

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, 2005

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.)
1114 Avenue of the Americas, New York, New York		10036
(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))

Item 3.02 Unregistered Sale of Equity Securities.

On October 24, 2005, The Interpublic Group of Companies, Inc. completed a private offering of 525,000 shares of 5.25% Series B Cumulative Convertible Perpetual Preferred Stock (the "Shares") at an aggregate offering price of \$525,000,000. The Shares were sold on October 18, 2005 in a private placement to a syndicate of initial purchasers at an aggregate discount of \$15,750,000 and may be resold to qualified institutional buyers in reliance on the exemption from registration provided by Rule 144A under the Securities Act of 1933. The initial purchasers have an overallotment option to purchase an additional 75,000 Shares. Interpublic intends to use the net proceeds from the offering for general corporate purposes.

Each Share is convertible at the option of the holder at any time into 73.1904 shares of Interpublic common stock, subject to adjustment, which represents a conversion price of approximately \$13.66, representing a conversion premium of approximately 30% over Interpublic's closing stock price on October 18, 2005 of \$10.51 per share. On or after October 15, 2010, the Shares may be converted at Interpublic's option if the closing price of Interpublic's common stock multiplied by the conversion rate then in effect equals or exceeds 130% of the liquidation preference of \$1,000 per share for 20 trading days during any consecutive 30 trading day period. Holders of the Shares will be entitled to an adjustment to the conversion rate if they convert their Shares in connection with a fundamental change meeting certain specified conditions.

Dividends of 5.25% per year are payable quarterly in cash or, if certain conditions are met, in common stock, at Interpublic's option on the 15th day of January, April, July and October of each year. The dividend rate will be increased by 1.0% and all the series of preferred stock then outstanding will have the right to elect two additional directors to the board in the event Interpublic does not pay dividends on the Shares for six quarterly periods. The dividend rate will be similarly increased if Interpublic does not file its periodic reports with the SEC within the 15 days of the required filing date.

The certificate of designations governing the rights of the Shares is filed as Exhibit 4.1 and incorporated by referenced herein. A copy of the press release published in connection with the completion of the offering is filed as Exhibit 99.1 and incorporated by reference herein.

Item 5.03 Amendment to Articles of Incorporation or By-Laws; Change in Fiscal Year.

The disclosure provided under Item 3.02 of this current report is incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

- Exhibit 4.1 Certificate of Designations for 5.25% Series B Cumulative Convertible Perpetual Preferred Stock (filed pursuant to Item 5.03).
- Exhibit 99.1 Press release, dated October 24, 2005 (filed pursuant to Item 3.01).

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.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

Date: October 24, 2005

By: /s/ Steven C. Planchard
Steven C. Planchard
Vice President, Associate General Counsel
and Assistant Secretary

CERTIFICATE OF DESIGNATIONS OF
5¼% SERIES B CUMULATIVE CONVERTIBLE PERPETUAL PREFERRED STOCK
OF THE INTERPUBLIC GROUP OF COMPANIES, INC.

Pursuant to Section 151 of the
General Corporation Law of the State of Delaware

The Interpublic Group of Companies, Inc., a Delaware corporation (the "Company"), certifies that pursuant to the authority contained in Article 4 of its Restated Certificate of Incorporation, as amended (the "Restated Certificate of Incorporation"), and in accordance with the provisions of Section 151 of the General Corporation Law of the State of Delaware (the "DGCL"), the Pricing Committee designated by the Board of Directors of the Company (the "Board of Directors") by resolution adopted by unanimous written consent, pursuant to Section 141(f) of the DGCL, on October 18, 2005, duly approved and adopted the following resolution, which resolution remains in full force and effect on the date hereof:

RESOLVED, that pursuant to the authority vested in the Pricing Committee by the Board of Directors, and in the Board of Directors by the Restated Certificate of Incorporation, as amended, the Pricing Committee designated by the Board of Directors does hereby designate, create, authorize and provide for the issue of a series of the Company's preferred stock without par value, with a liquidation preference of \$1,000 per share plus an amount equal to the sum of all accumulated and unpaid dividends, subject to adjustment as provided in Section 19(ii) hereof, which shall be designated as 5¼% Series B Cumulative Convertible Perpetual Preferred Stock (the "Series B Preferred Stock") consisting of 600,000 shares, no shares of which have heretofore been issued by the Company, having the following powers, designations, preferences and relative, participating, optional and other special rights, and qualifications, limitations and restrictions thereof:

Section 1. Ranking. The Series B Preferred Stock will rank, with respect to payment of dividends and distribution of assets upon the liquidation, winding-up or dissolution of the Company: (i) senior to all Junior Stock, (ii) on parity with all Parity Stock and (iii) junior to all Senior Stock. The Company's ability to issue Capital Stock that ranks senior to its Series B Preferred Stock shall be subject to the provisions of Section 4 hereof.

Section 2. Dividends.

(i) Each holder of shares of the outstanding Series B Preferred Stock (together, the "Holders") shall be entitled, when, as and if declared by the Board of Directors or a duly authorized committee thereof out of assets of the Company legally available therefor, to receive cumulative dividends at the initial rate per annum of 5.25% of the liquidation preference of \$1,000 per share of Series B Preferred Stock, subject to adjustment as provided in Section 19(ii) hereof (such liquidation preference, as adjusted from time to time, the "Liquidation Preference") (initially equivalent to \$52.50 per annum per share) payable quarterly in arrears (such rate, as the same may be adjusted from time to time pursuant to Section 2(ii) and Section 13, the "Dividend

Rate”). Dividends payable for each full dividend period will be computed by dividing the Dividend Rate by four and shall be payable in arrears on each Dividend Payment Date (commencing January 15, 2006) for the quarterly period ending immediately prior to such Dividend Payment Date, to the holders of record of Series B Preferred Stock at the close of business on the Dividend Record Date applicable to such Dividend Payment Date. Such dividends shall accumulate from the most recent date as to which dividends shall have been paid or, if no dividends have been paid, from the Issue Date (whether or not in any dividend period or periods there shall be assets of the Company legally available for the payment of such dividends in whole or in part). The initial dividend on the Series B Preferred Stock, for the period commencing on October 24, 2005, to but excluding January 15, 2006, shall be \$11.8125 per share and shall be payable, when, as and if declared, on January 15, 2006. Each subsequent quarterly dividend on the Series B Preferred Stock, when, as and if declared, shall be \$13.125 per share. Dividends payable for any partial dividend period, including the initial dividend period ending immediately prior to January 15, 2006, shall be computed on the basis of days elapsed over a 360-day year consisting of twelve 30-day months.

(ii) If and whenever six full quarterly dividends, whether or not consecutive, payable on the Series B Preferred Stock (such period, the “Initial Six-Quarter Period”) are not paid, then the Dividend Rate shall increase by one percentage point (100 basis points), and at such date as the Company has paid in full all accumulated and unpaid dividends on the Series B Preferred Stock for all dividend periods terminating on or prior to such date, the Dividend Rate shall decrease by one percentage point (100 basis points). After the Initial Six-Quarter Period and the taking of action by the Company to cause a decrease in the Dividend Rate as provided in the prior sentence, if and whenever one full quarterly dividend payable on the Series B Preferred Stock is not paid, the Dividend Rate shall increase by one percentage point (100 basis points) until the Company has paid in full all accumulated and unpaid dividends on the Series B Preferred Stock for all dividend periods terminating on or prior to the date on which the accumulated and unpaid dividends are paid in full.

(iii) No dividend will be declared or paid upon, or any sum set apart or shares of Common Stock distributed for the payment of dividends upon, any outstanding share of the Series B Preferred Stock with respect to any dividend period unless all dividends for all preceding dividend periods have been declared and paid or declared and a sufficient sum of money or number of shares of Common Stock have been set apart or shares of Common Stock distributed for the payment of such dividend, upon all outstanding shares of Series B Preferred Stock.

(iv) No dividends or other distributions (other than a dividend or distribution payable solely in shares of Parity Stock or Junior Stock (in the case of Parity Stock) or Junior Stock (in the case of Junior Stock) and other than cash paid in lieu of fractional shares in accordance with Section 17 hereof) may be declared, made or paid, or set apart for payment upon, any Parity Stock or Junior Stock, nor may any Parity Stock or Junior Stock be redeemed, purchased or otherwise acquired for any consideration (or any money paid to or made available for a sinking fund for the redemption of any Parity Stock or Junior Stock) by or on behalf of the Company (except by conversion into or exchange for shares of Parity Stock or Junior Stock (in the case of Parity Stock) or Junior Stock (in the case of Junior Stock)), unless all accumulated and unpaid dividends shall have been or contemporaneously are declared and paid, or are

declared and a sum of cash or number of shares of Common Stock sufficient for the payment thereof is set apart for such payment, on the Series B Preferred Stock and any Parity Stock for all dividend payment periods terminating on or prior to the date of such declaration, payment, redemption, purchase or acquisition. Notwithstanding the foregoing, if full dividends have not been paid on the Series B Preferred Stock and any Parity Stock, dividends may be declared and paid on the Series B Preferred Stock and such Parity Stock so long as the dividends are declared and paid pro rata so that the amounts of dividends declared per share on the Series B Preferred Stock and such Parity Stock will in all cases bear to each other the same ratio that accumulated and unpaid dividends per share on the shares of Series B Preferred Stock and such other Parity Stock bear to each other.

(v) Holders shall not be entitled to any dividends on the Series B Preferred Stock, whether payable in cash, property or stock, in excess of full cumulative dividends calculated pursuant to this Section 2. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments on the Series B Preferred Stock that may be in arrears.

(vi) With respect to dividends that have been declared for payment, a Holder at the close of business on a Dividend Record Date will be entitled to receive the dividend payment on its Series B Preferred Stock on the next succeeding Dividend Payment Date notwithstanding the Company's default in payment of the dividend due on that Dividend Payment Date.

(vii) Dividends in arrears on the Series B Preferred Stock in respect of a dividend period not declared for payment ("Delayed Dividends") may be declared by the Board of Directors or a duly authorized committee thereof and paid on any date fixed by the Board of Directors or a duly authorized committee thereof, whether or not a Dividend Payment Date, to the Holders of record as they appear on the stock register of the Company on a record date selected by the Board of Directors or a duly authorized committee thereof, which shall (a) not precede the date the Board of Directors or an authorized committee thereof declares the dividend payable and (b) not be more than 60 days prior to the date the dividend is paid.

Section 2A. Method of Payment of Dividends.

(i) Subject to restrictions set forth herein, dividends on Series B Preferred Stock may be paid, at the sole discretion of the Company, (a) in cash; (b) by delivery of shares of Common Stock; or (c) through any combination of cash or Common Stock.

(ii) Shares of Common Stock issued in payment or partial payment of a dividend shall be valued for such purpose at 95% of the average of the Volume-Weighted Average Price for each of the five consecutive Trading Days ending on the second Trading Day immediately prior to the Dividend Record Date for such dividend.

(iii) Dividend payments on the Series B Preferred Stock will be made in cash, except to the extent the Company elects to make all or any portion of such payment in Common Stock by giving notice to Holders and issuing a press release, each in accordance with Section 2A(v) and Section 14 hereof, of such election at least ten (10) Trading Days prior to the Dividend Record Date for such dividend.

(iv) During the period commencing on the Issue Date and ending on the second anniversary of the Issue Date, no payment or partial payment of a dividend on the Series B Preferred Stock may be made by delivery of Common Stock unless:

(a) an effective registration statement exists at the time of delivery of such shares of Common Stock; or

(b) in the case of dividends paid by delivery of shares of Common Stock issued on or after the first anniversary of the Issue Date, at the time of delivery of such shares, the Company satisfies the requirements of Rule 144(c) of the Securities Act.

(v) The notice and press release specified in Section 2A(iii) will set forth the portion of such payment that will be made in cash and the portion that will be made in shares of Common Stock. In addition, with respect to any such payment to be made during the period commencing on the Issue Date and ending on the second anniversary of the Issue Date, such notice will:

(a) with respect to delivery of shares of Common Stock for which the Company relies on Section 2A(iv)(a) above, state whether an effective registration statement exists and is available for resales of shares of Common Stock that are issued in respect of dividends; and

(b) with respect to delivery of shares of Common Stock for which the Company relies on Section 2A(iv)(b) above:

(1) state whether the Company is in compliance and will be in compliance with Rule 144(c) under the Securities Act on the date of delivery of dividends in the form of Common Stock;

(2) set forth the relevant text of Rule 144(e) under the Securities Act regarding the calculation methods of volume limitations;

(3) include a statement that investors must make their own determination as to whether they are entitled to rely on Rule 144 under the Securities Act in respect of resales of shares of Common Stock that are issued in respect of dividends; and

(4) include a statement that investors may be required to make certain filings with the Securities and Exchange Commission (the "SEC") and other regulatory authorities in relation to any resales of shares of Common Stock pursuant to Rule 144 of the Securities Act.

(vi) No fractional shares of Common Stock will be delivered to Holders in payment or partial payment of a dividend. In lieu of delivery of a fractional share, a cash adjustment will be paid to each Holder in accordance with Section 17 hereof. Any portion of any

such payment that is declared and not paid through the delivery of Common Stock will be paid in cash.

Section 3. Liquidation Preference.

(i) In the event of any voluntary or involuntary liquidation, winding up or dissolution of the Company, each Holder shall be entitled to receive out of the assets of the Company available for distribution to stockholders of the Company, before any distribution of assets is made to holders of the Common Stock or any other Junior Stock but after any distribution on the indebtedness of the Company or Senior Stock, the Liquidation Preference, plus accumulated and unpaid dividends (whether or not declared) thereon for the then-current dividend period to the date fixed for liquidation, winding up or dissolution and all dividend periods prior thereto.

(ii) Neither the sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all the assets or business of the Company (other than in connection with the liquidation, winding-up or dissolution of its business) nor the merger, conversion or consolidation of the Company into or with any other Person shall be deemed to be a liquidation, winding-up or dissolution, voluntary or involuntary, for the purposes of this Section 3.

(iii) In the event the assets of the Company available for distribution to Holders upon any liquidation, winding-up or dissolution of the Company, whether voluntary or involuntary, shall be insufficient to pay in full all amounts to which such Holders are entitled pursuant to Section 3(i), no such distribution shall be made on account of any shares of Parity Stock upon such liquidation, dissolution or winding-up unless proportionate distributable amounts shall be paid on account of the shares of Series B Preferred Stock, ratably, in proportion to the full distributable amounts for which Holders and holders of any Parity Stock are entitled upon such liquidation, winding-up or dissolution, with the amount allocable to each series of such stock determined on a pro rata basis of the aggregate liquidation preference of the outstanding shares of each series and accumulated and unpaid dividends to which each series is entitled.

(iv) After the payment to the Holders of full preferential amounts provided for in Sections 3(i), 3(ii) and 3(iii) hereof, the Holders as such shall have no right or claim to any of the remaining assets of the Company.

Section 4. Voting Rights.

(i) Holders shall have no voting rights, except as set forth in this Section 4 or as expressly required by applicable state law from time to time.

(ii) If and whenever six full quarterly dividends, whether or not consecutive, on any series of preferred stock of the Company, including the Series B Preferred Stock, are not paid, the number of directors constituting the Board of Directors will be increased by two and the holders of all series of the preferred stock of the Company (including the Series B Preferred Stock) then outstanding, voting together as a class, shall have a right to elect those additional directors to the Board of Directors until all accumulated and unpaid dividends on the cumulative

preferred stock of the Company have been paid in full or, to the extent that any series of non-cumulative preferred stock of the Company is outstanding, until non-cumulative dividends have been paid regularly for at least a year. To exercise this right, any holder of any series of the Company's preferred stock then outstanding, including the Series B Preferred Stock, may by written notice request that the Company call a special meeting of the holders of the Company's preferred stock for the purpose of electing the additional directors and, if such non-payment of dividends is continuing, the Company shall call such meeting within 35 days after such written request. If the Company fails to call such a meeting upon request, any holder at such time of any series of the Company's preferred stock then outstanding, including the Series B Preferred Stock, may call a meeting. At such time as all accumulated and unpaid dividends on the cumulative preferred stock of the Company are paid and, in the case of any series of non-cumulative preferred stock of the Company, all non-cumulative dividends have been paid regularly for at least one year, the holders of the Company's preferred stock then outstanding will no longer have the right to vote on directors and the term of office of each director so elected will terminate and the number of directors will, without further action, be reduced by two.

(iii) So long as any Series B Preferred Stock is outstanding, in addition to any other vote of stockholders of the Company required under applicable law or the Restated Certificate of Incorporation, the affirmative vote or consent of the Holders of at least 66 2/3% of the then outstanding shares of the Series B Preferred Stock will be required (a) for any amendment of the Restated Certificate of Incorporation if the amendment would alter or change the powers, preferences, privileges or rights of the Holders so as to affect them adversely, (b) to issue, authorize or increase the authorized amount of, or issue or authorize any obligation or security convertible into or evidencing a right to purchase, by merger, consolidation or otherwise, any class or series of Senior Stock, or (c) to reclassify by merger, consolidation or otherwise, any authorized stock of the Company into any class or series of, or any obligation or security convertible into or evidencing a right to purchase, any Senior Stock; *provided* that no such vote shall be required for the Company to issue, authorize or increase the authorized amount of, or issue or authorize any obligation or security convertible into or evidencing a right to purchase, any Parity Stock or Junior Stock.

(iv) In any case where the Holders are entitled to vote as a class with holders of Parity Stock, each holder shall be entitled to one vote for each share of such preferred stock (including the Series B Preferred Stock) held by such holder. In any case where the Holders are entitled to vote as a class, each Holder shall be entitled to one vote for each share of the Series B Preferred Stock held by such Holder.

Section 5. Forced Conversion.

(i) At any time on or after October 15, 2010, the Company shall have the right, at its option, to cause the Series B Preferred Stock, in whole but not in part, to be automatically converted into a number of whole shares of Common Stock at the Conversion Rate then in effect, with any resulting fractional shares of Common Stock to be settled in accordance with Section 17 hereof (a "Forced Conversion"). The Company may exercise its right to cause a Forced Conversion pursuant to this Section 5 only if the Closing Sale Price of the Common Stock multiplied by the Conversion Rate equals or exceeds 130% of the Liquidation Preference for at least 20 Trading Days in any consecutive 30 Trading Day period, including the last

Trading Day of such 30 Trading Day period, ending on the Trading Day prior to the Company's issuance of a press release, as described in Section 5(ii) hereof, announcing the Company's exercise of its right to cause Forced Conversion.

(ii) To exercise its right to call a Forced Conversion described in Section 5(i) hereof, the Company must issue a press release, in compliance with Section 14(i) hereof, prior to the close of business on the first Trading Day following any date on which the conditions described in Section 5(i) hereof are met, announcing such a Forced Conversion. The Company shall also give notice by mail or by publication (with subsequent prompt notice by mail), in either case in accordance with Section 14(ii) hereof, to the Holders (not more than four Business Days after the date of the press release) of the election to call a Forced Conversion. The conversion date will be a date selected by the Company (the "Forced Conversion Date") and will be no more than 15 days after the date on which the Company issues the press release described in this Section 5(ii).

(iii) In addition to any information required by applicable law or regulation, the press release and notice of a Forced Conversion described in Section 5(ii) shall state, as appropriate: (a) the Forced Conversion Date; (b) the number of shares of Common Stock to be issued upon conversion of each share of Series B Preferred Stock; (c) the number of shares of Series B Preferred Stock to be converted; and (d) that dividends on the Series B Preferred Stock to be converted will cease to accumulate on the Forced Conversion Date.

(iv) On and after the Forced Conversion Date, dividends will cease to accumulate on the Series B Preferred Stock called for a Forced Conversion and all rights of Holders will terminate except for the right to receive the whole shares of Common Stock issuable upon conversion thereof at the Conversion Rate then in effect and cash in lieu of any fractional shares of Common Stock, settled in accordance with Section 17 hereof. If the Forced Conversion Date occurs between the period between the close of business on any Dividend Record Date and the close of business on any Dividend Payment Date, the dividend payment with respect to the Series B Preferred Stock will be payable to the record holder of such share on such Dividend Record Date. Except as provided in the immediately preceding sentence, with respect to a Forced Conversion pursuant to Section 5(i) hereof, the Company shall make no payment or allowance for unpaid dividends, whether or not in arrears, upon conversion of Series B Preferred Stock or for dividends with respect to the Common Stock issued upon such conversion.

(v) The Company may not authorize, issue a press release or give notice of any Forced Conversion pursuant to Section 5(i) hereof unless, prior to giving the notice of Forced Conversion, all accumulated and unpaid dividends on the Series B Preferred Stock for periods ended prior to the date of such notice shall have been paid.

(vi) In addition to the Company's right to call a Forced Conversion described in Section 5(i) hereof, if there are fewer than 39,375 shares of Series B Preferred Stock outstanding, the Company shall have the right, at any time on or after October 15, 2010, at its option, to cause the Series B Preferred Stock to be automatically converted into that number of whole shares of Common Stock equal to the quotient of (a) the Liquidation Preference divided by (b) the lesser of (1) the Conversion Price then in effect and (2) the Market Value as of the second Trading Day immediately prior to the Forced Conversion Date, with any resulting fractional shares of

Common Stock to be settled in cash in accordance with Section 17 hereof. The provisions of Sections 5(ii), 5(iii), 5(iv) and 5(v) shall apply to any such forced conversion pursuant to this Section 5(vi); *provided, however*, that to exercise the right described in this Section 5(vi), the Company must issue a press release at any time following satisfaction of the condition described in this Section 5(vi).

Section 6. Conversion at the Option of the Holder.

(i) Each Holder shall have the right, at any time, at its option, from the Issue Date to convert any or all of such Holder's shares of Series B Preferred Stock into 73.1904 shares of Common Stock for each share of Series B Preferred Stock, subject to adjustment as set forth in Section 7 hereof (such rate, the "Conversion Rate").

(ii) Shares of Series B Preferred Stock surrendered for conversion during the period between the close of business on any Dividend Record Date and the close of business on the Business Day immediately preceding the applicable Dividend Payment Date must be accompanied by a payment in cash equal to the dividend payable on the Series B Preferred Stock on that Dividend Payment Date. A Holder on a Dividend Record Date who (or whose transferee) tenders any shares for conversion on the corresponding Dividend Payment Date shall receive the dividend payable by the Company on the Series B Preferred Stock on that date, and the converting holder shall not be required to include payment in the amount of such dividend upon surrender of shares of Series B Preferred Stock for conversion. Except as provided in this Section 6(ii), upon a conversion at the option of the Holder pursuant to this Section 6, the Company shall make no payment or allowance for unpaid dividends, whether or not in arrears, upon conversion of Series B Preferred Stock or for dividends on the shares of Common Stock issued upon such conversion.

(iii) Subject to Section 19(i) hereof, the conversion right of a Holder shall be exercised by the Holder by the surrender to the Company of the certificates representing shares of Series B Preferred Shares to be converted at any time during usual business hours at its principal place of business or the offices of its duly appointed Transfer Agent to be maintained by it, accompanied by written notice to the Company in the form of Exhibit A that the Holder elects to convert all or a portion of the shares of Series B Preferred Stock represented by such certificate and specifying the name or names (with address) in which a certificate or certificates for shares of Common Stock are to be issued and (if so required by the Company or its duly appointed Transfer Agent) by a written instrument or instruments of transfer in form reasonably satisfactory to the Company or its duly appointed Transfer Agent duly executed by the Holder or its duly authorized legal representative and transfer tax stamps or funds therefor, if required pursuant to Section 19(vii) hereof. Immediately prior to the close of business on the date of receipt by the Company or its duly appointed Transfer Agent of notice of conversion of shares of Series B Preferred Stock, each converting Holder shall be deemed to be the holder of record of Common Stock issuable upon conversion of such Holder's Series B Preferred Stock notwithstanding that the share register of the Company shall then be closed or that certificates representing such Common Stock shall not then be actually delivered to such Holder. On the date of any conversion, all rights with respect to the shares of Series B Preferred Stock so converted, including the rights, if any, to receive notices, will terminate, except the rights of Holders thereof to: (a) receive certificates for the number of whole shares of Common Stock into

which such shares of Series B Preferred Stock have been converted and cash, in lieu of any fractional shares, in accordance with Section 17 hereof; (b) receive a Make-Whole Premium, if any, payable upon a Fundamental Change, in accordance with Section 8A; and (c) exercise the rights to which they are entitled as holders of Common Stock.

Section 7. Anti-dilution Adjustments.

(i) Anti-Dilution Adjustments. The Conversion Rate shall be subject to the following adjustments from time to time:

(a) *Stock Dividends.* In case the Company shall pay or make a dividend or other distribution to all holders of Common Stock in shares of Common Stock, the Conversion Rate, as in effect at the opening of business on the day following the date fixed for the determination of stockholders of the Company entitled to receive such dividend or other distribution, shall be increased by dividing such Conversion Rate by a fraction of which the numerator shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination and the denominator shall be the sum of such number of shares and the total number of shares constituting such dividend or other distribution, such increase to become effective immediately after the opening of business on the day following the date fixed for such determination.

(b) *Stock Purchase Rights.* In case the Company shall issue to all holders of its Common Stock rights, options or warrants, entitling them to subscribe for or purchase shares of Common Stock or securities convertible into or exchangeable for shares of Common Stock for a period expiring within 60 days from the date of issuance of such rights, options or warrants at a price per share of Common Stock less than the Market Value as of the date fixed for the determination of stockholders of the Company entitled to receive such rights, options or warrants (other than pursuant to a dividend reinvestment, share purchase or similar plan), the Conversion Rate in effect at the opening of business on the day following the date fixed for such determination shall be increased by dividing such Conversion Rate by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination plus the number of shares of Common Stock which the aggregate consideration expected to be received by the Company upon the exercise, conversion or exchange of such rights, options or warrants (as determined in good faith by the Board of Directors, whose determination shall be conclusive and described in a Board Resolution) would purchase at such Market Value and the denominator of which shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination plus the number of shares of Common Stock so offered for subscription or purchase, either directly or indirectly, such increase to become effective immediately after the opening of business on the day following the date fixed for such determination; *provided, however*, that no such adjustment of Conversion Rate shall be made if the Holders would be entitled to receive such rights, options or warrants upon conversion at any time of shares of Series B Preferred Stock into

Common Stock; *provided further, however*, that if any of the foregoing rights, options or warrants is only exercisable upon the occurrence of a Triggering Event, then the Conversion Rate will not be adjusted until such Triggering Event occurs.

(c) *Stock Splits; Reverse Splits; and Combinations*. In case outstanding shares of Common Stock shall be subdivided, split or reclassified into a greater number of shares of Common Stock, the Conversion Rate in effect at the opening of business on the day following the day upon which such subdivision, split or reclassification becomes effective shall be proportionately increased, and, conversely, in case outstanding shares of Common Stock shall each be combined or reclassified into a smaller number of shares of Common Stock, the Conversion Rate in effect at the opening of business on the day following the day upon which such combination or reclassification becomes effective shall be proportionately reduced, such increase or reduction, as the case may be, to become effective immediately after the opening of business on the day following the day upon which such subdivision, split, reclassification or combination becomes effective.

(d) *Cash Distributions*. In case the Company shall, by dividend or otherwise, make distributions to all holders of its Common Stock exclusively in cash (excluding any distribution consisting of cash in part which is provided for in Section 7(i)(f) hereof) immediately after the close of business on such date for determination, the Conversion Rate shall be increased by multiplying the Conversion Rate in effect immediately prior to the close of business on the date fixed for determination of the stockholders of the Company entitled to receive such distribution by a fraction, (A) the numerator of which shall be equal to the Market Value as of the date fixed for such determination and (B) the denominator of which shall be equal to the Market Value as of the date fixed for such determination less the per share amount of the distribution.

Notwithstanding the foregoing, in no event will an adjustment pursuant to this Section 7(i)(d) result in a Conversion Rate of more than 95.1475, subject to adjustment in accordance with Sections 7(i)(a), 7(i)(b), 7(i)(c), 7(i)(e) and 7(i)(f) hereof.

(e) *Common Stock Repurchase Premiums*. In the case that a tender or exchange offer made by the Company or any Subsidiary of the Company for all or any portion of the Common Stock shall expire and such tender or exchange offer (as amended through the expiration thereof) shall require the payment to stockholders of the Company (based on the acceptance, up to any maximum specified in the terms of the tender or exchange offer, of Purchased Shares (as defined below)) of an aggregate consideration having a Fair Market Value (as determined in good faith by the Board of Directors, whose determination shall be conclusive and described in a Board Resolution) per share of the Common Stock that exceeds the Closing Sale Price of the Common Stock on the Trading Day next succeeding the last date on which tenders or exchanges may be made pursuant to such tender or exchange offer, then, immediately prior to the opening of business on the day after the last day (such day, the "Expiration Time") tenders

could have been made pursuant to such tender or exchange offer (as amended through the expiration thereof), the Conversion Rate shall be increased by dividing the Conversion Rate immediately prior to the close of business on the Expiration Time by a fraction (1) the numerator of which shall be equal to (x) the product of (I) the Market Value as of the date of the Expiration Time and (II) the number of shares of Common Stock outstanding (including any Purchased Shares (as defined below)) on the Expiration Time less (y) the amount of cash plus the Fair Market Value (determined as aforesaid) of the aggregate consideration payable to stockholders of the Company pursuant to the tender or exchange offer (assuming the acceptance, up to any maximum specified in the terms of the tender or exchange offer, of Purchased Shares (as defined below)), and (2) the denominator of which shall be equal to the product of (x) the Market Value as of the Expiration Time and (y) the number of shares of Common Stock outstanding (including any Purchased Shares (as defined below)) on the Expiration Time less the number of all shares validly tendered, not withdrawn and accepted for payment on the Expiration Time (such validly tendered shares, up to any such maximum, being referred to as the "Purchased Shares").

(f) *Debt, Asset or Security Distributions.* In case the Company shall, by dividend or otherwise, distribute to all holders of its Common Stock evidences of its indebtedness, assets or securities (but excluding any dividend or distributions referred to in Section 7(i)(a), (i)(b) or (i)(d)), the Conversion Rate shall be increased by dividing the Conversion Rate in effect immediately prior to the close of business on the date fixed for the determination of stockholders of the Company entitled to receive such distribution by a fraction, the numerator of which shall be the Market Value of a share of Common Stock as of the date fixed for such determination less the then Fair Market Value (as determined in good faith by the Board of Directors, whose determination shall be conclusive and described in a Board Resolution) of the portion of the assets or evidences of indebtedness so distributed applicable to one share of Common Stock and the denominator of which shall be the Market Value of a share of Common Stock as of the date fixed for such determination, such adjustment to become effective immediately prior to the opening of business on the day following the date fixed for the determination of stockholders of the Company entitled to receive such distribution.

(ii) Right and Warrants. If the Company distributes rights or warrants (other than those referred to above in Section 7(i)(b) hereof) pro rata to the holders of Common Stock, so long as such rights or warrants have not expired or been redeemed by the Company, the Holder of any shares of Series B Preferred Stock surrendered for conversion shall be entitled to receive upon such conversion, in addition to the shares of Common Stock then issuable upon such conversion (the "Conversion Shares"), a number of rights or warrants to be determined as follows:

(a) if such conversion occurs on or prior to the date for the distribution to the holders of rights or warrants of separate certificates evidencing such rights or warrants (the "Distribution Date"), the same number of rights or

warrants to which a holder of a number of shares of Common Stock equal to the number of Conversion Shares is entitled at the time of such conversion in accordance with the terms and provisions applicable to the rights or warrants; and

(b) if such conversion occurs after the Distribution Date, the same number of rights or warrants to which a holder of the number of shares of Common Stock into which such Series B Preferred Stock was convertible immediately prior to such Distribution Date would have been entitled on such Distribution Date had such Series B Preferred Stock been converted immediately prior to such Distribution Date in accordance with the terms and provisions applicable to the rights and warrants.

The Conversion Rate shall not be subject to adjustment on account of any declaration, distribution or exercise of such rights or warrants.

(iii) De Minimis Adjustments. Notwithstanding anything herein to the contrary, no adjustment under this Section 7 need be made to the Conversion Rate unless such adjustment would require an increase or decrease of at least one percent (1.0%) of the Conversion Rate then in effect. Any lesser adjustment shall be carried forward and shall be made at the time of and together with the next subsequent adjustment, if any, which, together with any adjustment or adjustments so carried forward, shall amount to an increase or decrease of at least one percent (1.0%) of such Conversion Rate; *provided, however*, that with respect to adjustments to be made to the Conversion Rate in connection with cash dividends paid by the Company, the Company shall make such adjustments, regardless of whether such aggregate adjustments amount to one percent (1.0%) or more of the Conversion Rate, no later than October 15 of each calendar year. No adjustment under this Section 7 shall be made if such adjustment will result in a Conversion Price that is less than the par value of the Common Stock. All adjustments to the Conversion Rate shall be calculated to the nearest 1/10,000th of a share of Common Stock (or if there is not a nearest 1/10,000th of a share to the next lower 1/10,000th of a share).

(iv) Tax-Related Adjustments. The Company may make such increases in the Conversion Rate, in addition to those required by this Section 7, as the Board of Directors considers advisable in order to avoid or diminish any income tax to any holders of shares of Common Stock resulting from any dividend or distribution of stock or issuance of rights or warrants to purchase or subscribe for stock or from any event treated as such for income tax purposes. In the event the Company elects to make such an increase in the Conversion Rate, the Company will comply with the requirements of Rule 14e-1 under the Exchange Act, and any other securities laws and regulations thereunder if and to the extent that such laws and regulations are applicable in connection with the increase of the Conversion Rate.

(v) Stockholder Rights Plans. Upon conversion of the Series B Preferred Stock, the Holders shall receive, in addition to the shares of Common Stock and any cash for fractional shares in accordance with Section 17 hereof, if any, the rights issued under any future stockholder rights plan the Company may establish whether or not such rights are separated from the Common Stock prior to conversion. A distribution of rights pursuant to a stockholder rights plan will not result in an adjustment to the Conversion Rate pursuant to Section 7(i)(b) or 7(i)(f) provided that the Company has provided for the Holders to receive such rights upon conversion.

(vi) Notice of Adjustment. Whenever the Conversion Rate is adjusted in accordance with this Section 7, the Company shall (a) compute the Conversion Rate in accordance with this Section 7 and prepare and transmit to the Transfer Agent an Officer's Certificate setting forth the Conversion Rate, the method of calculation thereof in reasonable detail, and the facts requiring such adjustment and upon which such adjustment is based and (b) as soon as practicable following the occurrence of an event that requires an adjustment to the Conversion Rate pursuant to this Section 7 (or if the Company is not aware of such occurrence, as soon as practicable after becoming so aware), the Company or, at the request and expense of the Company, the Transfer Agent shall provide a written notice to the Holders of the occurrence of such event and a statement setting forth in reasonable detail the method by which the adjustment to the Conversion Rate was determined and setting forth the adjusted Conversion Rate.

(vii) Reversal of Adjustment. If the Company shall take a record of the holders of its Common Stock for the purpose of entitling them to receive a dividend or other distribution, and shall thereafter (and before the dividend or distribution has been paid or delivered to stockholders) legally abandon its plan to pay or deliver such dividend or distribution, then thereafter no adjustment in the Conversion Rate then in effect shall be required by reason of the taking of such record.

(viii) Exceptions to Adjustment. The applicable Conversion Rate shall not be adjusted:

(a) upon the issuance of any shares of the Common Stock pursuant to any present or future plan providing for the reinvestment of dividends or interest payable on the Company's securities and the investment of additional optional amounts in shares of Common Stock under any plan;

(b) upon the issuance of any shares of the Common Stock or options or rights to purchase those shares pursuant to any present or future employee, director or consultant benefit plan or program of or assumed by the Company or any of its Subsidiaries;

(c) upon the issuance of any shares of the Common Stock pursuant to any option, warrant, right or exercisable, exchangeable or convertible security outstanding as of the Issue Date;

(d) for a change in the par value or no par value of the Common Stock; or

(e) for accumulated and unpaid dividends.

Section 8. Fundamental Change.

(i) Upon the occurrence of a Fundamental Change, each Holder that converts its Series B Preferred Stock at any time beginning at the opening of business on the Trading Day immediately following the Effective Date of a Fundamental Change described in paragraph (b)

of the definition of Fundamental Change and ending at the close of business on the 30th Trading Day immediately following the Effective Date, shall receive:

(a) Common Stock, in accordance with Section 6 hereof, and cash in lieu of fractional shares, in accordance with Section 17 hereof; and

(b) a Make-Whole Premium (as defined below), if any, in accordance with Section 8A.

(ii) Upon the occurrence of a Fundamental Change, in the event that the Market Value as of the Effective Date of any Fundamental Change multiplied by the Conversion Rate then in effect is less than the Liquidation Preference, each Holder shall have a one-time option (the "Fundamental Change Option") to convert all of such Holder's outstanding shares of Series B Preferred Stock into fully paid and nonassessable shares of Common Stock at an adjusted Conversion Rate equal to the lesser of (x) the Liquidation Preference, divided by the Market Value as of the Effective Date and (y) 146.3808. The Fundamental Change Option must be exercised, if at all, during the period of not less than 30 days nor more than 60 days after the Fundamental Change Notice Date. In lieu of issuing the shares of Common Stock issuable upon conversion in the event of a Fundamental Change, the Company may, at its option, make a cash payment equal to the Market Value as of such Effective Date for each share of such Common Stock otherwise issuable.

(iii) In the event of a Fundamental Change, within ten (10) Trading Days after the Effective Date, the Company shall give notice of such Fundamental Change, in accordance with Section 14(ii) hereof, to each record holder (such date of notice, the "Fundamental Change Notice Date"). Each such notice shall state: (a) that a Fundamental Change has occurred; (b) the last day on which the Make-Whole Premium (as defined below), if any, can be received upon conversion and the last day on which the Fundamental Change Option may be exercised (each such date, an "Expiration Date") pursuant to the terms hereof; (c) the procedures that Holders must follow to exercise the Fundamental Change Option; (d) the name and address of the Transfer Agent; and (e) any additional information as may be required to be included in such notice pursuant to Section 8A(iv) or Section 9(ii) hereof.

(iv) Subject to Section 19(i) hereof, on or before the applicable Expiration Date, each Holder wishing to exercise its conversion right pursuant to Section 8(i) and (ii) shall surrender the certificate or certificates representing the shares of Series B Preferred Stock to be converted, in the manner and at the place designated in the notice described in Section 8(iii), and the cash or shares of Common Stock due to such Holder shall be delivered promptly to the Person whose name appears on such certificate or certificates as the owner thereof and the shares represented by each surrendered certificate shall be returned to authorized but unissued shares. Upon surrender (in accordance with the notice described in Section 8(iii) hereof) of the certificate or certificates representing any shares of Series B Preferred Stock to be so converted (properly endorsed or assigned for transfer, if the Company shall so require and the notice shall so state), such shares shall be converted by the Company at the adjusted Conversion Rate, if applicable, as described in Section 8(ii) hereof. Each converting Holder shall be deemed to be the holder of record of Common Stock issuable upon conversion of such Holder's Series B Preferred Stock notwithstanding that the share register of the Company shall then be closed or

that certificates representing such Common Stock shall not then be actually delivered to such Holder.

(v) The rights of Holders pursuant to this Section 8 are in addition to, and not in lieu of, the rights of Holders provided for in Section 6 and Section 8A hereof.

Section 8A. Payment of Make-Whole Premium.

(i) If a Holder elects to convert its Series B Preferred Stock upon the occurrence of a Fundamental Change as described in paragraph (b) of the definition of Fundamental Change, the Company shall deliver to such Holder upon conversion, in addition to the shares of Common Stock, in accordance with Section 6 hereof, and cash for fractional shares, in accordance with Section 17 hereof, a make-whole premium (the "Make-Whole Premium"):

(a) equal to a percentage of the Liquidation Preference as determined by reference to the table in Section 8A(viii) hereof, based on the Effective Date and the price (the "Stock Price") paid, or deemed to be paid, per share of Common Stock in the transaction constituting the Fundamental Change, subject to adjustment as described below; and

(b) in addition to, and not in substitution for, any cash, securities or other assets otherwise due to Holders upon conversion.

(ii) The Make-Whole Premium will be paid in cash or shares of Common Stock (other than cash in lieu of fractional shares, which will be settled in accordance with Section 17) or in the same form of consideration into which all or substantially all of the Common Stock has been converted or exchanged in connection with the Fundamental Change (other than cash paid in lieu of fractional interests in any security or pursuant to dissenters' rights), subject, in the case of delivery of Common Stock, to the Company's satisfaction of the conditions described in Section 8A(iii).

(iii) During the period commencing on the Issue Date and ending on the second anniversary of the Issue Date, a payment or partial payment of a Make-Whole Premium on the Series B Preferred Stock may be made by delivery of shares of Common Stock only if:

(a) an effective registration statement exists at the time of delivery of such shares of Common Stock; or

(b) in the case of Common Stock issued as payment of a Make-Whole Premium on or after the first anniversary of the Issue Date, at the time of delivery of such shares, the Company satisfies the requirements of Rule 144(c) of the Securities Act.

(iv) Upon the occurrence of a Fundamental Change for which a Make-Whole Premium is payable, the Company shall include in the notice required to be issued pursuant to Section 8(iii) the following:

(a) a calculation of the portion of the Make-Whole Premium payment that will be made in cash and the portion of such payment that will be made in shares of Common Stock;

(b) with respect to delivery of shares of Common Stock for which the Company relies on Section 8A(iii)(a) above, a statement of whether an effective registration statement exists and is available for resales of shares of Common Stock that are issued in respect of the Make-Whole Premium payment; and

(c) with respect to delivery of shares of Common Stock for which the Company relies on Section 8A(iii)(b) above:

(1) a statement as to whether the Company is in compliance and will be in compliance with Rule 144(c) under the Securities Act on the date of payment of the Make-Whole Premium in the form of Common Stock;

(2) the relevant text of Rule 144(e) under the Securities Act regarding the calculation methods of volume limitations;

(3) a statement that investors must make their own determination as to whether they are entitled to rely on Rule 144 under the Securities Act in respect of resales of shares of Common Stock that are issued as payment for the Make-Whole Premium; and

(4) a statement that investors may be required to make certain filings with the SEC and other regulatory authorities in relation to any resales of Common Stock pursuant to Rule 144 of the Securities Act.

(v) The Company shall pay cash in lieu of fractional interests in any security, or other property delivered in connection with a Fundamental Change. The Make-Whole Premium shall be payable on the 35th Trading Day following the Effective Date for Series B Preferred Stock converted in connection with a Fundamental Change.

(vi) The Stock Price paid, or deemed paid, per share of Common Stock in the transaction constituting the Fundamental Change will be as follows:

(a) if the consideration (excluding cash payments for fractional shares or pursuant to statutory approval rights) for the Common Stock consists solely of cash, 100% of the cash amount paid per share for such Common Stock; and

(b) in all other cases, the average of the Closing Sale Price of Common Stock for the five consecutive Trading Days immediately preceding the Effective Date.

(vii) The value of Common Stock for purposes of determining the number of shares of Common Stock to be issued in respect of the Make-Whole Premium will be the Stock Price, as calculated pursuant to Section 8(A)(vi), multiplied by 95%.

(viii) The following table sets forth the Stock Price paid, or deemed paid, per share of Common Stock in the transaction constituting a Fundamental Change as described in paragraph (b) of the definition thereof, the Effective Date and Make-Whole Premium (expressed as a percentage of the Liquidation Preference) upon a conversion in connection with such a Fundamental Change:

Value as % of Liquidation Preference

Stock Price	Effective Date											
	As of October 18,						As of October 15,					
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Thereafter
\$10.51	25.01	24.68	23.10	21.80	21.05	20.87	20.77	20.64	20.52	20.43	20.33	20.33
\$12.50	22.76	21.97	19.77	17.64	15.93	15.40	15.32	15.22	15.13	15.06	14.98	14.98
\$15.00	20.79	19.61	16.84	13.85	10.71	8.52	8.48	8.43	8.37	8.34	8.28	8.28
\$17.50	19.47	18.08	14.99	11.49	7.40	1.74	1.74	1.73	1.72	1.72	1.72	1.72
\$20.00	18.56	17.08	13.84	10.13	5.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00
\$22.50	17.90	16.40	13.13	9.39	5.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00
\$25.00	17.39	15.91	12.66	8.97	4.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00
\$27.50	16.98	15.53	12.34	8.72	4.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00
\$30.00	16.62	15.23	12.09	8.55	4.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00
\$32.50	16.30	14.96	11.88	8.42	4.53	0.00	0.00	0.00	0.00	0.00	0.00	0.00
\$35.00	16.00	14.72	11.70	8.30	4.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00
\$37.50	15.71	14.49	11.54	8.20	4.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00
\$40.00	15.44	14.27	11.38	8.10	4.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00
\$42.50	15.16	14.06	11.22	8.00	4.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00
\$45.00	14.90	13.85	11.07	7.91	4.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00
\$47.50	14.64	13.64	10.91	7.81	4.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00
\$50.00	14.37	13.43	10.76	7.71	4.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00
\$52.50	14.11	13.22	10.61	7.62	4.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00
\$55.00	13.85	13.02	10.46	7.52	4.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00

The Stock Prices set forth in the table will be adjusted as of any date on which the Conversion Price of the Series B Preferred Stock is adjusted pursuant an adjustment to the Conversion Rate in accordance with Section 7 hereof. The adjusted Stock Prices will equal the Stock Prices applicable immediately prior to the adjustment divided by a fraction, the numerator of which shall be the Conversion Price immediately prior to the adjustment to the Conversion Price and the denominator of which is the Conversion Price as so adjusted.

The exact Stock Price and Effective Date may not be set forth in the table, in which case:

(a) if the Stock Price is between two Stock Prices in the table or the Effective Date is between two Effective Dates in the table, the Make-Whole Premium will be determined by straight-line interpolation between Make-Whole Premium amounts set forth for the higher and lower Stock Prices and the two Effective Dates, as applicable, based on a 365-day year;

(b) if the Stock Price is in excess of \$55.00 per share (subject to adjustment in the same manner as the Stock Price) the payment corresponding to row \$55.00 will be paid; and

(c) if the Stock Price is less than \$10.51 per share (subject to adjustment in the same manner as the Stock Price), no Make-Whole Premium will be paid.

Notwithstanding the foregoing, in no event shall the total number of shares of Common Stock issuable upon conversion under Section 8A exceed 95.1475 shares of Common Stock per Liquidation Preference per share of Series B Preferred Stock, subject to adjustment in the same manner as the Conversion Rate is subject to adjustment pursuant to Section 7 hereof.

Section 9. Conversion After a Public Acquirer Fundamental Change.

(i) In the event of a Public Acquirer Fundamental Change, the Company may, in lieu of paying the Make-Whole Premium described in Section 8A hereof, elect to adjust the Conversion Rate and related conversion obligation such that, from and after the Effective Date of such Public Acquirer Fundamental Change, the Holders who elect to convert shall be entitled to convert their shares of Series B Preferred Stock into a number of shares of Public Acquirer Common Stock that have been registered, or the resale of which will be registered, under the Securities Act, by adjusting the Conversion Rate in effect immediately before the Public Acquirer Fundamental Change, by multiplying the Conversion Rate in effect immediately before the Public Acquirer Fundamental Change by a fraction:

(a) the numerator of which shall be (i) in the case of a consolidation, merger or binding share exchange pursuant to which the Common Stock is converted into or exchanged for the right to receive cash, securities or other property, the Fair Market Value of all cash and any other consideration (as determined in good faith by the Board of Directors, which determination shall be conclusive) paid or payable per share of Common Stock or (ii) in the case of any other Public Acquirer Fundamental Change, the average of the Closing Sale Price of the Common Stock for the five consecutive Trading Days prior to but excluding the Effective Date of such Public Acquirer Fundamental Change; and

(b) the denominator of which shall be the average of the Closing Sale Price of the Public Acquirer Common Stock for the five consecutive Trading Days commencing on the Trading Day next succeeding the Effective Date of such Public Acquirer Fundamental Change.

(ii) The Company shall state, in the notice of a Fundamental Change required to be issued pursuant to Section 8(iii), whether it has elected to adjust the Conversion Rate pursuant to Section 9(i), rather than pay the Make-Whole Premium pursuant to Section 8A(i). With respect to each Public Acquirer Fundamental Change, the Company shall make only one election, and the Company shall not change that election once it has first mailed any such notice or made any such public announcement or publication. However, if the Company elects to change the conversion right in connection with a Public Acquirer Fundamental Change as

described in this Section 9 and that such Public Acquirer Fundamental Change ultimately is not consummated, then the Company shall not be obligated to give effect to that particular election.

Section 10. Registration Procedures.

(i) In the event the Company elects to make a dividend or Make-Whole Premium payment on the Series B Preferred Stock by delivery of Common Stock (the “Registrable Securities”) in reliance on Section 2A(iv)(a) or Section 8A(iii)(a) hereof, the Company shall, subject to Section 10(ii) hereof, use its best efforts to maintain the effectiveness of the related registration statement (the “Resale Registration Statement”):

(a) in the case of a payment of a dividend by delivery of Common Stock in reliance on Section 2A(iv)(a), for ten (10) consecutive days immediately following the time of delivery of such shares; and

(b) in the case of a payment of a Make-Whole Premium by delivery of Common Stock in reliance on Section 8A(iii)(a) hereof, for 45 days immediately following the time of delivery of such shares, *provided* that the Company shall have the right to defer the availability of the Resale Registration Statement pursuant to the procedures set forth in Sections 10(ii)(a)(2) and 10(ii)(c) hereof for a maximum of 21 days in the aggregate, commencing on or after the 22nd day after the time of delivery of shares of Common Stock.

(ii) If the Company has filed a Resale Registration Statement and such Resale Registration Statement has become effective, the following provisions shall apply:

(a) Each Holder of Registrable Securities that wishes to sell its Registrable Securities pursuant to the Resale Registration Statement must give written notice to the Company at least two Business Days prior to any intended resale of Registrable Securities under the Resale Registration Statement, which notice shall specify the date on which such Holder intends to begin such distribution and such information with respect to such Holder and the intended distribution as may be reasonably required to amend the Resale Registration Statement or supplement the prospectus included therein with respect to such intended distribution (each Holder providing the notice described in this sentence and with respect to which the related Selling Period is continuing or has been deferred, a “Notice Holder” each such notice, a “Selling Notice”). As soon as practicable after receipt of a Selling Notice by the Company, and in any event within two Business Days after such date, the Company shall either (1) provide a Selling Confirmation to such Notice Holder or (2) subject to Section 10(ii)(b), deliver a notice to such Notice Holder containing an instruction to defer the use by the Holder of the prospectus included in the Resale Registration Statement until the Company delivers a Selling Confirmation (such notice, a “Deferral Notice”), whereupon the Selling Period shall be deferred and shall commence upon the delivery of the aforementioned Selling Confirmation.

(b) The Company shall issue a Deferral Notice pursuant to Section 10(ii)(a) only if:

(1) a Deferral Event has occurred and is continuing;

(2) the Selling Notice received by the Company relates to shares of Common Stock delivered in reliance on Section 8A(iii)(a) hereof; and

(3) the distribution of the shares of Common Stock to which the Selling Notice relates is intended to begin on or after the 22nd day after the time of delivery of such shares to the Notice Holder by the Company.

(c) With respect to shares of Common Stock delivered in reliance on Section 8A(iii)(a) hereof, in the event a Deferral Event occurs during any existing Selling Period, the Company may elect to deliver a Deferral Notice to the relevant Holders, whereupon such Selling Period or Selling Periods shall be deferred until such later date as the Company delivers a Selling Confirmation (such period, the “Deferral Period”); *provided* that deferrals may not exceed 21 days in the aggregate.

(d) A Notice Holder may sell all or any Registrable Securities pursuant to the Resale Registration Statement and the prospectus included therein only during its Selling Period, and a Notice Holder shall not sell any Registrable Securities pursuant to the Resale Registration Statement or the prospectus included therein during a Deferral Period or after the expiration of such Selling Period.

(e) If, notwithstanding the Company’s use of its best efforts to maintain the effectiveness of the Resale Registration Statement in accordance with Section 10(i) hereof, the Resale Registration Statement ceases to be effective, the Company shall notify all Notice Holders thereof and upon receipt of such notice, such Notice Holders shall cease use of the Resale Registration Statement until such Notice Holders have received a subsequent Selling Confirmation from the Company.

Section 11. Recapitalizations, Reclassifications and Changes in the Company’s Stock.

(i) In the event of any reclassification of outstanding shares of Common Stock (other than a change in par value, or from par value to no par value, or from no par value to par value), or any consolidation or merger of the Company (other than with a Subsidiary of a Company) with or into another Person or any merger of another Person with or into the Company (other than a consolidation or merger in which the Company is the resulting or surviving Person and which does not result in any reclassification or change of outstanding Common Stock), or any sale or other disposition to another Person of all or substantially all of the assets of the Company (computed on a consolidated basis) (any of the foregoing, a

“Transaction”), upon conversion of its shares of Series B Preferred Stock, a Holder will be entitled to receive the kind and amount of securities (of the Company or another issuer), cash and other property receivable upon such Transaction by a holder of the number of shares of Common Stock into which such shares of Series B Preferred Stock was convertible into immediately prior to such Transaction, after giving effect to any adjustment event (the “reference property”). At and after the Effective Date of such Transaction, the Conversion Rate will be calculated based on the Fair Market Value of the reference property. The provisions of this Section 11(i) and any equivalent thereof in any such securities similarly shall apply to successive Transactions.

(ii) In the event holders of Common Stock have the opportunity to elect the form of consideration to be received in any Transaction, the Company shall make adequate provision whereby the Holders shall have a reasonable opportunity to determine the form of consideration into which all of the Series B Preferred Stock, treated as a single class, shall be convertible from and after the effective date of such Transaction. The determination: (a) will be made by Holders representing a plurality of shares of Series B Preferred Stock participating in such determination, (b) will be subject to any limitations to which all of the holders of Common Stock are subject, including, but not limited to, pro rata reductions applicable to any portion of the consideration payable in such Transaction and (c) will be conducted in such a manner as to be completed by the date which is the earlier of: (1) the deadline for elections to be made by holders of Common Stock, and (2) two Trading Days prior to the anticipated effective date of such Transaction.

(iii) This provision does not limit the rights of Holders or of the Company in the event of a Fundamental Change, including a Holder’s right to receive a Make-Whole Premium in connection with a conversion or the ability of the Company to elect to adjust the Conversion Rate pursuant to Section 9 hereof.

Section 12. Consolidation, Merger and Sale of Assets.

(i) The Company, without the consent of the Holders, may consolidate with or merge into any other Person or convey, transfer or lease all or substantially all its assets to any Person or may permit any Person to consolidate with or merge into, or transfer or lease all or substantially all its properties to, the Company; *provided, however*, that (a) the successor, transferee or lessee is organized under the laws of the United States or any political subdivision thereof; (b) the shares of Series B Preferred Stock will become shares of such successor, transferee or lessee, having in respect of such successor, transferee or lessee the same powers, preferences and relative participating, optional or other special rights and the qualification, limitations or restrictions thereon, the Series B Preferred Stock had immediately prior to such transaction; and (c) the Company delivers to the Transfer Agent an Officer’s Certificate and an Opinion of Counsel, acceptable to the Transfer Agent, stating that such transaction complies with this Certificate of Designations.

(ii) Upon any consolidation by the Company with, or merger by the Company into, any other Person or any conveyance, transfer or lease of all or substantially all the assets of the Company as described in Section 12(i) hereof, the successor resulting from such consolidation or into which the Company is merged or the transferee or lessee to which such conveyance, transfer or lease is made, will succeed to, and be substituted for, and may exercise every right and power of, the Company under the shares of Series B Preferred Stock, and

thereafter, except in the case of a lease, the predecessor (if still in existence) will be released from its obligations and covenants with respect to the Series B Preferred Stock. Nothing in this Section 12 limits the rights of Holders set out in Section 8 and Section 8A hereof.

Section 13. SEC Reports.

During the period commencing on the Issue Date and ending on the second anniversary of the Issue Date, if the Company shall have failed to file any annual reports on Form 10-K or quarterly reports on Form 10-Q with the SEC within 15 days after the deadline prescribed under the Exchange Act or the related rules and regulations promulgated thereunder for the filing of such report, the Dividend Rate shall increase by one percentage point (100 basis points) for the period beginning on and including the 16th day after the applicable deadline and ending on but excluding the day on which all such reports have been filed with the SEC and shall thereafter decrease by one percentage point (100 basis points) beginning on and including the day on which all such reports have been filed with the SEC.

Section 14. Notices.

(i) When the Company is required, pursuant to this Certificate of Designations, to give notice to Holders by issuing a press release, rather than directly to holders, the Company shall do so in a public medium that is customary for such press release; *provided, however*, that in such cases, publication of a press release through the Dow Jones News Service shall be considered sufficient to comply with such notice obligation.

(ii) When the Company is required, pursuant to this Certificate of Designations, to give notice to Holders without specifying the method of giving such notice, the Company shall do so by sending notice via first class mail or by overnight courier to the Holders of record as of a reasonably current date or by publication, as provided in Section 14(iii) hereof.

(iii) When the Company is required, pursuant to this Certificate of Designations, to give notice by publication, the Company shall do so by publishing a notice in the national edition of *The Wall Street Journal*, *The New York Times* or a newspaper of national circulation chosen in good faith by the Company.

(iv) When the Company is required to give notice herein to any Holder within a specified number of Trading Days prior to a specified event, the Company will identify such Trading Days in good faith based on its reasonable expectations for the application of the definition of “Trading Days” set forth herein. Any notice issued in reliance on such identification will satisfy the Company’s obligation with respect to the timing of such notice, notwithstanding any subsequent events that may cause such days to fail to be Trading Days.

Section 15. Form.

(i) The shares of Series B Preferred Stock shall be issued in the form of one or more permanent global shares (each, a “share of Global Preferred Stock”) in definitive, fully registered form with the global legend (the “Global Stock Legend”) and, until such time as otherwise determined by the Company and the Transfer Agent, the restricted stock legend (the “Restricted Stock Legend”), each as set forth on the form of Series B Preferred Stock Certificate

attached hereto as Exhibit B, which is hereby incorporated in and expressly made a part of the terms of the Series B Preferred Stock.

(ii) Each share of Global Preferred Stock may have notations, legends or endorsements required by law, stock exchange rules, agreements to which the Company is subject, if any, or usage (provided that any such notation, legend or endorsement is in a form acceptable to the Company). The shares of Global Preferred Stock shall be deposited on behalf of the Holders represented thereby with the Transfer Agent, at its New York office, as custodian for the Depository, and registered in the name of the Depository or a nominee of the Depository, duly executed by the Company and countersigned and registered by the Transfer Agent as hereinafter provided.

(iii) The aggregate number of shares represented by each share of Global Preferred Stock may from time to time be increased or decreased by adjustments made on the records of the Transfer Agent and the Depository or its nominee as hereinafter provided. This Section 15 shall apply only to a share of Global Preferred Stock deposited with or on behalf of the Depository. The Company shall execute and the Transfer Agent shall, in accordance with this Section 15, countersign and deliver initially one or more shares of Global Preferred Stock that (a) shall be registered in the name of Cede & Co. or other nominee of the Depository and (b) shall be delivered by the Transfer Agent to Cede & Co. or pursuant to instructions received from Cede & Co. or held by the Transfer Agent as custodian for the Depository pursuant to an agreement between the Depository and the Transfer Agent.

(iv) Members of, or participants in, the Depository ("Agent Members") shall have no rights under this Certificate of Designations with respect to any share of Global Preferred Stock held on their behalf by the Depository or by the Transfer Agent as the custodian of the Depository, or under such share of Global Preferred Stock, and the Depository may be treated by the Company, the Transfer Agent and any agent of the Company or the Transfer Agent as the absolute owner of such share of Global Preferred Stock for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Transfer Agent or any agent of the Company or the Transfer Agent from giving effect to any written certification, proxy or other authorization furnished by the Depository or impair, as between the Depository and its Agent Members, the operation of customary practices of the Depository governing the exercise of the rights of a holder of a beneficial interest in any shares of Global Preferred Stock.

(v) Owners of beneficial interests in shares of Global Preferred Stock shall not be entitled to receive physical delivery of certificated shares of Series B Preferred Stock, unless (x) DTC is unwilling or unable to continue as Depository for the shares of Global Preferred Stock and the Company does not appoint a qualified replacement for DTC within 90 days, (y) DTC ceases to be a "clearing agency" registered under the Exchange Act or (z) the Company decides to discontinue the use of book-entry transfer through DTC (or any successor Depository). In any such case, the shares of Global Preferred Stock shall be exchanged in whole for certificated shares of Series B Preferred Stock in registered form, with the same terms and of an equal aggregate liquidation preference, and bearing a Restricted Stock Legend (unless the Company determines otherwise in accordance with applicable law). Certificated shares of Series B Preferred Stock shall be registered in the name or names of the Person or Persons specified by DTC in a written instrument to the Transfer Agent.

(vi)(a) An Officer shall sign the share of Global Preferred Stock for the Company, in accordance with the Company's bylaws and applicable law, by manual or facsimile signature.

(b) If an Officer whose signature is on a share of Global Preferred Stock no longer holds that office at the time the Transfer Agent countersigns the share of Global Preferred Stock, the share of Global Preferred Stock shall be valid nevertheless.

(c) A share of Global Preferred Stock shall not be valid until an authorized signatory of the Transfer Agent manually countersigns such share of Global Preferred Stock. The signature shall be conclusive evidence that such share of Global Preferred Stock has been authenticated under the terms of the Series B Preferred Stock. Each share of Global Preferred Stock shall be dated the date of its authentication.

Section 16. Transfer of Securities.

(i) The shares of Series B Preferred Stock, the shares of Common Stock issuable upon conversion of the Series B Preferred Stock and any shares of Common Stock delivered as payment for a dividend or Make-Whole Premium pursuant to this Certificate of Designations (collectively, the "Securities") have not been registered under the Securities Act or any other applicable securities laws and may not be offered or sold except in compliance with the registration requirements of the Securities Act and any other applicable securities laws, or pursuant to an exemption from registration under the Securities Act and any other applicable securities laws, or in a transaction not subject to such laws.

(ii) Notwithstanding any provision to the contrary herein, transfers of a share of Global Preferred Stock, in whole or in part, or of any beneficial interest therein, shall be made as follows:

(a) Transfers of a share of Global Preferred Stock shall be limited to transfers of such share of Global Preferred Stock in whole, but not in part, to nominees of the Depository or to a successor of the Depository or such successor's nominee.

(b) If an owner of a beneficial interest in a share of Global Preferred Stock deposited with the Depository or with the Transfer Agent as custodian for the Depository wishes at any time to transfer its interest in such share of Global Preferred Stock bearing the Restricted Stock Legend to a Person who is eligible to take delivery thereof in the form of a beneficial interest in a share of Global Preferred Stock bearing the Restricted Stock Legend, such owner may, subject to the rules and procedures of the Depository, cause the exchange of such interest for a new beneficial interest in the applicable share of Global Preferred Stock. Upon receipt by the Transfer Agent at its office in The City of New York of (1) instructions from the Holder directing the Transfer Agent to transfer its interest in the applicable share of Global Preferred Stock, such instructions to contain the name of the transferee and appropriate account

information, (2) a certificate in the form of the Certificate of Transfer attached hereto as Exhibit C, given by the transferor, to the effect set forth therein, and (3) such other certifications, legal opinions and other information as the Company or the Transfer Agent may reasonably require to confirm that such transfer is being made in accordance with the transfer restrictions set forth in the Restricted Stock Legend, the Transfer Agent shall effect such transfer of such shares of Global Preferred Stock.

(c) If a request is made by the owner of a beneficial interest to transfer its interest from a share of Global Preferred Stock bearing the Restricted Stock Legend to a share of Global Preferred Stock not bearing the Restricted Stock Legend, the transfer shall not be made unless there is delivered to the Company and the Transfer Agent such satisfactory evidence, which may include an Opinion of Counsel licensed to practice law in the State of New York, as may be reasonably required by the Company, that such shares of Series B Preferred Stock are not “restricted securities” within the meaning of Rule 144 under the Securities Act. Upon provision of such satisfactory evidence, the Transfer Agent shall instruct the Depository to reduce or cause to be reduced such share of Global Preferred Stock bearing the Restricted Stock Legend by the number of shares of the beneficial interest therein to be exchanged and to debit or cause to be debited from the account of the Person making such transfer the beneficial interest in the share of Global Preferred Stock that is being transferred, and concurrently with such reduction and debit, the Transfer Agent will instruct the Depository to increase or cause to be increased the applicable share of Global Preferred Stock not bearing the Restricted Stock Legend by the aggregate number of shares being exchanged and to credit or cause to be credited to the account of the transferee the beneficial interest in the share of Global Preferred Stock that is being transferred.

(iii) Except in connection with a registration statement relating to the Securities, if shares of Series B Preferred Stock in certificated form are delivered upon the transfer, exchange or replacement of shares of Series B Preferred Stock bearing the Restricted Stock Legend, or if a request is made to remove such Restricted Stock Legend on shares of Series B Preferred Stock, the shares of Series B Preferred Stock so issued shall bear the Restricted Stock Legend and the Restricted Stock Legend shall not be removed unless there is delivered to the Company and the Transfer Agent such satisfactory evidence, which may include an Opinion of Counsel licensed to practice law in the State of New York, as may be reasonably required by the Company, that such shares of Series B Preferred Stock are not “restricted securities” within the meaning of Rule 144 under the Securities Act. Upon provision of such satisfactory evidence, the Transfer Agent, at the direction of the Company, shall countersign and deliver shares of Series B Preferred Stock that do not bear the Restricted Stock Legend.

(iv) Shares of Common Stock issued upon a conversion of the shares of Series B Preferred Stock bearing the Restricted Stock Legend or upon the payment of dividends or a Make-Whole Premium, prior to the second anniversary of the Issue Date, shall be in global form and bear a common stock legend, a form of which is attached hereto as Exhibit D (the “Restricted Common Stock Legend”). Transfers of shares of Common Stock held in certificated

and global form may be effected in the same manner as transfers of the Series B Preferred Stock, *mutatis mutandis*.

(v) The Company will refuse to register any transfer of Securities that is not made in accordance with the provisions of the Restricted Stock Legend or the Restricted Common Stock Legend, as applicable; *provided* that the provisions of this Section 16(v) shall not be applicable to any share of Series B Preferred Stock that does not bear any Restricted Stock Legend or any Restricted Common Stock Legend.

Section 17. Fractional Shares.

No fractional shares of Common Stock shall be issued to Holders. In lieu of any fraction of a share of Common Stock that would otherwise be issuable in respect of the aggregate number of shares of the Series B Preferred Stock surrendered by a Holder upon a conversion or issuable to a Holder in respect of a stock dividend or Make-Whole Premium payment made in shares of Common Stock, such Holder shall have the right to receive an amount in cash (computed to the nearest cent) equal to the same fraction of (a) in the case of any payment of a stock dividend or Make-Whole Premium, the Closing Sale Price on the Trading Day next preceding the issuance of such Common Stock or (b) in the case of Common Stock issuable upon conversion, the Closing Sale Price on the Trading Day next preceding the date of conversion.

Section 18. Definitions.

(i) "Agent Members" shall have the meaning ascribed thereto in Section 15(iv) hereof.

(ii) "Board of Directors" shall have the meaning ascribed thereto in the preamble hereof.

(iii) "Board Resolution" shall mean a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Transfer Agent.

(iv) "Business Day" means any day other than a Saturday or Sunday or any other day on which banks in The City of New York are authorized or required by law or executive order to close.

(v) "Capital Stock" of any Person means any and all shares, interests, participations or other equivalents however designated of corporate stock or other equity participations, including partnership interests, whether general or limited, of such Person and any rights (other than debt securities convertible or exchangeable into an equity interest), warrants or options to acquire an equity interest in such Person.

(vi) "Common Stock" shall mean the common stock, par value \$0.10 per share, of the Company, or any other class of stock resulting from successive changes or reclassifications of such common stock consisting solely of changes in par value, or from par value to no par

value, or as a result of a subdivision, combination, merger, consolidation or similar transaction in which the Company is a constituent corporation.

(vii) The "Closing Sale Price" of common stock on any date means the closing sale price per share (or if no closing sale price is reported, the average of the closing bid and ask prices or, if more than one in either case, the average of the average closing bid and the average closing ask prices) on such date as reported on the principal United States securities exchange on which such common stock is traded or, if such common stock is not listed on a United States national or regional securities exchange, as reported by Nasdaq or by the National Quotation Bureau Incorporated. In the absence of such a quotation, the Closing Sale Price of the Common Stock will be an amount determined in good faith by the Board of Directors to be the Fair Market Value of such Common Stock, and such determination shall be conclusive.

(viii) "Company" shall have the meaning ascribed thereto in the preamble hereof.

(ix) "Continuing Director" shall mean a director who either was a member of the Board of Directors on October 18, 2005 or who becomes a member of the Board of Directors subsequent to that date and whose election, appointment or nomination for election by the Company's stockholders, is duly approved by a majority of the Continuing Directors on the Board of Directors at the time of that approval, either by a specific vote or by approval of the proxy statement issued by the Company on behalf of the entire Board of Directors in which that individual is named as nominee for director

(x) "Conversion Price" shall mean the Liquidation Preference, divided by the Conversion Rate.

(xi) "Conversion Rate" shall have the meaning ascribed thereto in Section 6(i) hereof.

(xii) "Conversion Shares" shall have the meaning ascribed thereto in Section 7(ii) hereof.

(xiii) "Deferral Event" shall mean:

(a) the issuance by the SEC of any stop order suspending the effectiveness of any Resale Registration Statement or the initiation of any proceedings for that purpose;

(b) the receipt by the Company of any notification with respect to the suspension of the qualification of the Common Stock for sale in any jurisdiction or the initiation or threat of any proceeding for such purpose;

(c) the happening of any event that requires the making of any changes in any Resale Registration Statement or the prospectus delivered pursuant thereto, so that, as of such date, the statements therein are not misleading and do not omit to state a material fact required to be stated therein or necessary to make the statements therein (in the case of such prospectus, in the light of the circumstances under which they were made) not misleading; or

(d) the determination by the Company, in its reasonable judgment, that it is advisable to suspend use of a Resale Registration Statement or the related prospectus for compliance with any blackout period or insider trading policy established by the Company, the acquisition or divestiture of assets, earnings releases, pending corporate developments or similar events.

(xiv) "Deferral Notice" shall have the meaning ascribed thereto in Section 10(ii)(a).

(xv) "Deferral Period" shall have the meaning ascribed thereto in Section 10(ii)(c) hereof.

(xvi) "Delayed Dividends" shall have the meaning ascribed thereto in Section 2(vii) hereof.

(xvii) "Depository" shall mean Depository Trust Company ("DTC") or its successor depository.

(xviii) "DGCL" shall have the meaning ascribed thereto in the preamble hereof.

(xix) "Distribution Date" shall have the meaning ascribed thereto in Section 7(ii)(a) hereof.

(xx) "Dividend Payment Date" shall mean January 15, April 15, July 15 and October 15 of each year (or the next succeeding Business Day if such date is not a Business Day), commencing January 15, 2006.

(xxi) "Dividend Rate" shall have the meaning ascribed thereto in Section 2(i) hereof.

(xxii) "Dividend Record Date" shall mean (a) with respect to a dividend payment other than Delayed Dividends, the first calendar day (or the next succeeding Business Day if such day is not a Business Day) of the calendar month in which such Dividend Payment Date falls and (b) with respect to delayed Delayed Dividends, the record date selected pursuant to Section 1(vii) hereof.

(xxiii) "DTC" shall have the meaning ascribed thereto in paragraph (xvii) of this Section 18.

(xxiv) "Effective Date" shall mean the date on which a Fundamental Change event occurs.

(xxv) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(xxvi) "Expiration Date" shall have the meaning ascribed thereto in Section 8(iii) hereof.

(xxvii) “Expiration Time” shall have the meaning ascribed thereto in Section 7(i)(e) hereof.

(xxviii) “Fair Market Value” means the amount that a willing buyer would pay a willing seller in an arm’s length transaction.

(xxix) “Forced Conversion” shall have the meaning ascribed thereto in Section 5(i) hereof.

(xxx) “Forced Conversion Date” shall have the meaning ascribed thereto in Section 5(ii) hereof.

(xxxi) “Fundamental Change” means (a) a “person” or “group” within the meaning of Section 13(d) of the Exchange Act other than the Company, its Subsidiaries or any employee benefit plan of the Company or any of its Subsidiaries, files a Schedule TO or any schedule, form or report under the Exchange Act disclosing that the person or group has become the direct or indirect ultimate “beneficial owner”, as defined in Rule 13d-3 under the Exchange Act, of the common equity of the Company representing more than 50% of the voting power of its common equity; (b) consummation of any share exchange, consolidation or merger of the Company pursuant to which the Common Stock will be converted into cash, securities or other property or any sale, lease or other transfer in one transaction or a series of transactions of all or substantially all of the consolidated assets of the Company and its Subsidiaries, taken as a whole, to any Person other than a Subsidiary of the Company; *provided, however*, that a transaction where the holders of more than 50% of all classes of the common equity of the Company immediately prior to the transaction own, directly or indirectly, more than 50% of all classes of common equity of the continuing or surviving corporation or transferee immediately after the event shall not be a Fundamental Change; (c) Continuing Directors cease to constitute at least a majority of the members of the Board of Directors; (d) the Company is liquidated or dissolved or holders of its Capital Stock approve any plan or proposal for its liquidation or dissolution; or (e) the Common Stock ceases to be listed on a national securities exchange or quoted on Nasdaq or another over-the-counter market in the United States; *provided, however*, that a Fundamental Change shall not be deemed to have occurred if at least 90% of the consideration (excluding cash payments for fractional shares and cash payment pursuant to dissenters’ appraisal rights) in the transaction or transactions constituting the Fundamental Change consists of shares of common stock of a United States company with full voting rights traded on a national securities exchange or quoted on the NASDAQ National Market (or which shall be so traded or quoted when issued or exchanged in connection with such Fundamental Change) (such securities being referred to as “Publicly Traded Securities”) and as a result of such transaction or transactions such Series B Preferred Stock become convertible into such Publicly Traded Securities (excluding cash payments for fractional shares).

(xxxii) “Fundamental Change Notice Date” shall have the meaning ascribed thereto in Section 8(iii) hereof.

(xxxiii) “Fundamental Change Option” shall have the meaning ascribed thereto in Section 8(ii) hereof.

(xxxiv) “Global Stock Legend” shall have the meaning ascribed thereto in Section 15(i) hereof.

(xxxv) “Holders” shall have the meaning ascribed thereto in Section 2(i) hereof.

(xxxvi) “Initial Six-Quarter Period” shall have the meaning ascribed thereto in Section 2(ii) hereof.

(xxxvii) “Issue Date” shall mean October 24, 2005, the original date of issuance of the Series B Preferred Stock.

(xxxviii) “Junior Stock” shall mean all classes of common stock of the Company and each other class of Capital Stock or series of preferred stock established after the Issue Date, by the Board of Directors, the terms of which do not expressly provide that such class or series ranks senior to or on parity with the Series B Preferred Stock as to dividend rights or rights upon the liquidation, winding-up or dissolution of the Company.

(xxxix) “Liquidation Preference” shall have the meaning ascribed thereto in Section 2(i) hereof.

(xl) “Make-Whole Premium” shall have the meaning ascribed thereto in Section 8A(i) hereof.

(xli) “Market Value” means, with respect to any date of determination, the average Closing Sale Price of the Common Stock for a five consecutive Trading Day period on the New York Stock Exchange (or such other national securities exchange or automated quotation system on which the common stock is then listed or authorized for quotation or, if not so listed or authorized for quotation, an amount determined in good faith by the Board of Directors to be the Fair Market Value of the common stock) preceding the earlier of (i) the day preceding the date of determination and (ii) the day before the “ex date” with respect to the issuance or distribution requiring such computation. For purposes of this definition, the term “ex date” when used with respect to any issuance or distribution, means the first date on which the Common Stock trades, regular way, on the New York Stock Exchange or other principal U.S. securities exchange or quotation system on which the Common Stock is listed or quoted at that time, without the right to receive the issuance or distribution.

(xlii) “Notice Holder” shall have the meaning ascribed thereto in Section 10(ii)(a) hereof.

(xliii) “Officer” means the Chairman of the Board and President, Chief Executive Officer, any Vice President, the Chief Financial Officer, the Chief Accounting Officer, the Treasurer, any Assistant Treasurer, the Controller, any Assistant Controller, the Secretary or any Assistant Secretary of the Company.

(xliv) “Officer’s Certificate” means a certificate signed by two Officers of the Company.

(xlv) “Opinion of Counsel” shall mean a written opinion from legal counsel who is acceptable to the Company or the Transfer Agent. The counsel may be an employee of or counsel to the Company or Transfer Agent.

(xlvi) “Parity Stock” shall mean the Series A Mandatory Convertible Preferred Stock and any class of Capital Stock or series of preferred stock established after the Issue Date by the Board of Directors, the terms of which expressly provide that such class or series will rank on parity with the Series B Preferred Stock as to dividend rights or rights upon the liquidation, winding-up or dissolution of the Company.

(xlvii) “Person” means any individual, corporation, limited liability company, partnership, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof.

(xlviii) “Public Acquirer Common Stock” shall have the meaning ascribed to such term in the definition of “Public Acquirer Fundamental Change” in paragraph (xlix) of this Section 18.

(xlix) “Public Acquirer Fundamental Change” means any acquisition of the Company pursuant to paragraph (b) of the definition of Fundamental Change that would otherwise obligate the Company to pay the Make-Whole Premium as described in Section 8A hereof in which the acquirer has a class of common stock traded on a national securities exchange or quoted on the Nasdaq National Market or which will be so traded or quoted when issued or exchanged in connection with such Fundamental Change (the “Public Acquirer Common Stock”). If an acquirer does not itself have a class of common stock satisfying the foregoing requirement, it will be deemed to have Public Acquirer Common Stock if a corporation that directly or indirectly owns at least a majority of the acquirer, has a class of common stock satisfying the foregoing requirement and all references to Public Acquirer Common Stock will refer to such class of common stock. Majority owned for these purposes means having the “beneficial ownership” (as defined in Rule 13d-3 under the Exchange Act) of more than 50% of the total voting power of all shares of the respective entity’s capital stock that are entitled to vote generally in the election of directors.

(l) “Purchased Shares” shall have the meaning ascribed thereto in Section 7(i)(e) hereof.

(li) “reference property” shall have the meaning ascribed thereto in Section 11(i) hereof.

(lii) “Registrable Securities” shall have the meaning ascribed thereto in Section 10(i) hereof.

(liii) “Resale Registration Statement” shall have the meaning ascribed thereto in Section 10(i) hereof.

(liv) “Restated Certificate of Incorporation” shall have the meaning ascribed thereto in the preamble hereof.

(lv) “Restricted Common Stock Legend” shall have the meaning ascribed thereto in Section 16(iv) hereof.

(lvi) “Restricted Stock Legend” shall have the meaning ascribed thereto in Section 15(i) hereof.

(lvii) “SEC” shall have the meaning ascribed thereto in Section 2A(v)(4) hereof.

(lviii) “Securities” shall have the meaning ascribed thereto in Section 16(i) hereof.

(lix) “Securities Act” shall mean the Securities Act of 1933, as amended, and the rules and regulation promulgated thereunder.

(lx) “Selling Confirmation” shall mean, with respect to a Notice Holder and a Selling Notice given by such Notice Holder, a written notice given by the Company to such Notice Holder instructing and notifying such Notice Holder that a Resale Registration Statement and the prospectus delivered pursuant thereto may be used during the applicable Selling Period to effect the transactions described in such Selling Notice and providing such other information as the Company deems necessary or appropriate to facilitate resales pursuant to such Resale Registration Statement.

(lxi) “Selling Notice” shall have the meaning ascribed thereto in Section 10(ii)(a) hereof.

(lxii) “Selling Period” shall mean, with respect to a Notice Holder and a Selling Notice given by such Notice Holder, a period commencing on the date such Notice Holder receives a Selling Confirmation in respect of the transactions described in such Selling Notice and ending on the earliest date on which the Company is no longer required to maintain the effectiveness of the applicable Resale Registration Statement, as such date may be extended as a result of any Deferral Period; *provided*, that such Selling Periods shall not include any period for which a deferral is effective in accordance with Section 10(ii)(a)(2) or 10(ii)(c) hereof.

(lxiii) “Senior Stock” shall mean each class of Capital Stock or series of preferred stock established after the Issue Date by the Board of Directors, the terms of which expressly provide that such class or series will rank senior to the Series B Preferred Stock as to dividend rights or rights upon the liquidation, winding-up or dissolution of the Company.

(lxiv) “Series A Mandatory Convertible Preferred Stock” shall mean the series of preferred stock of the Company designated as the “5 3/8% Series A Mandatory Convertible Preferred Stock.”

(lxv) “Series B Preferred Stock” shall have the meaning ascribed thereto in the preamble hereof.

(lxvi) “share of Global Preferred Stock” shall have the meaning ascribed thereto in Section 15(i) hereof.

(lvii) “Subsidiary” means, with respect to any Person, (a) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person (or a combination thereof) and (b) any partnership (1) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (2) the only general partners of which are such Person or of one or more Subsidiaries of such Person (or any combination thereof).

(lviii) “Trading Day” means a day during which trading in securities generally occurs on the New York Stock Exchange or, if the Common Stock is not listed on the New York Stock Exchange, on the principal other national or regional securities exchange on which the Common Stock is then listed or, if the Common Stock is not listed on a national or regional securities exchange, on Nasdaq or, if the Common Stock is not quoted on Nasdaq, on the principal other market on which the Common Stock is then traded.

(lxix) “Transaction” shall have the meaning ascribed thereto in Section 11(i) hereof.

(lxx) “Transfer Agent” means Mellon Investor Services LLC unless and until a successor is selected by the Company, and then such successor.

(lxxi) “Triggering Event” means a specified event the occurrence of which entitles the holders of rights, options or warrants to exercise such rights, option or warrants.

(lxxii) “Volume-Weighted Average Price” means, as to the Common Stock per share on a Trading Day, the volume-weighted average price per share of Common Stock on the New York Stock Exchange (or such other national securities exchange or automated quotation system on which the common stock is then listed or authorized for quotation or, if not so listed or authorized for quotation, an amount determined in good faith by the Board of Directors to be the Fair Market Value of the common stock, which determination shall be conclusive) from 9:30 a.m. to 4:30 p.m, New York City time, on that Trading Day, as displayed by Bloomberg Business News or such other comparable service determined in good faith by the Company that has replaced Bloomberg Business News.

Section 19. Miscellaneous.

(i) Notwithstanding any provision herein to the contrary, in accordance with Sections 5, 6, 7, 8 or 9, the procedures for conversion of shares of Series B Preferred Stock not held in certificated form will be governed by arrangements among the Depository of the shares of Series B Preferred Stock, its participants and Persons that may hold beneficial interests through such participants designed to permit settlement without the physical movement of certificates. Payments, transfers, deliveries, exchanges and other matters relating to beneficial interests in global security certificates may be subject to various policies and procedures adopted by the Depository from time to time.

(ii) The liquidation preference and the annual dividend rate set forth herein each shall be subject to equitable adjustment whenever there shall occur a stock split, combination, reclassification or other similar event involving the Series B Preferred Stock. Such adjustments shall be determined in good faith by the Board of Directors (and such determination shall be conclusive) and submitted by the Board of Directors to the Transfer Agent.

(iii) For the purposes of Section 7, the number of shares of Common Stock at any time outstanding shall not include shares held in the treasury of the Company but shall include shares issuable in respect of scrip certificates issued in lieu of fractions of shares of Common Stock.

(iv) If the Company shall take any action affecting the Common Stock, other than any action described in Section 7, that in the opinion of the Board of Directors would materially adversely affect the conversion rights of the Holders, then the Conversion Rate for the Series B Preferred Stock may be adjusted, to the extent permitted by law, in such manner, and at such time, as the Board of Directors may determine to be equitable in the circumstances.

(v) The Company covenants that it will at all times reserve and keep available, free from preemptive rights, out of the aggregate of its authorized but unissued shares of Common Stock for the purpose of effecting conversion of the Series B Preferred Stock, the full number of shares of Common Stock deliverable upon the conversion of all outstanding shares of Series B Preferred Stock not theretofore converted. For purposes of this Section 19(v), the number of shares of Common Stock that shall be deliverable upon the conversion of all outstanding shares of Series B Preferred Stock shall be computed as if at the time of computation all such outstanding shares were held by a single Holder.

(vi) The Company covenants that any shares of Common Stock issued upon conversion of the Series B Preferred Stock or issued in respect of a stock dividend payment or a Make-Whole Premium payment shall be validly issued, fully paid and non-assessable.

(vii) The Company shall pay any and all documentary stamp or similar issue or transfer taxes payable in respect of the issue or delivery of shares of Common Stock or other securities or property upon conversion of the Series B Preferred Stock pursuant thereto; *provided, however*, that the Company shall not be required to pay any tax that may be payable in respect of any transfer involved in the issue or delivery of shares of Common Stock or other securities or property in a name other than that of the Holder of the Series B Preferred Stock to be converted and no such issue or delivery shall be made unless and until the Person requesting such issue or delivery has paid to the Company the amount of any such tax or established, to the reasonable satisfaction of the Company, that such tax has been paid or is not applicable.

(viii) The Series B Preferred Stock is not redeemable.

(ix) The Series B Preferred Stock is not entitled to any preemptive or subscription rights in respect of any securities of the Company.

(x) Whenever possible, each provision hereof shall be interpreted in a manner as to be effective and valid under applicable law, but if any provision hereof is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such

prohibition or invalidity, without invalidating or otherwise adversely affecting the remaining provisions hereof. If a court of competent jurisdiction should determine that a provision hereof would be valid or enforceable if a period of time were extended or shortened or a particular percentage were increased or decreased, then such court may make such change as shall be necessary to render the provision in question effective and valid under applicable law.

(xi) Series B Preferred Stock may be issued in fractions of a share which shall entitle the Holder, in proportion to such Holder's fractional shares, to exercise voting rights, receive dividends, participate in distributions and have the benefit of all other rights of Holders of Series B Preferred Stock.

(xii) Subject to applicable escheat laws, any monies set aside by the Company in respect of any payment with respect to shares of the Series B Preferred Stock, or dividends thereon, and unclaimed at the end of two years from the date upon which such payment is due and payable shall revert to the general funds of the Company, after which reversion the Holders of such shares shall look only to the general funds of the Company for the payment thereof. Any interest accumulated on funds so deposited shall be paid to the Company from time to time.

(xiii) Except as may otherwise be required by law, the shares of Series B Preferred Stock shall not have any voting powers, preferences and relative, participating, optional or other special rights, other than those specifically set forth in this Certificate of Designations or the Restated Certificate of Incorporation.

(xiv) The headings of the various subdivisions hereof are for convenience of reference only and shall not affect the interpretation of any of the provisions hereof.

(xv) If any of the voting powers, preferences and relative, participating, optional and other special rights of the Series B Preferred Stock and qualifications, limitations and restrictions thereof set forth herein is invalid, unlawful or incapable of being enforced by reason of any rule of law or public policy, all other voting powers, preferences and relative, participating, optional and other special rights of Series B Preferred Stock and qualifications, limitations and restrictions thereof set forth herein which can be given effect without the invalid, unlawful or unenforceable voting powers, preferences and relative, participating, optional and other special rights of Series B Preferred Stock and qualifications, limitations and restrictions thereof shall, nevertheless, remain in full force and effect, and no voting powers, preferences and relative, participating, optional or other special rights of Series B Preferred Stock and qualifications, limitations and restrictions thereof herein set forth shall be deemed dependent upon any other such voting powers, preferences and relative, participating, optional or other special rights of Series B Preferred Stock and qualifications, limitations and restrictions thereof unless so expressed herein.

(xvi) Shares of Series B Preferred Stock that (a) have not been issued on or before November 23, 2005 or (b) have been issued and reacquired in any manner, including shares of Series B Preferred Stock purchased or redeemed or exchanged or converted, shall (upon compliance with any applicable provisions of the laws of Delaware) have the status of authorized but unissued shares of preferred stock of the Company undesignated as to series and may be designated or redesignated and issued or reissued, as the case may be, as part of any series of

preferred stock of the Company, *provided* that any issuance of such shares as Series B Preferred Stock must be in compliance with the terms hereof.

(xvii) If any of the Series B Preferred Stock certificates shall be mutilated, lost, stolen or destroyed, the Company shall issue, in exchange and in substitution for and upon cancellation of the mutilated Series B Preferred Stock certificate, or in lieu of and substitution for the Series B Preferred Stock certificate lost, stolen or destroyed, a new Series B Preferred Stock certificate of like tenor and representing an equivalent amount of shares of Series B Preferred Stock, but only upon receipt of evidence of such loss, theft or destruction of such Series B Preferred Stock certificate and indemnity, if requested, satisfactory to the Company and the Transfer Agent.

IN WITNESS WHEREOF, the Company has caused this Certificate of Designations to be duly executed by Nicholas J. Camera, Senior Vice President, General Counsel and Secretary of the Company, and attested by Steven C. Planchard, Vice President, Associate General Counsel and Assistant Secretary of the Company, this 24th day of October, 2005.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By: /s/ Nicholas J. Camera

Name: Nicholas J. Camera

Title: Senior Vice President,
General Counsel and Secretary

ATTEST:

By: /s/ Steven C. Planchard

Name: Steven C. Planchard

Title: Vice President,
Associate General Counsel and
Assistant Secretary

EXHIBIT A

FORM OF NOTICE OF CONVERSION

(To be Executed by the Registered Holder
in order to convert the 5¼% Series B Cumulative Convertible Perpetual Preferred Stock)

The undersigned hereby irrevocably elects to convert (the “**Conversion**”), as of the date written below, ___ shares of 5¼ % Series B Cumulative Convertible Perpetual Preferred Stock (the “**Series B Preferred Stock**”), represented by stock certificate No(s). ___ (the “**Preferred Stock Certificates**”) into shares of common stock, par value \$0.10 per share (“**Common Stock**”), of The Interpublic Group of Companies, Inc. (the “**Company**”) according to the conditions of the Certificate of Designations establishing the terms of the Series B Preferred Stock, dated October 24, 2005, as such may be amended from time to time (the “**Certificate of Designations**”). If shares are to be issued in the name of a Person other than the undersigned, the undersigned will pay all transfer taxes payable with respect thereto and is delivering herewith such certificates. No fee will be charged to the holder for any conversion, except for transfer taxes, if any. A copy of each Preferred Stock Certificate is attached hereto (or evidence of loss, theft or destruction thereof).

The undersigned represents and warrants that all offers and sales by the undersigned of the shares of Common Stock issuable to the undersigned upon conversion of the Series B Preferred Stock shall be made pursuant to registration of the Common Stock under the Securities Act of 1933 (the “**Act**”) or pursuant to an exemption from registration under the Act.

The Company is not required to issue shares of Common Stock until the original Preferred Stock Certificate(s) (or evidence of loss, theft or destruction thereof) to be converted are received by the Company or its Transfer Agent. The Company shall issue and deliver shares of Common Stock to an overnight courier as promptly as practicable following receipt of the original Preferred Stock Certificate(s) to be converted.

Capitalized terms used but not defined herein shall have the meanings ascribed thereto in or pursuant to the Certificate of Designations.

Date of Conversion: _____

Applicable Conversion Rate: _____

Number of Shares of Series B Preferred Stock: _____

Number of Shares of Common Stock to be Issued: _____

Signature: _____

Name: _____

Address¹: _____

Fax No.: _____

¹ Address where shares of Common Stock and any other payments or certificates shall be sent by the Company.

EXHIBIT B

FORM OF SERIES B PREFERRED STOCK CERTIFICATE

5¼% SERIES B CUMULATIVE CONVERTIBLE PERPETUAL PREFERRED STOCK
(Liquidation Preference \$1,000 per Share)

The Interpublic Group of Companies, Inc.

Incorporated under the Laws of the State of Delaware

CUSIP: 460690407

CERTIFICATE NUMBER 1

_____ SHARES

This represents and certifies that CEDE & CO is the owner of _____ fully paid and non-assessable shares of 5¼% Series B Cumulative Convertible Perpetual Preferred Stock (Liquidation Preference \$1,000 per Share), of **Interpublic Group of Companies, Inc.** (the “**company**”) transferable upon the books of the company by the holder hereof in person or by the holder’s duly authorized attorney upon surrender of this certificate properly endorsed. This certificate and the shares represented hereby are issued and shall be held subject to all of the provisions of the Restated Certificate of Incorporation and all amendments thereto (copies of which are on file at the office of the company), to which the holder hereof by acceptance hereof expressly assents.

THE SECURITY EVIDENCED BY THIS CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT OF 1933”), OR ANY STATE SECURITIES LAWS, AND MAY NOT BE OFFERED OR SOLD EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER:

(1) REPRESENTS THAT IT IS A “QUALIFIED INSTITUTIONAL BUYER” AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT OF 1933;

(2) AGREES THAT IT WILL NOT, PRIOR TO THE DATE (THE “RESALE RESTRICTION TERMINATION DATE”) THAT IS TWO YEARS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE COMPANY OR ANY AFFILIATE OF THE COMPANY WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY), RESELL OR OTHERWISE TRANSFER THE SECURITY EVIDENCED HEREBY OR THE COMMON STOCK ISSUABLE UPON CONVERSION OF SUCH SECURITY EXCEPT (A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, (B) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT OF 1933, (C) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT OF 1933 (IF AVAILABLE), OR (D) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT OF 1933 AND WHICH CONTINUES TO BE EFFECTIVE AT THE TIME OF SUCH TRANSFER; AND

(3) AGREES THAT IT WILL, PRIOR TO ANY TRANSFER OF THIS SECURITY WITHIN TWO YEARS AFTER THE ORIGINAL ISSUANCE OF THIS SECURITY, FURNISH TO THE ISSUER AND TRANSFER AGENT SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS MAY BE REQUIRED TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. IN ANY CASE, THE HOLDER HEREOF WILL NOT, DIRECTLY OR INDIRECTLY, ENGAGE IN ANY HEDGING TRANSACTION WITH REGARD TO THIS SECURITY OR ANY SHARES OF COMMON STOCK ISSUABLE UPON CONVERSION OF SUCH SECURITY, EXCEPT AS PERMITTED BY THE SECURITIES ACT OF 1933.

IN WITNESS WHEREOF, The Interpublic Group of Companies, Inc. has executed this Certificate as of the date set forth below.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By: _____

Name:

Title:

By: _____

Name:

Title:

Dated: _____

TRANSFER AGENT'S CERTIFICATE OF AUTHENTICATION

This is one of the certificates representing shares of Preferred Stock referred to in the within mentioned Certificate of Designations.

as Transfer Agent

By:

Name:

Title: Authorized Signatory

Dated:

B-3

REVERSE OF THE SECURITY

The company will furnish to any stockholder, upon request and without charge, a full statement of the information required by §151(f) of the General Corporation Law of the State of Delaware with respect to the powers, designations, preferences and relative, participating, optional, or other special rights of the 5¼% Series B Cumulative Convertible Perpetual Preferred Stock (Liquidation Preference \$1,000 per Share) and the qualifications, limitations or restrictions on those preferences or rights of such preferred stock and each other class or series authorized to be issued. Any such request must be made to the secretary of the company or to the Transfer Agent.

ASSIGNMENT

For Value Received, _____ hereby sells, assigns and transfers unto _____ (print or typewrite name, address and social security or other identifying number of assignee) ___ Shares of the stock represented by this Certificate, and does hereby irrevocably constitute and appoint _____ attorney, to transfer the said stock on the books of the within named company with full power of substitution in the premises.

Dated: _____

X _____

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE, IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT, OR ANY CHANGE WHATEVER.

EXHIBIT C

FORM OF CERTIFICATE OF TRANSFER OF PREFERRED STOCK
(Transfers pursuant to Section 16 of the Certificate of Designations)

Re: The Interpublic Group of Companies, Inc. (the “Company”)

5¼ % Series B Cumulative Convertible Perpetual Preferred Stock

Reference is hereby made to the Certificate of Designations establishing the terms of the Series B Cumulative Convertible Perpetual Preferred Stock (“Series B Preferred Stock”), dated October 24, 2005, as such may be amended from time to time (the “Certificate of Designations”). Capitalized terms used but not defined herein shall have the respective meanings given to them in the Certificate of Designations.

This Letter relates to _____ shares of Series B Preferred Stock (the “Securities”), which are held in the form of a Global Preferred Share (CUSIP NO. 460690407) with the Depository in the name of _____ (the “Transferor”) to effect the transfer of the Securities.

In connection with such request, and in respect of such shares of Series B Preferred Stock, the Transferor does hereby certify that the shares of Series B Preferred Stock are being transferred (i) in accordance with applicable securities laws of any state of the United States or any other jurisdiction and (ii) in accordance with their terms.

CHECK ONE BOX BELOW:

- (1) to a transferee that the Transferor reasonably believes is a qualified institutional buyer within the meaning of Rule 144A under the Securities Act of 1933 (the “Securities Act”) purchasing for its own account or for the account of a qualified institutional buyer in a transaction meeting the requirements of Rule 144A;
- (2) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available);
- (3) in accordance with another exemption from the registration requirements of the Securities Act (based upon an opinion of counsel if the Company so requests); or
- (4) pursuant to a registration statement that has been declared effective under the Securities Act and which continues to be effective at the time of such transfer.

Unless one of the boxes is checked, the Transfer Agent will refuse to register any of the Securities evidenced by this certificate in the name of any person other than the registered holder thereof; provided, however, that if box (2) or (3) is checked, the Transfer Agent shall be entitled to require, prior to registering any such transfer of the Securities, such legal opinions, certifications and other information as the Company has reasonably requested to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, such as the exemption provided by Rule 144.

[Name of Transferor]
By: _____
Name:
Title:

Dated: _____

EXHIBIT D

COMMON STOCK LEGEND

THE SECURITY EVIDENCED BY THIS CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT OF 1933"), OR ANY STATE SECURITIES LAWS, AND MAY NOT BE OFFERED OR SOLD EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER:

(1) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT OF 1933;

(2) AGREES THAT IT WILL NOT, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") THAT IS TWO YEARS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE COMPANY OR ANY AFFILIATE OF THE COMPANY WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY), RESELL OR OTHERWISE TRANSFER THE SECURITY EVIDENCED HEREBY EXCEPT (A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, (B) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT OF 1933, (C) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT OF 1933 (IF AVAILABLE), OR (D) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT OF 1933 AND WHICH CONTINUES TO BE EFFECTIVE AT THE TIME OF SUCH TRANSFER; AND

(3) AGREES THAT IT WILL, PRIOR TO ANY TRANSFER OF THIS SECURITY WITHIN TWO YEARS AFTER THE ORIGINAL ISSUANCE OF THIS SECURITY, FURNISH TO THE ISSUER AND TRANSFER AGENT SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS MAY BE REQUIRED TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. IN ANY CASE, THE HOLDER HEREOF WILL NOT, DIRECTLY OR INDIRECTLY, ENGAGE IN ANY HEDGING TRANSACTION WITH REGARD TO THIS SECURITY, EXCEPT AS PERMITTED BY THE SECURITIES ACT OF 1933.



FOR IMMEDIATE RELEASE

INTERPUBLIC COMPLETES OFFERING OF SERIES B CONVERTIBLE PREFERRED STOCK

New York, NY (October 24, 2005) – The Interpublic Group (NYSE: IPG) today announced that it has completed a private offering of its 5.25% Series B Cumulative Convertible Perpetual Preferred Stock (the “Shares”) to qualified institutional buyers. The initial purchasers have an overallotment option to purchase an additional 75,000 Shares. Interpublic received gross proceeds of \$525,000,000 from the offering which it intends to use for general corporate purposes.

“We continue to be committed to a conservative approach to financial management, appropriate at this stage of our company's turnaround,” said Michael I. Roth, Interpublic’s Chairman and CEO. “The offering we have successfully completed represents the best option for ensuring that Interpublic's long-term financing needs are in place. This will allow us to focus on operational and strategic issues going forward.”

Neither the Shares nor the underlying shares of common stock have been registered under the Securities Act of 1933 or any state securities laws, and Interpublic does not currently intend to pursue any such registration. The Shares and the underlying shares of common stock may not be offered or sold in the United States absent registration under, or an applicable exemption from, the registration requirements of the Securities Act of 1933 and applicable state securities laws.

This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale would be unlawful.

###

Contact Information

General Inquiries:
Julie Tu
(212) 827-3776

Media, Analysts, Investors:
Philippe Krakowsky
(212) 704-1328

Analysts, Investors:
Jerry Leshne
(212) 704-1439

Interpublic Group 1114 Avenue of the Americas New York, NY 10036 212-704-1200 tel 212-704-1201 fax

Cautionary Statement

This press release contains forward-looking statements. Statements in the 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 in our 2004 Annual Report on Form 10-K/A under Item 1, Business-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:

- risks arising from material weaknesses in our internal control over financial reporting, including material weaknesses in our control environment;
- potential adverse effects to our financial condition, results of operations or prospects as a result of any restatement of prior period financial statements;
- risks associated with our inability to satisfy covenants under our syndicated credit facilities;
- our ability to satisfy certain reporting covenants under our indentures;
- our ability to attract new clients and retain existing clients;
- our ability to retain and attract key employees;
- potential adverse effects if we are required to recognize additional impairment charges or other adverse accounting-related developments;
- potential adverse developments in connection with the ongoing SEC investigation;
- potential downgrades in the credit ratings of our securities;
- risks associated with the effects of global, national and regional economic and political conditions, including with respect to fluctuations in 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 2004 Annual Report on Form 10-K/A under Item 1, Business-Risk Factors.

Interpublic Group 1114 Avenue of the Americas New York, NY 10036 212-704-1200 tel 212-704-1201 fax

