

FORM 10-Q
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

(Mark One)

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

For the quarterly period ending June 30, 1998

OR

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

For the transition period from _____ to _____

Commission file number 1-6686

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

Delaware 13-1024020
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

1271 Avenue of the Americas, New York, New York 10020
(Address of principal executive offices) (Zip Code)

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

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

Indicate the number of shares outstanding of each of
the issuer's classes of common stock, as of the
latest practicable date. Common Stock outstanding at
July 31, 1998: 136,184,187 shares.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS
SUBSIDIARIES

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PART I - FINANCIAL INFORMATION THE INTERPUBLIC GROUP OF COMPANIES, INC. AND
ITS SUBSIDIARIES CONSOLIDATED BALANCE SHEET (Dollars in Thousands) ASSETS
(unaudited)

	1998	1997	JUNE 30,	DECEMBER 31,
Current Assets:				
Cash and cash equivalents (includes certificates of deposit: 1998-\$93,294; 1997-\$256,934)			\$ 636,993	\$ 735,440
Marketable securities, at cost which approximates market			55,575	31,944
Receivables (less allowance for doubtful accounts: 1998-\$44,127; 1997-\$39,896)			3,336,230	3,050,917
Expenditures billable to clients			290,474	240,000
Prepaid expenses and other current assets			131,607	105,504
Total current assets			4,450,879	4,163,805
Other Assets:				
Investment in unconsolidated affiliates			50,846	46,665
Deferred taxes on income			61,175	59,424
Other investments and miscellaneous assets			245,511	219,839
Total other assets			357,532	325,928
Fixed Assets, at cost:				
Land and buildings			85,048	83,621
Furniture and equipment			547,266	503,823
			632,314	587,444
Less accumulated depreciation			356,591	330,593
			275,723	256,851
Unamortized leasehold improvements			109,218	103,494
Total fixed assets			384,941	360,345
Intangible Assets (less accumulated amortization: 1998-\$253,372; 1997-\$227,401)			1,152,652	1,027,527
Total assets			\$6,346,004	\$5,877,605

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(unaudited)

JUNE 30, DECEMBER 31,

	1998	1997
Current Liabilities:		
Payable to banks	\$ 248,027	\$ 162,807
Accounts payable	3,392,032	3,156,049
Accrued expenses	431,404	448,054
Accrued income taxes	171,928	151,138
Total current liabilities	4,243,391	3,918,048
Noncurrent Liabilities:		
Long-term debt	261,703	253,910
Convertible subordinated debentures	202,558	201,768
Deferred compensation and reserve for termination allowances	280,146	263,463
Accrued postretirement benefits	47,837	47,404
Other noncurrent liabilities	63,577	70,791
Minority interests in consolidated subsidiaries	47,616	31,917
Total noncurrent liabilities	903,437	869,253
Stockholders' Equity:		
Preferred Stock, no par value shares authorized: 20,000,000 shares issued:none		
Common Stock, \$.10 par value shares authorized: 225,000,000 shares issued:		
1998 - 144,826,379		
1997 - 143,567,843	14,483	14,357
Additional paid-in capital	639,214	552,282
Retained earnings	1,111,283	995,702
Adjustment for minimum pension liability	(13,207)	(13,207)
Net unrealized gain on equity securities	13,360	12,405
Cumulative translation adjustment	(167,391)	(154,093)
1,597,742	1,407,446	
Less: Treasury stock, at cost: 1998 - 8,792,625 shares		
1997 - 8,063,983 shares	337,556	253,088
Unearned ESOP compensation	-	7,420
Unamortized expense of restricted 56,634 Total stockholders' equity	1,199,176	1,090,304
liabilities and stockholders' equity	\$6,346,004	\$5,877,605

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

Restated to reflect the aggregate effect of acquisitions accounted for as poolings of interests. See Note (c).

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

	1998	1997
Revenue	\$ 943,211	\$ 801,332
Other income	29,152	24,026
Gross income	972,363	825,358
Costs and expenses:		
Operating expenses	751,522	649,291
Interest	12,672	11,306
Total costs and expenses	764,194	660,597
Income before provision for income taxes	208,169	164,761
Provision for income taxes	86,871	66,428
Income of consolidated companies	121,298	98,333
Income applicable to minority interests	(6,360)	(6,525)
Equity in net income of unconsolidated affiliates	1,415	1,412
Net income	\$ 116,353	\$ 93,220
Weighted average shares:		
Basic	132,925,736	127,161,514
Diluted	141,684,852	136,044,790

Earnings Per Share:			
Basic	\$.88	\$.73
Diluted	\$.84	\$.70
Dividend per share - Interpublic	\$.15	\$.13

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

Restated to reflect the aggregate effect of acquisitions accounted for as poolings of interests. See Note (c).

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

(Dollars in Thousands Except Per Share Data)

	1998	1997
Revenue	\$ 1,704,358	\$ 1,466,395
Other income	43,305	38,260
Gross income	1,747,663	1,504,655
Costs and expenses:		
Operating expenses	1,452,088	1,264,165
Interest	23,609	22,004
Total costs and expenses	1,475,697	1,286,169
Income before provision for income taxes	271,966	218,486
Provision for income taxes	112,639	88,018
Income of consolidated companies	159,327	130,468
Income applicable to minority interests	(9,200)	(10,781)
Equity in net income of unconsolidated affiliates	2,066	2,964
Net income	\$ 152,193	\$ 122,651
Weighted average shares:		
Basic	132,659,926	126,948,010
Diluted	137,892,204	135,615,360
Earnings Per Share:		
Basic	\$ 1.15	\$.97
Diluted	\$ 1.11	\$.93
Dividend per share - Interpublic	\$.28	\$.24

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

Restated to reflect the aggregate effect of acquisitions accounted for as poolings of interests. See Note (c).

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

(Dollars in Thousands)

	1998	1997
Net Income	\$ 152,193	\$ 122,651
Other Comprehensive Income, net of tax:		
Foreign Currency Translation Adjustments	(13,298)	(41,521)
Net Unrealized Gains on Securities	955	-
Other Comprehensive Income	(12,343)	(41,521)
Comprehensive Income	\$ 139,850	\$ 81,130

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

Restated to reflect the aggregate effect of acquisitions accounted for as poolings of interests. See Note (c).

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

(Dollars in Thousands)

CASH FLOWS FROM OPERATING ACTIVITIES:	1998	1997
Net income	\$ 152,193	\$ 122,651
Adjustments to reconcile net income to cash provided by/(used in) operating activities:		
Depreciation and amortization of fixed assets	43,693	38,356
Amortization of intangible assets	25,971	16,005
Amortization of restricted stock awards	9,582	7,537
Equity in net income of unconsolidated affiliates	(2,066)	(2,964)
Income applicable to minority interests	9,200	10,781
Translation losses	340	483
Net gain from sale of investments	(6,255)	-
Other	(7,474)	(4,597)
Changes in assets and liabilities, net of acquisitions:		
Receivables	(228,977)	(177,993)
Expenditures billable to clients	(47,346)	(74,997)

Prepaid expenses and other assets	(24,209)	(15,072)
Accounts payable and other liabilities	140,081	28,059
Accrued income taxes	18,969	(3,797)
Deferred income taxes	(1,040)	160
Deferred compensation and reserve for termination allowances	5,818	(6,431)
Net cash provided by/(used in) operating activities	88,480	(61,819)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisitions	(58,583)	(45,901)
Capital expenditures	(58,758)	(44,993)
Proceeds from sale of assets	15,877	200
Net purchases of marketable securities	(21,939)	(19,269)
Other investments and miscellaneous assets	(8,230)	(5,860)
Investments in unconsolidated affiliates	(7,073)	(4,473)
Net cash used in investing activities	(138,706)	(120,296)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase in short-term borrowings	79,042	184,004
Proceeds from long-term debt	7,078	3,290
Payments of long-term debt	(3,399)	(4,474)
Treasury stock acquired	(106,146)	(59,220)
Issuance of common stock	19,805	22,092
Cash dividends - Interpublic	(36,612)	(29,015)
Cash dividends - pooled	-	(3,139)
Net cash (used in)/provided by financing activities	(40,232)	113,538
Effect of exchange rates on cash and cash equivalents	(7,989)	(18,619)
Decrease in cash and cash equivalents	(98,447)	(87,196)
Cash and cash equivalents at beginning of year	735,440	507,394
Cash and cash equivalents at end of period	\$ 636,993	\$ 420,198

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

Restated to reflect the aggregate effect of acquisitions accounted for as poolings of interests. See Note (c).

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

1. Consolidated Financial Statements

- (a) In the opinion of management, the consolidated balance sheet as of June 30, 1998, the consolidated statements of income for the three months and six months ended June 30, 1998 and 1997, the statement of comprehensive income for the six months ended June 30, 1998 and 1997, and the consolidated statement of cash flows for the six months ended June 30, 1998 and 1997, contain all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows at June 30, 1998 and for all periods presented.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been omitted. It is suggested that these consolidated financial statements be read in conjunction with the consolidated financial statements and notes thereto included in The Interpublic Group of Companies, Inc.'s (the "Company") December 31, 1997 annual report to stockholders and with the supplemental consolidated financial statements and notes thereto included in the Company's Current Report on Form 8-K dated July 1, 1998.

- (b) Statement of Financial Accounting Standards (SFAS) No. 95 "Statement of Cash Flows" requires disclosures of specific cash payments and noncash investing and financing activities. The Company considers all highly liquid investments with a maturity of three months or less to be cash equivalents. Income tax cash payments were approximately \$103.6 million and \$60.7 million in the first six months of 1998 and 1997, respectively. Interest payments during the first six months of 1998 were approximately \$17.2 million. Interest payments during the comparable period of 1997 were approximately \$14.8 million.
- (c) In April 1998, the Company issued 4,685,334 shares of its common stock for three acquisitions, which were accounted for as poolings of interests. These included Hill, Holliday, Connors, Cosmopolos Inc. - 2,062,434 shares, The Jack Morton Company - 2,135,996 shares and Carmichael Lynch Inc. - 486,904 shares. The Company's 1997 consolidated financial statements, including the related notes, have been restated to include the results of operations, financial position and cash flows of the April 1998 pooled entities in addition to all prior pooled entities.

(d) In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS No. 133). SFAS No. 133 is effective for all fiscal quarters of all fiscal years beginning after June 15, 1999 (January 1, 2000 for the Company). SFAS No. 133 requires that all derivative instruments be recorded on the balance sheet at their fair value. Changes in the fair value of derivatives are recorded each period in current earnings or other comprehensive income, depending on whether a derivative is designated as part of a hedge transaction and, if it is, the type of hedge transaction. Management of the Company believes that the adoption of SFAS No. 133 will not have a material impact on the Company's results of operations or its financial position.

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(e) The Company is engaged in a global effort to assess the required modification or replacement of its internal software to become Year 2000 compliant. Additionally, the Company is working with its major software providers to ensure that they are Year 2000 compliant. Management believes that the required software changes will be completed without causing operational issues. The costs of addressing the Year 2000 issues are not expected to have a material adverse impact on the Company's financial condition or results of operations. If the Company's Year 2000 remediation efforts are not successful, it will implement contingency plans to ensure that operations are not disrupted.

(f) Subsequent event

In July 1998, the Company announced its intention to acquire a public relations firm in an acquisition expected to become effective in early October 1998.

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Exhibit 11

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

	Three Months Ended June 30	
	1998	1997
Basic		
Net income	\$ 116,353	\$ 93,220

Weighted average number of common shares outstanding	132,925,736	127,161,514
Earnings per common share	\$.88	\$.73
	Three Months Ended June 30	
Diluted	1998	1997
Net income	\$ 116,353	\$ 93,220
Add:		
After tax interest savings on assumed conversion of subordinated debentures and notes	2,132	1,643
Dividends paid net of related income tax applicable to restricted stock	153	113
Net income, as adjusted	\$ 118,638	\$ 94,976
Weighted average number of common shares outstanding	132,925,736	127,161,514
Weighted average number of incremental shares in connection with restricted stock and assumed exercise of stock options	5,410,145	4,420,273
Assumed conversion of subordinated debentures and notes	3,348,971	4,463,003
Total	141,684,852	136,044,790
Earnings per common and common equivalent share	\$.84	\$.70

Restated to reflect the aggregate effect of acquisitions accounted for as poolings of interests. See Note (c).

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Exhibit 11

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

	Six Months Ended June 30	
Basic	1998	1997
Net income	\$ 152,193	\$ 122,651
Weighted average number of common shares outstanding	132,659,926	126,948,010
Earnings per common share	\$ 1.15	\$.97
	Six Months Ended June 30	
Diluted	1998	1997
Net income	\$ 152,193	\$ 122,651
Add:		
After tax interest savings on assumed conversion of subordinated debentures and notes	-	3,245
Dividends paid net of related income tax applicable to restricted stock	276	206
Net income, as adjusted	\$ 152,469	\$ 126,102
Weighted average number of common shares outstanding	132,659,926	126,948,010
Weighted average number of incremental shares in connection with restricted stock		

and assumed exercise of stock options	5,226,958	4,202,597
Assumed conversion of subordinated debentures and notes	5,320	4,464,753
Total	137,892,204	135,615,360
Earnings per common and common equivalent share	\$ 1.11	\$.93

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

Restated to reflect the aggregate effect of acquisitions accounted for as poolings of interests. See Note (c).

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

LIQUIDITY AND CAPITAL RESOURCES

Working capital at June 30, 1998 was \$207.5 million, a decrease of \$38.3 million from December 31, 1997. The ratio of current assets to current liabilities remained relatively unchanged from December 31, 1997 at approximately 1.1 to 1.

Historically, cash flow from operations has been the primary source of working capital and management believes that it will continue to be in the future. The principal use of the Company's working capital is to provide for the operating needs of its advertising agencies, which include payments for space or time purchased from various media on behalf of its clients. The Company's practice is to bill and collect from its clients in sufficient time to pay the amounts due media. Other uses of working capital include the payment of cash dividends, acquisitions, capital expenditures and the reduction of long-term debt. In addition, during the first six months of 1998, the Company acquired 1,868,686 shares of its own stock for approximately \$106.1 million for the purposes of fulfilling the Company's obligations under its various compensation plans.

13RESULTS OF OPERATIONSThree Months Ended June 30, 1998 Compared to Three Months Ended June 30, 1997 Total revenue for the three months ended June 30, 1998 increased \$141.9 million, or 17.7%, to \$943.2 million compared to

the same period in 1997. Domestic revenue increased \$83.1 million or 21.7% from 1997 levels. Foreign revenue increased \$58.8 million or 14.0% during the second quarter of 1998 compared to 1997. Other income increased by \$5.1 million during the second quarter of 1998 compared to the same period in 1997.

Operating expenses increased \$102.2 million or 15.7% during the three months ended June 30, 1998 compared to the same period in 1997. Interest expense increased 12.1% as compared to the same period in 1997.

Pretax income increased \$43.4 million or 26.3% during the three months ended June 30, 1998 compared to the same period in 1997.

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

Net losses from exchange and translation of foreign currencies for the three months ended June 30, 1998 were approximately \$4.1 million versus \$3.2 million for the same period in 1997.

The effective tax rate for the three months ended June 30, 1998 was 41.7%, as compared to 40.3% in 1997.

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

Six Months Ended June 30, 1998 Compared to Six Months Ended June 30, 1997

Total revenue for the six months ended June 30, 1998 increased \$238.0 million, or 16.2%, to \$1,704.4 million compared to the same period in 1997. Domestic revenue increased \$150.5 million or 20.9% from 1997 levels. Foreign revenue increased \$87.5 million or 11.7% during the first six months of 1998 compared to 1997. Other income increased \$5.0 million in the first six months of 1998 compared to the same period in 1997.

Operating expenses increased \$187.9 million or 14.9% during the six months ended June 30, 1998 compared to the same period in 1997. Interest expense increased 7.3% during the six months ended June 30, 1998 as compared to the same six month period in 1997.

Pretax income increased \$53.5 million or 24.5% during the six months ended June 30, 1998 compared to the same period in 1997.

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

Net losses from exchange and translation of foreign currencies for the six months ended June 30, 1998 were approximately \$5.4 million versus \$2.7 million for the same period in 1997.

The effective tax rate for the six months ended June 30, 1998 was 41.4%, as compared to 40.3% in 1997.

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PART II - OTHER INFORMATION

Item 2. CHANGES IN SECURITIES

(1) On April 2, 1998, the Registrant issued 2,062,434 shares of its common stock par value \$.10 per share ("Interpublic Stock") as consideration for its acquisition of the securities of a company valued at \$115,000,000 at the date of execution of the purchase agreement. The shares of Interpublic Stock were issued to the former holders of securities of the acquired company.

The shares of Interpublic Stock were issued by the Registrant without registration in reliance on Rule 506 of Regulation D under the Securities Act of 1933, as amended (the "Securities Act"), based on the accredited investor status or sophistication of the former shareholder of the acquired company.

(2) On April 9, 1998, the Registrant acquired a company in consideration for which it paid \$4.5 million in cash and issued a total of 23,833 shares of Interpublic Stock, to the acquired company's former shareholder. The shares of Interpublic Stock had a market value of \$1,500,000 on the date of issuance.

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

(3) On April 16, 1998, the Registrant acquired a company in consideration for which it issued a total of 486,904 shares of Interpublic Stock, to the acquired company's former shareholders. The shares of Interpublic Stock had a market value of \$30,528,884 on the date of issuance.

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

(4) On April 30, 1998, the Registrant acquired a company in consideration for which it issued a total of 2,135,996 shares of Interpublic Stock to the acquired company's former shareholders. The shares of Interpublic Stock had a market value of \$136,437,000 on the date of issuance.

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

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(5) On May 11, 1998, the Registrant issued 2,768 shares of Common Stock to the former shareholder of a company which was purchased in 1996. This represented a portion of a deferred payment due under the 1996 acquisition agreement. The market value on the date of issuance was \$168,848.

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

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

- (a) This item is answered in respect of the Annual Meeting of Stockholders held on May 18, 1998.
- (b) No response is required to Paragraph (b) because (i) proxies for the meeting were solicited pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended; (ii) there was no solicitation in opposition to Management's nominees as listed in the proxy statement; and (iii) all such nominees were elected.
- (c) At the Annual Meeting, the following number of shares were cast with respect to each matter voted upon:

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

NOMINEE	FOR	WITHHELD	BROKER	
			NONVOTES	
Eugene P. Beard	109,731,107	325,236	0	
Frank J. Borelli	109,738,234	318,109	0	
Reginald K. Brack	109,726,015	330,328	0	
Jill M. Considine	109,737,283	319,060	0	
John J. Dooner, Jr.	109,730,036	326,307	0	
Philip H. Geier, Jr.	109,732,315	324,028	0	
Frank B. Lowe	109,218,856	837,487	0	
Leif H. Olsen	109,672,141	384,202	0	
Martin F. Puris	109,701,169	355,174	0	
Allen Questrom	109,737,072	319,271	0	
J. Phillip Samper	100,701,615	9,354,728	0	

-- Proposal to approve confirmation of independent accountants.

BROKER	FOR	AGAINST	ABSTAIN	NONVOTES
	109,523,195	259,627	273,521	0

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-- Stockholder proposed resolution regarding implementation of the Mac Bride Principles with respect to the Company's subsidiary in Northern Ireland.

FOR	AGAINST	ABSTAIN	BROKER NONVOTES
8,268,681	83,155,711	6,673,335	11,958,616

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

(a) EXHIBITS

EXHIBIT NO.	DESCRIPTION
Exhibit 11	Computation of Earnings Per Share.
Exhibit 27	Financial Data Schedule.

(b) Reports on Form 8-K

The following reports on Form 8-K were filed without financial statements during the quarter ended June 30, 1998:

- (1) Item 9 - Sale of Equity Securities Pursuant to Regulation S, dated February 6, 1998.
- (2) Item 9 - Sale of Equity Securities Pursuant to Regulation S, dated March 20, 1998.
- (3) Item 9 - Sale of Equity Securities Pursuant to Regulation S, dated April 17, 1998.
- (4) Item 9 - Sale of Equity Securities Pursuant to Regulation S, dated April 17, 1998.
- (5) Item 9 - Sale of Equity Securities Pursuant to Regulation S, dated April 24, 1998.
- (6) Item 9 - Sale of Equity Securities Pursuant to Regulation S, dated May 11, 1998.
- (7) Item 9 - Sale of Equity Securities Pursuant to Regulation S, dated May 21, 1998.
- (8) Item 9 - Sale of Equity Securities Pursuant to Regulation S, dated May 25, 1998.
- (9) Item 9 - Sale of Equity Securities Pursuant to Regulation S, dated May 29, 1998.

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SIGNATURES

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

Date: August 13, 1998
Eugene P. Beard

EUGENE P. BEARD
Vice Chairman
Finance and Operations

Date: August 13, 1998

JOSEPH M. STUDLEY
Joseph M. Studley
Chief Accounting Officer

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INDEX TO EXHIBITS

EXHIBIT NO.	DESCRIPTION
Exhibit 11	Computation of Earnings Per Share.
Exhibit 27	Financial Data Schedule

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

1,000

6-MOS	6-MOS	6-MOS	6-MOS
DEC-31-1997	DEC-31-1997	DEC-31-1998	DEC-31-1998
JUN-30-1997	JUN-30-1997	JUN-30-1998	JUN-30-1998
	420,198		636,993
	52,383		55,575
	2,998,150		3,336,230
	23,609		44,127
	0		0
	3,833,157		4,450,879
	554,164		632,314
	312,917		356,591
	5,411,802		6,346,004
3,780,581		4,243,391	
	116,626		202,558
0		0	
	0		0
	13,820		14,483
	916,322		1,199,176
5,411,802	6,346,004		
	0		0
	1,504,655		1,747,663
	0		0
	1,286,169		1,475,697
	0		0
	0		0
	22,004		23,609
	218,486		271,966
	88,018		112,639
122,651		152,193	
	0		0
	0		0
	0		0
	122,651		152,193
	.97		1.15
	.93		1.11