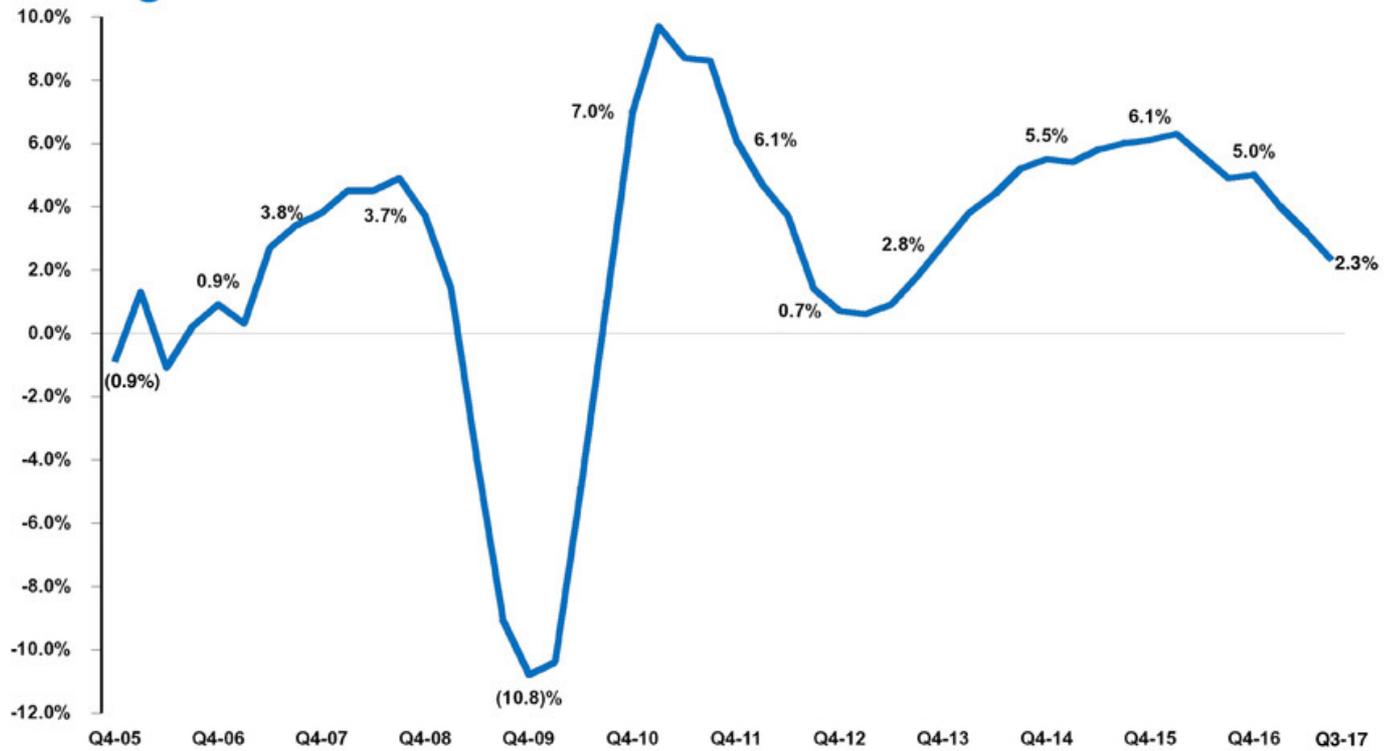
All Other Markets includes Canada, Africa and the Middle East.

Page 5 See reconciliations of organic revenue change on pages 18 and 19.



Organic Revenue Growth

Trailing Twelve Months



Operating Expenses

Salaries & Related

	2017	2016	Change		
			\$	Total	Organic
Three Months Ended September 30, <i>% of Revenue</i>	\$ 1,227.6 64.5%	\$ 1,228.0 63.9%	\$ (0.4)	0.0%	1.3%
Nine Months Ended September 30, <i>% of Revenue</i>	\$ 3,742.3 67.5%	\$ 3,726.3 66.8%	\$ 16.0	0.4%	2.4%

Office & General

	2017	2016	Change		
			\$	Total	Organic
Three Months Ended September 30, <i>% of Revenue</i>	\$ 455.9 24.0%	\$ 486.2 25.3%	\$ (30.3)	(6.2%)	(3.3%)
Nine Months Ended September 30, <i>% of Revenue</i>	\$ 1,343.8 24.3%	\$ 1,400.5 25.1%	\$ (56.7)	(4.0%)	(1.3%)

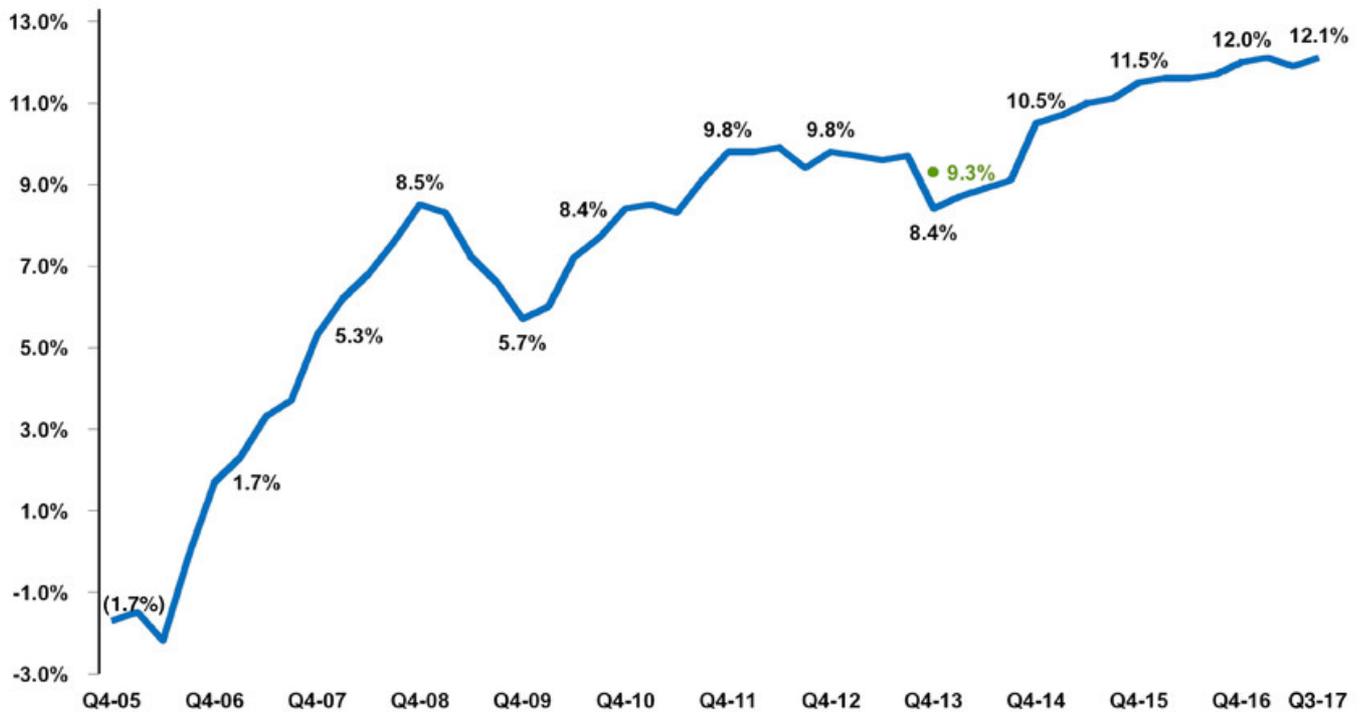
Page 7 See reconciliations of organic measures on pages 18 and 19.

(\$ in Millions)



Operating Margin

Trailing Twelve Months



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

Adjusted Diluted Earnings Per Share

Three Months Ended September 30, 2017

	As Reported	Net Losses on Sales of Businesses ⁽¹⁾	U.S. Federal Tax Credits ⁽²⁾	Adjusted Results
Income Before Income Taxes	\$ 192.3	\$ (8.7)		\$ 201.0
Provision for Income Taxes	42.5	1.7	\$ 31.2	75.4
Effective Tax Rate	22.1%			37.5%
Diluted EPS Components:				
Net Income Available to IPG Common Stockholders	\$ 146.2	\$ (7.0)	\$ 31.2	\$ 122.0
Weighted-Average Number of Common Shares Outstanding	397.2			397.2
Earnings Per Share Available to IPG Common Stockholders	\$ 0.37	\$ (0.02)	\$ 0.08	\$ 0.31

Nine Months Ended September 30, 2017

	As Reported	Net Losses on Sales of Businesses ⁽¹⁾	U.S. Federal Tax Credits ⁽²⁾	Adjusted Results
Income Before Income Taxes	\$ 377.2	\$ (20.9)		\$ 398.1
Provision for Income Taxes	115.8	1.7	\$ 31.2	148.7
Effective Tax Rate	30.7%			37.4%
Diluted EPS Components:				
Net Income Available to IPG Common Stockholders	\$ 262.4	\$ (19.2)	\$ 31.2	\$ 250.4
Weighted-Average Number of Common Shares Outstanding	398.6			398.6
Earnings Per Share Available to IPG Common Stockholders	\$ 0.66	\$ (0.05)	\$ 0.08	\$ 0.63

(1) During the nine months ended September 30, 2017, we recorded net losses on sales of businesses, primarily in our international markets.

(2) During the nine months ended September 30, 2017, we recognized a benefit related to foreign tax credits from distributions of unremitted earnings.

See full reconciliation of adjusted non-GAAP diluted earnings per share on page 21.

Cash Flow

	Nine Months Ended September 30,	
	2017	2016
NET INCOME	\$ 261.5	\$ 295.6
OPERATING ACTIVITIES		
Depreciation & amortization	188.5	180.7
Deferred taxes	(1.6)	2.6
Net losses on sales of businesses	20.9	16.1
Other non-cash items	25.6	43.4
Change in working capital, net	(612.5)	(491.8)
Other non-current assets & liabilities	(21.4)	(73.5)
Net cash used in operating activities	(139.0)	(26.9)
INVESTING ACTIVITIES		
Capital expenditures	(108.7)	(114.5)
Acquisitions, net of cash acquired	(22.6)	(47.9)
Other investing activities	(9.2)	(5.1)
Net cash used in investing activities	(140.5)	(167.5)
FINANCING ACTIVITIES		
Repurchases of common stock	(216.0)	(193.3)
Common stock dividends	(211.2)	(179.6)
Acquisition-related payments	(49.1)	(36.7)
Tax payments for employee shares withheld	(38.4)	(22.7)
Repayments of long-term debt	(23.6)	(1.1)
Distributions to noncontrolling interests	(16.9)	(10.8)
Net increase (decrease) in short-term borrowings	429.9	(33.9)
Exercise of stock options	12.1	10.2
Other financing activities	0.1	1.0
Net cash used in financing activities	(113.1)	(466.9)
Currency effect	0.4	50.7
Net decrease in cash, cash equivalents and restricted cash	\$ (392.2)	\$ (610.6)

Balance Sheet – Current Portion

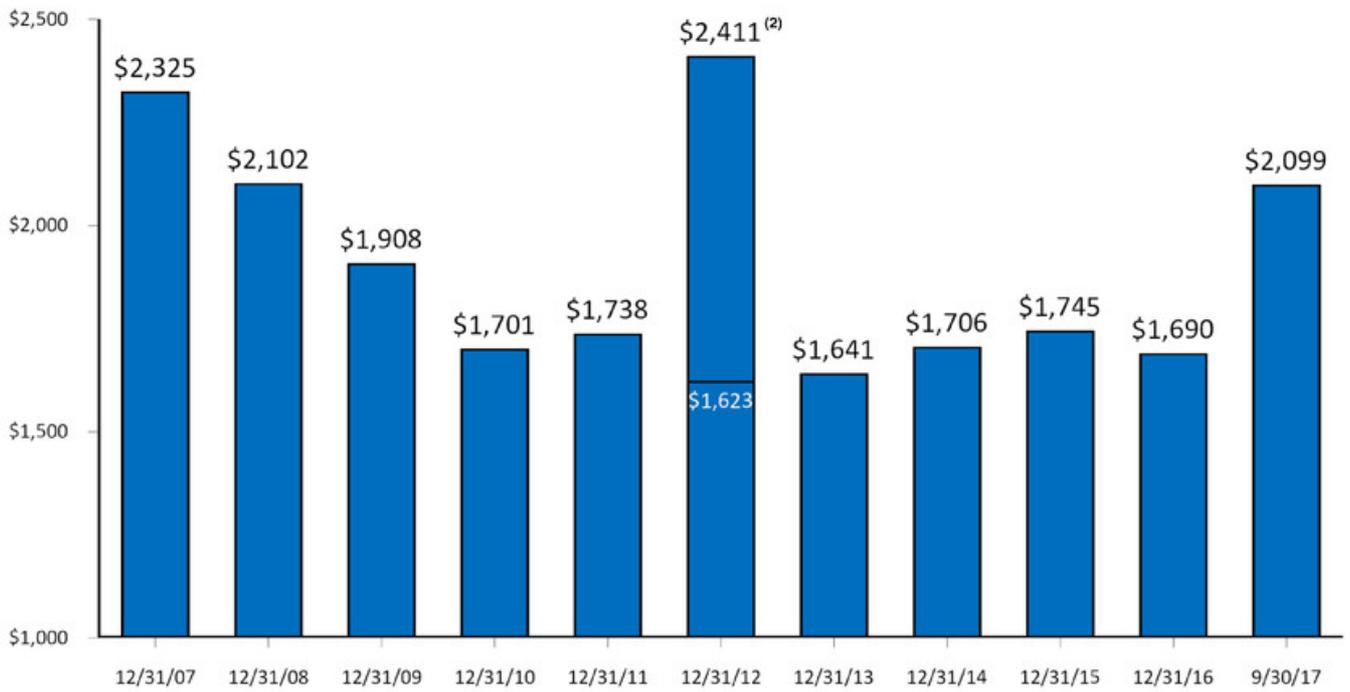
	<u>September 30, 2017</u>	<u>December 31, 2016</u>	<u>September 30, 2016</u>
CURRENT ASSETS:			
Cash and cash equivalents	\$ 704.9	\$ 1,097.6	\$ 891.6
Accounts receivable, net	3,696.1	4,389.7	3,714.4
Expenditures billable to clients	1,742.3	1,518.1	1,843.7
Assets held for sale	8.3	203.2	0.0
Other current assets	312.2	229.4	283.5
Total current assets	\$ 6,463.8	\$ 7,438.0	\$ 6,733.2
CURRENT LIABILITIES:			
Accounts payable	\$ 5,561.1	\$ 6,303.6	\$ 6,051.1
Accrued liabilities	550.7	794.0	631.7
Short-term borrowings	511.8	85.7	107.8
Current portion of long-term debt ⁽¹⁾	301.9	323.9	24.5
Liabilities held for sale	20.8	198.8	0.0
Total current liabilities	\$ 6,946.3	\$ 7,706.0	\$ 6,815.1

Page 11 (1) Our 2.25% Senior Notes are due November 15, 2017.

(\$ in Millions)



Total Debt (1)



(1) Includes current portion of long-term debt, short-term borrowings and long-term debt.

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

Summary

- Foundation for sustained value creation in top talent and key strategic initiatives, notwithstanding slower industry growth in '17
 - Quality of our agency offerings
 - Embedded digital & digital specialists
 - "Open architecture" solutions
- Effective expense management continues
- Focus is on stronger growth and continued margin improvement
- Financial strength an ongoing source of value creation



Interpublic Group

Appendix



Operating Performance

	Nine Months Ended September 30,	
	2017	2016
<i>Revenue</i>	\$ 5,541.4	\$ 5,582.1
Salaries and Related Expenses ⁽¹⁾	3,742.3	3,726.3
Office and General Expenses	1,343.8	1,400.5
<i>Operating Income</i>	455.3	455.3
Interest Expense	(67.6)	(68.8)
Interest Income	14.0	16.1
Other Expense, net ⁽¹⁾	(24.5)	(13.5)
<i>Income Before Income Taxes</i>	377.2	389.1
Provision for Income Taxes	115.8	91.9
Equity in Net Income (Loss) of Unconsolidated Affiliates	0.1	(1.6)
<i>Net Income</i>	261.5	295.6
Net Loss (Income) Attributable to Noncontrolling Interests	0.9	(4.7)
<i>Net Income Available to IPG Common Stockholders</i>	\$ 262.4	\$ 290.9

Earnings per Share Available to IPG Common Stockholders:

Basic	\$ 0.67	\$ 0.73
Diluted	\$ 0.66	\$ 0.71

Weighted-Average Number of Common Shares Outstanding:

Basic	391.2	399.5
Diluted	398.6	408.8

Dividends Declared per Common Share

\$ 0.54	\$ 0.45
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(1) As part of the adoption of FASB ASU 2017-07, we have reclassified a portion of postretirement costs from Salaries and Related Expenses to Other Expense, net. The amounts reclassified were \$6.4 and \$2.4 for the nine months ended September 30, 2017 and 2016, respectively.

Cash Flow

	Three Months Ended September 30,	
	2017	2016
NET INCOME	\$ 148.8	\$ 132.7
OPERATING ACTIVITIES		
Depreciation & amortization	57.4	60.2
Deferred taxes	(3.1)	6.8
Net losses (gains) on sales of businesses	8.7	(3.9)
Other non-cash items	6.8	7.1
Change in working capital, net	(198.1)	324.6
Other non-current assets & liabilities	(6.4)	(0.6)
Net cash provided by operating activities	14.1	526.9
INVESTING ACTIVITIES		
Capital expenditures	(39.8)	(51.5)
Acquisitions, net of cash acquired	(10.0)	(13.6)
Other investing activities	5.3	(0.2)
Net cash used in investing activities	(44.5)	(65.3)
FINANCING ACTIVITIES		
Repurchases of common stock	(101.0)	(80.8)
Common stock dividends	(69.8)	(59.5)
Acquisition-related payments	(12.8)	(7.5)
Distributions to noncontrolling interests	(6.0)	(3.6)
Tax payments for employee shares withheld	(0.6)	0.0
Repayments of long-term debt	0.0	(0.1)
Exercise of stock options	0.3	0.4
Net increase (decrease) in short-term borrowings	276.4	(88.9)
Other financing activities	(0.2)	0.1
Net cash provided by (used in) financing activities	86.3	(239.9)
Currency effect	(7.8)	(1.9)
Increase in cash, cash equivalents and restricted cash	\$ 48.1	\$ 219.8

Page 16

(\$ in Millions)



Depreciation and Amortization

	2017				
	Q1	Q2	Q3	Q4	YTD 2017
Depreciation and amortization of fixed assets and intangible assets	\$ 41.0	\$ 41.3	\$ 42.2		\$ 124.5
Amortization of restricted stock and other non-cash compensation	29.7	16.3	13.8		59.8
Net amortization of bond discounts and deferred financing costs	1.4	1.4	1.4		4.2
	2016				
	Q1	Q2	Q3	Q4	FY 2016
Depreciation and amortization of fixed assets and intangible assets	\$ 38.0	\$ 39.8	\$ 39.7	\$ 42.7	\$ 160.2
Amortization of restricted stock and other non-cash compensation	23.1	16.8	19.1	26.6	85.6
Net amortization of bond discounts and deferred financing costs	1.4	1.4	1.4	1.4	5.6

Reconciliation of Organic Measures

	Components of Change						Change			
	Three Months Ended September 30, 2016	Foreign Currency	Net Acquisitions / (Divestitures)	Organic	Change in Pass-Throughs	Organic ex-PT	Three Months Ended September 30, 2017	Organic	Organic ex-PT	Total
Segment Revenue										
IAN	\$ 1,503.2	\$ 8.7	\$ (22.4)	\$ 30.7	\$ (5.4)	\$ 36.1	\$ 1,520.2	2.0%	2.4%	1.1%
CMG	419.0	(1.0)	(14.8)	(20.8)	(13.7)	(7.1)	382.4	(5.0%)	(1.7%)	(8.7%)
Total	\$ 1,922.2	\$ 7.7	\$ (37.2)	\$ 9.9	\$ (19.1)	\$ 29.0	\$ 1,902.6	0.5%	1.5%	(1.0%)
Geographic Revenue										
United States	\$ 1,165.9	\$ 0.0	\$ (25.0)	\$ 15.1	\$ (8.6)	\$ 23.7	\$ 1,156.0	1.3%	2.0%	(0.8%)
International	756.3	7.7	(12.2)	(5.2)	(10.5)	5.3	746.6	(0.7%)	0.7%	(1.3%)
United Kingdom	174.0	(4.3)	1.4	5.3	(8.8)	14.1	176.4	3.0%	8.1%	1.4%
Continental Europe	147.6	6.4	(4.0)	0.6	(1.6)	2.2	150.6	0.4%	1.5%	2.0%
Asia Pacific	217.9	0.8	(0.2)	(4.6)	0.2	(4.8)	213.9	(2.1%)	(2.2%)	(1.8%)
Latin America	103.6	2.4	(10.4)	(10.3)	0.4	(10.7)	85.3	(9.9%)	(10.3%)	(17.7%)
All Other Markets	113.2	2.4	1.0	3.8	(0.7)	4.5	120.4	3.4%	4.0%	6.4%
Worldwide	\$ 1,922.2	\$ 7.7	\$ (37.2)	\$ 9.9	\$ (19.1)	\$ 29.0	\$ 1,902.6	0.5%	1.5%	(1.0%)
Expenses										
Salaries & Related	\$ 1,228.0	\$ 4.6	\$ (21.0)	\$ 16.0			\$ 1,227.6	1.3%		0.0%
Office & General	486.2	(0.2)	(13.9)	(16.2)			455.9	(3.3%)		(6.2%)
Total	\$ 1,714.2	\$ 4.4	\$ (34.9)	\$ (0.2)			\$ 1,683.5	0.0%		(1.8%)

Reconciliation of Organic Measures

	Components of Change						Change			
	Nine Months Ended September 30, 2016	Foreign Currency	Net Acquisitions / (Divestitures)	Organic	Change in Pass-Throughs	Organic ex-PT	Nine Months Ended September 30, 2017	Organic	Organic ex-PT	Total
Segment Revenue										
IAN	\$ 4,453.3	\$ (15.9)	\$ (49.1)	\$ 77.3	\$ (12.5)	\$ 89.8	\$ 4,465.6	1.7%	2.0%	0.3%
CMG	1,128.8	(14.8)	(24.7)	(13.5)	(14.7)	1.2	1,075.8	(1.2%)	0.1%	(4.7%)
Total	\$ 5,582.1	\$ (30.7)	\$ (73.8)	\$ 63.8	\$ (27.2)	\$ 91.0	\$ 5,541.4	1.1%	1.6%	(0.7%)
Geographic Revenue										
United States	\$ 3,426.2	\$ 0.0	\$ (52.5)	\$ 54.6	\$ (9.7)	\$ 64.3	\$ 3,428.3	1.6%	1.9%	0.1%
International	2,155.9	(30.7)	(21.3)	9.2	(17.5)	26.7	2,113.1	0.4%	1.2%	(2.0%)
United Kingdom	495.3	(44.5)	12.5	8.5	(17.9)	26.4	471.8	1.7%	5.3%	(4.7%)
Continental Europe	468.1	(3.9)	(13.3)	6.1	(2.5)	8.6	457.0	1.3%	1.8%	(2.4%)
Asia Pacific	617.7	(0.7)	2.4	(12.0)	2.4	(14.4)	607.4	(1.9%)	(2.3%)	(1.7%)
Latin America	255.7	14.3	(24.6)	(7.9)	0.5	(8.4)	237.5	(3.1%)	(3.3%)	(7.1%)
All Other Markets	319.1	4.1	1.7	14.5	0.0	14.5	339.4	4.5%	4.5%	6.4%
Worldwide	\$ 5,582.1	\$ (30.7)	\$ (73.8)	\$ 63.8	\$ (27.2)	\$ 91.0	\$ 5,541.4	1.1%	1.6%	(0.7%)
Expenses										
Salaries & Related	\$ 3,726.3	\$ (24.6)	\$ (49.4)	\$ 90.0			\$ 3,742.3	2.4%		0.4%
Office & General	1,400.5	(10.8)	(27.9)	(18.0)			1,343.8	(1.3%)		(4.0%)
Total	\$ 5,126.8	\$ (35.4)	\$ (77.3)	\$ 72.0			\$ 5,086.1	1.4%		(0.8%)

Reconciliation of Organic Revenue Growth

Last Twelve Months Ending	Beginning of Period Revenue	Components of Change During the Period			Ending of Period Revenue
		Foreign Currency	Net Acquisitions / (Divestitures)	Organic	
12/31/05	\$ 6,387.0	\$ 40.4	\$ (107.4)	\$ (56.2)	\$ 6,263.8
3/31/06	6,323.8	(10.9)	(132.6)	81.5	6,261.8
6/30/06	6,418.4	(8.8)	(157.5)	(68.5)	6,183.6
9/30/06	6,335.9	(13.9)	(140.4)	15.6	6,197.2
12/31/06	6,263.8	20.7	(165.5)	57.8	6,176.8
3/31/07	6,261.8	78.4	(147.2)	16.0	6,209.0
6/30/07	6,183.6	102.4	(124.7)	166.6	6,327.9
9/30/07	6,197.2	137.3	(110.9)	209.2	6,432.8
12/31/07	6,176.8	197.5	(70.7)	233.1	6,536.7
3/31/08	6,209.0	217.8	(45.9)	280.6	6,661.5
6/30/08	6,327.9	244.8	(12.6)	282.4	6,842.5
9/30/08	6,432.8	237.4	32.8	317.2	7,020.2
12/31/08	6,536.7	71.5	87.6	243.0	6,938.8
3/31/09	6,661.5	(88.3)	114.7	91.9	6,779.8
6/30/09	6,842.5	(286.2)	139.2	(275.3)	6,420.2
9/30/09	7,020.2	(390.1)	115.2	(636.4)	6,108.9
12/31/09	6,938.8	(251.6)	69.1	(748.9)	6,007.4
3/31/10	6,779.8	(88.2)	36.0	(705.4)	6,022.2
6/30/10	6,420.2	59.1	2.0	(316.9)	6,164.4
9/30/10	6,108.9	117.7	9.6	60.1	6,296.3
12/31/10	6,007.4	63.3	17.0	419.6	6,507.3
3/31/11	6,022.2	21.0	18.2	583.7	6,645.1
6/30/11	6,164.4	61.5	12.4	535.8	6,774.1
9/30/11	6,296.3	119.1	(7.7)	539.5	6,947.2
12/31/11	6,507.3	122.2	(8.6)	393.7	7,014.6
3/31/12	6,645.1	92.9	(1.4)	310.0	7,046.6
6/30/12	6,774.1	(14.3)	14.5	247.3	7,021.6
9/30/12	6,947.2	(117.2)	39.7	95.8	6,965.5
12/31/12	7,014.6	(147.6)	41.8	47.4	6,956.2
3/31/13	7,046.6	(143.7)	48.2	41.3	6,992.4
6/30/13	7,021.6	(111.4)	56.9	65.8	7,032.9
9/30/13	6,965.5	(80.3)	49.5	128.2	7,062.9
12/31/13	6,956.2	(80.4)	50.3	196.2	7,122.3
3/31/14	6,992.4	(89.9)	51.2	263.1	7,216.8
6/30/14	7,032.9	(80.6)	51.6	308.1	7,312.0
9/30/14	7,062.9	(53.5)	74.3	369.0	7,452.7
12/31/14	7,122.3	(75.5)	95.3	395.0	7,537.1
3/31/15	7,216.8	(125.7)	98.4	386.1	7,575.6
6/30/15	7,312.0	(223.5)	85.3	426.5	7,600.3
9/30/15	7,452.7	(336.2)	58.3	449.9	7,624.7
12/31/15	7,537.1	(408.5)	23.7	461.5	7,613.8
3/31/16	7,575.6	(388.5)	11.9	480.8	7,679.8
6/30/16	7,600.3	(315.6)	10.8	426.1	7,721.6
9/30/16	7,624.7	(237.5)	16.4	374.7	7,778.3
12/31/16	7,613.8	(159.7)	15.3	377.2	7,846.6
3/31/17	7,679.8	(124.9)	(7.4)	311.0	7,858.5
6/30/17	7,721.6	(113.2)	(32.9)	250.0	7,825.5
9/30/17	7,778.3	(74.5)	(78.3)	180.4	7,805.9

Reconciliation of Adjusted Results ⁽¹⁾

	Three Months Ended September 30, 2017				Nine Months Ended September 30, 2017			
	As Reported	Net Losses on Sales of Businesses	U.S. Federal Tax Credits	Adjusted Results	As Reported	Net Losses on Sales of Businesses	U.S. Federal Tax Credits	Adjusted Results
Income Before Income Taxes	\$ 192.3	\$ (8.7)		\$ 201.0	\$ 377.2	\$ (20.9)		\$ 398.1
Provision for Income Taxes	42.5	1.7	\$ 31.2	75.4	115.8	1.7	\$ 31.2	148.7
Effective Tax Rate	22.1%			37.5%	30.7%			37.4%
Equity in Net (Loss) Income of Unconsolidated Affiliates	(1.0)			(1.0)	0.1			0.1
Net (Income) Loss Attributable to Noncontrolling Interests	(2.6)			(2.6)	0.9			0.9
Net Income Available to IPG Common Stockholders	\$ 146.2	\$ (7.0)	\$ 31.2	\$ 122.0	\$ 262.4	\$ (19.2)	\$ 31.2	\$ 250.4
Weighted-Average Number of Common Shares Outstanding - Basic	389.5			389.5	391.2			391.2
Dilutive Effect of Stock Options and Restricted Shares	7.7			7.7	7.4			7.4
Weighted-Average Number of Common Shares Outstanding - Diluted	397.2			397.2	398.6			398.6
Earnings per Share Available to IPG Common Stockholders:								
Basic	\$ 0.38	\$ (0.02)	\$ 0.08	\$ 0.31	\$ 0.67	\$ (0.05)	\$ 0.08	\$ 0.64
Diluted	\$ 0.37	\$ (0.02)	\$ 0.08	\$ 0.31	\$ 0.66	\$ (0.05)	\$ 0.08	\$ 0.63

(1) The following table reconciles our reported results to our adjusted non-GAAP results that exclude the net losses on sales of businesses and a benefit related to foreign tax credits from distributions of unremitted earnings. Management believes the resulting comparisons provide useful supplemental data that, while not a substitute for GAAP measures, allow for greater transparency in the review of our financial and operational performance.

Reconciliation of Adjusted Results ⁽¹⁾

	Three Months Ended September 30, 2016		
	As Reported	Gains on Sales of Businesses	Adjusted Results
Income Before Income Taxes	\$ 196.3	\$ 3.9	\$ 192.4
Provision for Income Taxes	63.8		63.8
Effective Tax Rate	32.5%		33.2%
Equity in Net Income of Unconsolidated Affiliates	0.2		0.2
Net Income Attributable to Noncontrolling Interests	(4.1)		(4.1)
Net Income Available to IPG Common Stockholders	\$ 128.6	\$ 3.9	\$ 124.7
<hr/>			
Weighted-Average Number of Common Shares Outstanding - Basic	397.7		397.7
Dilutive Effect of Stock Options and Restricted Shares	10.2		10.2
Weighted-Average Number of Common Shares Outstanding - Diluted	407.9		407.9
<hr/>			
Earnings per Share Available to IPG Common Stockholders:			
Basic	\$ 0.32	\$ 0.01	\$ 0.31
Diluted	\$ 0.32	\$ 0.01	\$ 0.31

- (1) The following table reconciles our reported results to our adjusted non-GAAP results that exclude the gains on sales of businesses in our international markets, primarily in Continental Europe. The effect of the adoption of the Financial Accounting Standards Board Accounting Standards Update 2016-09, which was previously included in this table in 2016, has now been removed as the effect of the adoption is included in both periods presented within this presentation. Management believes the resulting comparisons provide useful supplemental data that, while not a substitute for GAAP measures, allow for greater transparency in the review of our financial and operational performance.

Reconciliation of Adjusted Results ⁽¹⁾

	Nine Months Ended September 30, 2016				
	As Reported	Net Losses on Sales of Businesses	Valuation Allowance Reversals	Settlement of Certain Tax Positions	Adjusted Results
Income Before Income Taxes	\$ 389.1	\$ (16.1)			\$ 405.2
Provision for Income Taxes	91.9	0.4	\$ 12.2	\$ 23.4	127.9
Effective Tax Rate	23.6%				31.6%
Equity in Net Loss of Unconsolidated Affiliates	(1.6)				(1.6)
Net Income Attributable to Noncontrolling Interests	(4.7)				(4.7)
Net Income Available to IPG Common Stockholders	\$ 290.9	\$ (15.7)	\$ 12.2	\$ 23.4	\$ 271.0
Weighted-Average Number of Common Shares Outstanding - Basic	399.5				399.5
Dilutive Effect of Stock Options and Restricted Shares	9.3				9.3
Weighted-Average Number of Common Shares Outstanding - Diluted	408.8				408.8
Earnings per Share Available to IPG Common Stockholders:					
Basic	\$ 0.73	\$ (0.04)	\$ 0.03	\$ 0.06	\$ 0.68
Diluted	\$ 0.71	\$ (0.04)	\$ 0.03	\$ 0.06	\$ 0.66

(1) The following table reconciles our reported results to our adjusted non-GAAP results that exclude the net losses on sales of businesses in our international markets, primarily in Continental Europe, valuation allowance reversals as a result of the disposition of those businesses in Continental Europe and the release of reserves related to the conclusion and settlement of a tax examination of previous tax years. The net losses on sales of businesses amount includes losses on completed dispositions and the classification of certain assets as held for sale during the nine months ended September 2016. The effect of the adoption of the Financial Accounting Standards Board Accounting Standards Update 2016-09, which was previously included in this table in 2016, has now been removed as the effect of the adoption is included in both periods presented within this presentation. Management believes the resulting comparisons provide useful supplemental data that, while not a substitute for GAAP measures, allow for greater transparency in the review of our financial and operational performance.



Interpublic Group

Metrics Update

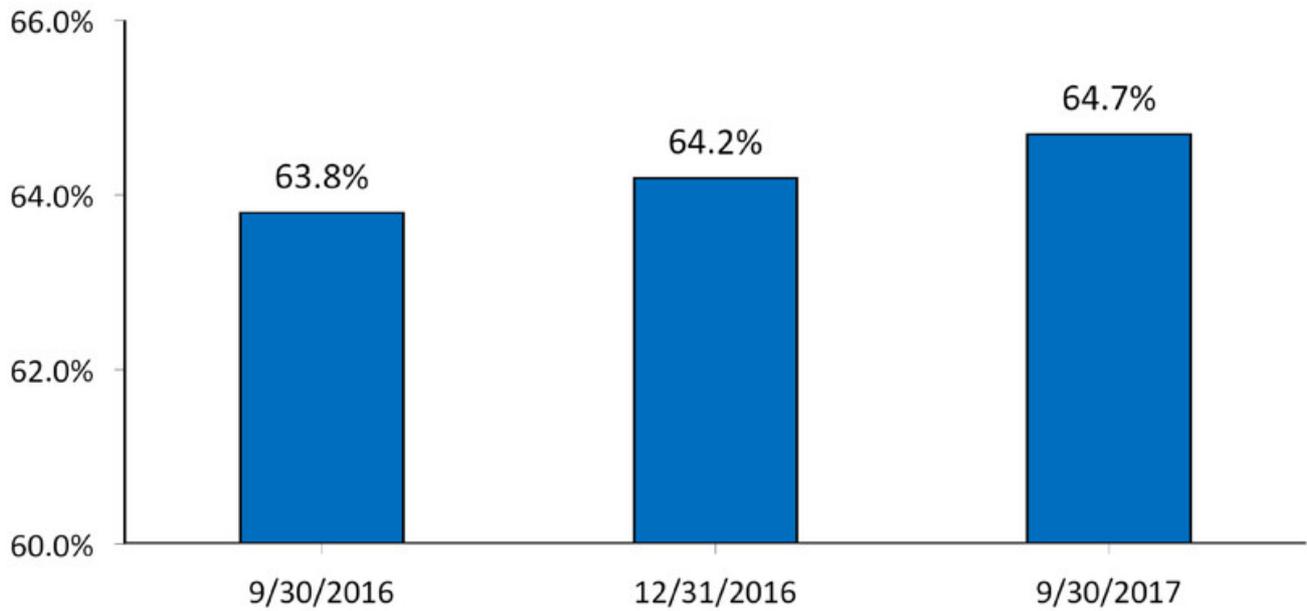


Metrics Update

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

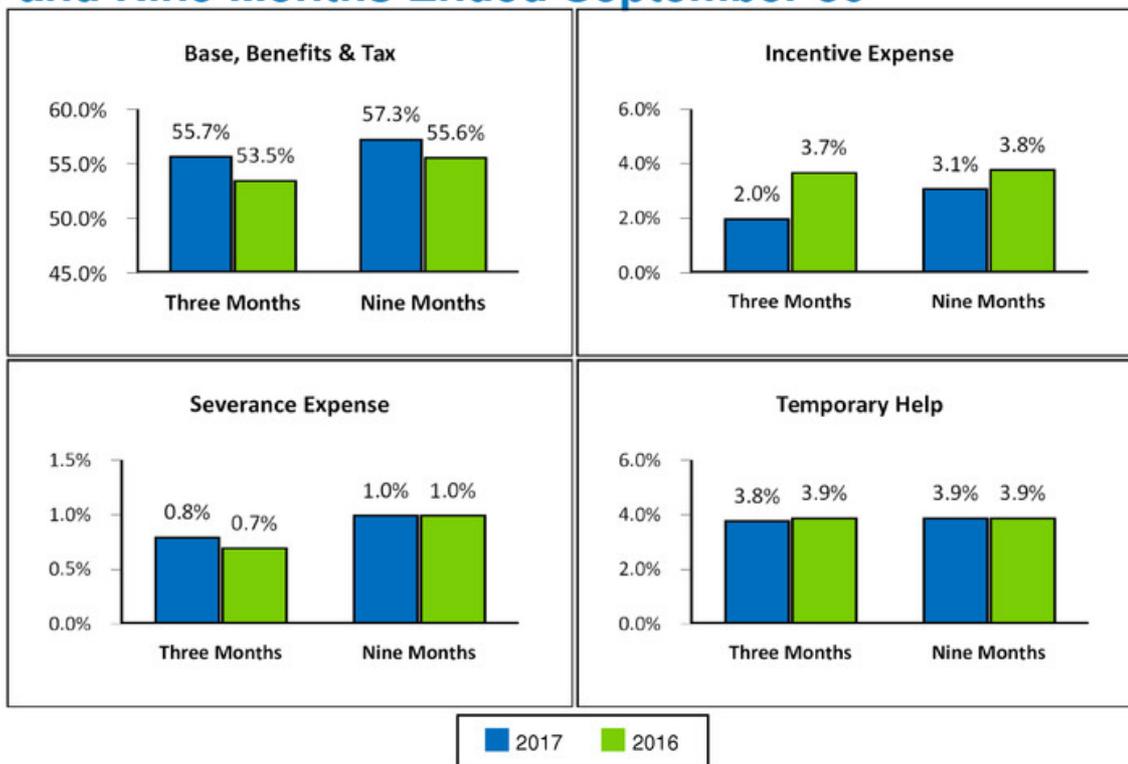
Salaries & Related Expenses

% of Revenue, Trailing Twelve Months



Salaries & Related Expenses (% of Revenue)

Three and Nine Months Ended September 30

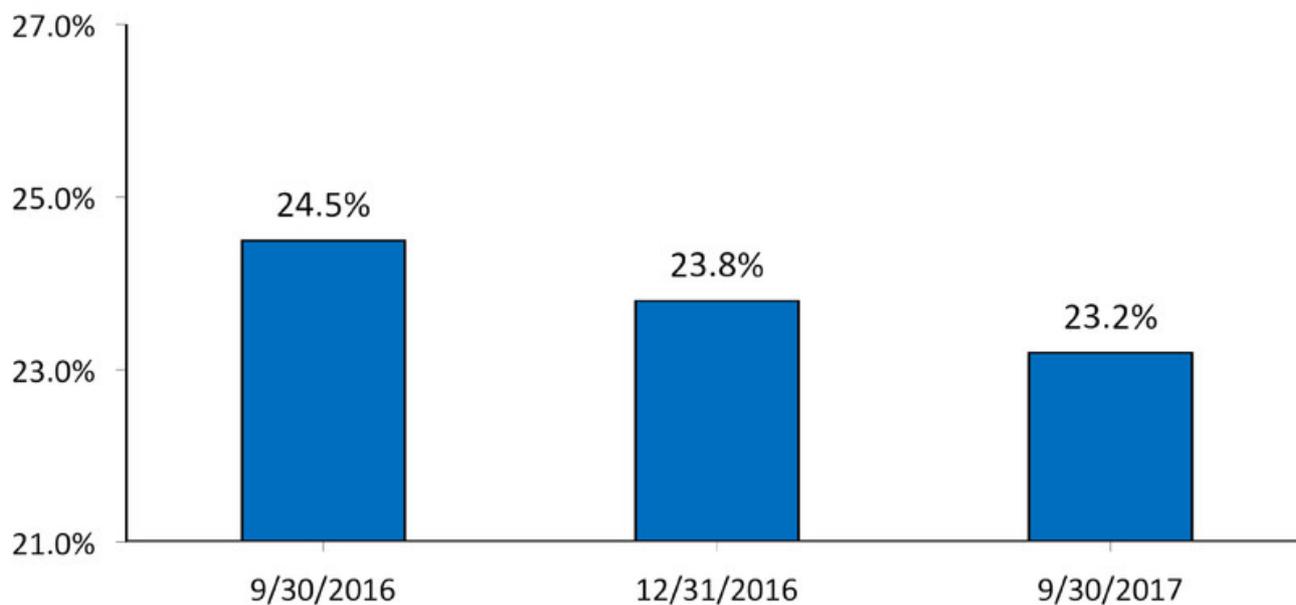


Page 27 "All Other Salaries & Related," not shown, was 2.2% and 2.1% for the three months ended September 30, 2017 and 2016, respectively, and 2.2% and 2.5% for the nine months ended September 30, 2017 and 2016, respectively.



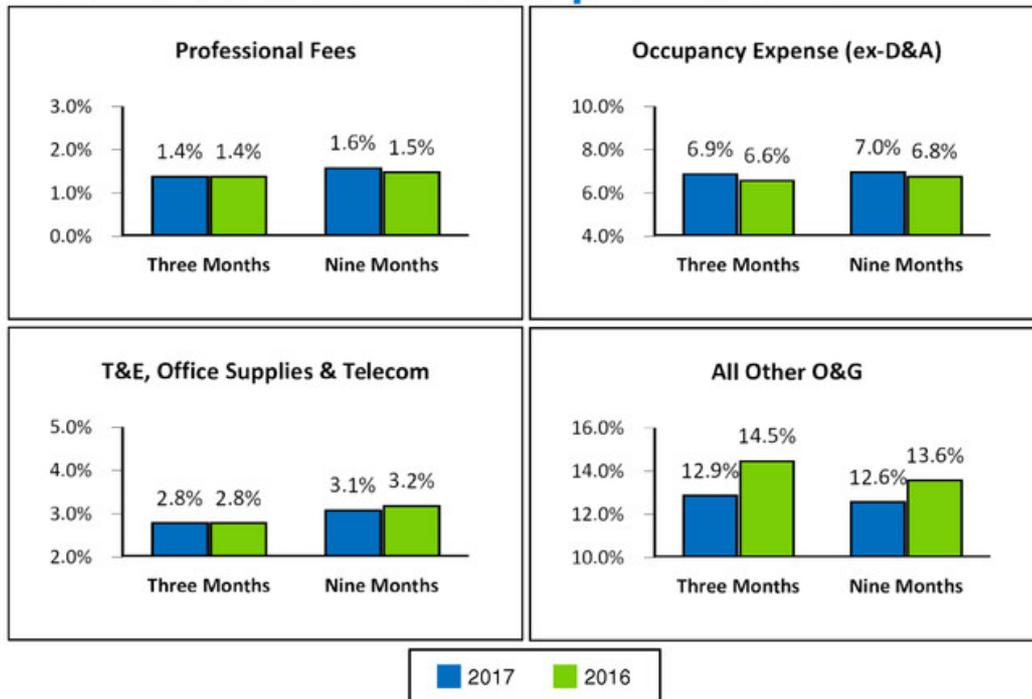
Office & General Expenses

% of Revenue, Trailing Twelve Months



Office & General Expenses (% of Revenue)

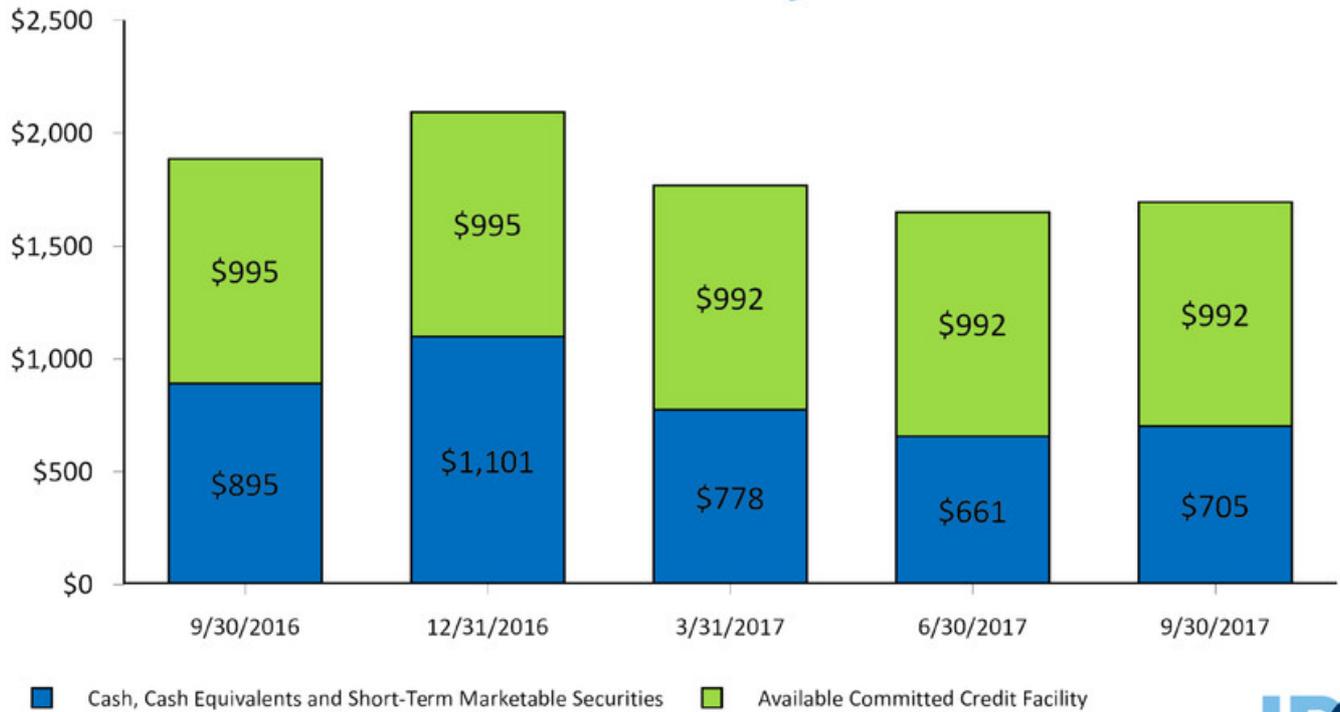
Three and Nine Months Ended September 30



"All Other O&G" primarily includes production expenses and, to a lesser extent, depreciation and amortization, bad debt expense, adjustments to contingent acquisition obligations, foreign currency losses (gains), spending to support new business activity, net restructuring and other reorganization-related charges (reversals), long-lived asset impairments and other expenses.

Available Liquidity

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



\$1.0 Billion 5-Year Credit Facility Covenants

Covenants	Last Twelve Months Ended September 30, 2017
I. Interest Coverage Ratio (not less than):	5.00x
Actual Interest Coverage Ratio:	18.05x
II. Leverage Ratio (not greater than):	3.50x
Actual Leverage Ratio:	1.76x
<u>Interest Expense Reconciliation</u>	<u>Last Twelve Months Ended September 30, 2017</u>
Interest Expense:	\$89.4
- Interest income	18.0
- Other	5.2
Net interest expense ⁽¹⁾ :	\$66.2
<u>EBITDA Reconciliation</u>	<u>Last Twelve Months Ended September 30, 2017</u>
Operating Income:	\$941.0
+ Depreciation and amortization	253.6
EBITDA ⁽¹⁾ :	\$1,194.6

Page 31 (1) Calculated as defined in the Credit Agreement.

(\$ in Millions)



Cautionary Statement

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

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

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

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

