

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended
December 31, 2001

Commission file number
1-6686

THE INTERPUBLIC GROUP OF COMPANIES, INC.

(Exact name of registrant as specified in its charter)

Delaware
State or other jurisdiction of
incorporation or organization)

13-1024020
(I.R.S. Employer
Identification No.)

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

10020
(Zip Code)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class
Common Stock

Name of each exchange on
which registered
New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (Section 229.405 of this chapter) is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

The aggregate market value of the registrant's voting stock held by non-affiliates of the registrant was \$12,577,276,869 as of March 15, 2002.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

Common Stock outstanding at March 15, 2002: 380,207,886 shares.

DOCUMENTS INCORPORATED BY REFERENCE

1. Portions of the Annual Report to Stockholders for the year ended December 31, 2001 are incorporated by reference in Parts I and II.
2. Portions of the Proxy Statement for the 2002 Annual Meeting of Stockholders are incorporated by reference in Parts I and III.

PART I

Item 1. Business

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

Interpublic is a group of advertising and specialized marketing and communication services companies that together represent one of the largest resources of advertising and marketing expertise in the world. With offices and other affiliations in more than 130 countries, the Company realized worldwide revenue in 2001 of approximately \$6.7 billion, 57% of which represented domestic revenue and 43% of which represented international revenue, after giving effect to Interpublic's recent acquisition of True North Communications, Inc. ("True North").

Advertising and Specialized Marketing and Communications Services Businesses

In the last five years, the Company has grown to become one of the world's largest groups of global marketing services companies, providing its clients with communications expertise in four broad areas:

- * Advertising, which includes advertising and media management;
- * Marketing Communications, which includes direct marketing and customer relationship management, public relations, sales promotion, event marketing, on-line marketing and specialized sectors such as healthcare, multi-cultural and corporate identity;
- * Marketing Intelligence, which includes marketing research, brand consultancy and database management; and
- * Marketing Services, which includes sports and entertainment marketing, corporate meetings and events, retail marketing and other marketing and business services.

Interpublic seeks to be the best in quality, broadest in scope and leader in size in all of these areas.

Interpublic is organized into four global operating groups. Three of these groups, McCann-Erickson WorldGroup, the FCB Group and The Partnership, are global marketing communications companies. Each offers a distinctive range of marketing solutions for the Company's clients. Interpublic's fourth global operating group is Advanced Marketing Services, which is focused on growing our current marketing services and marketing intelligence services.

Interpublic believes this organizational structure allows the Company to provide comprehensive marketing communications solutions for clients, enables stronger organic growth among all its operating companies and allows it to bring improved operating efficiencies to its organization.

A brief description of Interpublic's four global operating groups follows:

McCann-Erickson WorldGroup was founded on the global strength and quality of McCann-Erickson, one of the world's leading advertising agencies. It includes marketing communications companies spanning advertising, media, customer relationship management, events, sales promotion, public relations, brand equity, online marketing communications and healthcare communications. Launched in late 1997, McCann-Erickson WorldGroup has expanded rapidly to become one of the world's leading networked marketing communications groups, now working with more than 25 key worldwide clients in three or more disciplines and with more than 40 U.S. clients in two or more disciplines. McCann-Erickson WorldGroup includes the following companies:

- * McCann-Erickson Worldwide (advertising),
- * Universal McCann Worldwide (media planning and buying),
- * MRM Partners Worldwide (direct marketing and customer relationship management),
- * Momentum Worldwide (entertainment, event and promotional marketing),
- * FutureBrand (brand consultancy, corporate identity and packaging design),
- * Torre Lazur McCann Healthcare Worldwide (healthcare advertising and marketing),
- * Nationwide Advertising Services (recruitment advertising), and an
- * Aligned Agency Group, which includes the following independently branded and autonomous general advertising agencies that access the resources of McCann-Erickson WorldGroup for international reach and specialized communications services: Amster Yard (New York), Gotham (New York), Austin Kelly (Atlanta), Temerlin McClain (Dallas), Hill, Holliday (Boston, New York and San Francisco), Campbell Mithun (Minneapolis and Chicago) and Avrett Free & Ginsberg (New York).

Weber Shandwick Worldwide, part of Advanced Marketing Services, is also aligned with McCann-Erickson WorldGroup to provide its clients

with a global public relations capability and to enhance and broaden McCann-Erickson WorldGroup's offering to prospective clients.

The FCB Group is a single global integrated marketing communications network centered on Foote, Cone & Belding Worldwide and its advertising, direct marketing and sales promotion capabilities. This group also includes the following specialized services:

- * ANALYTIC*i* (database marketing),
- * Marketing Drive Worldwide (integrated promotional marketing),
- * R/GA (web design and development),
- * The Hacker Group (customer acquisition direct marketing), and
- * FCB HealthCare (healthcare marketing).

Weber Shandwick Worldwide also is aligned with the FCB Group to provide its clients with a global public relations capability and to enhance and broaden the FCB Group's offering to prospective clients.

In addition, Campbell-Ewald, an independent marketing communications company, has a global strategic alliance with the FCB Group to provide its clients with a broad network of resources for the implementation of its international marketing communications programs.

The Partnership, a global, client-driven creative leader, is anchored on the quality advertising reputation of Lowe & Partners Worldwide. The Partnership provides collaboration across a global group of independent networks with creative and executional capabilities across all areas of marketing communications. The partners seek to preserve their uniqueness while creating the ability to inter-connect seamlessly to better service clients. Senior Partners include:

- * Lowe & Partners Worldwide (advertising),
- * Lowe Healthcare Worldwide (healthcare marketing),
- * Draft Worldwide (direct and promotional marketing),
- * Initiative Media (media planning and buying),
- * Zipatoni (promotional marketing), and
- * Octagon (sports marketing).

The Partnership also includes a group of Member Partners, which are independent and autonomous advertising agencies that will now have more direct access to both global capabilities and increased marketing services. This group includes:

- * Bozell,
- * Carmichael Lynch,
- * Deutsch,
- * Howard Merrell & Partners,
- * The Martin Agency,
- * Mullen,
- * Suissa Miller,
- * Tierney Communications,
- * Delaney Lund (minority international partner), and
- * Springer & Jacoby (minority international partner).

Golin/Harris International, part of Advanced Marketing Services, also is aligned with The Partnership to provide its clients with a global public relations capability and to enhance and broaden The Partnership's offering to prospective clients.

Advanced Marketing Services ("AMS") is the management center for the Company's specialized and advanced marketing services including:

- * NFO WorldGroup (marketing intelligence services),
- * MAGNA Global (advertising media negotiations),
- * Jack Morton Worldwide (specialized marketing services including corporate events, meetings and training/learning),
- * GlobalHue (multi-cultural marketing and communications),
- * ISO Healthcare Group (strategic healthcare consulting), and
- * I.W. Group, Inc. (marketing communications firm marketing to Asian and Asian Pacific American communities in the United States).

Each of the companies in AMS is linked to one or more of the other three operating groups through affiliate relationships, ensuring access to the best, most innovative ideas and solutions for client communications needs. Additionally, the Company's public relations networks, Weber Shandwick Worldwide, Golin/Harris International and DeVries Public Relations, are based within AMS's Constituency Management Group. AMS is also charged with expanding the Company's business into new marketing intelligence, services, and communications areas.

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

EUROPE, AFRICA AND THE MIDDLE EAST

Austria	Greece	Morocco	Slovakia
Azerbaijan	Hungary	Namibia	Slovenia
Bahrain	Iceland	Netherlands	South Africa
Belgium	Israel	Nigeria	Spain
Bulgaria	Ireland	Norway	Sweden
Cameroon	Italy	Oman	Switzerland
Croatia	Ivory Coast	Pakistan	Tunisia
Czech Republic	Jordan	Poland	Turkey
Denmark	Kazakhstan	Portugal	Ukraine
Egypt	Kenya	Qatar	United Arab Emirates
Estonia	Kuwait	Romania	United Kingdom
Finland	Latvia	Russia	Uzbekistan
France	Lebanon	Saudi Arabia	Zambia
Germany	Malawi	Senegal	Zimbabwe
	Mauritius		

LATIN AMERICA AND THE CARIBBEAN

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

ASIA AND THE PACIFIC

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

Operations in the foregoing countries are carried on by one or more operating companies, at least one of which is either wholly owned by

Interpublic or a subsidiary or is a company in which Interpublic or a subsidiary owns a 50% interest or more, except in Cambodia, Malawi and Nepal, where Interpublic or a subsidiary hold a minority interest.

Interpublic also offers services in Albania, Aruba, the Bahamas, Belize, Bolivia, Gabon, Ghana, Grand Cayman, Guadeloupe, Guam, Guyana, Haiti, Reunion, Ivory Coast, Martinique, Nicaragua, Nigeria, Paraguay, Surinam, Uganda and Zaire through association arrangements with local agencies operating in those countries or territories.

For information concerning revenues and long-lived assets on a geographical basis for each of the last three years, see Note 15: Geographic Areas of the Notes to the Consolidated Financial Statements contained in the Company's Annual Report to Stockholders for the year ended December 31, 2001, which Note is hereby incorporated by reference.

Developments in 2001

On June 22, 2001, the Company completed the acquisition of True North, a global provider of advertising and communication services, in a transaction accounted for as a pooling of interests. In connection with the acquisition, approximately 58.2 million shares of Interpublic common stock ("Interpublic Stock") were issued.

In addition, the Company completed a number of other acquisitions within the United States and abroad in 2001.

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

Revenue

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

Like other agencies, the Company is primarily responsible for paying media with respect to firm contracts for advertising time or space placed on behalf of its clients. The primary risk to the Company posed by this practice is the potential inability of the client to reimburse the Company because of insolvency or bankruptcy. The Company makes significant efforts to reduce this risk, including by carrying out credit clearances, requiring in some cases payment of media in advance, or agreeing with media that the Company will be liable to pay the media only after the client has paid the Company for the media charges.

The Company also receives commissions from clients for planning and supervising work done by outside contractors in connection with the physical preparation of finished print advertisements and the production of television and radio commercials and other forms of advertising. This commission is customarily 17.65% of the outside contractor's net charge, which is equal to 15.0% of the outside contractor's total charges including commission. With the increasing use of negotiated fees, the terms on which outstanding contractors' charges are billed are subject to wide variations and even include, in some instances, the replacement of commissions with negotiated flat fees.

The Company also derives revenue from other activities, including the planning and placement in media of advertising produced by unrelated advertising agencies; the maintenance of specialized media placement facilities; the creation and publication of brochures, billboards, point of sale materials and direct marketing pieces for clients; the planning and carrying out of specialized marketing research; the management of public relations campaigns; the creation and management of special events, meetings and shows at which clients' products are featured; and the design and implementation of interactive programs for special marketing needs.

Clients

The five clients that made the largest revenue contribution in 2001 accounted individually for approximately 1.5% to 6.7% of the Company's revenue and in the aggregate accounted for approximately 14% of the Company's revenue. Twenty of the Company's clients accounted for approximately 25% of its revenue. Based on 2001 revenue, the Company's largest clients currently include Coca-Cola, General Motors Corporation, Johnson & Johnson. General Motors Corporation first became a client of one of the Company's agencies in the United States in 1916. Predecessors of several of the Lowe & Partners agencies have supplied advertising services to Unilever since 1893. The Company's client relationship with Nestle began in 1940 in Argentina. While the loss of the entire business of one of the Company's largest clients might have a material adverse effect upon the business of the Company, the Company believes that it is very unlikely that the entire business of any of these clients would be lost at the same time, because it represents several different brands or divisions of each of these clients in a number of geographical markets, in each case through more than one of the Company's agency systems.

Representation of a client rarely means that the Company handles advertising for all brands or product lines of the client in all geographical locations. Any client may transfer its business from an agency within our Company to a competing agency, and a client may reduce its marketing budget at any time.

The Company's agencies have written contracts with many of their clients. As is customary in the industry, these contracts typically provide for termination by either party on relatively short notice, usually 90 days but sometimes shorter or longer. In 2001, however, 19% of revenue was derived from clients that had been associated with one or more of the Company's agencies or their predecessors for 20 or more years.

Personnel

As of January 1, 2002, the Company employed approximately 54,100 persons, of whom 21,500 were employed in the United States.

Because of the personal service character of the marketing communications business, the quality of personnel is of crucial importance to the Company's continuing success. There is keen competition for qualified employees. Interpublic considers its employee relations to be satisfactory overall.

The Company has several active programs for training personnel. These programs include meetings and seminars throughout the world.

Competition and Other Factors

One of the business strategies of the Company is to acquire businesses that complement and expand the Company's current business capabilities. Accordingly, the Company is usually engaged in evaluating potential acquisition candidates. The Company is frequently engaged in a number of preliminary discussions that may result in one or more substantial acquisitions. These acquisition opportunities require confidentiality and from time to time give rise to bidding scenarios that require quick responses by the Company. Although there is uncertainty that any of these discussions will result in definitive agreements or the completion of any transactions, the announcement of any such transaction may lead to increased volatility in the trading price of the Company's securities.

Moreover, the success of recent or contemplated future acquisitions will depend on the effective integration of newly-acquired businesses into the current operations of the Company. Important factors for integration include realization of anticipated synergies and cost savings and the ability to retain and attract new personnel and clients.

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

Moreover, increasing size may limit an agency's potential for securing new business, because many clients prefer not to be represented by an agency that represents a direct competitor. Also, clients frequently wish to have different products represented by different agencies. The Company's ability to retain existing clients and to attract new clients may, in some cases, be limited by clients' policies on or perceptions of conflicts of interest. These policies can in some cases prevent one agency and, in limited circumstances, different agencies within the same holding company, from performing similar services for competing products or companies. In addition, these perceived conflicts, following an acquisition by the Company of an agency or company, can result in clients terminating their relationship with the Company or reducing the number or scope of projects for which they retain those agencies. Moreover, after the True North acquisition and the resulting larger number of clients, there could be a greater likelihood of conflicts with potential new clients in the future. If the combined company fails to maintain existing clients or attract new clients, its business may be materially and adversely impacted.

Employees, including creative, research, media, account and practice group specialists, and their skills and relationships with clients, are among our most important assets. An important aspect of the Company's competitiveness is its ability to retain employee and management personnel. The Company's inability to hire and retain these employees in the future may have a material adverse effect on the Company.

Advertising and marketing communications businesses are subject to government regulation, both domestic and foreign. There has been some increasing tendency in the United States on the part of advertisers to resort to the courts, and industry and self-regulatory bodies, to challenge comparative advertising on the grounds that the advertising is false and deceptive. Through the years, there has been a continuing expansion of specific rules, prohibitions, media restrictions, labeling disclosures and warning requirements with respect to the advertising for certain products. Representatives within certain government bodies, both domestic and foreign, continue to initiate proposals to ban the advertising of specific products and to impose taxes on or deny deductions for advertising which, if successful, may have an adverse effect on advertising expenditures and consequently Interpublic's revenues.

The Company's international operations are exposed to certain risks which affect foreign operations of all kinds, such as local legislation, monetary devaluation, exchange control restrictions and unstable political conditions. In addition, international advertising agencies are subject to ownership restrictions in certain countries because they are considered an integral factor in the communications process.

Statement Regarding Forward Looking Disclosure

This Annual Report on Form 10-K, including "Business", "Competition and Other Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward-looking statements. Statements in this Annual Report that are not historical facts, including statements about the Company's beliefs and expectations, particularly regarding recent business and economic trends, the integration of acquisitions and restructuring costs, constitute forward-looking statements. These statements are based on current plans, expectations, estimates and projections, and you should therefore not place undue reliance on them. Forward-looking statements speak only as of the date they are made, and the Company undertakes 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, those associated with the effect of national and regional economic conditions, the ability of the Company to attract new clients and retain existing clients, the financial success of the Company's clients, developments from changes in the regulatory and legal environment for advertising companies around the world, and the successful completion and integration of acquisitions which complement and expand our business capabilities.

This Annual Report also contains certain financial information calculated on a "pro forma" basis (including information that is restated to exclude the impact of specified historical events). Because "pro forma" financial information by its very nature departs from traditional accounting conventions, such information should not be viewed as a substitute for the information prepared in accordance with GAAP contained in the Company's financial statements that are contained in this Annual Report and should be read in conjunction therewith.

Item 2. Properties

Most of the operations of the Company are conducted in leased premises, and its physical property consists primarily of leasehold improvements, furniture, fixtures and equipment. These facilities are located in various cities in which the Company does business throughout the world. However, subsidiaries of the Company own office buildings in Toledo, Ohio; Blair, Nebraska; Warren, Michigan; England (in London, Manchester, Birmingham and Stoke-on-Trent); Frankfurt, Germany; Sao Paulo, Brazil; Lima, Peru; Mexico City, Mexico; and Santiago, Chile and own office condominiums in Buenos Aires, Argentina; Bogota, Colombia; and Manila, the Philippines. Facilities owned or occupied by the Company and its subsidiaries are believed to be adequate for the purposes for which they are currently used and are well maintained.

The Company is executing a wide-ranging restructuring plan that includes lease terminations and other actions. In connection with this restructuring, the Company plans to downsize and vacate approximately 180 offices and expects that all relevant leases will have been terminated or subleased by the middle of the year 2002. Approximately half of these lease terminations and subleases relate to operations in the United States, one-third relate to operations in Europe (principally in the UK, France and Germany), and the remainder relate to operations in Latin America and Asia Pacific. The total amount of the lease termination and other exit costs recorded in 2001 was \$310.9 million. The cash portion of the charge will be paid out over a period of up to five years. Lease termination and related costs include write-offs related to the abandonment of leasehold improvements as part of the office vacancies. The Company believes that its remaining facilities are adequate to meet the needs of the Company.

The Company's ownership of the office building in Frankfurt is subject to three mortgages which became effective on or about February 1993. These mortgages terminate at different dates, with the last to expire in February 2003. See Note 9: Long-Term Debt, of the Notes to the Consolidated Financial Statements contained in the Company's Annual Report to Stockholders for the year ended December 31, 2001, which Note is hereby incorporated by reference.

Item 3. Legal Proceedings

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

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

Not applicable.

Executive Officers of the Registrant

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

<u>Name</u>	<u>Age</u>	<u>Office</u>
John J. Dooner, Jr. (1)	53	Chairman of the Board, President and Chief Executive Officer
Sean F. Orr (1)	47	Executive Vice President, Chief Financial Officer
David A. Bell	58	Vice Chairman
Barry R. Linsky	60	Executive Vice President-Planning and Business Development
Bruce S. Nelson	50	Executive Vice President and Chief Marketing Officer
Nicholas J. Camera	55	Senior Vice President, General Counsel and Secretary
Albert Conte	51	Senior Vice President-Financial Services
Thomas J. Dowling	50	Senior Vice President-Financial Administration
C. Kent Kroeber	63	Senior Vice President-Human Resources
Susan V. Watson	49	Senior Vice President-Investor Relations
Gunnar Wilmot	49	Senior Vice President-Planning and Business Development
Steven Berns	37	Vice President and Treasurer
Richard P. Sneider, Jr.	52	Vice President and Controller

(1) Also a Director

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

The employment histories for the past five years of Messrs. Dooner and Orr are incorporated by reference to the Proxy Statement for Interpublic's 2002 Annual Meeting of Stockholders (the "Proxy Statement").

Mr. Bell was named Vice Chairman of Interpublic in June of 2001 upon completion of the True North acquisition. Mr. Bell served as Chairman and Chief Executive Officer of True North from April 1999 through June 2001. From 1994 through March 1999, Mr. Bell served as President and Chief Executive Officer of Bozell Group, LLC (formerly Bozell Worldwide, Inc.), a subsidiary of True North.

Mr. Linsky joined Interpublic in January, 1991 when he was elected Senior Vice President-Planning and Business Development. Prior to that time, he was Executive Vice President, Account Management of Lowe & Partners, Inc. Mr. Linsky was elected to that position in July, 1980, when the corporation was known as The Marschalk Company and was a subsidiary of Interpublic. Mr. Linsky was elected Executive Vice President of Interpublic in February, 2001.

Mr. Nelson joined Interpublic in September, 2000 as Executive Vice President, Chief Marketing Officer. Prior to that he had pursued a multi-disciplinary career with McCann-Erickson for 19 years before leaving as Executive Vice President, Director of Worldwide Accounts to serve as Vice Chairman, Chief Knowledge Officer at Young & Rubicam Inc.

Mr. Camera joined Interpublic in May, 1993. He was elected Vice President, Assistant General Counsel and Assistant Secretary in June, 1994, Vice President, General Counsel and Secretary in December, 1995, and Senior Vice President, General Counsel and Secretary in February, 2000.

Mr. Conte joined Interpublic in March, 2000 as Vice President-Taxes & General Tax Counsel. Prior to that time, he served as Vice President-Senior Tax Counsel for Revlon Consumer Products Corporation from September, 1987 to February, 2000. Mr. Conte was elected Senior Vice President-Financial Services in December, 2001.

Mr. Dowling was elected Senior Vice President-Financial Administration of Interpublic in February, 2001. He joined Interpublic in January, 2000 as Vice President and General Auditor.

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

Ms. Watson joined Interpublic in October 2000. Prior to joining the Company, she was Vice President, Investor Relations at PepsiCo, Inc. and previously was employed by Nielsen Media Research and Gannett Co. in a similar capacity.

Mr. Wilmot joined Interpublic in January, 2002 as Senior Vice President-Planning and Business Development. Prior to that time, he served as Executive Vice President-Director of Worldwide Accounts for McCann-Erickson Worldwide, Inc. from March, 2000 to January, 2001. Mr. Wilmot served as Executive Vice President for McCann Erickson Worldwide, Inc. in its Detroit office from January, 1997 to March, 2000. Prior to that time, he served in a number of management positions for McCann-Erickson Worldwide, Inc.

Mr. Berns joined Interpublic in August, 1999 as Vice President and Treasurer. Prior to that time, he was Senior Vice President and Treasurer of Revlon, Inc. where he served in that position from January 1996, to July 1999.

Mr. Sneider, as a result of the True North acquisition, joined Interpublic in June, 2001. Prior to that he was with True North where he served as Vice President and Controller from January 1999 to June 2001. Prior to True North, he served as Vice President and Controller of Alexander & Alexander from 1994 to 1997. Mr. Sneider was elected Vice President and Controller of Interpublic in December, 2001.

PART II

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

The response to this Item is incorporated by reference to our Annual Report to Stockholders for the year ended December 31, 2001. See the heading: Statement of Stockholder's Equity, and information under the heading Transfer Agent and Registrar for Common Stock;

The Company has made the following acquisitions in the fourth quarter of 2001 involving the issuance of Interpublic Stock:

- (i) On October 26, 2001 the Registrant paid 76,805.25 Pounds Sterling in cash and issued 1,074 shares of Interpublic Stock to the 4 former shareholders of a foreign company that was acquired by the Registrant in the second quarter of 2001. This represented a deferred payment of the purchase price. The shares of Interpublic Stock had a market value of \$24,058 as of the date of issuance. The shares of Interpublic Stock were issued by the Registrant without registration in an "offshore transaction" and solely to "non-U.S. persons" in reliance on Rule 903(b)(3) of Regulation S under the Securities Act;

- (ii) On November 12, 2001 the Registrant issued 61,783 shares of Interpublic Stock to MDT Media Distribution Television Limited ("MDT") as part payment for an additional 5.3% of the shares of a company formerly controlled by MDT, 66.7% of which had been acquired in the second quarter of 1998. The shares of Interpublic Stock were valued at US\$ 1,375,000 at the date of issuance. The shares of Interpublic Stock were issued by the Registrant without registration in an "off shore transaction" and solely to a "non US person" in reliance on Rule 903(b)(3) of the Regulation S under the Securities Act;
- (iii) On November 14, 2001, a subsidiary of the Registrant merged with a company in consideration for which the Registrant paid to the company's shareholders \$383,776.65 in cash and issued 5,036 shares of Interpublic Stock. Only 2 of the 17 shareholders of the acquired company received shares of Interpublic Stock. The shares of Interpublic Stock had a market value of \$113,080 as of the date of issuance. The shares of Interpublic Stock were issued by the Registrant without registration in reliance on Section 4(2) under the Securities Act, based on the sophistication of the shareholders of the acquired company who received Interpublic Stock. The shareholders had access to all the documents filed by the Registrant with the SEC, including the Company's i) Annual Report and Form 10-K for the year ended 2000, ii) Quarterly Reports on Form 10-Q for 2001, iii) Reports on Form 8-K for 2001, and iv) Proxy Statement for the 2001 Annual Meeting of Stockholders;
- (iv) On November 30, 2001, a subsidiary of the Registrant acquired 100% of the stock of a company in consideration for which the Registrant paid \$1,207,312 in cash and issued 16,616 shares of Interpublic Stock to the sole shareholder of the company. The shares of Interpublic Stock had a market value of \$402,437 as of the date of issuance. The shares of Interpublic Stock were issued by the Registrant without registration in reliance on Section 4(2) under the Securities Act, based on the sophistication of the company's sole shareholder. The shareholder had access to all the documents filed by the Registrant with the SEC, including the Company's i) Annual Report and Form 10-K for the year ended 2000, ii) Quarterly Reports on Form 10-Q for 2001, iii) Reports on Form 8-K for 2001, and iv) Proxy Statement for the 2001 Annual Meeting of Stockholders.

Item 6. Selected Financial Data

The response to this Item is incorporated by reference to our Annual Report to Stockholders for the year ended December 31, 2001 under the heading Selected Financial Data for Five Years.

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

The response to this Item is incorporated by reference to our Annual Report to Stockholders for the year ended December 31, 2001 under the heading Management's Discussion and Analysis of Financial Condition and Results of Operations.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

The response to this Item is incorporated by reference to our Annual Report to Stockholders for the year ended December 31, 2001 under the heading Management's Discussion and Analysis of Financial Condition and Results of Operations.

Item 8. Financial Statements and Supplementary Data

The response to this Item is incorporated in part by reference to the our Annual Report to Stockholders for the year ended December 31, 2001 under the headings Financial Statements and Notes to the Consolidated Financial Statements. Reference is also made to the Financial Statement Schedule listed under Item 14(a) of this Report on Form 10-K.

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

Not applicable.

PART III

Item 10. Directors and Executive Officers of Interpublic

The information required by this Item is incorporated by reference to the Proxy Statement, to be filed not later than 120 days after the end of the 2001 calendar year, except for the description of our Executive Officers which appears in Part I of this Report on Form 10-K under the heading "Executive Officers of Interpublic".

Item 11. Executive Compensation

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

Item 12. Security Ownership of Certain Beneficial Owners and Management

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

Item 13. Certain Relationships and Related Transactions

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

PART IV

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

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

1. Financial Statements:

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

2. Financial Statement Schedule:

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

3. Exhibits:

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

<u>Exhibit No.</u>	<u>Description</u>
3	(i) The Restated Certificate of Incorporation of the Registrant, as amended is incorporated by reference to its Report on Form 10-Q for the quarter ended June 30, 1999. See Commission file number 1-6686.
	(ii) The By-Laws of the Registrant, amended as of February 19, 1991, are incorporated by reference to its Report on Form 10-K for the year ended December 31, 1990. See Commission file number 1-6686.
4	Instruments Defining the Rights of Security Holders.
	(i) Senior Debt Indenture dated as of October 20, 2000 between the Registrant and The Bank of New York, as Trustee is incorporated by reference to Exhibit 99.1 to the Registrant's Current Report on Form 8-K dated October 24, 2000.
	(ii) First Supplemental Indenture, dated August 22, 2001 between The Interpublic Group of Companies, Inc. and The Bank of New York, as trustee, is incorporated by reference to Exhibit 4.2 to the Registrant's Registration Statement Form S-4 (No. 333-74476).
	(iii) Second Supplemental Indenture dated as of December 14, 2001 between the Registrant and The Bank of New York, as Trustee is incorporated by reference to Exhibit 4.4 to the Registrant's Registration Statement on Form S-3 (No. 333-82368).
	(iv) Registration Rights Agreement dated as of December 14, 2001 between the Registrant and Salomon Smith Barney Inc., as representative of the initial purchasers named therein is incorporated by reference to Exhibit 4.4 to the Registrant's Registration Statement on Form S-3 (No. 333-82368).
	(v) Indenture, dated as of September 16, 1997 between Interpublic and The Bank of New York is incorporated by reference to the Registrant's Report on Form 10-Q for the quarter ended September 30, 1998. See Commission file number 1-6686.
	(vi) The Preferred Share Purchase Rights Plan as adopted on July 18, 1989 is incorporated by reference to Registrant's Registration Statement on Form 8-A dated August 1, 1989 (No. 00017904) and, as amended, by reference to Registrant's Registration Statement on Form 8 dated October 3, 1989 (No. 00106686).

- (a) Purchase Agreement, dated September 10, 1997, among The Interpublic Group of Companies, Inc. ("Interpublic"), Morgan Stanley & Co., Incorporated, Goldman Sachs and Co. and SBC Warburg Dillon Read Inc. is incorporated by reference to the Registrant's Report on Form 10-Q for the quarter ended September 30, 1999. See Commission file number 1-6686.
- (b) Employment, Consultancy and other Compensatory Arrangements with Management.

Employment and Consultancy Agreements and any amendments or supplements thereto and other compensatory arrangements filed with the Registrant's Reports on Form 10-K for the years ended December 31, 1980 through December 31, 2001 inclusive, or filed with the Registrant's Reports on Form 10-Q for the periods ended March 31, 2001, June 30, 2001 and September 30, 2001 are incorporated by reference in this Report on Form 10-K. See Commission file number 1-6686. Listed below are agreements or amendments to agreements between the Registrant and its executive officers which remain in effect on and after the date hereof or were executed during the year ended December 31, 2001 and thereafter, unless previously submitted, which are filed as exhibits to this Report on Form 10-K.

(i) John J. Dooner

- (a) Supplemental Agreement, dated as of April 1, 2000 to an Employment Agreement between Registrant and John J. Dooner is incorporated by reference to Exhibit 10(b) to Registrant's Report on Form 10-Q for the quarter ended March 31, 2000. See Commission file number 1-6686.
- (b) Supplemental Agreement, dated as of January 1, 1999 to an Employment Agreement made as of January 1, 1994 between Registrant and John J. Dooner is incorporated by reference to Exhibit 10(e) to Registrant's Report on Form 10-Q for the quarter ended March 31, 1999. See Commission file number 1-6686.
- (c) Executive Severance Agreement dated January 1, 1998 between Registrant and John J. Dooner is incorporated by reference to Exhibit 10(b) to Registrant's Report on Form 10-Q for the quarter ended March 31, 1998. See Commission file number 1-6686.
- (d) Supplemental Agreement, dated as of September 1, 1997 to an Employment Agreement between Registrant and John J. Dooner is incorporated by reference to Exhibit 10(k) to Registrant's Report on Form 10-Q for the quarter ended September 30, 1997. See Commission file number 1-6686.
- (e) Supplemental Agreement made as of July 1, 1995, by and between Registrant and John J. Dooner to an Employment Agreement made as of January 1, 1994 is incorporated by reference to Exhibit 10(B) to Registrant's Report on Form 10-Q for the quarter ended September 30, 1995. See Commission file number 1-6686.
- (f) Executive Special Benefit Agreement made as of July 1, 1986 is incorporated by reference to Exhibit 10(e) to Registrant's Report on Form 10-K for the year ended December 31, 1995. See Commission file number 1-6686.
- (g) Executive Severance Agreement made as of August 10, 1987 is incorporated by reference to Exhibit 10(h) to Registrant's Report on Form 10-K for the year ended December 31, 1995. See Commission file number 1-6686.
- (h) Supplemental Agreement made as of May 23, 1990 to an Executive Special Benefit Agreement made as of July 1, 1986 is incorporated by reference to Exhibit 10(l) to Registrant's Report on Form 10-K for the year ended December 31, 1995. See Commission file number 1-6686.

- (i) Supplemental Agreement made as of August 10, 1992 to an Executive Severance Agreement made as of August 10, 1987 is incorporated by reference to Exhibit 10(p) to Registrant's Report on Form 10-K for the year ended December 31, 1995. See Commission file number 1-6686.
 - (j) Executive Special Benefit Agreement made as of, July 1, 1992 is incorporated by reference to Exhibit 10(q) to Registrant's Report on Form 10-K for the year ended December 31, 1995. See Commission file number 1-6686.
 - (k) Employment Agreement made as of January 1, 1994 is incorporated by reference to Exhibit 10(r) to Registrant's Report on Form 10-K for the year ended December 31, 1995. See Commission file number 1-6686.
 - (l) Executive Special Benefit Agreement, dated as of June 1, 1994 is incorporated by reference to Exhibit 10(s) to Registrant's Report on Form 10-K for the year ended December 31, 1995. See Commission file number 1-6686.
 - (m) Supplemental Agreement, dated as of July 1, 1995 to an Employment Agreement made as of January 1, 1994 between Registrant and John J. Dooner is incorporated by reference to Exhibit 10(t) to Registrant's Report on Form 10-K for the year ended December 31, 1995. See Commission file number 1-6686.
- (ii) Sean F. Orr
- (a) Supplemental Agreement, dated as of June 1, 2000 to an Executive Severance Agreement, made as of April 27, 1999 Registrant and Sean F. Orr is incorporated by reference to Exhibit 10(f) to Registrant's Report on Form 10-Q for the year ended June 30, 2000. See Commission file number 1-6686.
 - (b) Supplemental Agreement, dated as of April 1, 2000 to an Employment Agreement between Registrant and Sean F. Orr is incorporated by reference to Exhibit 10(c) to Registrant's Report on Form 10-Q for the quarter ended March 31, 2000. See Commission file number 1-6686.
 - (c) Executive Severance Agreement dated as of May 1, 1999 between Registrant and Sean F. Orr is incorporated by reference to Exhibit 10(b)(i)(b) to Registrant's Report on Form 10-K for the year ended December 31, 1999. See Commission file number 1-6686.
 - (d) Employment Agreement, dated as of April 27, 1999 to between Registrant and Sean F. Orr is incorporated by reference to Exhibit 10(b)(i)(a) to Registrant's Report on Form 10-K for the year ended December 31, 1999. See Commission file number 1-6686.
 - (e) Executive Severance Agreement dated as of April 27, 1999 between Registrant and Sean F. Orr is incorporated by reference to Exhibit 10(b)(i)(c) to Registrant's Report on Form 10-K for the year ended December 31, 1999. See Commission file number 1-6686.
- (iii) David A. Bell
- (a) David A. Bell Employment Agreement dated as of January 1, 2000 between True North Communications Inc. and David A. Bell.
 - (b) Employment Agreement Amendment dated as of March 1, 2001 to an Employment Agreement dated as of January 1, 2000 between True North Communications Inc. and David A. Bell.
- (iv) Barry R. Linsky

- (a) Supplemental Employment Agreement dated as of March 26, 2001 between Registrant and Barry R. Linsky.
- (b) Supplemental Agreement to an Executive Special Benefit Agreement dated as of June 30, 2000 between Registrant and Barry R. Linsky is incorporated by reference to Exhibit 10(b)(ii)(a) to Registrant's Report on Form 10-K for the year ended December 31, 2000. See Commission file number 1-6686.
- (c) Executive Special Benefit-Income Replacement Agreement dated as of June 1, 2000 between Registrant and Barry R. Linsky is incorporated by reference to Exhibit 10(b)(ii)(b) to Registrant's Report on Form 10-K for the year ended December 31, 2000. See Commission file number 1-6686.
- (d) Executive Severance Agreement dated as of January 1, 1998 between Registrant and Barry R. Linsky is incorporated by reference to Exhibit 10(b)(iv) to Registrant's Report on Form 10-K for the year ended December 31, 1998. See Commission file number 1-6686.
- (e) Supplemental Agreement dated as of August 1, 1996 to an Employment Agreement dated as of January 1, 1991 between Registrant and Barry R. Linsky is incorporated by reference to Exhibit 10(b)(ii)(f) to Registrant's Report on Form 10-K for the year ended December 31, 1996. See Commission file number 1-6686.
- (f) Supplemental Agreement, dated as of January 1, 1996 to an Employment agreement dated January 1, 1991 between Registrant and Barry R. Linsky is incorporated by reference to Exhibit 10(b)(ii)(e) to Registrant's Report on Form 10-K for the year ended December 31, 1996. See Commission file number 1-6686.
- (g) Supplemental Agreement, dated as of January 1, 1995 to an Employment Agreement dated as of January 1, 1991 between Registrant and Barry R. Linsky is incorporated by reference to Exhibit 10(b)(ii)(d) to Registrant's Report on Form 10-K for the year ended December 31, 1996. See Commission file number 1-6686.
- (h) Executive Special Benefit Agreement, dated as of March 1, 1993 between Registrant and Barry R. Linsky is incorporated by reference to Exhibit 10(b)(ii)(c) to Registrant's Report on Form 10-K for the year ended December 31, 1996. See Commission file number 1-6686.
- (i) Supplemental Agreement, dated as of August 15, 1992 to an Employment Agreement dated as of January 1, 1991 between Registrant and Barry R. Linsky is incorporated by reference to Exhibit 10(b)(ii)(a) to Registrant's Report on Form 10-K for the year ended December 31, 1996. See Commission file number 1-6686.
- (v) Bruce Nelson
 - (a) Employment Agreement dated as of September 5, 2000 between Registrant and Bruce Nelson is incorporated by reference to Exhibit 10(b)(v)(a) to Registrant's Report on Form 10-K for the year ended December 31, 2000. See Commission file number 1-6686.
 - (b) Executive Special Benefit Agreement dated as of September 1, 2000 between Registrant and Bruce Nelson is incorporated by reference to Exhibit 10(b)(v)(b) to Registrant's Report on Form 10-K for the year ended December 31, 2000. See Commission file number 1-6686.
 - (c) Supplemental Agreement dated as of September 1, 2000 to an Executive Special Benefit Agreement dated as of January 1, 1986 between Registrant and Bruce Nelson is incorporated by reference to Exhibit 10(b)(v)(c) to Registrant's Report on Form 10-K for the year ended December 31, 2000. See Commission file number 1-6686.

- (vi) Nicholas J. Camera
 - (a) Executive Severance Agreement dated as of October 31, 1997 between Registrant and Thomas Dowling.

- (vii) Albert Conte
 - (a) Employment Agreement dated as of February 21, 2000 between Registrant and Albert Conte.

- (viii) Thomas Dowling
 - (a) Executive Special Benefit Agreement dated as of February 1, 2000 between Registrant and Thomas Dowling.
 - (b) Executive Special Benefit Agreement dated as of February 1, 2001 between Registrant and Thomas Dowling.

- (ix) C. Kent Kroeber
 - (a) Supplemental Agreement to an Executive Special Benefit Agreement dated as of June 30, 2000 between Registrant and C. Kent Kroeber is incorporated by reference to Exhibit 10(b)(iii)(a) to Registrant's Report on Form 10-K for the year ended December 31, 2000. See Commission file number 1-6686.
 - (b) Executive Special Benefit-Income Replacement Agreement dated as of June 1, 2000 between Registrant and C. Kent Kroeber is incorporated by reference to Exhibit 10(b)(iii)(b) to Registrant's Report on Form 10-K for the year ended December 31, 2000. See Commission file number 1-6686.

- (x) Gunnar Wilmot
 - (a) Executive Special Benefit Agreement dated as of April 1, 1999 between Registrant and Gunnar Wilmot.
 - (b) Executive Special Benefit Agreement dated as of October 1, 1996 between Registrant and Gunnar Wilmot.
 - (c) Supplemental Agreement made as of May 23, 1990 to an Executive Special Benefit Agreement dated as of January 1, 1990 between Registrant and Gunnar Wilmot.
 - (d) Executive Special Benefit Agreement dated as of January 1, 1990 between Registrant and Gunnar Wilmot.

- (xi) Steven Bems
 - (a) Employment Agreement dated as of August 3, 1999 between Registrant and Steven Bems.

- (xii) Richard A. Goldstein
 - (a) Richard A Goldstein Deferred Compensation Agreement, dated as of June 1, 2001 between Registrant and Richard A. Goldstein is incorporated by reference to Exhibit 10(c) to Registrant's Report on Form 10-Q for the quarter ended June 30, 2001. See Commission file number 1-6686.

(c) Executive Compensation Plans.

- (i) Trust Agreement, dated as of June 1, 1990 between Interpublic, Lintas Campbell-Ewald Company, McCann-Erickson USA, Inc., McCann-Erickson Marketing, Inc., Lintas, Inc. and Chemical Bank, as Trustee, is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1990. See Commission file number 1-6686.
 - (ii) The Stock Option Plan (1988) and the Achievement Stock Award Plan of the Registrant are incorporated by reference to Appendices C and D of the Prospectus dated May 4, 1989 forming part of its Registration Statement on Form S-8 (No. 33-28143).
 - (iii) The Management Incentive Compensation Plan of the Registrant is incorporated by reference to the Registrant's Report on Form 10-Q for the quarter ended June 30, 1995. See Commission file number 1-6686.
 - (iv) The 1986 Stock Incentive Plan of the Registrant is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1993. See Commission file number 1-6686.
 - (v) The 1986 United Kingdom Stock Option Plan of the Registrant is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.
 - (vi) The Employee Stock Purchase Plan (1985) of the Registrant, as amended, is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1993. See Commission file number 1-6686.
 - (vii) The Long-Term Performance Incentive Plan of the Registrant is incorporated by reference to Appendix A of the Prospectus dated December 12, 1988 forming part of its Registration Statement on Form S-8 (No. 33-25555).
 - (viii) Resolution of the Board of Directors adopted on February 16, 1993, amending the Long-Term Performance Incentive Plan is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.
 - (ix) Resolution of the Board of Directors adopted on May 16, 1989 amending the Long-Term Performance Incentive Plan is incorporated by reference to Registrant's Report on Form 10-K for the year ended December 31, 1989. See Commission file number 1-6686.
 - (x) The 1996 Stock Incentive Plan of the Registrant is incorporated by reference to the Registrant's Report on Form 10-Q for the quarter ended June 30, 1996. See Commission file number 1-6686.
 - (xi) The 1997 Performance Incentive Plan of the Registrant is incorporated by reference to the Registrant's Report on Form 10-Q for the quarter ended June 30, 1997. See Commission file number 1-6686.
 - (xii) True North Communications Inc. Stock Option Plan, incorporated by reference to Exhibit 4.5 of Post-Effective Amendment No.1 on Form S-8 to Registration Statement on Form S-4 (Registration No. 333-59254).
 - (xiii) Bozell, Jacobs, Kenyon & Eckhardt, Inc. Stock Option Plan, incorporated by reference to Exhibit 4.5 of Post-Effective Amendment No.1 on Form S-8 to Registration Statement on Form S-4 (Registration No. 333-59254).
 - (xiv) True North Communications Inc. Deferred Compensation Plan.
 - (xv) Resolution of the Board of Directors of True North Communications Inc. adopted on March 1, 2002 amending the Deferred Compensation Plan.
- (d) Loan Agreements.

- (i) Other Loan and Guaranty Agreements filed with the Registrant's Annual Report on Form 10-K for the years ended December 31, 1988 and December 31, 1986 are incorporated by reference in this Report on Form 10-K. Other Credit Agreements, amendments to various Credit Agreements, Supplemental Agreements, Termination Agreements, Loan Agreements, Note Purchase Agreements, Guarantees and Intercreditor Agreements filed with the Registrant's Report on Form 10-K for the years ended December 31, 1989 through December 31, 1999, inclusive and filed with Registrant's Reports on Form 10-Q for the periods ended March 31, 2001, June 30, 2001 and September 30, 2001 are incorporated by reference into this Report on Form 10-K. See Commission file number 1-6686.

(e) Leases

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

(f) Acquisition Agreement for Purchase of Real Estate.

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

(g) Mortgage Agreements and Encumbrances.

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

- (ii) Summaries in German and English of Documents creating Encumbrances in favor of Frankfurter Hypothekenbank and Frankfurter Sparkasse in connection with the aforementioned Mortgage Agreements, Encumbrance, dated January 15, 1993, in favor of Frankfurter Hypothekenbank, and Encumbrance, dated January 15, 1993, in favor of Frankfurter Sparkasse are incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.

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

13 This Exhibit includes: (a) those portions of the Annual Report to Stockholders for the year ended December 31, 2001 which are included therein under the following headings: Financial Analysis; Management's Discussion and Analysis of Financial Condition and Results of Operations; Report of Independent Accountants; Consolidated Statement of Operations; Consolidated Balance Sheet; Consolidated Statement of Cash Flows; Consolidated Statement of Stockholders' Equity and Comprehensive Income; Notes to Consolidated Financial Statements (the aforementioned Consolidated Financial Statements together with the Notes to Consolidated Financial Statements are referred to herein as the "Consolidated Financial Statements"); Selected Financial Data for Five Years; Results by Quarter (Unaudited); and Report of Management; Executive Officers and Stockholders Information.

21 Subsidiaries of the Registrant.

- 23 Consent of Independent Accountants: PricewaterhouseCoopers LLP
 Consent of Independent Public Accountants: J.H. Cohn LLP
 Consent of Independent Accountants: Arthur Andersen LLP
 Consent of Independent Accountants: Arthur Andersen LLP
- 24 Power of Attorney to sign Form 10-K and resolution of Board of Directors re Power of Attorney.
- 99 The Company filed the following reports on Form 8-K during the quarter ended December 31, 2001:
- (i) Report dated December 11, 2001. Item 5 Other Events and Exhibit 99.1 Press Release.
- (ii) Report dated, December 14, 2001. Item 5 Other Events and Exhibit 99.1 Press Release.

SIGNATURES

Pursuant to the requirements of Section 13 of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

THE INTERPUBLIC GROUP OF COMPANIES,
 INC.

(Registrant)

March 28, 2002

BY: /s/ John J. Dooner,
Jr.

John J. Dooner, Jr.
 Chairman of the Board, President
 and Chief Executive Officer

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

Name	Title	<u>Date</u>
<u>John J. Dooner, Jr.</u> John J. Dooner, Jr.	Chairman of the Board, President and Chief Executive Officer (Principal Executive Officer)	March 28, 2002
<u>Sean F. Orr</u> Sean F. Orr	Executive Vice President, Chief Financial Officer (Principal Financial Officer) and Director	March 28, 2002
<u>Frank J. Borelli</u> Frank J. Borelli	Director	March 28, 2002
<u>Reginald K. Brack</u> Reginald K. Brack	Director	March 28, 2002
<u>Jill M. Considine</u> Jill M. Considine	Director	March 28, 2002

<u>Richard A. Goldstein</u> Richard A. Goldstein	Director	March 28, 2002
<u>H. John Greeniaus</u> H. John Greeniaus	Director	March 28, 2002
<u>Michael I. Roth</u> Michael I. Roth	Director	March 28, 2002
<u>J. Phillip Samper</u> J. Phillip Samper	Director	March 28, 2002
<u>Richard P. Sneider, Jr.</u> Richard P. Sneider, Jr.	Vice President and Controller (Principal Accounting Officer)	March 28, 2002

By: Nicholas J. Camera
Nicholas J. Camera

INDEX TO FINANCIAL STATEMENTS

The Financial Statements appearing under the headings: Financial Analysis, Report of Management; Management's Discussion and Analysis of Financial Condition and Results of Operations, Consolidated Financial Statements, Notes to Consolidated Financial Statements, Report of Independent Accountants, Selected Financial Data for Five Years and Results by Quarter (Unaudited), accompanying the Annual Report to Stockholders for the year ended December 31, 2001, together with the report thereon of PricewaterhouseCoopers LLP dated February , 2002 are incorporated by reference in this report on Form 10-K. With the exception of the aforementioned information and the information incorporated in Items 5, 6 and 7, no other data appearing in the Annual Report to Stockholders for the year ended December 31, 2001 is deemed to be filed as part of this report on Form 10-K.

The following financial statement schedule should be read in conjunction with the financial statements in such Annual Report to Stockholders for the year ended December 31, 2001. Financial statement schedules not included in this report on Form 10-K have been omitted because they are not applicable or the required information is shown in the financial statements or the notes thereto.

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

INDEX TO FINANCIAL STATEMENT SCHEDULE

	<u>Page</u>
Report of Independent Accountants on Financial Statement Schedule	F-2
Financial Statement Schedule Required to be filed by Item 8 of this form:	
II Valuation and Qualifying Accounts	F-3

**Report of Independent Accountants on
Financial Statement Schedule**

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

Our audits of the consolidated financial statements referred to in our report dated February 28, 2002, appearing in the 2001 Annual Report to Stockholders of The Interpublic Group of Companies, Inc. (which report and consolidated financial statements are incorporated by reference in this Annual Report on Form 10-K) also included an audit of the financial statement schedule listed in Item 14(a)(2) of this Form 10-K. In our opinion, based on our audits and the reports of other auditors, this financial statement schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

PricewaterhouseCoopers LLP
New York, New York
February 28, 2002

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SCHEDULE II

**THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS
For the Years Ended December 31, 2001, 2000 and 1999
(Dollars in Millions)**

COLUMN A COLUMN B COLUMN C COLUMN D COLUMN E COLUMN F

Additions/(Deductions)

<u>Description</u>	<u>Balance at Beginning of Period</u>	<u>Charged to Costs & Expenses</u>	<u>Charged to Other Accounts- Describe</u>	<u>Deductions- Describe</u>	<u>Balance at End of Period</u>
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Allowance for Doubtful Accounts - deducted from Receivables in the Consolidated Balance Sheet:

2001	\$85.7	\$62.8	\$1.1 (1) 0.7 (2)	\$(58.3) (3) (1.3) (5)	\$90.7
2000	\$75.9	\$43.8	\$3.6 (1) 1.5 (2)	\$(30.6) (3) (4.8) (4) (3.7) (5)	\$85.7
1999	\$66.8	\$31.5	\$5.2 (1) 2.9 (2)	\$(29.1) (3) (0.8) (4) (0.6) (5)	\$75.9

-
- (1) Allowance for doubtful accounts of acquired and newly consolidated companies.
(2) Miscellaneous.
(3) Principally amounts written off.
(4) Reversal of previously recorded allowances on accounts receivable.

(5) Foreign currency translation adjustment.

INDEX TO DOCUMENTS

<u>Exhibit No.</u>	<u>Description</u>
3	<ul style="list-style-type: none">(i) The Restated Certificate of Incorporation of the Registrant, as amended is incorporated by reference to its Report on Form 10-Q for the quarter ended June 30, 1999. See Commission file number 1-6686. (ii) The By-Laws of the Registrant, amended as of February 19, 1991, are incorporated by reference to its Report on Form 10-K for the year ended December 31, 1990. See Commission file number 1-6686.
4	<p>Instruments Defining the Rights of Security Holders.</p> <ul style="list-style-type: none">(i) Senior Debt Indenture dated as of October 20, 2000 between the Registrant and The Bank of New York, as Trustee is incorporated by reference to Exhibit 99.1 to the Registrant's Current Report on Form 8-K dated October 24, 2000. (ii) First Supplemental Indenture, dated August 22, 2001 between The Interpublic Group of Companies, Inc. and The Bank of New York, as trustee. is incorporated by reference to Exhibit 4.2 to the Registrant's Registration Statement Form S-4 (No. 333-74476). (iii) Second Supplemental Indenture dated as of December 14, 2001 between the Registrant and The Bank of New York, as Trustee is incorporated by reference to Exhibit 4.4 to the Registrant's Registration Statement on Form S-3 (No. 333-82368). (iv) Registration Rights Agreement dated as of December 14, 2001 between the Registrant and Salomon Smith Barney Inc., as representative of the initial purchasers named therein is incorporated by reference to Exhibit 4.4 to the Registrant's Registration Statement on Form S-3 (No. 333-82368). (v) Indenture, dated as of September 16, 1997 between Interpublic and The Bank of New York is incorporated by reference to the Registrant's Report on Form 10-Q for the quarter ended September 30, 1998. See Commission file number 1-6686. (vi) The Preferred Share Purchase Rights Plan as adopted on July 18, 1989 is incorporated by reference to Registrant's Registration Statement on Form 8-A dated August 1, 1989 (No. 00017904) and, as amended, by reference to Registrant's Registration Statement on Form 8 dated October 3, 1989 (No. 00106686).
10	<p>Material Contracts.</p> <ul style="list-style-type: none">(a) Purchase Agreement, dated September 10, 1997, among The Interpublic Group of Companies, Inc. ("Interpublic"), Morgan Stanley & Co., Incorporated, Goldman Sachs and Co. and SBC Warburg Dillon Read Inc. is incorporated by reference to the Registrant's Report on Form 10-Q for the quarter ended September 30, 1999. See Commission file number 1-6686. (b) Employment, Consultancy and other Compensatory Arrangements with Management. <p>Employment and Consultancy Agreements and any amendments or supplements thereto and other compensatory arrangements filed with the Registrant's Reports on Form 10-K for the years ended December 31, 1980 through December 31, 2001 inclusive, or filed with the Registrant's Reports on Form 10-Q for the periods ended March 31, 2001, June 30, 2001 and September 30, 2001 are incorporated by reference in this Report on Form 10-K. See Commission file number 1-6686. Listed below are agreements or amendments to agreements between the Registrant and its executive officers which remain in effect on and after the date hereof or were executed during the year ended December 31, 2001 and thereafter, unless previously submitted, which are filed as exhibits to this Report on Form 10-K.</p>

(i) John J. Dooner

- (a) Supplemental Agreement, dated as of April 1, 2000 to an Employment Agreement between Registrant and John J. Dooner is incorporated by reference to Exhibit 10(b)to Registrant's Report on Form 10-Q for the quarter ended March 31, 2000. See Commission file number 1-6686.
- (b) Supplemental Agreement, dated as of January 1, 1999 to an Employment Agreement made as of January 1, 1994 between Registrant and John J. Dooner is incorporated by reference to Exhibit 10(e)to Registrant's Report on Form 10-Q for the quarter ended March 31, 1999. See Commission file number 1-6686.
- (c) Executive Severance Agreement dated January 1, 1998 between Registrant and John J. Dooner is incorporated by reference to Exhibit 10(b)to Registrant's Report on Form 10-Q for the quarter ended March 31, 1998. See Commission file number 1-6686.
- (d) Supplemental Agreement, dated as of September 1, 1997 to an Employment Agreement between Registrant and John J. Dooner is incorporated by reference to Exhibit 10(k)to Registrant's Report on Form 10-Q for the quarter ended September 30, 1997. See Commission file number 1-6686.
- (e) Supplemental Agreement made as of July 1, 1995, by and between Registrant and John J. Dooner to an Employment Agreement made as of January 1, 1994 is incorporated by reference to Exhibit 10(B)to Registrant's Report on Form 10-Q for the quarter ended September 30, 1995. See Commission file number 1-6686.
- (f) Executive Special Benefit Agreement made as of July 1, 1986 is incorporated by reference to Exhibit 10(e)to Registrant's Report on Form 10-K for the year ended December 31, 1995. See Commission file number 1-6686.
- (g) Executive Severance Agreement made as of August 10, 1987 is incorporated by reference to Exhibit 10(h)to Registrant's Report on Form 10-K for the year ended December 31, 1995. See Commission file number 1-6686.
- (h) Supplemental Agreement made as of May 23, 1990 to an to an Executive Special Benefit Agreement made as of July 1, 1986 is incorporated by reference to Exhibit 10(l)to Registrant's Report on Form 10-K for the year ended December 31, 1995. See Commission file number 1-6686.
- (i) Supplemental Agreement made as of August 10, 1992 to an Executive Severance Agreement made as of August 10, 1987 is incorporated by reference to Exhibit 10(p)to Registrant's Report on Form 10-K for the year ended December 31, 1995. See Commission file number 1-6686.
- (j) Executive Special Benefit Agreement made as of, July 1, 1992 is incorporated by reference to Exhibit 10(q)to Registrant's Report on Form 10-K for the year ended December 31, 1995. See Commission file number 1-6686.
- (k) Employment Agreement made as of January 1, 1994 is incorporated by reference to Exhibit 10(r)to Registrant's Report on Form 10-K for the year ended December 31, 1995. See Commission file number 1-6686.
- (l) Executive Special Benefit Agreement, dated as of June 1, 1994 is incorporated by reference to Exhibit 10(s)to Registrant's Report on Form 10-K for the year ended December 31, 1995. See Commission file number 1-6686.
- (m) Supplemental Agreement, dated as of July 1, 1995 to an Employment Agreement made as of January 1, 1994 between Registrant and John J. Dooner is incorporated by reference to Exhibit 10(t)to Registrant's Report on Form 10-K for the year ended December 31, 1995. See Commission file number 1-6686.

(ii) Sean F. Orr

- (a) Supplemental Agreement, dated as of June 1, 2000 to an Executive Severance Agreement, made as of April 27, 1999 Registrant and Sean F. Orr is incorporated by reference to Exhibit 10(f) to Registrant's Report on Form 10-Q for the year ended June 30, 2000. See Commission file number 1-6686.
- (b) Supplemental Agreement, dated as of April 1, 2000 to an Employment Agreement between Registrant and Sean F. Orr is incorporated by reference to Exhibit 10(c) to Registrant's Report on Form 10-Q for the quarter ended March 31, 2000. See Commission file number 1-6686.
- (c) Executive Severance Agreement dated as of May 1, 1999 between Registrant and Sean F. Orr is incorporated by reference to Exhibit 10(b)(i)(b) to Registrant's Report on Form 10-K for the year ended December 31, 1999. See Commission file number 1-6686.
- (d) Employment Agreement, dated as of April 27, 1999 to between Registrant and Sean F. Orr is incorporated by reference to Exhibit 10(b)(i)(a) to Registrant's Report on Form 10-K for the year ended December 31, 1999. See Commission file number 1-6686.
- (e) Executive Severance Agreement dated as of April 27, 1999 between Registrant and Sean F. Orr is incorporated by reference to Exhibit 10(b)(i)(c) to Registrant's Report on Form 10-K for the year ended December 31, 1999. See Commission file number 1-6686.

(iii) David A. Bell

- (a) David A. Bell Employment Agreement dated as of January 1, 2000 between True North Communications Inc. and David A. Bell.
- (b) Employment Agreement Amendment dated as of March 1, 2001 to an Employment Agreement dated as of January 1, 2000 between True North Communications Inc. and David A. Bell.

(iv) Barry R. Linsky

- (a) Supplemental Employment Agreement dated as of March 26, 2001 between Registrant and Barry R. Linsky.
- (b) Supplemental Agreement to an Executive Special Benefit Agreement dated as of June 30, 2000 between Registrant and Barry R. Linsky is incorporated by reference to Exhibit 10(b)(ii)(a) to Registrant's Report on Form 10-K for the year ended December 31, 2000. See Commission file number 1-6686.
- (c) Executive Special Benefit-Income Replacement Agreement dated as of June 1, 2000 between Registrant and Barry R. Linsky is incorporated by reference to Exhibit 10(b)(ii)(b) to Registrant's Report on Form 10-K for the year ended December 31, 2000. See Commission file number 1-6686.
- (d) Executive Severance Agreement dated as of January 1, 1998 between Registrant and Barry R. Linsky is incorporated by reference to Exhibit 10(b)(iv) to Registrant's Report on Form 10-K for the year ended December 31, 1998. See Commission file number 1-6686.
- (e) Supplemental Agreement dated as of August 1, 1996 to an Employment Agreement dated as of January 1, 1991 between Registrant and Barry R. Linsky is incorporated by reference to Exhibit 10(b)(ii)(f) to Registrant's Report on Form 10-K for the year ended December 31, 1996. See Commission file number 1-6686.

- (f) Supplemental Agreement, dated as of January 1, 1996 to an Employment agreement dated January 1, 1991 between Registrant and Barry R. Linsky is incorporated by reference to Exhibit 10(b)(ii)(e) to Registrant's Report on Form 10-K for the year ended December 31, 1996. See Commission file number 1-6686.
- (g) Supplemental Agreement, dated as of January 1, 1995 to an Employment Agreement dated as of January 1, 1991 between Registrant and Barry R. Linsky is incorporated by reference to Exhibit 10(b)(ii)(d) to Registrant's Report on Form 10-K for the year ended December 31, 1996. See Commission file number 1-6686.
- (h) Executive Special Benefit Agreement, dated as of March 1, 1993 between Registrant and Barry R. Linsky is incorporated by reference to Exhibit 10(b)(ii)(c) to Registrant's Report on Form 10-K for the year ended December 31, 1996. See Commission file number 1-6686.
- (i) Supplemental Agreement, dated as of August 15, 1992 to an Employment Agreement dated as of January 1, 1991 between Registrant and Barry R. Linsky is incorporated by reference to Exhibit 10(b)(ii)(a) to Registrant's Report on Form 10-K for the year ended December 31, 1996. See Commission file number 1-6686.
- (v) Bruce Nelson
 - (a) Employment Agreement dated as of September 5, 2000 between Registrant and Bruce Nelson is incorporated by reference to Exhibit 10(b)(v)(a) to Registrant's Report on Form 10-K for the year ended December 31, 2000. See Commission file number 1-6686.
 - (b) Executive Special Benefit Agreement dated as of September 1, 2000 between Registrant and Bruce Nelson is incorporated by reference to Exhibit 10(b)(v)(b) to Registrant's Report on Form 10-K for the year ended December 31, 2000. See Commission file number 1-6686.
 - (c) Supplemental Agreement dated as of September 1, 2000 to an Executive Special Benefit Agreement dated as of January 1, 1986 between Registrant and Bruce Nelson is incorporated by reference to Exhibit 10(b)(v)(c) to Registrant's Report on Form 10-K for the year ended December 31, 2000. See Commission file number 1-6686.
- (vi) Nicholas J. Camera
 - (a) Executive Severance Agreement dated as of October 31, 1997 between Registrant and Thomas Dowling.
- (vii) Albert Conte
 - (a) Employment Agreement dated as of February 21, 2000 between Registrant and Albert Conte.
- (viii) Thomas Dowling
 - (a) Executive Special Benefit Agreement dated as of February 1, 2000 between Registrant and Thomas Dowling.
 - (b) Executive Special Benefit Agreement dated as of February 1, 2001 between Registrant and Thomas Dowling.
- (ix) C. Kent Kroeber

- (a) Supplemental Agreement to an Executive Special Benefit Agreement dated as of June 30, 2000 between Registrant and C. Kent Kroeber is incorporated by reference to Exhibit 10(b)(iii)(a) to Registrant's Report on Form 10-K for the year ended December 31, 2000. See Commission file number 1-6686.
- (b) Executive Special Benefit-Income Replacement Agreement dated as of June 1, 2000 between Registrant and C. Kent Kroeber is incorporated by reference to Exhibit 10(b)(iii)(b) to Registrant's Report on Form 10-K for the year ended December 31, 2000. See Commission file number 1-6686.
- (x) Gunnar Wilmot
 - (a) Executive Special Benefit Agreement dated as of April 1, 1999 between Registrant and Gunnar Wilmot.
 - (b) Executive Special Benefit Agreement dated as of October 1, 1996 between Registrant and Gunnar Wilmot.
 - (c) Supplemental Agreement made as of May 23, 1990 to an Executive Special Benefit Agreement dated as of January 1, 1990 between Registrant and Gunnar Wilmot.
 - (d) Executive Special Benefit Agreement dated as of January 1, 1990 between Registrant and Gunnar Wilmot.
- (xi) Steven Berns
 - (a) Employment Agreement dated as of August 3, 1999 between Registrant and Steven Berns.
- (xii) Richard A. Goldstein
 - (a) Richard A Goldstein Deferred Compensation Agreement, dated as of June 1, 2001 between Registrant and Richard A. Goldstein is incorporated by reference to Exhibit 10(c) to Registrant's Report on Form 10-Q for the quarter ended June 30, 2001. See Commission file number 1-6686.
- (c) Executive Compensation Plans.
 - (i) Trust Agreement, dated as of June 1, 1990 between Interpublic, Lintas Campbell-Ewald Company, McCann-Erickson USA, Inc., McCann-Erickson Marketing, Inc., Lintas, Inc. and Chemical Bank, as Trustee, is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1990. See Commission file number 1-6686.
 - (ii) The Stock Option Plan (1988) and the Achievement Stock Award Plan of the Registrant are incorporated by reference to Appendices C and D of the Prospectus dated May 4, 1989 forming part of its Registration Statement on Form S-8 (No. 33-28143).
 - (iii) The Management Incentive Compensation Plan of the Registrant is incorporated by reference to the Registrant's Report on Form 10-Q for the quarter ended June 30, 1995. See Commission file number 1-6686.
 - (iv) The 1986 Stock Incentive Plan of the Registrant is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1993. See Commission file number 1-6686.
 - (v) The 1986 United Kingdom Stock Option Plan of the Registrant is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.
 - (vi) The Employee Stock Purchase Plan (1985) of the Registrant, as amended, is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1993. See Commission file number 1-6686.

- (vii) The Long-Term Performance Incentive Plan of the Registrant is incorporated by reference to Appendix A of the Prospectus dated December 12, 1988 forming part of its Registration Statement on Form S-8 (No. 33-25555).
 - (viii) Resolution of the Board of Directors adopted on February 16, 1993, amending the Long-Term Performance Incentive Plan is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.
 - (ix) Resolution of the Board of Directors adopted on May 16, 1989 amending the Long-Term Performance Incentive Plan is incorporated by reference to Registrant's Report on Form 10-K for the year ended December 31, 1989. See Commission file number 1-6686.
 - (x) The 1996 Stock Incentive Plan of the Registrant is incorporated by reference to the Registrant's Report on Form 10-Q for the quarter ended June 30, 1996. See Commission file number 1-6686.
 - (xi) The 1997 Performance Incentive Plan of the Registrant is incorporated by reference to the Registrant's Report on Form 10-Q for the quarter ended June 30, 1997. See Commission file number 1-6686.
 - (xii) True North Communications Inc. Stock Option Plan, incorporated by reference to Exhibit 4.5 of Post-Effective Amendment No.1 on Form S-8 to Registration Statement on Form S-4 (Registration No. 333-59254).
 - (xiii) Bozell, Jacobs, Kenyon & Eckhardt, Inc. Stock Option Plan, incorporated by reference to Exhibit 4.5 of Post-Effective Amendment No.1 on Form S-8 to Registration Statement on Form S-4 (Registration No. 333-59254).
 - (xiv) True North Communications Inc. Deferred Compensation Plan.
 - (xv) Resolution of the Board of Directors of True North Communications Inc. adopted on March 1, 2002 amending the Deferred Compensation Plan.
- (d) Loan Agreements.
- (i) Other Loan and Guaranty Agreements filed with the Registrant's Annual Report on Form 10-K for the years ended December 31, 1988 and December 31, 1986 are incorporated by reference in this Report on Form 10-K. Other Credit Agreements, amendments to various Credit Agreements, Supplemental Agreements, Termination Agreements, Loan Agreements, Note Purchase Agreements, Guarantees and Intercreditor Agreements filed with the Registrant's Report on Form 10-K for the years ended December 31, 1989 through December 31, 1999, inclusive and filed with Registrant's Reports on Form 10-Q for the periods ended March 31, 2001, June 30, 2001 and September 30, 2001 are incorporated by reference into this Report on Form 10-K. See Commission file number 1-6686.
- (e) Leases
- Material leases of premises are incorporated by reference to the Registrant's Annual Report on Form 10-K for the years ended December 31, 1980 and December 31, 1988. See Commission file number 1-6686.
- (f) Acquisition Agreement for Purchase of Real Estate.
- Acquisition Agreement (in German) between Treuhandgesellschaft Aktiengesellschaft & Co. Grundbesitz OHG and McCann-Erickson Deutschland GmbH & Co. Management Property KG ("McCann-Erickson Deutschland") and the English translation of the Acquisition Agreement are incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.
- (g) Mortgage Agreements and Encumbrances.

- (i) Summaries in German and English of Mortgage Agreements between McCann-Erickson Deutschland and Frankfurter Hypothekenbank Aktiengesellschaft ("Frankfurter Hypothekenbank"), Mortgage Agreement, dated January 22, 1993, between McCann-Erickson Deutschland and Frankfurter Hypothekenbank, Mortgage Agreement, dated January 22, 1993, between McCann-Erickson Deutschland and Hypothekenbank are incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1993. See Commission file number 1-6686. Summaries in German and English of Mortgage Agreement, between McCann-Erickson Deutschland and Frankfurter Sparkasse and Mortgage Agreement, dated January 7, 1993, between McCann-Erickson Deutschland and Frankfurter Sparkasse are incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.
- (ii) Summaries in German and English of Documents creating Encumbrances in favor of Frankfurter Hypothekenbank and Frankfurter Sparkasse in connection with the aforementioned Mortgage Agreements, Encumbrance, dated January 15, 1993, in favor of Frankfurter Hypothekenbank, and Encumbrance, dated January 15, 1993, in favor of Frankfurter Sparkasse are incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.
- (iii) Loan Agreement (in English and German), dated January 29, 1993 between Lintas Deutschland GmbH and McCann-Erickson Deutschland is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.

- 13 This Exhibit includes: (a) those portions of the Annual Report to Stockholders for the year ended December 31, 2001 which are included therein under the following headings: Financial Analysis; Management's Discussion and Analysis of Financial Condition and Results of Operations; Report of Independent Accountants; Consolidated Statement of Operations; Consolidated Balance Sheet; Consolidated Statement of Cash Flows; Consolidated Statement of Stockholders' Equity and Comprehensive Income; Notes to Consolidated Financial Statements (the aforementioned Consolidated Financial Statements together with the Notes to Consolidated Financial Statements are referred to herein as the "Consolidated Financial Statements"); Selected Financial Data for Five Years; Results by Quarter (Unaudited); and Report of Management; Executive Officers and Stockholders Information.
- 21 Subsidiaries of the Registrant.
- 23 Consent of Independent Accountants: PricewaterhouseCoopers LLP
Consent of Independent Public Accountants: J.H. Cohn LLP
Consent of Independent Accountants: Arthur Andersen LLP
Consent of Independent Accountants: Arthur Andersen LLP
- 24 Power of Attorney to sign Form 10-K and resolution of Board of Directors re Power of Attorney.
- 99 The Company filed the following reports on Form 8-K during the quarter ended December 31, 2001:
- (i) Report dated December 11, 2001. Item 5 Other Events and Exhibit 99.1 Press Release.
 - (ii) Report dated, December 14, 2001. Item 5 Other Events and Exhibit 99.1 Press Release.

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT dated as of January 1, 2000 (the "Effective Date") between True North Communications Inc., a Delaware corporation (the "Company"), and David A. Bell (the "Executive").

WHEREAS, the Company is a global communications holding company with ownership interests in subsidiaries, affiliates and joint ventures that are engaged in the advertising agency business, the multimedia production business, the business of planning and buying of media time and space and related businesses (the Company and the subsidiaries, affiliates and joint ventures in which it from time to time has equity interests are hereinafter referred to collectively as the "True North Group");

WHEREAS, the Executive has previously served the Company as the President and Chief Executive Officer of Bozell Worldwide, Inc.;

WHEREAS, the Executive and Bozell Worldwide Inc.'s direct parent company, Bozell, Jacobs, Kenyon & Eckhardt, Inc., have entered into an Employment Agreement dated September 13, 1985 and subsequently amended from time to time (the "BJK&E Agreement"); and

WHEREAS, the Company and the Executive desire to enter into this Agreement to replace the BJK&E Agreement and to provide for the employment of the Executive by the Company as its Chairman and Chief Executive Officer, upon the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein, the parties hereby agree as follows:

1. Employment. The Company hereby employs the Executive and the Executive hereby agrees to be employed by the Company upon the terms and subject to the conditions contained in this Agreement. The term of employment of the Executive by the Company pursuant to this Agreement (the "Employment Period") shall commence on the Effective Date and, unless earlier terminated, shall end on December 31, 2002; provided that the Employment Period may be extended by mutual written agreement of the parties.

2. Position and Duties. The Company shall employ the Executive during the Employment Period with the title of Chairman and Chief Executive Officer. The Executive shall also serve as a member of the Company's Board of Directors (the "Board") (subject to continued election by the Company's stockholders). The Executive shall report directly to the Board, and he shall split his time during the Employment Period between Chicago and New York City, as necessary to carry out his duties and responsibilities. Subject to the powers, authority and responsibilities vested in the Board and in duly constituted committees of the Board, the Executive shall have the authority, duties and responsibilities commensurate with his position and title as the principal executive officer of the Company and such other duties and responsibilities (not inconsistent with his position) as are reasonably assigned to him from time to time by the Board or any committee thereof. During the Employment Period, the Executive shall perform faithfully and loyally and to the best of the Executive's abilities his duties hereunder, shall devote his full business time, attention and efforts to the affairs of the True North Group and shall use his reasonable best efforts to promote the interests of the Company. Notwithstanding the foregoing, the Executive may engage in charitable, civic or community activities, provided that they do not interfere with the performance of the Executive's duties hereunder, and, with the prior approval of the Board, may serve as a director of any business corporation; provided that such service does not violate the terms of any of the covenants contained in Section 8 hereof.

3. Compensation.

(a) Annual Base Salary. During the Employment Period, the Company shall pay to the Executive an annual base salary at the rate of \$900,000 per annum in accordance with the Company's regular payroll practices. The annual base salary shall be reviewed periodically in accordance with guidelines applicable to the Company's senior executives generally.

(b) Incentive Compensation. During the Employment Period, the Executive shall be entitled to participate in the Company's Executive Compensation Program (and any other incentive compensation program that may apply generally to senior executives of the Company from time to time), as such Program applies to similarly situated senior executives and as such Program may be amended from time to time. As of the Effective Date, the Executive's targets for annual incentive compensation and stock options are 122% of base salary and 175% of base salary, respectively.

(c) Other Benefits. During the Employment Period, the Executive shall be entitled to participate in the Company's employee benefit plans and programs and fringe benefits that are generally available to senior executives of the Company from time to time. All benefits referred to in this Section 3(c) are hereinafter referred to as the "Employee Benefits."

(d) Expense Reimbursement. During the Employment Period, the Company shall reimburse the Executive for all proper expenses incurred by him in the performance of his duties hereunder in accordance with the Company's policies and procedures for senior executives.

4. Consulting Period and Benefits.

(a) Commencement. At the end of the scheduled term of the Employment Period (as extended, if applicable), if the Executive retires from the Company or the Company decides not to extend the Employment Period, then the Executive shall become a consultant to the Company for the five-year period beginning on the day following the last day of the Employment Period (the "Consulting Period"). In addition, if the Executive resigns from the Company prior to the end of the Employment Period (other than upon a "Qualifying Termination," as defined in Section 5(a) below), then the Consulting Period and corresponding benefits shall apply, subject to the vesting requirements set forth in subsection (d) below.

(b) Duties and Responsibilities. During the Consulting Period, the Executive shall make himself available, upon reasonable notice, to perform services for the Company which shall be related to such projects and matters as the Board or the Chief Executive Officer of the Company may designate from time to time and which shall be commensurate with the Executive's years of experience and level of skill. The Executive shall not be required to devote more than the equivalent of 10 full business days during any calendar quarter to the performance of such services.

(c) Consulting Benefits. During the Consulting Period, the Executive shall be paid an annual cash benefit equal to the vested portion of 75% of the average of the Executive's annual base salary over the last three full calendar years of his employment with the Company, with the vested portion determined in accordance with subsection (d) below. These consulting payments shall be made no less frequently than monthly, and shall be subject to any applicable tax withholding and tax reporting requirements. The Company shall also reimburse the Executive in accordance with the Company's policies and procedures for all proper expenses incurred by him in the performance of his duties and responsibilities during the Consulting Period.

(d) Vesting. The Executive's annual cash benefit described in subsection (c) above shall vest one-third per year beginning on the first anniversary of the date the Executive commenced serving as Chief Executive Officer of the Company, such that the benefit shall vest one-third on each of April 1, 2000, 2001, and 2002 (subject to the Executive's continued employment with the Company through those dates).

(e) Termination of Consulting Period. The Consulting Period shall terminate prior to the end of the five-year period, and the benefits described in subsection (c) above shall immediately cease, upon the occurrence of either of the following: (i) the material failure by the Executive to perform the reasonably requested duties and responsibilities described in subsection (b) above (subject to written notice by the Company and a reasonable opportunity to cure) or (ii) a material breach by the Executive of this Agreement or other action by the Executive that constitutes "Cause" under Section 5(b) (subject to written notice by the Company and a reasonable opportunity to remedy any condition, conduct, action or inaction of the Executive giving rise to the violation or breach if such violation or breach is remediable). Notwithstanding the foregoing, if the Executive dies or becomes permanently disabled (see "Disability" as defined in Section 5(a) below) during the Consulting Period, then the vested consulting benefits shall continue to be paid to the Executive or his estate, as applicable, for the remainder of the five-year Consulting Period. The foregoing shall not be construed as limiting any other rights or remedies that may be available to the Company upon the Executive's breach of any provision of this Agreement.

5. Termination of Employment Period.

(a) Qualifying Termination. For purposes of this Agreement, "Qualifying Termination" means the occurrence of any of the following events prior to the expiration of the Employment Period, as extended, if applicable: (i) termination of the Executive's employment by the Company without Cause (as defined in subsection (b) below), (ii) termination of the Executive's employment by the Company on account of the Executive having become unable (as determined by the Company in good faith) to perform regularly his duties hereunder by reason of illness or incapacity for a period of more than six consecutive months (termination for "Disability"), (iii) termination of the Executive's employment on account of the Executive's death, or (iv) termination of the Executive's employment by the Executive due to and upon the occurrence, without the Executive's express written consent, of any of the following events: (1) the assignment to the Executive of any duties that either (A) are inconsistent in any material respect with the Executive's position, duties, responsibilities or status with the Company at the date of this Agreement (or subsequent hereto if such new position(s), duties, responsibilities or status are agreed to by the Executive) or (B) result in a material diminution of the Executive's responsibilities, (2) a material adverse change in the Executive's reporting responsibilities, titles or offices with the Company, (3) a material breach of the Company's obligations set forth in this Agreement, (4) a decrease in the Executive's base salary, or (5) any requirement of the Company that the location where the Executive is based be materially changed.

For purposes of this Agreement, an isolated, insubstantial and inadvertent action taken by the Company in good faith and which is remedied by the Company promptly (the later of 60 days or as soon as reasonably practicable) after receipt of written notice thereof given by the Executive shall not constitute a basis for a Qualifying Termination.

(b) Definition of Cause. The Company may terminate the Executive's employment immediately for "Cause" if, in the reasonable determination of the Board or the Compensation Committee of the Board, as set forth in an action of the Board or such Committee setting forth in reasonable detail the reasons for such termination, (i) the Executive engages in conduct that violates significant policies of the Company after the Executive is notified by the Company that he is engaging in conduct that violates such policies and that such conduct will be deemed to be Cause; (ii) the Executive fails to perform the essential functions of his job (except for a failure resulting from a bona fide illness or incapacity) or fails to carry out the Board's reasonable directions with respect to material duties after the Executive is notified by the Company that he is failing to perform these essential functions or failing to carry out such reasonable directions and that such conduct will be deemed to be Cause; (iii) the Executive engages in embezzlement or misappropriation of corporate funds or other acts of fraud, dishonesty or self-dealing, or commits a felony or any significant violation of any material statutory or common law duty of loyalty to the Company; or (iv) the Executive breaches a material provision of this Agreement (including, but not limited to, the non-compete, non-solicitation, confidentiality, or non-disparagement provisions in Sections 8 and 9), after the Executive is notified by the Company that he has breached a material provision of this Agreement and that such breach will be deemed to be Cause. Prior to any termination of the Executive for Cause pursuant to clauses (i), (ii) or (iv) of this Section 5(b), the Company shall give the Executive reasonable opportunity to remedy any condition, conduct, action or inaction of the Executive giving rise to the violation or breach of such clause if such violation or breach is remediable.

6. Consequences of Termination of Employment Period.

(a) Benefits Upon Termination. If the Employment Period terminates for any reason, the Executive (or the Executive's executor, administrator or other legal representative, as the case may be) shall be entitled to receive the following benefits:

(i) within 30 days after the amount in question is reasonably determinable (1) base salary payable through the date of termination of employment, (2) unpaid annual incentive compensation for the calendar year immediately preceding the date of such termination, and (3) reimbursement of proper expenses incurred through the date of such termination;

(ii) any previously-granted earnings performance units shall be treated in accordance with the then existing terms of the Company's Earnings Performance Plan; and

(iii) participation (by the Executive or the Executive's qualified dependents, as the case may be) in all other applicable benefit plans or programs in accordance with the provisions thereof applicable to terminated employees (or their qualified dependents, as the case may be).

(b) Additional Benefits Upon Qualifying Termination. If the Employment Period terminates prior to its scheduled expiration date, as extended if applicable, for a reason set forth in Section 5(a), the Executive (or the Executive's executor, administrator or other legal representative, as the case may be) shall be entitled to receive the following additional benefits:

(i) within 30 days after the amount in question is reasonably determinable, annual incentive compensation for the calendar year in which such termination shall have occurred, prorated through the date of such termination based on actual results of operations for such full calendar year; and

(ii) if the Qualifying Termination is for any reason other than death or Disability:

- (1) each stock option granted to the Executive by the Company on or after the Effective Date then held by the Executive shall on the date of such termination be 100% vested;
- (2) for a period of three years commencing on the day immediately following the date of termination of the employment of the Executive (the "Severance Period"), the Executive shall be entitled to receive (A) base salary, at the rate payable as of the date of such termination, payable in accordance with the Company's normal payroll policies and (B) within 30 days after the amount in question is reasonably determinable, annual incentive compensation at the higher of (x) the rate payable to the Executive for the calendar year in which such termination shall have occurred or (y) the average of the rates payable to the Executive for the three calendar years (or if the Executive shall have participated in the Company's Executive Compensation Program for fewer than three calendar years, for such lesser number of calendar years) immediately preceding the year in which such termination shall have occurred;
- (3) during the Severance Period, the Executive shall be entitled to participate in life insurance, medical and dental benefits on terms no less favorable than on the termination date, subject to legal restrictions and to modifications of general application to all similarly situated employees; and
- (4) for a period of two years beginning on the day immediately following the conclusion of the Severance Period, the Executive shall receive the annual Consulting Period benefit described in Section 4(c) above, with all vesting requirements deemed to be satisfied;

(iii) if the Qualifying Termination is due to the Executive's Disability, for the five-year period beginning on the day immediately following the effective date of the Executive's termination of employment, the Executive shall receive the then vested portion of the annual Consulting Period benefit described in Section 4(c) above; and

(iv) each stock option granted to the Executive by the Company on or after the Effective Date then held by the Executive shall be exercisable to the extent it is vested at the date of termination by the Executive or the Executive's executor, administrator or other legal representative, as the case may be, for up to three years after the date of termination, but in no case beyond a date 10 years following the date of grant of such option.

7. Federal and State Withholding. The Company shall deduct from the amounts payable to the Executive pursuant to this Agreement the amount of all required federal and state withholding taxes in accordance with the Executive's Form W-4 on file with the Company and all applicable social security and Medicare taxes.

8. Noncompetition; Nonsolicitation; Confidentiality.

(a) Covenant Not to Compete. Except with the prior written consent of the Board, during the Employment Period (including the remaining scheduled term of the Employment Period following the Executive's resignation or termination for "Cause"), any Severance Period and any Consulting Period (including the period during which consulting benefits are paid in accordance with Section 6(b)(ii) or (iii) above):

(i) the Executive shall not engage in any activities, whether as employer, proprietor, partner, stockholder (other than the holder of less than 5% of the stock of a corporation the securities of which are traded on a national securities exchange or in the over-the-counter market), director, officer, employee or otherwise, in competition with (1) the businesses conducted at the date hereof by the True North Group or (2) any business in which the True North Group is substantially engaged at any time during the Employment Period;

(ii) the Executive shall not solicit, directly or indirectly, any customer, client or other business relationship of the businesses conducted by the True North Group as of the date hereof or of any business in which the True North Group is substantially engaged at any time during the Employment Period; and

(iii) the Executive shall not induce or attempt to persuade any employee of the True North Group to terminate the employee's employment relationship with the True North Group.

(b) Confidential Information and Trade Secrets. The Executive shall not, at any time during the Employment Period or thereafter, make use of any bidding information (or computer programs thereof) of the True North Group, nor divulge any trade secrets or other confidential information of the True North Group, except to the extent that such information becomes a matter of public record, is published in a newspaper, magazine or other periodical available to the general public or as the Company may so authorize in writing; and when the Executive shall cease to be employed by the Company, the Executive shall surrender to the Company all records and other documents obtained by him or entrusted to him during the course of his employment hereunder (together with all copies thereof) which pertain specifically to any of the businesses covered by the covenants in Section 8(a)(i) or which were paid for by the True North Group; provided, however, that the Executive may retain copies of such documents as necessary for the Executive's personal records for federal income tax purposes.

(c) Scope of Covenants; Remedies. The following provisions shall apply to the covenants of the Executive contained in this Section:

(i) the covenants set forth in Sections 8(a)(i) and 8(a)(ii) shall apply within all territories in which the True North Group is actively engaged in the conduct of business during the Employment Period, including, without limitation, the territories in which customers are then being solicited;

(ii) each party intends and agrees that if in any action before any court or agency legally empowered to enforce the covenants contained in Sections 8(a) and 8(b) any term, restriction, covenant or promise contained therein is found to be unreasonable and accordingly unenforceable, then such term, restriction, covenant or promise shall be deemed modified to the extent necessary to make it enforceable by such court or agency; and

(iii) the covenants contained in Sections 8(a) and 8(b) shall survive the conclusion of the Executive's employment by the Company.

9. Nondisparagement; Cooperation. (a) The Executive shall not, at any time during his employment with the Company or thereafter, make any public or private statement to the news media, to any True North Group competitor or client, or to any other individual or entity, if such statement would disparage any of the True North Group, any of their respective businesses or any director or officer of any of them or such businesses or would have a deleterious effect upon the interests of any of such businesses or the stockholders or other owners of any of them; provided, however, that the Executive shall not be in breach of this restriction if such statements consist solely of (i) private statements made to any officers, directors or employees of any of the True North Group by the Executive in the course of carrying out his duties pursuant to this Agreement or, to the extent applicable, his duties as a director or officer, or (ii) private statements made to persons other than clients or competitors of any of the True North Group (or their representatives) or members of the press or the financial community that do not have a material adverse effect upon any of the True North Group; and provided further that nothing contained in this Section 9(a) or in any other provision of this Agreement shall preclude the Executive from making any statement in good faith that is required by law, regulation or order of any court or regulatory commission, department or agency.

(b) The Company shall not, at any time during the Executive's employment with the Company or thereafter, authorize any person to make, nor shall the Company condone the making of, any statement, publicly or privately, which would disparage the Executive; provided, however, that the Company shall not be in breach of this restriction if such statements consist solely of (i) private statements made to any officers, directors or employees of the True North Group or (ii) private statements made to persons other than clients or competitors of any of the True North Group (or their representatives) or members of the press or the financial community that do not have a material adverse effect upon the Executive; and provided further that nothing contained in this Section 9(b) or in any other provision of this Agreement shall preclude any officer, director, employee, agent or other representative of any of the True North Group from making any statement in good faith which is required by any law, regulation or order of any court or regulatory commission, department or agency.

10. Enforcement. The parties hereto agree that the Company would be damaged irreparably in the event that any provision of Section 8 or 9 of this Agreement were not performed in accordance with its terms or were otherwise breached and that money damages would be an inadequate remedy for any such nonperformance or breach. Accordingly, the Company and its successors or permitted assigns shall be entitled, in addition to other rights and remedies existing in their favor, to an injunction or injunctions to prevent any breach or threatened breach of any of such provisions and to enforce such provisions specifically (without posting a bond or other security). Each of the parties agrees that he or it will submit himself or itself to the personal jurisdiction of the courts of the State of New York in any action by the other party to enforce an arbitration award against him or it or to obtain interim injunctive or other relief pending an arbitration decision.

11. Survival. Sections 8, 9 and 10 of this Agreement shall survive and continue in full force and effect in accordance with their

respective terms, notwithstanding any termination or expiration of the Employment Period.

12. Arbitration; Certain Costs. Any dispute or controversy between the Company and the Executive, whether arising out of or relating to this Agreement, the breach of this Agreement, or otherwise, shall be settled by arbitration in New York, New York administered by the American Arbitration Association in accordance with its Commercial Rules then in effect and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The arbitrator shall have the authority to award any remedy or relief that a court of competent jurisdiction could order or grant, including, without limitation, the issuance of an injunction. However, either party may, without inconsistency with this arbitration provision, apply to any court having jurisdiction over such dispute or controversy and seek interim provisional, injunctive or other equitable relief until the arbitration award is rendered or the controversy is otherwise resolved. Except as necessary in court proceedings to enforce this arbitration provision or an award rendered hereunder, or to obtain interim relief, neither a party nor an arbitrator may disclose the existence, content or results of any arbitration hereunder without the prior written consent of the Company and the Executive. The Company and the Executive acknowledge that this Agreement evidences a transaction involving interstate commerce. Notwithstanding any choice of law provision included in this Agreement, the United States Federal Arbitration Act shall govern the interpretation and enforcement of this arbitration provision.

13. Notice. All notices and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given when personally delivered or five days after deposit in the United States mail, certified and return receipt requested, postage prepaid, addressed (a) if to the Executive, to the most recent address then shown on the employment records of the Company, and if to the Company, to True North Communications Inc., 101 East Erie Street, Chicago, Illinois 60611-2897, Attention: General Counsel, or (b) to such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

14. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is determined to be invalid, illegal or unenforceable in any respect under applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of any other provision of this Agreement or the validity, legality or enforceability of such provision in any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

15. Entire Agreement. This Agreement constitutes the entire agreement and understanding between the parties with respect to the subject matter hereof and supersedes and preempts the BJK&E Agreement and any other prior understandings, agreements or representations by or between the parties, written or oral, which may have related in any manner to the subject matter hereof.

16. Successors and Assigns. This Agreement shall be enforceable by the Executive and the Executive's heirs, executors, administrators and legal representatives, and by the Company and its successors and permitted assigns. Any successor or permitted assign of the Company shall assume by instrument delivered to the Executive the liabilities of the Company hereunder. This Agreement shall not be assigned by the Company other than to a successor pursuant to a merger, consolidation or transfer of all or substantially all of the capital stock or assets of the Company.

17. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of New York without regard to principles of conflict of laws.

18. Amendment and Waiver. The provisions of this Agreement may be amended or waived only by the written agreement of the Company and the Executive, and no course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement.

19. Counterparts. This Agreement may be executed in two counterparts, each of which shall be deemed to be an original and both of which together shall constitute one and the same instrument.

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

TRUE NORTH COMMUNICATIONS INC.

By: /s/ Marilyn R. Seymann

Marilyn R. Seymann,
Chairman of the Compensation
Committee of the Board of Directors

EXECUTIVE:

/s/ David A. Bell

David A. Bell

EMPLOYMENT AGREEMENT AMENDMENT

This AMENDMENT to the Employment Agreement dated as of January 1, 2000 between True North Communications Inc., a Delaware corporation (the "Company"), and David A. Bell (the "Executive") is entered into as of March 1, 2001.

WHEREAS, the Company and the Executive have entered into the above-referenced Employment Agreement pursuant to which the Executive currently serves the Company as its Chairman and Chief Executive Officer, and the Company and the Executive desire to amend the Employment Agreement as set forth below.

NOW, THEREFORE, it is agreed that the Employment Agreement is hereby amended by adding the following new Subsection 6(c):

"(c) Termination after a Change in Control. If the Executive incurs a Qualifying Termination (other than a Qualifying Termination due to death or Disability) within two years of the occurrence of a "Change in Control" under and as defined in the Company's Asset Protection Plan (or a similar replacement plan providing severance benefits to Company employees after a change in control), then, if mutually agreed upon between the Executive and the Company, the benefits payable to the Executive pursuant to Section 6(b)(ii) above upon such Qualifying Termination, if any, shall be reduced to the extent necessary to maximize the total after-tax benefit to the Executive, after taking into account all applicable local, state, and federal income and excise taxes, including any applicable excise tax imposed under Section 4999 of the Internal Revenue Code of 1986, as amended."

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the 12th day of March, 2001, to be effective as of March 1, 2001.

TRUE NORTH COMMUNICATIONS INC.

By: /s/ Marilyn R. Seymann
Marilyn R. Seymann,
Chairman of the Compensation
Committee of the Board of Directors

EXECUTIVE:

/s/ David A. Bell
David A. Bell

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Exhibit 10(b)(iv)(a)

SUPPLEMENTAL AGREEMENT

SUPPLEMENTAL AGREEMENT made as of March 26, 2001 by and between The Interpublic Group of Companies, Inc., a corporation of the State of Delaware (hereinafter referred to as the "Corporation"), and **BARRY R. LINSKY** (hereinafter referred to as "Executive").

W I T N E S S E T H:

WHEREAS, the Corporation and Executive are parties to an Employment Agreement made as of January 1, 1991, a Supplemental Agreement dated as of August 15, 1992, a Supplemental Agreement dated as of January 1, 1995, a Supplemental Agreement made as of January 1, 1996 and a Supplemental Agreement dated as of August 1, 1996 (hereinafter collectively referred to as the "Employment Agreement"); and

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

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

1. Section 1.01 of the Employment Agreement is hereby amended, effective as of March 26, 2001, so as to delete: "and ending on December 31, 2000" therefrom and substitute "and ending on December 31, 2005" therefore.
2. Section 2.01 (iii) of the Employment Agreement is hereby amended, effective as of March 26, 2001, so as to delete:

"Executive's initial position will be Senior Vice President-Planning and Business Development at Interpublic" therefrom and substitute "Serve as Executive Vice President" therefore.

3. Except as hereinabove amended, the Employment Agreement shall continue in full force and effect.
4. This Supplemental Agreement shall be governed by the laws of the State of New York.

THE INTERPUBLIC GROUP
OF COMPANIES, INC.

By: /s/ C. Kent Kroeber
C. Kent Kroeber

/s/ Barry R. Linsky
Barry R. Linsky

Exhibit 10(b)(vi)(a)

EXECUTIVE SEVERANCE AGREEMENT

This AGREEMENT ("Agreement") dated as of October 31, 1997, by and between The Interpublic Group of Companies, Inc. ("Interpublic"), a Delaware corporation (Interpublic and its subsidiaries being referred to herein collectively as the "Company"), and Nicholas J. Camera (the "Executive").

W I T N E S S E T H

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

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

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

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

ARTICLE I RIGHT TO PAYMENTS

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

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

or the business or assets of Interpublic.

Section 1.3. Termination for Cause. Interpublic shall have Cause to terminate the Executive for purposes of Section 1.1 of this Agreement only if, following the Change of Control, the Executive (a) engages in conduct that constitutes a felony under the laws of the United States or a state or country in which he works or resides and that results or was intended to result, directly or indirectly, in the personal enrichment of the Executive at the Company's expense; (b) refuses (except by reason of incapacity due to illness or injury) to make a good faith effort to substantially perform his duties with the Company on a full-time basis and continues such refusal for 15 days following receipt of notice from the Company that his effort is deficient; or (c) deliberately and materially breaches any agreement between himself and the Company and fails to remedy that breach within 30 days following notification thereof by the Company. If the Company has Cause to terminate the Executive, it may in fact terminate him for Cause for purposes of section 1.1 hereof if (a) it notifies the Executive of such Cause, (b) it gives him reasonable opportunity to appear before a majority of Interpublic's Board of Directors to respond to the notice of Cause and (c) a majority of the Board of Directors subsequently votes to terminate him.

Section 1.4. Resignation for Good Reason. The Executive shall have a Good Reason for resigning only if (a) the Company fails to elect the Executive to, or removes him from, any office of the Company, including without limitation membership on any Board of Directors, that the Executive held immediately prior to the Change of Control; (b) the Company reduces the Executive's rate of regular cash and fully vested deferred base compensation ("Regular Compensation") from that which he earned immediately prior to the Change of Control or fails to increase it within 12 months following the Change of Control by (in addition to any increase pursuant to section 2.2 hereof) at least the average of the rates of increase in his Regular Compensation during the four consecutive 12-month periods immediately prior to the Change of Control (or, if fewer, the number of 12-month periods immediately prior to the Change of Control during which the Executive was continuously employed by the Company); (c) the Company fails to provide the Executive with fringe benefits and/or bonus plans, such as stock option, stock purchase, restricted stock, life insurance, health, accident, disability, incentive, bonus, pension and profit sharing plans ("Benefit or Bonus Plans"), that, in the aggregate, (except insofar as the Executive has waived his rights thereunder pursuant to article II hereof) are as valuable to him as those that he enjoyed immediately prior to the Change of Control; (d) the Company fails to provide the Executive with an annual number of paid vacation days at least equal to that to which he was entitled immediately prior to the Change of Control; (e) the Company breaches any agreement between it and the Executive (including this Agreement); (f) without limitation of the foregoing clause (e), the Company fails to obtain the express assumption of this Agreement by any successor of the Company as provided in section 6.3 hereof; (g) the Company attempts to terminate the Executive for Cause without complying with the provisions of section 1.3 hereof; (h) the Company requires the Executive, without his express written consent, to be based in an office outside of New York City or to travel substantially more extensively than he did prior to the Change of Control; or (i) the Executive determines in good faith that the Company has, without his consent, effected a significant change in his status within, or the nature or scope of his duties or responsibilities with, the Company that obtained immediately prior to the Change of Control (including but not limited to, subjecting the Executive's activities and exercise of authority to greater immediate supervision than existed prior to the Change of Control); provided, however, that no event designated in clauses (a) through (i) of this sentence shall constitute a Good Reason unless the Executive notifies Interpublic that the Company has committed an action or inaction specified in clauses (a) through (i) (a "Covered Action") and the Company does not cure such Covered Action within 30 days after such notice, at which time such Good Reason shall be deemed to have arisen. Notwithstanding the immediately preceding sentence, no action by the Company shall give rise to a Good Reason if it results from the Executive's termination for Cause or death or from the Executive's resignation for other than a Good Reason, and no action by the Company specified in clauses (a) through (i) of the preceding sentence shall give rise to a Good Reason if it results from the Executive's Disability. If the Executive has a Good Reason to resign, he may in fact resign for a Good Reason for purposes of section 1.1 of this Agreement by, within 30 days after the Good Reason arises, giving Interpublic a minimum of 30 and a maximum of 90 days advance notice of the date of his resignation.

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

ARTICLE II PAYMENTS UPON A CHANGE OF CONTROL

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

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

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

Section 2.4. Deferred Compensation. The Plan Amount in respect of deferred compensation (other than amounts referred to in other sections of this article II) shall be an amount equal to all compensation from the Company that the Executive has earned and agreed to defer (other than through the Interpublic Savings Plan pursuant to Section 401(k) of the Internal Revenue Code (the "Code")) but has not received as of the date of the Change of Control, together with all amounts equivalent to interest creditable thereon through the date that the Plan Amount is paid. Upon receipt of this Plan Amount, the Executive shall waive his rights to receive any deferred compensation that he earned prior to the date of the Change of Control and any interest equivalents thereon.

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

ARTICLE III PAYMENTS UPON QUALIFYING TERMINATION

Section 3.1. Basic Severance Payment. In the event that the Executive is subjected to a Qualifying Termination within two years after a Change of Control, the Company shall pay the Executive within 30 days after the effective date of his Qualifying Termination (his "Termination Date") a cash amount equal to his Base Amount times the number designated in Section 5.9 of this Agreement (the "Designated Number"). The Executive's Base Amount shall equal the average of the Executive's Includable

Compensation for the two whole calendar years immediately preceding the date of the Change of Control (or, if the Executive was employed by the Company for only one of those years, his Includable Compensation for that year). The Executive's Includable Compensation for a calendar year shall consist of (a) the compensation reported by the Company on the Form W-2 that it filed with the Internal Revenue Service for that year in respect of the Executive or which would have been reported on such form but for the fact that Executive's services were performed outside of the United States, plus (b) any compensation payable to the Executive during that year the receipt of which was deferred at the Executive's election or by employment agreement to a subsequent year, minus (c) any amounts included on the Form W-2 (or which would have been included if Executive had been employed in the United States) that represented either (i) amounts in respect of a stock option or restricted stock plan of the Company or (ii) payments during the year of amounts payable in prior years but deferred at the Executive's election or by employment agreement to a subsequent year. The compensation referred to in clause (b) of the immediately preceding sentence shall include, without limitation, amounts initially payable to the Executive under the MICP or a Long-Term Performance Incentive Plan in that year but deferred to a subsequent year, the amount of deferred compensation for the year in lieu of which benefits are provided the Executive under an ESBA and amounts of Regular Compensation earned by the Executive during the year but deferred to a subsequent year (including amounts deferred under Interpublic Savings Plan pursuant to Section 401(k) of the Code); clause (c) of such sentence shall include, without limitation, all amounts equivalent to interest paid in respect of deferred amounts and all amounts of Regular Compensation paid during the year but earned in a prior year and deferred.

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

ARTICLE IV TAX MATTERS

Section 4.1. Withholding. The Company may withhold from any amounts payable to the Executive hereunder all federal, state, city or other taxes that the Company may reasonably determine are required to be withheld pursuant to any applicable law or regulation, but, if the Executive has made the election provided in section 4.2 hereof, the Company shall not withhold amounts in respect of the excise tax imposed by Section 4999 of the Code or its successor.

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

ARTICLE V COLLATERAL MATTERS

Section 5.1. Nature of Payments. All payments to the Executive under this Agreement shall be considered either payments in consideration of his continued service to the Company, severance payments in consideration of his past services thereto or payments in consideration of the covenant contained in section 5.10 hereof. No payment hereunder shall be regarded as a penalty to the Company.

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

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

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

Section 5.5. Coordination with Employment Contract. Payments to the Executive under article III of this Agreement shall be in lieu of any payments for breach of any employment contract between the Executive and the Company to which the Executive may be entitled by reason of a Qualifying Termination, and, before making the payments to the Executive provided under article III hereof, the Company may require the Executive to execute a waiver of any rights that he may have to recover payments in respect of a breach of such contract as a result of a Qualifying Termination. If the Executive has a Good Reason to resign and does so by providing the notice specified in the last sentence of section 1.4 of this Agreement, he shall be deemed to have satisfied any notice requirement for resignation, and any service requirement following such notice, under any employment contract between the Executive and the Company.

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

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

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

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

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

ARTICLE VI GENERAL PROVISIONS

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

Section 6.2. Governing Law. Except as otherwise expressly provided herein, this Agreement and the rights and obligations hereunder shall be construed and enforced in accordance with the laws of the State of New York.

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

"Interpublic" shall mean Interpublic as heretofore defined and any successor to all or substantially all of its business or assets that executes and delivers the agreement provided for in this section 6.3 or that becomes bound by this Agreement either pursuant to this Agreement or by operation of law.

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

Section 6.5. Nonalienability. No right of or amount payable to the Executive under this Agreement shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, hypothecation, encumbrance, charge, execution, attachment, levy or similar process or (except as provided in section 5.4 hereof) to setoff against any obligation or to assignment by operation of law. Any attempt, voluntary or involuntary, to effect any action specified in the immediately preceding sentence shall be void. However, this section 6.5 shall not prohibit the Executive from designating one or more persons, on a form satisfactory to the Company, to receive amounts payable to him under this Agreement in the event that he should die before receiving them.

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

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

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

Section 6.9. Severability. If any provision of this Agreement shall be held invalid or unenforceable in whole or in part, such invalidity or unenforceability shall not affect any other provision of this Agreement or part thereof, each of which shall remain in full force and effect.

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

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

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

THE INTERPUBLIC GROUP
OF COMPANIES, INC.

By: /s/ C. Kent Kroeber
C. Kent Kroeber

/s/ Nicholas J. Camera
Nicholas J. Camera

Exhibit 10(b)(vii)(a)

EMPLOYMENT AGREEMENT

AGREEMENT made as of February 21, 2000 by and between **THE INTERPUBLIC GROUP OF COMPANIES, INC.**, a corporation of the State of Delaware (hereinafter referred to as "**Interpublic**"), and **ALBERT CONTE** (hereinafter referred to as "**Executive**").

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

ARTICLE I **Term of Employment**

1.01 Upon the terms and subject to the conditions set forth herein, Interpublic will employ Executive for the period beginning February 21, 2000 and ending on February 20, 2004, or on such earlier date as the employment of Executive shall terminate pursuant to Article VII or Article VIII. The period during which Executive is employed hereunder is referred to herein as the "**term of employment**". Executive will serve Interpublic during the term of employment.

ARTICLE II **Duties**

2.01 During the term of employment Executive will:

- (i) Use his best efforts to promote the interests of Interpublic and devote his full time and efforts to its business and affairs;
- (ii) Perform such duties as Interpublic may from time to time assign to him; and
- (iii) Serve as _____ and in any such offices of Interpublic or its subsidiaries as he may be elected or appointed to.

ARTICLE III **Compensation**

3.01 Interpublic will compensate Executive for the duties performed by him hereunder, including all services rendered as an officer or director of Interpublic, by payment of a salary at the rate of Two Hundred Seventy Five Thousand Dollars (\$275,000) per annum, payable in equal installments, which Interpublic may pay at either monthly or semi-monthly intervals.

3.02 Executive shall be eligible to participate in Interpublic's Executive's Recognition Award ("ERA") for the 1999-2000 period. Executive's target award under the ERA is \$25,000.

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

ARTICLE IV **Bonuses**

4.01 Executive will be eligible during the term of employment to participate in the Management Incentive Compensation Plan ("**MICP**"), in accordance with the terms and conditions of the Plan established from time to time. Executive shall be eligible to receive MICP awards up to forty (40%) of his base salary, but the actual award, if any, shall be determined by Interpublic and shall be based on profits of Interpublic, Executive's individual performance and management discretion.

4.02 Upon full execution of this Agreement, Executive shall be entitled to receive a sign on bonus of Fifty Thousand Dollars (\$50,000).

ARTICLE V **Long-Term Performance Incentive Plan; Stock Options; Restricted Stock**

5.01 As soon as administratively feasible after full execution of this Agreement, Interpublic will use its best efforts to have the Compensation Committee of its Board of Directors ("**Committee**") grant Executive an award for the 1999-2002 performance period under Interpublic's Long-Term Performance Incentive Plan ("**LTIPI**") equal to One Thousand Eight Hundred and Seventy Five (1,875) performance units tied to the cumulative compound profit growth of Interpublic, and options under Interpublic's Stock Incentive Plan to purchase Seven Thousand Five Hundred (7,500) shares of Interpublic common stock which may not be exercised in any part prior to the end of the performance period, and thereafter shall be exercisable in whole or in part.

5.02 As soon as administratively feasible after full execution of this Agreement, Interpublic will use its best efforts to have the Committee grant Executive options to purchase an aggregate of Seven Thousand Five Hundred (7,500) shares of Interpublic Common Stock, which may not be exercised in any part for a period of three (3) years from the date of the grant and thereafter shall be exercisable in three annual installments, the first of which may be exercised for forty percent (40%) of the number of shares covered by the option on or after the third anniversary of the date of the grant and the second and third of which may be exercised on or after each successive anniversary date of the grant for thirty percent (30%) of the number of shares covered by the option.

5.03 As soon as administratively feasible after full execution of this Agreement, Interpublic will use its best efforts to have the Committee grant to Executive, an award of Three Thousand (3,000) restricted shares of Interpublic common stock which shares shall have a restriction period ending five years from the date of grant.

ARTICLE VI **Other Employment Benefits**

6.01 Executive shall be elected a member of Interpublic's Development Council, which shall entitle him to a financial planning allowance of Two Thousand Five Hundred (\$2,500).

6.02 Executive shall be eligible to receive an automobile allowance of Ten Thousand Dollars (\$10,000) per annum.

6.03 Executive shall be eligible to participate in such other employee benefits as are available from time to time to other Interpublic key management executives in accordance with the then-current terms and conditions established by Interpublic for eligibility and employee contributions required for participation in such benefits opportunities.

ARTICLE VII **Termination**

7.01 Interpublic may terminate the employment of Executive hereunder:

(i) By giving Executive notice in writing at any time specifying a termination date not less than twelve (12) months after the date on which such notice is given, in which event his employment hereunder shall terminate on the date specified in such notice; or;

(ii) By giving him notice in writing at any time specifying a termination date less than twelve (12) months after the date on which such notice is given. In this event his employment hereunder shall terminate on the date specified in such notice and Interpublic shall thereafter pay him a sum equal to the amount by which twelve (12) months salary at his then current rate exceeds the salary paid to him for the period from the date on which such notice is given to the termination date specified in such notice. Such payment shall be made during the period immediately following the termination date specified in such notice, in successive equal monthly installments each of which shall be equal to one month's salary at the rate in effect at the time of such termination, with any residue in respect of a period less than one month to be paid together with the last installment.

(iii) However, with respect to any payments of salary due to Executive after notice of termination shall have been given pursuant to Subsection 7.01 (i), should Executive commence other employment during the period when payments thereunder are being made, said payments shall cease forthwith. Moreover, with respect to any payment of salary or salary equivalents to Executive after notice of termination shall have been given pursuant to Subsection 7.01 (ii), should Executive commence other employment prior to the last payment due under that subsection, no further payments shall be made to Executive.

7.02 Executive may at any time give notice in writing to Interpublic specifying a termination date not less than twelve (12) months after the date on which such notice is given, in which event his employment hereunder shall terminate on the date specified in such notice.

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

7.04 Notwithstanding anything else in this Agreement, Interpublic may terminate the employment of Executive hereunder for Cause. For purposes of this Agreement, "Cause" means any of the following:

(a) any material breach by Executive of any material provision of this Agreement (including without limitation Sections 8.01 and 8.02 hereof) upon written notice of same by the Interpublic describing in reasonable detail the breach asserted and stating that it constitutes notice pursuant to this Section 7.04(a), which breach, if capable of being cured, has not been cured within 30 days after such notice (it being understood and agreed that a breach of Section 8.01 or 8.02 hereof and a breach of Executive's duty to devote his full business time to the affairs of Interpublic, among others, shall be deemed not capable of being cured);

(b) Executive's absence from duty for a period of time exceeding fifteen (15) consecutive business days or twenty (20) out of any (30) consecutive business days (other than account of permitted vacation or as permitted for illness, disability or authorized leave in accordance with Interpublic's policies and procedures) without the consent of the Board of Directors;

(c) Executive having commenced employment with another employer prior to the effective date of Executive's voluntary resignation from employment with Interpublic under Section 7.02 hereof without the consent of the Board of Directors of Interpublic;

(d) misappropriation by Executive of funds or property of Interpublic or any attempt by Executive to secure any personal profit related to the business of Interpublic (other than as permitted by this Agreement) and not fairly disclosed to and approved by the Board of Directors;

(e) fraud, dishonesty, disloyalty, gross negligence or willful misconduct on the part of Executive in the performance of his duties as an employee of Interpublic; or

(f) a felony conviction of Executive.

Upon a termination for Cause, Interpublic shall pay Executive his salary and benefits through the date of termination of employment; and Executive shall receive no severance hereunder.

7.05 If Executive dies before February 20, 2004 his employment hereunder shall terminate on the date of his death.

ARTICLE VIII **Covenants**

8.01 While Executive is employed hereunder by Interpublic he shall not without the prior written consent of Interpublic engage, directly or indirectly, in any other trade, business or employment, or have any interest, direct or indirect, in any other business, firm or Corporation;

/s/ Albert Conte

Albert Conte

Exhibit 10(b)(viii)(a)

EXECUTIVE SPECIAL BENEFIT AGREEMENT

AGREEMENT made as of February 1, 2000, by and between **THE INTERPUBLIC GROUP OF COMPANIES, INC.**, a corporation of the State of Delaware (hereinafter referred to as "**Interpublic**") and **TOM DOWLING** (hereinafter referred to as "**Executive**").

W I T N E S S E T H:

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

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

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

ARTICLE I

Death and Special Retirement Benefits

1.01 For purposes of this Agreement the "**Accrual Term**" shall mean the period of ninety six (96) months beginning on the date of this Agreement and ending on the day preceding the eighth anniversary hereof or on such earlier date on which Executive shall cease to be in the employ of the Corporation.

1.02 The Corporation shall provide Executive with the following benefits contingent upon Executive's compliance with all the terms and conditions of this Agreement and Executive's satisfactory completion of a physical examination in connection with an insurance policy on the life of Executive which Interpublic or its assignee (other than Executive) proposes to obtain and own. Effective at the end of the Accrual Term, Executive's annual compensation will be increased by Twenty Five Thousand Dollars (\$25,000) if Executive is in the employ of the Corporation at that time.

1.03 If, during the Accrual Term or thereafter during a period of employment by the Corporation which is continuous from the date of this Agreement, Executive shall die while in the employ of the Corporation, the Corporation shall pay to such beneficiary or beneficiaries as Executive shall have designated pursuant to Section 1.07 (or in the absence of such designation, shall pay to the Executor of the Will or the Administrator of the Estate of Executive) survivor income payments of Sixty Thousand Dollars (\$60,000) per annum for fifteen (15) years in monthly installments beginning with the 15th of the calendar month following Executive's death, and in equal monthly installments thereafter.

1.04 If, after a continuous period of employment from the date of this Agreement, Executive shall retire from the employ of the Corporation so that the first day on which Executive is no longer in the employ of the Corporation occurs on or after Executive's sixtieth birthday, the Corporation shall pay to Executive special retirement benefits at the rate of Sixty Thousand Dollars (\$60,000) per annum for fifteen (15) years in monthly installments beginning with the 15th of the calendar month following Executive's last day of employment, and in equal monthly installments thereafter.

1.05 If, after a continuous period of employment from the date of this Agreement, Executive shall retire, resign, or be terminated from the employ of the Corporation so that the first day on which Executive is no longer in the employ of the Corporation occurs on or after Executive's fifty-seventh birthday but prior to Executive's sixtieth birthday, the Corporation shall pay to Executive special retirement benefits at the annual rates set forth below for fifteen years beginning with the 15th of the calendar month following Executive's last day of employment, such payments to be made in equal monthly installments:

<u>Last Day of Employment</u>	<u>Annual Rate</u>
On or after 57th birthday but prior to 58th birthday	\$45,600
On or after 58th birthday but prior to 59th birthday	\$52,800
On or after 59th birthday but prior to 60th birthday	\$56,400

1.06 If, following such termination of employment, Executive shall die before payment of all of the installments provided for in Section 1.04 or Section 1.05, any remaining installments shall be paid to such beneficiary or beneficiaries as Executive shall have designated

pursuant to Section 1.07 or, in the absence of such designation, to the Executor of the Will of the Administrator of the Estate of Executive.

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

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

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

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

ARTICLE II **Alternative Deferred Compensation**

2.01 If Executive shall, for any reason other than death, cease to be employed by the Corporation on a date prior to Executive's fifty-seventh birthday, the Corporation shall, in lieu of any payment pursuant to Article I of this Agreement, compensate Executive by payment, at the times and in the manner specified in Section 2.02, of a sum computed at the rate of Twenty Five Thousand Dollars (\$25,000) per annum for each full year and proportionate amount for any part year from the date of this Agreement to the date of such termination during which Executive is in the employ of the Corporation with a maximum payment of Twenty Five Thousand Dollars (\$25,000) per annum. Such payment shall be conditional upon Executive's compliance with all the terms and conditions of this Agreement.

2.02 The aggregate compensation payable under Section 2.01 shall be paid in equal consecutive monthly installments commencing with the first month in which Executive is no longer in the employ of the Corporation and continuing for a number of months equal to the number of months which have elapsed from the date of this Agreement to the commencement date of such payments, up to a maximum of ninety six (96) months.

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

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

ARTICLE III **Non-solicitation of Clients or Employees**

3.01 Following the termination of Executive's employment hereunder for any reason, Executive shall not for a period of twelve months either (a) solicit any employee of the Corporation to leave such employ to enter the employ of Executive or of any corporation or enterprise with which Executive is then associated or (b) solicit or handle on Executive's own behalf or on behalf of any other person, firm or corporation, the advertising, public relations, sales promotion or market research business of any advertiser which is a client of the Corporation at the time of such termination without the prior written consent of the Corporation.

ARTICLE IV **Assignment**

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

ARTICLE V **Contractual Nature of Obligation**

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

ARTICLE VI
Applicable Law

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

THE INTERPUBLIC GROUP
OF COMPANIES, INC.

By: /s/ C. Kent Kroeber
C. Kent Kroeber

/s/ Tom Dowling
Tom Dowling

Exhibit 10(b)(viii)(b)

EXECUTIVE SPECIAL BENEFIT AGREEMENT

AGREEMENT made as of February 1, 2001, by and between **THE INTERPUBLIC GROUP OF COMPANIES, INC.**, a corporation of the State of Delaware (hereinafter referred to as "**Interpublic**") and **TOM DOWLING** (hereinafter referred to as "**Executive**").

W I T N E S S E T H:

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

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

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

ARTICLE I
Death and Special Retirement Benefits

1.01 For purposes of this Agreement the "**Accrual Term**" shall mean the period of ninety six (96) months beginning on the date of this Agreement and ending on the day preceding the eighth anniversary hereof or on such earlier date on which Executive shall cease to be in the employ of the Corporation.

1.02 The Corporation shall provide Executive with the following benefits contingent upon Executive's compliance with all the terms and conditions of this Agreement and Executive's satisfactory completion of a physical examination in connection with an insurance policy on the life of Executive which Interpublic or its assignee (other than Executive) proposes to obtain and own. Effective at the end of the Accrual Term, Executive's annual compensation will be increased by Twenty Five Thousand Dollars (\$25,000) if Executive is in the employ of the Corporation at that time.

1.03 If, during the Accrual Term or thereafter during a period of employment by the Corporation which is continuous from the date of this Agreement, Executive shall die while in the employ of the Corporation, the Corporation shall pay to such beneficiary or beneficiaries as Executive shall have designated pursuant to Section 1.07 (or in the absence of such designation, shall pay to the Executor of the Will or the Administrator of the Estate of Executive) survivor income payments of Fifty Five Thousand Dollars (\$55,000) per annum for fifteen (15) years in monthly installments beginning with the 15th of the calendar month following Executive's death, and in equal monthly installments thereafter.

1.04 If, after a continuous period of employment from the date of this Agreement, Executive shall retire from the employ of the Corporation so that the first day on which Executive is no longer in the employ of the Corporation occurs on or after Executive's sixtieth birthday, the Corporation shall pay to Executive special retirement benefits at the rate of Fifty Five Thousand Dollars (\$55,000) per annum for fifteen (15) years in monthly installments beginning with the 15th of the calendar month following Executive's last day of employment, and in equal monthly installments thereafter.

1.05 If, after a continuous period of employment from the date of this Agreement, Executive shall retire, resign, or be terminated from the employ of the Corporation so that the first day on which Executive is no longer in the employ of the Corporation occurs on or

after Executive's fifty-eighth birthday but prior to Executive's sixtieth birthday, the Corporation shall pay to Executive special retirement benefits at the annual rates set forth below for fifteen years beginning with the 15th of the calendar month following Executive's last day of employment, such payments to be made in equal monthly installments:

<u>Last Day of Employment</u>	<u>Annual Rate</u>
On or after 58th birthday but prior to 59th birthday	\$45,100
On or after 59th birthday but prior to 60th birthday	\$51,700

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

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

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

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

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

ARTICLE II **Alternative Deferred Compensation**

2.01 If Executive shall, for any reason other than death, cease to be employed by the Corporation on a date prior to Executive's fifty-eighth birthday, the Corporation shall, in lieu of any payment pursuant to Article I of this Agreement, compensate Executive by payment, at the times and in the manner specified in Section 2.02, of a sum computed at the rate of Twenty Five Thousand Dollars (\$25,000) per annum for each full year and proportionate amount for any part year from the date of this Agreement to the date of such termination during which Executive is in the employ of the Corporation with a maximum payment of Twenty Five Thousand Dollars (\$25,000) per annum. Such payment shall be conditional upon Executive's compliance with all the terms and conditions of this Agreement.

2.02 The aggregate compensation payable under Section 2.01 shall be paid in equal consecutive monthly installments commencing with the first month in which Executive is no longer in the employ of the Corporation and continuing for a number of months equal to the number of months which have elapsed from the date of this Agreement to the commencement date of such payments, up to a maximum of ninety six (96) months.

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

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

ARTICLE III **Non-solicitation of Clients or Employees**

3.01 Following the termination of Executive's employment hereunder for any reason, Executive shall not for a period of twelve months either (a) solicit any employee of the Corporation to leave such employ to enter the employ of Executive or of any corporation or enterprise with which Executive is then associated or (b) solicit or handle on Executive's own behalf or on behalf of any other person, firm or corporation, the advertising, public relations, sales promotion or market research business of any advertiser which is a client of the Corporation at the time of such termination without the prior written consent of the Corporation.

ARTICLE IV **Assignment**

4.01 This Agreement shall be binding upon and inure to the benefit of the successors and assigns of Interpublic. Neither

this Agreement nor any rights hereunder shall be subject in any matter to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge by Executive, and any such attempted action by Executive shall be void. This Agreement may not be changed orally, nor may this Agreement be amended to increase the amount of any benefits that are payable pursuant to this Agreement or to accelerate the payment of any such benefits.

ARTICLE V
Contractual Nature of Obligation

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

ARTICLE VI
Applicable Law

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

THE INTERPUBLIC GROUP
OF COMPANIES, INC.

By: /s/ C. Kent Kroeber
C. Kent Kroeber

/s/ Tom Dowling
Tom Dowling

-
Exhibit 10(b)(x)(a)

EXECUTIVE SPECIAL BENEFIT AGREEMENT

AGREEMENT made as of April 1, 1999, by and between **THE INTERPUBLIC GROUP OF COMPANIES, INC.**, a corporation of the State of Delaware (hereinafter referred to as "**Interpublic**") and **GUNNAR WILMOT** (hereinafter referred to as "**Executive**").

W I T N E S S E T H:

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

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

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

ARTICLE I
Death and Special Retirement Benefits

1.01 For purposes of this Agreement the "**Accrual Term**" shall mean the period of ninety six (96) months beginning on the date of this Agreement and ending on the day preceding the eighth anniversary hereof or on such earlier date on which Executive shall cease to be in the employ of the Corporation.

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

1.03 If, during the Accrual Term or thereafter during a period of employment by the Corporation which is continuous from the date of this Agreement, Executive shall die while in the employ of the Corporation, the Corporation shall pay to such beneficiary or

beneficiaries as Executive shall have designated pursuant to Section 1.07 (or in the absence of such designation, shall pay to the Executor of the Will or the Administrator of the Estate of Executive) survivor income payments of Fifty-six Thousand Dollars (\$56,000) per annum for fifteen (15) years following Executive's death, such payments to be made on January 15th of each of the fifteen (15) years beginning with the year following the year in which Executive dies.

1.04 If, after a continuous period of employment from the date of this Agreement, Executive shall retire from the employ of the Corporation so that the first day on which Executive is no longer in the employ of the Corporation occurs on or after Executive's sixtieth birthday, the Corporation shall pay to Executive special retirement benefits at the rate of Fifty-six Thousand Dollars (\$56,000) per annum for fifteen (15) years beginning with the calendar month following Executive's last day of employment, such payments to be made in equal monthly installments.

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

<u>Last Day of Employment</u>	<u>Annual Rate</u>
On or after 55th birthday but prior to 56th birthday	\$35,840
On or after 56th birthday but prior to 57th birthday	\$42,560
On or after 57th birthday but prior to 58th birthday	\$45,920
On or after 58th birthday but prior to 59th birthday	\$49,280
On or after 59th birthday but prior to 60th birthday	\$52,640

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

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

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

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

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

ARTICLE II **Alternative Deferred Compensation**

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

2.02 The aggregate compensation payable under Section 2.01 shall be paid in equal consecutive monthly installments commencing with the first month in which Executive is no longer in the employ of the Corporation and continuing for a number of months equal to the number of months which have elapsed from the date of this Agreement to the commencement date of such payments, up to a maximum of ninety six (96) months.

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

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

ARTICLE I
Death and Special Retirement Benefits

1.01 For purposes of this Agreement the "**Accrual Term**" shall mean the period of ninety six (96) months beginning on the date of this Agreement and ending on the day preceding the eighth anniversary hereof or on such earlier date on which Executive shall cease to be in the employ of the Corporation.

1.02 The Corporation shall provide Executive with the following benefits contingent upon Executive's compliance with all the terms and conditions of this Agreement and Executive's satisfactory completion of a physical examination in connection with an insurance policy on the life of Executive which Interpublic or its assignee (other than Executive) proposes to obtain and own. Effective at the end of the Accrual Term, Executive's annual compensation will be increased by Thirty Thousand Dollars (\$30,000) if Executive is in the employ of the Corporation at that time.

1.03 If, during the Accrual Term or thereafter during a period of employment by the Corporation which is continuous from the date of this Agreement, Executive shall die while in the employ of the Corporation, the Corporation shall pay to such beneficiary or beneficiaries as Executive shall have designated pursuant to Section 1.07 (or in the absence of such designation, shall pay to the Executor of the Will or the Administrator of the Estate of Executive) survivor income payments of Ninety-nine Thousand Dollars (\$99,000) per annum for fifteen (15) years following Executive's death, such payments to be made on the fifteenth (15) of each of the fifteen years beginning with the year following the year in which Executive dies.

1.04 If, after a continuous period of employment from the date of this Agreement, Executive shall retire from the employ of the Corporation so that the first day on which Executive is no longer in the employ of the Corporation occurs on or after Executive's sixtieth birthday, the Corporation shall pay to Executive special retirement benefits at the rate of Ninety Nine Thousand Dollars (\$99,000) per annum for fifteen (15) years beginning with the calendar month following Executive's last day of employment, such payments to be made in equal monthly installments.

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

<u>Last Day of Employment</u>	<u>Annual Rate</u>
On or after 55th birthday but prior to 56th birthday	\$69,300
On or after 56th birthday but prior to 57th birthday	\$75,240
On or after 57th birthday but prior to 58th birthday	\$81,180
On or after 58th birthday but prior to 59th birthday	\$87,120
On or after 59th birthday but prior to 60th birthday	\$93,060

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

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

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

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

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

ARTICLE II

Alternative Deferred Compensation

2.01 If Executive shall, for any reason other than death, cease to be employed by the Corporation on a date prior to Executive's fifty-fifth birthday, the Corporation shall, in lieu of any payment pursuant to Article I of this Agreement, compensate Executive by payment, at the times and in the manner specified in Section 2.02, of a sum computed at the rate of Thirty Thousand Dollars (\$30,000) per annum for each full year and proportionate amount for any part year from the date of this Agreement to the date of such termination during which Executive is in the employ of the Corporation with a maximum payment of Two Hundred Forty Thousand Dollars (\$240,000) per annum. Such payment shall be conditional upon Executive's compliance with all the terms and conditions of this Agreement.

2.02 The aggregate compensation payable under Section 2.01 shall be paid in equal consecutive monthly installments commencing with the first month in which Executive is no longer in the employ of the Corporation and continuing for a number of months equal to the number of months which have elapsed from the date of this Agreement to the commencement date of such payments, up to a maximum of ninety six (96) months.

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

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

ARTICLE III

Non-solicitation of Clients or Employees

3.01 Following the termination of Executive's employment hereunder for any reason, Executive shall not for a period of twenty-four (24) months from such termination, during the first two (2) years of employment hereunder, or for a period of twelve (12) months if such termination occurs subsequent to the first two years of employment either (a) solicit any employee of the Corporation to leave such employ to enter the employ of Executive or of any corporation or enterprise with which Executive is then associated or (b) solicit or handle on Executive's own behalf or on behalf of any other person, firm or corporation, the advertising, public relations, sales promotion or market research business of any advertiser which is a client of the Corporation at the time of such termination and as to which brand Executive devoted services.

ARTICLE IV **Assignment**

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

ARTICLE V **Contractual Nature of Obligation**

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

ARTICLE VI **Applicable Law**

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

THE INTERPUBLIC GROUP
OF COMPANIES, INC.

By: /s/ C. Kent Kroeber
C. Kent Kroeber

/s/ Gunnar Wilmot
Gunnar Wilmot

Exhibit 10(b)(x)(c)

SUPPLEMENTAL AGREEMENT

Agreement made as of May 23, 1990, by and between THE INTERPUBLIC GROUP OF COMPANIES, INC., a corporation of the State of Delaware (hereinafter referred to a "Interpublic"), and GUNNAR P. WILMOT (hereinafter referred to as "Executive").

W I T N E S S E T H:

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

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

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

ARTICLE I
Death and Special Retirement Benefits

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

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

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

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

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

<u>Last Day of Employment</u>	<u>Annual Rate</u>
On or after 55th birthday but prior to 56th birthday	\$79,800
On or after 56th birthday but prior to 57th birthday	\$86,640
On or after 57th birthday but prior to 58th birthday	\$93,480
On or after 58th birthday but prior to 59th birthday	\$100,820
On or after 59th birthday but prior to 60th birthday	\$107,160

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

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

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

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

1.10 It is expressly agreed that Interpublic shall at all times be the sole and complete owner and beneficiary of the life insurance

AGREEMENT made as of August 3, 1999 by and between **THE INTERPUBLIC GROUP OF COMPANIES, INC.**, a corporation of the State of Delaware (hereinafter referred to as "**Interpublic**"), and **STEVEN BERNS** (hereinafter referred to as "**Executive**").

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

ARTICLE I
Term of Employment

1.01 Upon the terms and subject to the conditions set forth herein, Interpublic will employ Executive for the period beginning August 3, 1999 and ending on August 2, 2004, or on such earlier date as the employment of Executive shall terminate pursuant to Article VII or Article VIII. The period during which Executive is employed hereunder is referred to herein as the "**term of employment**". Executive will serve Interpublic during the term of employment.

ARTICLE II
Duties

2.01 During the term of employment Executive will:

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

(ii) Perform such duties as the Chief Executive Officer and the Chief Financial Officer may from time to time reasonably assign to him consistent with the duties, responsibilities, title and authority of Executive as described in Section 2.01(b); and

(iii) Serve in any such offices of Interpublic or its subsidiaries as he may be elected or appointed to consistent with the duties, responsibilities, title and authority of Executive as described in Section 2.01(b); provided, however, that at all times Executive shall retain his position, title and employment with Interpublic.

(b) During the term of employment, Executive shall have the position of Vice President and Treasurer of Interpublic and in such capacity Executive shall have primary responsibilities for all treasury functions customary for such position for similar companies in the same industry as Interpublic. Executive shall report directly to the Chief Financial Officer and Executive Vice President ("CFO") of Interpublic, and the Senior Vice President, Financial Operations ("SVPFO") of Interpublic as long as the person currently holding such title of SVPFO is employed in such position. In accordance with Interpublic's general policies, guidelines and procedures, Executive shall have authority over hiring, firing and promotion of personnel in the treasury area of Interpublic, with appropriate degree of consultation with the CFO and SVPFO of Interpublic.

(c) Executive's services shall be performed at Interpublic's offices in Manhattan, New York City, New York, subject to necessary travel requirements of his position and duties hereunder.

ARTICLE III
Compensation

3.01 Interpublic will compensate Executive for the duties performed by him hereunder, including all services rendered as an officer or director of Interpublic, by payment of a salary at the rate of Three Hundred Thousand Dollars (\$300,000) per annum, payable in equal installments, which Interpublic may pay at either monthly or semi-monthly intervals.

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

3.03 Interpublic shall pay a special bonus of \$50,000 to Executive upon execution and delivery of this agreement to compensate Executive for certain costs and expenses associated with Executive's change in employment.

ARTICLE IV
Bonuses

4.01 Executive will be eligible during the term of employment to participate in the Management Incentive Compensation Plan ("MICP"), in accordance with the terms and conditions of the Plan established from time to time. Executive shall be eligible to receive MICP awards up to one hundred (100%) of his base salary, but the actual award, if any, shall be determined by Interpublic and shall be based on profits of Interpublic, Executive's individual performance and management discretion. In 1999, your minimum guaranteed MICP award will be \$100,000.

ARTICLE V
Long-Term Performance Incentive Plan; Stock Options

5.01 As soon as administratively feasible after full execution of this Agreement, Interpublic will use its best efforts to have the Compensation Committee of its Board of Directors ("**Committee**") grant Executive an award for the 1999-2002 performance period under Interpublic's Long-Term Performance Incentive Plan ("**LTIPI**") equal to Two Thousand (2,000) performance units tied to the cumulative compound profit growth of Interpublic, and options under Interpublic's Stock Incentive Plan to purchase Sixteen Thousand (16,000) shares of Interpublic common stock which may not be exercised in any part prior to the end of the performance period, and thereafter shall be exercisable in whole or in part.

5.02 As soon as administratively feasible after full execution of this Agreement, Interpublic will use its best efforts to have the Management Human Resources Committee of Interpublic grant Executive an award for the 1999-2000 performance period under Interpublic's Performance Incentive Plan ("**PI**") equal to Five Hundred (500) performance points tied to the cumulative compound profit growth of the Interpublic, and an option under Interpublic's Stock Incentive Plan to purchase Two Thousand (2,000) shares of Interpublic Common stock which may not be exercised in any part prior to the end of the performance period, and thereafter shall be exercisable in whole or in part.

5.03 As soon as administratively feasible after full execution of this Agreement, Interpublic will use its best efforts to have the Committee grant Executive options to purchase an aggregate of Ten Thousand (10,000) shares of Interpublic Common Stock, which may not be exercised in any part for a period of three (3) years from the date of the grant and thereafter shall be exercisable in three annual installments, the first of which may be exercised for forty percent (40%) of the number of shares covered by the option on or after the third anniversary of the date of the grant and the second and third of which may be exercised on or after each successive anniversary date of the grant for thirty percent (30%) of the number of shares covered by the option.

5.04 As soon as administratively feasible after full execution of this Agreement, Interpublic will use its best efforts to have the Committee grant to Executive, an award of Four Thousand (4,000) restricted shares of Interpublic common stock which shares shall have a restriction period ending five years from the date of grant.

ARTICLE VI
Other Employment Benefits

6.01 Executive shall be elected a member of Interpublic's Development Council, which shall entitle him to an automobile allowance of Seven Thousand Dollars (\$7,000) per annum and a financial planning allowance of Two Thousand Five Hundred Dollars (\$2,500) per annum.

6.02 Executive shall be eligible to participate in such other employee benefits as are available from time to time to other Interpublic key management executives in accordance with the then-current terms and conditions established by Interpublic for eligibility and employee contributions required for participation in such benefits opportunities.

6.03 In addition to the compensation and benefits provided for in this Agreement, Interpublic agrees to pay or reimburse Executive for all reasonable, ordinary and necessary business expenses (including travel) and entertainment expenses incurred in the performance of his services hereunder in accordance with the policies of Interpublic as from time to time in effect.

6.04 Executive shall be entitled to vacation at the rate of four (4) weeks per calendar year.

6.05 Executive shall be entitled to receive fringe benefits and prerequisites in accordance with the plans, practices, programs or policies of Interpublic from time to time in effect and available generally to senior executive of Interpublic at Executive's management level.

ARTICLE VII
Termination

7.01 Interpublic may terminate the employment of Executive hereunder:

(i) By giving Executive notice in writing at any time specifying a termination date not less than nine (9) months after the date on which such notice is given, in which event his employment hereunder shall terminate on the date specified in such notice; or;

(ii) By giving him notice in writing at any time specifying a termination date less than nine (9) months after the date on which such notice is given. In this event his employment hereunder shall terminate on the date specified in such notice and Interpublic shall thereafter pay him a sum equal to the amount by which nine (9) months salary at his then current rate exceeds the salary paid to him for the period from the date on which such notice is given to the termination date specified in such notice. Such payment shall be made during the period immediately following the termination date specified in such notice, in successive equal monthly installments each of which shall be equal to one month's salary at the rate in effect at the time of such termination, with any residue in respect of a period less than one month to be paid together with the last installment.

(iii) However, with respect to any payments of salary due to Executive after notice of termination shall have been given pursuant to Subsection 7.01 (i), should Executive commence other employment during the period when payments thereunder are being made, said payments shall cease forthwith. Moreover, with respect to any payment of salary or salary equivalents to Executive after notice of termination shall have been given pursuant to Subsection 7.01 (ii), should Executive commence other employment prior to the last payment due under that subsection, no further payments shall be made to Executive.

7.02 Executive may at any time give notice in writing to Interpublic specifying a termination date not less than nine (9) months after the date on which such notice is given, in which event his employment hereunder shall terminate on the date specified in such notice.

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

7.04 Notwithstanding anything else in this Agreement, Interpublic may terminate the employment of Executive hereunder for Cause. Interpublic shall provide Executive with 30 days written notice of its intent to terminate Executive under the provisions of this Section 7.04, which notice shall (x) indicate the specific provisions of this Section 7.04 on which termination is predicated, (y) set forth in reasonable detail the facts and circumstances on which the termination is based and, (z) specify a termination date. Executive shall have a right to meet with the executive to whom he reports and other members of senior management senior to him to discuss the matters set forth in such notice and to cure the same within 30 days after receiving such notice.

For purposes of this Agreement, "Cause" means any of the following:

- (a) any material breach by Executive of any material provision of this Agreement. Upon written notice of same by the Interpublic describing in reasonable detail the breach asserted and stating that it constitutes notice pursuant to this Section 7.04(a), which breach, if capable of being cured, has not been cured within 30 days after such notice.
- (b) Executive's absence from duty for a period of time exceeding fifteen (15) consecutive business days or twenty (20) out of any (30) consecutive business days (other than account of permitted vacation or as permitted for illness, disability or authorized leave in accordance with Interpublic's policies and procedures) without the consent of the Board of Directors;
- (c) Executive having commenced employment with another employer prior to the effective date of Executive's voluntary resignation from employment with Interpublic under Section 7.02 hereof without the consent of the Board of Directors of Interpublic;
- (d) misappropriation by Executive of funds or property of Interpublic or any attempt by Executive to secure any personal profit by receipt of unauthorized third party compensation related to the business of Interpublic (other than as permitted by this Agreement) and not fairly disclosed to and approved by the Board of Directors;
- (e) fraud, dishonesty or willful misconduct of a material nature on the part of Executive in the performance of his duties as an employee of Interpublic; or
- (f) a felony conviction of Executive.

Upon a termination for Cause, Interpublic shall pay Executive his salary and benefits through the date of termination of employment; and Executive shall receive no severance hereunder.

7.05 If Executive dies before August 2, 2004 his employment hereunder shall terminate 30 days after the date of his death.

7.06 Notwithstanding anything else in this Agreement, Executive may terminate his employment hereunder for Good Reason. Executive shall provide Interpublic with 30 days written notice of its intent to terminate his employment under provisions of this Section 7.06, which notice shall (x) indicate the specific provisions of the Section 7.06 in which such a terminated is predicated and (y) set forth in reasonable detail the facts and circumstances on which termination is based and (z) specify a termination date. Interpublic shall have the right, if the basis for such termination is curable, to cure such breach within 30 days after receiving such notice. For purposes of this Agreement, "Good Reason" means any of the following:

- (a) Interpublic's failure to pay or grant any amount or benefit due under this Agreement or Interpublic otherwise breaches a material term of this Agreement
- (b) There occurs a material diminution in the titles, authority, status or responsibilities, or compensation or benefits, of Executive as at the date of such occurrence; or
- (c) Interpublic together with its subsidiaries enters into a transaction to sell substantially all of its assets, Interpublic enters into a transaction to sell its capital stock or merge or consolidate such that in excess of fifty percent of the shares of capital stock are no longer held by stockholders holding such shares immediately prior to such transaction, or a majority of the Board of Directors of Interpublic is not the same as immediately preceding such change or there occurs a substantial change in the executive management of Interpublic.

Should executive's employment be terminated for "Good Reason" the Company will pay him nine months salary on his date of termination.

7.07 In the event Executive shall be unable to perform his duties hereunder by virtue of illness or physical or mental incapacity or disability and Executive shall fail to perform such duties for periods aggregating 120 consecutive days in any 360 day period, Interpublic shall have the right to terminate Executive's employment hereunder prior to Executive's recovery from such illness or disability, at the end of any calendar month after such 120 day period is satisfied upon at least 15 days prior written notice to him.

ARTICLE VIII
Covenants

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

8.02 Executive shall treat as confidential and keep secret the affairs of Interpublic and shall not at any time during the term of employment for a period of 3 years, without the prior written consent of Interpublic, knowingly divulge, furnish or make known or accessible to, or use for the benefit of, anyone other than Interpublic and its subsidiaries and affiliates any information of a confidential nature relating in any way to the business of Interpublic or its subsidiaries or affiliates or their clients and obtained by him in the course of his employment hereunder. For the purpose of this Agreement, the following shall not be treated as confidential information: (i) information previously known to Executive prior to the employment term, (ii) information which is part of the public domain, (iii) information required to be disclosed by applicable law or legal process, or (iv) information which is lawfully in possession of a third party.

8.03 If Executive violates any provision of Section 8.01 or Section 8.02, Interpublic may, notwithstanding the provisions of Section 7.01, terminate the employment of Executive at any time by giving him notice in writing specifying a termination date. In such event, his employment hereunder shall terminate on the date specified in such notice.

8.04 All records, papers and documents kept or made by Executive relating to the business of Interpublic or its subsidiaries or affiliates or their clients shall be and remain the property of Interpublic, except Executive shall be permitted to retain his chronological file of correspondence and have access to documents for which he may be responsible in the extent of an inquiry or proceeding.

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

8.06 Following the termination of Executive's employment hereunder for any reason, Executive shall not for a period of twelve (12) months from such termination either: (a) solicit any employee of Interpublic or to leave such employ to enter the employ of Executive or of any company or enterprise with which Executive is then associated, or (b) solicit or handle on Executive's own behalf or on behalf of any other person, firm or Interpublic, the advertising, public relations, sales promotion or market research business of any advertiser which is a client of Interpublic at the time of such termination.

ARTICLE IX **Assignment**

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

ARTICLE X **Arbitration**

10.01 Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, including claims involving alleged legally protected rights, such as claims for age discrimination in violation of the Age Discrimination in Employment Act of 1967, as amended, Title VII of the Civil Rights Act, as amended, and all other federal and state law claims for defamation, breach of contract, wrongful termination and any other claim arising because of Executive's employment, termination of employment or otherwise, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and Section 12.01 hereof, and judgement upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The arbitration shall take place in the city where Executive customarily renders services to Interpublic.

ARTICLE XI **Agreement Entire**

11.01 This Agreement constitutes the entire understanding between Interpublic and Executive concerning his employment by Interpublic or any of its parents, affiliates or subsidiaries and supersedes, except any applicable benefit plan in effect from time to time, any and all previous agreements between Executive and Interpublic or any of its parents, affiliates or subsidiaries concerning such employment, and/or any compensation or bonuses. This Agreement may not be changed orally.

ARTICLE XII **Applicable Law**

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

THE INTERPUBLIC GROUP
OF COMPANIES, INC.

By: /s/ C. Kent Kroeber
C. Kent Kroeber

/s/ Gunnar P. Wilmont
Gunnar P. Wilmot

Exhibit 10(c)(xiv)

TRUE NORTH COMMUNICATIONS INC.

DEFERRED COMPENSATION PLAN

(Amended and Restated Effective January 1, 2001)

**TRUE NORTH COMMUNICATIONS INC.
DEFERRED COMPENSATION PLAN**

ARTICLE I - PURPOSE; EFFECTIVE DATE

- 1.1. **Purpose.** The purpose of the True North Communications Inc. Deferred Compensation Plan (hereinafter, the "Plan") is to permit a select group of management or highly compensated employees of True North Communications Inc. and its participating subsidiaries to defer the receipt of income which would otherwise become payable to them and to provide additional deferred compensation through company contributions. In addition, it is intended that certain obligations undertaken in several predecessor non-qualified plans established by the Company, its predecessor companies or affiliates, be incorporated into the operation of this plan for administrative ease and consistency of benefits. It is intended that this Plan, by providing this deferral opportunity, will assist the Company in retaining and attracting individuals of exceptional ability by providing them with these benefits.
- 1.2. **Effective Date.** The Plan was originally effective as of April 1, 1999. The "Effective Date" of this amended and restated Plan is January 1, 2001.

ARTICLE II - DEFINITIONS

For the purpose of this Plan, the following terms shall have the meanings indicated, unless the context clearly indicates otherwise

- 2.1. **Account(s).** "Account(s)" means the account or accounts maintained on the books of the Company used solely to calculate the amount payable to each Participant under this Plan and shall not constitute a separate fund of assets. The Accounts available for each Participant shall be identified as the Retirement Account and the Withdrawal Account. In addition, there shall be an Interest Rate Subaccount within the Retirement Account to account for certain Rollover Amounts and Discretionary Contributions that are to be credited with interest based on a rate of interest determined by the Committee.
- 2.2. **Beneficiary.** "Beneficiary" means the person, persons or entity as designated by the Participant, entitled under Article VI to receive any Plan benefits payable after the Participant's death.
- 2.3. **Board.** "Board" means the Board of Directors of the Company or the Compensation Committee thereof.
- 2.4. **Code.** "Code" means the Internal Revenue Code of 1986, as amended from time to time.
- 2.5. **Committee.** "Committee" means the Administrative Committee of the Company, which has been appointed by the Board to administer the Company's retirement plans, including the Plan.
- 2.6. **Company.** "Company" means True North Communications Inc., a Delaware corporation, and any directly or indirectly affiliated subsidiary corporations any of whose employees are designated as eligible to participate in the Plan.
- 2.7. **Compensation.** "Compensation" means the base salary payable to and bonus or incentive compensation earned by a Participant with respect to employment services performed for the Company by the Participant and considered to be "wages" for purposes of federal income tax withholding. For purposes of this Plan, Compensation shall be calculated before reduction for any amounts deferred by the Participant pursuant to the Company's tax-qualified plans which may be maintained under Section 401(k) or Section 125 of the Code or pursuant to this Plan or any other non-qualified plan which permits the voluntary deferral of compensation. Inclusion of any other forms of compensation is subject to Committee approval.
- 2.8. **Deferral Commitment.** "Deferral Commitment" means a commitment made by a Participant to defer a portion of Compensation as set forth in Article III. The Deferral Commitment shall apply to salary and/or bonus payable to the Participant, and shall specify the Account or Accounts to which the Compensation deferred shall be allocated. Such allocation shall be made in whole percentages or stated dollar amounts and shall be made in a form acceptable to the Committee. A Deferral Commitment shall remain in effect until amended or revoked as provided under Section 3.2(d) below.
- 2.9. **Deferral Period.** "Deferral Period" means each calendar year.
- 2.10. **Determination Date.** "Determination Date" means each business day.
- 2.11. **Disability.** "Disability" means total and permanent disability, as defined in the Company's long-term disability plan, as it may be amended from time to time, and as interpreted by the Committee in its sole and absolute discretion.

- 2.12. **Discretionary Contribution.** "Discretionary Contribution" means the Company profit sharing contribution or other discretionary contribution credited to a Participant's Account(s) under Section 4.6 below.
- 2.13. **Distribution Election.** "Distribution Election" means the election by a Participant as to the timing and/or form of payment of benefits payable from each Account under this Plan, on a form prescribed by the Committee for this purpose and completed by the Participant.
- 2.14. **ERISA.** "ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.
- 2.15. **Excess 401(k) Amount.** "Excess 401(k) Amount" means the amount of Compensation that the Participant has elected to be deferred under the provisions of the 401(k) Plan, but which cannot be contributed to the 401(k) Plan on behalf of the Participant due to the fact that salary and bonus deferrals under this Plan are not treated as compensation under the 401(k) Plan and/or due to the limitations imposed by Code Sections 401(a)(30), 402(g)(1), 401(a)(17), 415(c)(1) or any other limitations under the Code or the provisions of the 401(k) Plan. The maximum amount that can be contributed to the 401(k) Plan due to these restrictions is hereinafter referred to as "Maximum 401(k) Amount." It is recognized that for purposes of the 401(k) Plan the definition of "compensation" will most likely be more restrictive than the definition under this Plan and that the calculation of the amount elected to be deferred into the 401(k) Plan, the Maximum 401(k) Amount, and the Excess 401(k) Amount shall be calculated in accordance with the provisions of the 401(k) Plan. For purposes of this Plan, in determining the Excess 401(k) Amount, the election with respect to the amount of compensation to be deferred into the 401(k) Plan in effect at the time that the Participant achieves the Maximum 401(k) Amount shall be deemed to continue in effect for the balance of the applicable Deferral Period.
- 2.16. **Financial Hardship.** "Financial Hardship" means a severe financial hardship of the Participant resulting from a sudden and unexpected illness or accident of the Participant or of a dependent of the Participant, loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstance arising as a result of events beyond the control of the Participant. Financial Hardship shall be determined based upon such standards as are, from time to time, established by the Committee, and such determination shall be in the sole discretion of the Committee.
- 2.17. **401(k) Plan.** "401(k) Plan" means the Company retirement plan in which the Participant participates, which is tax-qualified under Section 401(a) of the Code and satisfies the requirements of Section 401(k) of the Code. As of the Effective Date, the only applicable tax-qualified plan is the True North Communications Inc. Retirement Plan, as amended from time to time.
- 2.18. **Investment Performance.** "Investment Performance" means the amount credited to or deducted from a Participant's Retirement and Withdrawal Accounts on each Determination Date. Amounts credited to or deducted from a Participant's Retirement and Withdrawal Accounts shall be based on the earnings and/or losses of the Valuation Funds chosen by the Participant as provided in Section 2.25 below and in a manner consistent with Section 4.3 below. Such credits to a Participant's Retirement and Withdrawal Accounts may be either positive or negative to reflect the increase or decrease in the applicable Valuation Funds.
- Notwithstanding the foregoing, Investment Performance credited to the Interest Rate Subaccount within the Retirement Account shall be based on a rate of interest set and declared by the Committee in its sole discretion from time to time.
- 2.19. **Matching Contribution.** "Matching Contribution" means the Company contribution credited to a Participant's Retirement Account under Section 4.5 below.
- 2.20. **Participant.** "Participant" means any employee who is eligible pursuant to Section 3.1 below to participate in this Plan, and who has elected to defer Compensation under this Plan in accordance with Article III below. Such employee shall remain a Participant in this Plan for the period of deferral and until such time as all benefits payable under this Plan have been paid in accordance with the provisions hereof.
- 2.21. **Plan.** "Plan" means this True North Communications Inc. Deferred Compensation Plan, as amended from time to time.

- 2.22. **Predecessor Plan.** "Predecessor Plan" means those plans maintained by the Company, or its predecessor entities, established to be non-qualified deferred compensation plans for a select group of management or highly compensated employees. These Plans specifically include the Bozell, Jacobs, Kenyon & Eckhardt, Inc. Executive Wealth Accumulation Plan (the "EWAP"), the Foote, Cone & Belding Communications, Inc. Stock Purchase Integration Plan, (the "SPIP"), and the Foote, Cone & Belding Communications, Inc. Profit Sharing Integration Plan, (the "PSIP") along with any other plan or program designated by the Committee.
- 2.23. **Retirement.** "Retirement" means a Participant's termination of employment with the Company after attaining age 55.
- 2.24. **Rollover Amount.** "Rollover Amount" means the amount determined by the Committee in its sole discretion to represent the balance of the obligation to specifically named Participants under a Predecessor Plan, which is to be added to an Account in this Plan. It is intended that the Rollover Amount shall be determined in accordance with the terms of the applicable Predecessor Plan. Such Rollover Amount shall be determined by the Committee and added to the appropriate Account under this Plan as of the later of the original effective date of this Plan or the date that the Participant first becomes eligible to participate in this Plan.
- 2.25. **Valuation Funds.** "Valuation Funds" means one or more of the independently established funds or indices that are identified and listed by the Committee. These Valuation Funds are used solely to calculate the Investment Performance that is credited to each Participant's Retirement and Withdrawal Accounts in accordance with Article IV below, and does not represent nor should it be interpreted to convey any beneficial interest on the part of the Participant in any asset or other property of the Company. The determination of the increase or decrease in the performance of each Valuation Fund shall be made by the Committee in its reasonable discretion. The Committee shall select the various Valuation Funds available to the Participants with respect to this Plan.

ARTICLE III - ELIGIBILITY AND PARTICIPATION

- 3.1. **Eligibility and Participation.**
- a) **Eligibility.** Eligibility to participate in the Plan shall be limited to those select key employees of the Company who are designated by management from time to time and approved by the Committee. The Committee and its delegates shall have the authority to establish general guidelines for Plan participation; provided that no individual with annual base salary of less than \$100,000 shall be eligible to make future Deferral Commitments on or after the Effective Date.
- b) **Participation.** An employee's participation in the Plan shall be effective upon notification to the employee by the Committee of eligibility to participate, and completion and submission of a Deferral Commitment and a Distribution Election form to the Committee no later than 30 days prior to the beginning of the Deferral Period.
- c) **First-Year Participation.** When an individual first becomes eligible to participate during a Deferral Period, a Deferral Commitment may be submitted to the Committee within 30 days after the Committee notifies the individual of eligibility to participate. Subject to Section 3.2(b), such Deferral Commitment will be effective only with regard to Compensation earned and payable following submission of the Deferral Commitment to the Committee.
- 3.2. **Form of Deferral.** A Participant may elect a Deferral Commitment as follows:
- a) **Salary Deferral Commitment.** A Deferral Commitment shall be made with respect to salary payable by the Company to a Participant during the immediately succeeding Deferral Period, and shall designate the portion of each deferral that shall be allocated among the Retirement and Withdrawal Accounts. The Participant shall set forth the amount to be deferred as a full percentage of salary payable (the Participant may designate a different percentage of salary and bonus that is to be deferred under this Plan). The salary Deferral Commitment shall specify the Participant's initial allocation of the amounts deferred into each Account among the various available Valuation Funds.

- b) **Bonus Deferral Commitment.** A Deferral Commitment shall be made with respect to each payment of bonus or incentive compensation payable by the Company to a Participant with respect to services performed during the immediately succeeding Deferral Period, and shall designate the portion of each deferral that shall be allocated among the Retirement and Withdrawal Accounts. Notwithstanding the foregoing, for a Participant's initial Deferral Period under the Plan, his or her bonus Deferral Commitment may apply to bonuses earned for the calendar year in which such Deferral Commitment is made, provided that the amount of such bonus remains substantially uncertain as of the time such Deferral Commitment is submitted. The Participant shall set forth the amount to be deferred as either a full percentage of bonus or incentive compensation payable (the Participant may designate a different percentage of salary and bonus that is to be deferred under this Plan), as a stated dollar amount, or as a percentage of the bonus payable in excess of a stated amount. The Deferral Commitment shall specify the Participant's initial allocation of the amounts deferred into each Account among the various available Valuation Funds.

To the extent any Participant receives a bonus partially or completely in the form of restricted stock (or any other non-cash form), the Committee or its delegates shall have the discretion as it/they deem appropriate to adjust the Participant's Deferral Commitment (as it applies to such bonus) to account for the non-cash element. This discretion shall be exercised in a manner that is consistent among similarly-situated Participants.

- c) **Excess 401(k) Amount.** A Deferral Commitment shall be made with respect to Excess 401(k) Amounts, if any, as defined in Section 2.15 above. Any Excess 401(k) Amounts so deferred shall be deferred into the Retirement Account.
- d) **Period of Commitment.** Once a Participant has made a Deferral Commitment, that Commitment shall remain in effect for that Deferral Period (or the remainder thereof). A new Deferral Commitment must be submitted for each Deferral Period, as a Deferral Commitment shall apply only to the Deferral Period for which it is submitted.

3.3. **Maximum Deferral Commitments.** The maximum amount of each payment of base salary that may be deferred into this Plan shall be 50% of base salary, and the maximum amount of each payment of bonus or incentive compensation that may be deferred into this Plan shall be 100% of bonus or incentive compensation.

3.4. **Commitment Limited by Termination.** If a Participant terminates employment with the Company prior to the end of the Deferral Period, the Deferral Period shall end as of the date of such termination.

3.5. **Modification of Deferral Commitment.** Except as provided in Section 5.5 below, a Deferral Commitment shall be irrevocable by the Participant during a Deferral Period.

3.6. **Change in Employment Status.** If the Committee determines that a Participant is no longer eligible to participate in this Plan, but the Participant remains employed with the Company, the Participant's existing Deferral Commitment shall terminate at the end of the Deferral Period, and no new Deferral Commitment may be made by such Participant after notice of such determination is given by the Committee, unless the Participant later satisfies the requirements of Section 3.1 above. If any such Participant's total Account balance at such time (or at any subsequent time) is less than \$5,000, then the Committee shall distribute the Participant's Account balances in accordance with Article V below as if the Participant had terminated employment with the Company as of that time.

If the Committee, in its sole discretion, determines that a Participant no longer qualifies as a member of a select group of management or highly compensated employees, as determined in accordance with ERISA, the Committee may in its sole discretion terminate any Deferral Commitment for that year, prohibit the Participant from making any future Deferral Commitments and/or distribute the Participant's Account balances in accordance with Article V below as if the Participant had terminated employment with the Company as of that time.

ARTICLE IV - DEFERRED COMPENSATION ACCOUNTS; COMPANY CONTRIBUTIONS

4.1. **Accounts.** The Rollover Amounts, the Compensation deferred by a Participant under the Plan, any Matching Contributions, Discretionary Contributions, Excess 401(k) Amounts and Investment Performance shall be credited to the Participant's various Account(s). Separate accounts may be maintained to reflect the different Accounts chosen by the Participant, and the Participant shall designate the portion of each deferral that will be credited to each Account, as set forth in Section 3.2(a), (b) and (c). These Accounts shall be used solely to calculate the amount payable to each Participant under this Plan and shall not constitute separate funds of assets.

4.2. **Timing of Credits; Withholding.** A Participant's deferred salary or bonus, if any, shall be credited to each Account designated by the Participant on or as soon as practicable after the date the Compensation deferred would have otherwise been payable to the Participant. Excess 401(k) Amounts and Matching Contributions, if any, shall be credited to the Participant's Retirement Account on or as soon as practicable after the date the corresponding deferred salary or bonus is credited to the applicable Account(s). Any Discretionary Contributions shall be credited to the appropriate Account(s) as provided by the Committee. Any Rollover Amounts shall be credited to the appropriate Account(s) as set forth below in Section 4.4 as an initial balance in the appropriate Account(s) as of the later of the original effective date of this Plan or the date that the Participant first becomes eligible to participate in this Plan. Any withholding of taxes or other amounts with respect to deferred Compensation that is required by local, state or federal law shall be withheld from the Participant's corresponding non-deferred portion of Compensation to the maximum extent possible, and any remaining amount shall reduce the amount credited to the Participant's Account in a manner specified by the Committee.

4.3. **Valuation Funds.** A Participant shall designate, at a time and in a manner acceptable to the Committee, one or more Valuation Funds for the Retirement and/or Withdrawal Account(s) for the sole purpose of determining the manner by which Investment Performance shall be credited to or deducted from such Account. Such election shall designate the portion of each deferral of Compensation made into the Retirement and Withdrawal Accounts that shall be allocated among the available Valuation Fund(s), and such election shall apply to each succeeding deferral of Compensation until such time as the Participant shall file a new election with the Committee. Participants shall also be permitted to reallocate the balance in each Valuation Fund among the other available Valuation Funds as determined by the Committee.

The manner in which such elections shall be made and the frequency with which such elections may be changed and the manner in which such elections shall become effective shall be determined in accordance with the procedures to be adopted by the Committee or its delegates from time to time. As of the Effective Date, such elections may be made on a daily basis electronically, and such elections shall become effective on the date made or the next available Determination Date.

4.4. **Rollover Amounts.** The Company may credit a Rollover Amount to the Participant's Account(s) in an amount determined by the Committee in accordance with the appropriate Predecessor Plan as stated in Section 2.24 above. Any Rollover Amount designated as being in relation to the EWAP Predecessor Plan may be credited to the Retirement or the Withdrawal Accounts at the direction of the Participant. Any Rollover Amount designated as being in relation to the SPIP or PSIP Predecessor Plans will be credited to the Interest Rate Subaccount within the Retirement Account.

4.5. **Matching Contributions.** The Company may credit Matching Contributions to the Participant's Retirement Account in an amount to be determined by the Committee in relation to the Compensation deferred by the Participant under the 401(k) Plan and the corresponding Excess 401(k) portion of this Plan during each Deferral Period. As of the Effective Date, Matching Contributions shall be made under this Plan for Participants who have elected to participate in the 401(k) Excess portion of this Plan and will be designed to equal the additional matching contributions that would have been made on the Participant's behalf under the 401(k) Plan if the Retirement Plan Limits (as defined in Section 4.6 below) did not apply and if the amounts deferred by the Participant pursuant to Section 3.2 were treated as compensation under the 401(k) Plan. As such, Matching Contributions for each Deferral Period shall equal (1) one hundred percent (100%) of the amounts deferred by the Participant for that Deferral Period under Section 3.2(c) above, up to a maximum of the first 3% of the Participant's Compensation for such Deferral Period, plus (2) fifty percent (50%) of the amounts deferred by the Participant for that Deferral Period under Section 3.2(c) above, up to the next 2% of the Participant's Compensation for such Deferral Period, minus (3) the matching contributions made on the Participant's behalf for that Deferral Period under the 401(k) Plan.

4.6. **Profit-Sharing and Other Discretionary Contributions.** The Company may make Discretionary Contributions to a Participant's Accounts. Discretionary Contributions shall be credited at such times, in such amounts and to such Accounts as recommended by the Company and approved by the Compensation Committee of the Board or the full Board. As of the Effective Date, Discretionary Contributions shall include profit-sharing contributions made on behalf of certain designated eligible Participants as follows: For each Deferral Period, an eligible Participant's profit-sharing contribution shall be an amount equal to (a) minus (b), where:

- a) equals the profit-sharing contribution that would have been allocated to the Participant under the 401(k) Plan for such Deferral Period if the "Retirement Plan Limits" did not apply and if the amounts of salary deferred by the Participant pursuant to Section 3.2 were treated as compensation under the 401(k) Plan; and
- b) equals the actual profit-sharing contribution allocated to the Participant under the 401(k) Plan for such Deferral Period.

For purposes of (a) above, "Retirement Plan Limits" means the limitation imposed by Section 415 of the Code on allocations to Participants' accounts under the 401(k) Plan and the limitation imposed by Section 401(a)(17) of the Code on the amount of a Participant's annual compensation that may be taken into account under the 401(k) Plan. These profit-sharing Discretionary Contributions shall be credited to a Participant's Interest Rate Subaccount within the Retirement Account at or as soon as practicable after the time profit-sharing contributions are credited to such Participant's account(s) under the 401(k) Plan.

4.4. **Determination of Accounts.** Each Participant's Account as of each Determination Date shall consist of the balance of the Account as of the immediately preceding Determination Date, adjusted as follows:

- a) **New Deferrals.** The Retirement and Withdrawal Accounts shall be increased by any deferred Compensation, if any, credited since such prior Determination Date in the proportion chosen by the Participant.
- b) **Company Contributions.** The Retirement Account shall be increased by any Matching Contribution, Excess 401(k) Amounts, and/or Discretionary Contributions credited since such prior Determination Date; provided that profit-sharing Discretionary Contributions under Section 4.6 shall be credited to the Interest Rate Subaccount within the Retirement Account. Rollover Amounts shall be treated as initial balances in the Retirement and/or Withdrawal Accounts, as applicable.
- c) **Distributions.** Each Account shall be reduced by the amount of each benefit payment made from that Account since the prior Determination Date. Distributions from the Retirement and Withdrawal Accounts shall be deemed to have been made proportionally from each of the Valuation Funds maintained within such Account based on the proportion that such Valuation Fund bears to the sum of all Valuation Funds maintained within such Account for that Participant as of the Determination Date immediately preceding the date of payment.
- d) **Investment Performance.** The Retirement and Withdrawal Accounts shall be increased or decreased by the Investment Performance credited to such Accounts since such Determination Date as though the balance of that Account had been invested in the applicable Valuation Funds chosen by the Participant. The Interest Rate Subaccount within the Retirement Account shall be increased by the interest credited to such Account since such prior Determination Date based on the interest rate established by the Committee.

4.8. **Vesting of Accounts.** Subject to the right of the Committee to impose vesting restrictions with respect to future Matching and/or Discretionary Contributions, all amounts credited to a Participant's Accounts, net of Investment Performance, shall be 100% vested.

4.9. **Statement of Accounts.** The Committee shall give to each Participant a statement showing the balances in the Participant's Accounts on no less than an annual basis.

ARTICLE V - PLAN BENEFITS

5.1. **Retirement Account.** The balance of a Participant's Retirement Account shall be distributed to the Participant upon his or her termination of employment with the Company. Benefits under this Section shall be payable as soon as administratively practical after termination of employment. The form of benefit payment shall be that form selected by the Participant pursuant to Section 5.6 below, except that if the Participant terminates employment with the Company prior to Retirement, the full amount of the Retirement Account shall be paid in a lump sum.

5.2. **Withdrawal Account.** Subject to the remainder of this Section 5.2, the balance of a Participant's Withdrawal Account shall be distributed to the Participant upon the date chosen by the Participant in his or her Distribution Election that corresponds to his or her first Deferral Commitment which designates a portion of the Compensation deferred be allocated to the Withdrawal Account; provided, however, that the date of payment commencement under this Section shall be no earlier than the third anniversary of the Participant's initial deferral into the Withdrawal Account. The Participant may subsequently amend the intended date of payment to a date later than that date initially chosen by filing a new Distribution Election with the Committee no later than 24 months prior to the initially-chosen date of payment. The Participant may file this amendment to defer the receipt of benefits under this Section only twice, and each new Distribution Election must provide for a pay-out at a date later than the election in force immediately prior to filing such new election. The form of benefit payment shall be that form selected by the Participant pursuant to Section 5.6 below. Notwithstanding the foregoing, if the Participant terminates employment with the Company prior to the date so chosen (or as subsequently amended) by the Participant, the balance of the Withdrawal Account as of the date of termination of employment shall be added to the Retirement Account and shall be paid in accordance with the provisions of Section 5.1 above.

- 5.3. **Disability.** If a participant becomes Disabled in accordance with Section 2.11 above, distribution of the Participant's Plan benefits shall be made in the same manner as if the Participant were to Retire on the date he or she commences long-term disability benefits under the Company's long-term disability plan.
- 5.4. **Death Benefit.** Upon the death of a Participant prior to the commencement of benefits under this Plan from any Account, the Company shall pay to the Participant's beneficiary an amount equal to the balance in that Account in a lump sum. In the event of the death of the Participant after the commencement of installment payments from any Account, the remaining benefits from that Account shall be paid as soon as practicable to the Participant's designated Beneficiary in one lump sum.
- 5.5. **Hardship Distributions.** Upon a finding that a Participant has suffered a Financial Hardship, the Committee may, in its sole discretion, amend the existing Deferral Commitment or make distributions from any or all of the Participant's Accounts. The amount of such distribution shall be limited to the amount reasonably necessary to meet the Participant's needs resulting from the Financial Hardship. If payment is made due to Financial Hardship, the Participant's deferrals under this Plan shall cease for the period of the Financial Hardship and for 12 months thereafter. Any resumption of the Participant's deferrals under the Plan after such 12-month period shall be made only at the election of the Participant in accordance with Article III above.
- 5.6. **Form of Payment.** Unless otherwise specified in this Article V, the benefits payable from any Account under this Plan shall be paid in one of the forms of benefit payment described below, as specified by the Participant in his or her Distribution Election. The most recently submitted Distribution Election shall be effective for the entire Account balance unless amended in writing by the Participant and delivered to the Committee. If the Participant's most recent Distribution Election as to the form of payment was made within 24 months of the time benefits under this Plan become due and payable, then the most recent election made by the Participant more than 24 months prior to the time such benefit becomes due and payable shall be used to determine the form of payment. The permitted forms of benefit payments are:
- a) A lump sum amount which is equal to the Account balance; and
 - b) Annual installments for a period of five years (with respect to the Withdrawal Account) or 10 years (with respect to the Retirement Account), where the annual payment shall be equal to the balance of the Account immediately prior to the payment, multiplied by a fraction, the numerator of which is one and the denominator of which is the remaining number of annual payments. Investment Performance on the unpaid Account balance shall be based on the most recent allocation among the available Valuation Funds chosen by the Participant in accordance with Section 4.3 above; except that the interest credited to the Interest Rate Subaccount within the Retirement Account during the pay-out period shall continue to be the rate declared by the Committee in accordance with Section 2.18 above.
- 5.7. **Small Accounts.** If the total of a Participant's unpaid Account balances as of the Participant's Retirement is less than \$5,000, the remaining unpaid Account(s) shall be paid in a lump sum, notwithstanding any election by the Participant to the contrary.
- 5.8. **Withholding: Payroll Taxes.** The Company shall withhold from any payment made pursuant to this Plan any taxes required to be withheld from such payments under local, state or federal law. A Beneficiary, however, may elect not to have withholding of federal income tax pursuant to Section 3405(a)(2) of the Code or any successor provision thereto.
- 5.9. **Payment to Guardian.** If a Plan benefit is payable to a minor or a person declared incompetent or to a person incapable of handling the disposition of the property, the Committee may direct payment to the guardian, legal representative or person having the care and custody of such minor, incompetent or person. The Committee may require proof of incompetence, minority, incapacity or guardianship, as it may deem appropriate prior to distribution. Such distribution shall completely discharge the Committee and the Company from all liability with respect to such benefit.
- 5.10. **Effect of Payment.** The full payment of the applicable benefit under this Article V shall completely discharge all obligations on the part of the Company to the Participant (and the Participant's Beneficiary) with respect to the operation of this Plan, and the Participant's (and Participant's Beneficiary's) rights under this Plan shall terminate.

ARTICLE VI - BENEFICIARY DESIGNATION

- 6.1. **Beneficiary Designation.** Each Participant shall have the right, at any time, to designate one or more persons or entity as Beneficiary (both primary as well as secondary) to whom benefits under this Plan shall be paid in the event of the Participant's death prior to complete distribution of the Participant's Account balances. Each Beneficiary designation shall be on a written form prescribed by the Committee and shall be effective only when filed with the Committee during the Participant's lifetime. Designation by a married Participant to the Participant's spouse of less than a 50% interest in the Participant's benefits shall not be effective unless the spouse executes a written consent that acknowledges the effect of the designation, or it is established that the consent cannot be obtained because the spouse cannot be located.
- 6.2. **Changing Beneficiary.** Any Beneficiary designation may be changed by an unmarried Participant without the consent of the previously named Beneficiary by the filing of a new Beneficiary designation with the Committee. A married Participant's Beneficiary designation may be changed by the Participant with the consent of the Participant's spouse as provided for in Section 6.1 above by the filing of a new designation, which shall cancel all designations previously filed.
- 6.3. **Change in Marital Status.** If the Participant's marital status changes after the Participant has designated a Beneficiary, the following shall apply:
- a) If the Participant is married at death but was unmarried when the designation was made, the designation shall be void unless the spouse has consented to it in the manner prescribed in Section 6.1 above.
 - b) If the Participant is unmarried at death but was married when the designation was made:
 - i) The designation shall be void if the spouse was named as Beneficiary
 - ii) The designation shall remain valid if a non-spouse Beneficiary was named.
 - c) If the Participant was married when the designation was made and is married to a different spouse at death, the designation shall be void unless the new spouse has consented to it in the manner prescribed in Section 6.1 above.
- 6.4. **No Beneficiary Designation.** If any Participant fails to designate a Beneficiary in the manner provided above, if the designation is void, or if the Beneficiary designated by a deceased Participant dies before the Participant or before complete distribution of the Participant's benefits, the Participant's Beneficiary shall be the person in the first of the following classes in which there is a survivor:
- a) The Participant's surviving spouse;
 - b) The Participant's children in equal shares, except that if any of the children predeceases the Participant but leaves surviving issue, then such issue shall take by right of representation the share the deceased child would have taken if living;
 - c) The Participant's estate.
- 6.5. **Effect of Payment.** Payment to the Beneficiary shall completely discharge the Company's obligations under this Plan.

ARTICLE VII - ADMINISTRATION

- 7.1. **Committee.** The Plan shall be administered by the Committee.
- 7.2. **Powers of the Committee.** The Committee shall have all powers necessary to administer the Plan, including, without limitation, the power to interpret the provisions of the Plan, to decide all questions of eligibility, to establish rules and forms for the administration of the Plan, and to appoint individuals to assist in the administration of the Plan and any other agents it deems advisable.
- 7.3. **Actions of the Committee.** All determinations, interpretations, rules, and decisions of the Committee with respect to any question arising out of or in connection with the administration, interpretation and application of the Plan and the rules and regulations promulgated hereunder shall be final, conclusive and binding upon all persons having or claiming to have any interest or right under the Plan.

- 7.4. **Delegation.** The Committee shall have the power to delegate specific duties and responsibilities to officers or other employees of the Company or to other individuals or entities. The Committee may rescind any delegation at any time. Except as otherwise required by law, each person or entity to whom a duty or responsibility has been delegated shall be responsible for the exercise of such duty or responsibility and shall not be responsible for any act or failure to act of any other person or entity.
- 7.5. **Indemnification.** The Company shall indemnify the members of the Committee, the members of the Board and all Company officers and other employees responsible for administering the Plan against any and all liabilities arising by reason of any act or failure to act made in good faith in accordance with the provisions of the Plan. For this purpose, liabilities include expenses reasonably incurred in the defense of any claim relating to the Plan.
- 7.6. **Reports and Records.** The Committee and those to whom the Committee has delegated duties under the Plan shall keep records of all their proceedings and actions and shall maintain books of account, records, and other data as shall be necessary for the proper administration of the Plan and for compliance with applicable law.

ARTICLE VIII - CLAIMS PROCEDURE

If a Participant or his or her beneficiary (hereinafter referred to as a "Claimant") is denied all or a portion of an expected benefit under the Plan for any reason, he or she may file a claim with the Committee. Such claim shall be reviewed by the subcommittee of the Committee that is designated to review such claims. This subcommittee shall notify the Claimant within 90 days after receipt of the claim (or within 180 days if special circumstances apply) of allowance or denial of the claim. If the claim for benefits is denied, in whole or in part, the Claimant will receive a written explanation of:

- a) The specific reasons for the denial;
- b) The specific references to provisions of the Plan document that support those reasons;
- c) Any additional information that must be provided to improve the claim and the reasons why that information is necessary; and
- d) The procedures that are available for a further review of the claim.

A Claimant is entitled to request a review of any denial of his or her claim by the full Committee. The request for review must be submitted within 60 days of receipt of the denial. Absent a request for review within the 60-day period, the claim shall be deemed to be conclusively denied. The Claimant or his or her representatives shall be entitled to review all pertinent documents and to submit issues and comments in writing as part of any request for review. The Committee may, but shall not be required to, grant the Claimant a hearing as part of this review process. The Committee will conduct a full and fair review of the claim and will notify the Claimant of the decision within 60 days (or 120 days if special circumstances apply). The decision must be in writing and will include the specific reasons and references to Plan provisions on which the decision is based. The Committee has the exclusive right and discretion to interpret the provisions of the Plan, and the entitlement to benefits, and its decision is conclusive and final and not subject to further review.

ARTICLE IX - AMENDMENT AND TERMINATION OF PLAN

- 9.1. **Amendment.** The Board or any duly authorized committee thereof may amend the Plan, in full or in part, at any time. However, no amendment shall reduce the amount accrued in any Account as of the date such notice of the amendment is given.
- 9.2. **Termination.** The Company expects the Plan to be permanent, but necessarily must, and does, reserve the right to terminate the Plan, by action of the Board, at any time.
- 9.3. **Partial Termination.** The Board may partially terminate the Plan by instructing the Committee not to accept any additional Deferral Commitments. If such a partial termination occurs, the Plan shall continue to operate and be effective with regard to Deferral Commitments entered into prior to the effective date of such partial termination.
- 9.4. **Complete Termination.** The Board may completely terminate the Plan by instructing the Committee not to accept any additional Deferral Commitments, and by terminating all ongoing Deferral Commitments. In the event of complete termination, the Plan shall cease to operate and the Company shall distribute each Account to the appropriate Participant.

ARTICLE X - MISCELLANEOUS

- 10.1. **Unfunded Plan.** This plan is an unfunded plan maintained primarily to provide deferred compensation benefits for a select group of "management or highly-compensated employees" within the meaning of Sections 201, 301, and 401 of ERISA, and therefore is exempt from the provisions of Parts 2, 3 and 4 of Title I of ERISA. Accordingly, the Board may terminate the Plan and make no further benefit payments or remove certain employees as Participants if it is determined by the United States Department of Labor, a court of competent jurisdiction, or an opinion of counsel that the Plan constitutes an employee pension benefit plan within the meaning of Section 3 (2) of ERISA (as currently in effect or hereafter amended) which is not so exempt.
- 10.2. **Company Obligation.** The obligation to make benefit payments to any Participant under the Plan shall be an obligation solely of the Company.
- 10.3. **Unsecured General Creditor.** Notwithstanding any other provision of this Plan, Participants and Participants' Beneficiaries shall be unsecured general creditors, with no secured or preferential rights to any assets of the Company or any other party for payment of benefits under this Plan. Any property held by the Company for the purpose of generating the cash flow for benefit payments shall remain its general, unpledged and unrestricted assets. The Company's obligation under the Plan shall be an unfunded and unsecured promise to pay money in the future.
- 10.4. **Trust Fund.** The Company shall be responsible for the payment of all benefits provided under the Plan. At its discretion, the Company may establish one or more trusts, with such trustees as the Committee may approve, for the purpose of assisting in the payment of such benefits. Although such a trust shall be irrevocable, its assets shall be held for payment of all of the Company's general creditors in the event of insolvency. To the extent any benefits provided under the Plan are paid from any such trust, the Company shall have no further obligation to pay them. If not paid from the trust, such benefits shall remain the obligation of the Company.
- 10.5. **Nonassignability.** Neither a Participant nor any other person shall have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, transfer, hypothecate or convey in advance of actual receipt the amounts, if any, payable hereunder, or any part thereof, which are, and all rights to which are, expressly declared to be unassignable and non-transferable. No part of the amounts payable shall, prior to actual payment, be subject to seizure or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by a Participant or any other person, nor be transferable by operation of law in the event of a Participant's or any other person's bankruptcy or insolvency.
- 10.6. **Not a Contract of Employment.** This Plan shall not constitute a contract of employment between the Company and any Participant. Nothing in this Plan shall give a Participant the right to be retained in the service of the Company or to interfere with the right of the Company to discipline or discharge a Participant at any time.
- 10.7. **Protective Provisions.** A Participant will cooperate with the Company by furnishing any and all information requested by the Company in order to facilitate the payment of benefits hereunder, and by taking such physical examinations as the Company may deem necessary and taking such other action as may be requested by the Company.
- 10.8. **Governing Law.** The provisions of this Plan shall be construed and interpreted according to the laws of the State of Illinois, except as preempted by federal law.
- 10.9. **Validity.** If any provision of this Plan shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts hereof, but this Plan shall be construed and enforced as if such illegal and invalid provision had never been inserted herein.
- 10.10. **Successors.** The provisions of this Plan shall bind and inure to the benefit of the Company and its successors and assigns. The term successors as used herein shall include any corporate or other business entity which shall, whether by merger, consolidation, purchase or otherwise, acquire all or substantially all of the business and assets of the Company, and successors of any such corporation or other business entity.
- 10.11. **Severability.** If any provision of the Plan shall be found to be invalid or unenforceable by a court of competent jurisdiction, the validity or enforceability of the remaining provisions of the Plan shall remain in full force and effect.

**ACTION BY WRITTEN CONSENT
OF THE SOLE DIRECTOR OF
TRUE NORTH COMMUNICATIONS INC.**

The undersigned, being the sole member of the Board of Directors of **True North Communications Inc.**, a Delaware corporation (the "Company"), does hereby consent in writing and in lieu of a meeting, pursuant to Section 141(f) of the General Corporation Law of the State of Delaware, to the adoption of the following resolutions:

WHEREAS, True North currently maintains the True North Communications Inc. Deferred Compensation Plan (the "Plan"), which provides deferred compensation benefits to management and other highly-compensated employees;

WHEREAS, the Plan, as amended and restated effective as of January 1, 2001, and subsequently amended also effective as of January 1, 2001, was previously approved by the Compensation Committee on behalf of the Board of Directors of the Company; and

WHEREAS, the Company desires to amend the Plan further as set forth below.

NOW, THEREFORE, BE IT RESOLVED that, effective March 1, 2002, the Plan is hereby amended, in accordance with Section 9.1 of the Plan, by replacing Section 10.5 of the Plan with the following new Section 10.5:

"10.5 **Nonassignability.** Prior to payment thereof, no benefit under the Plan shall be assignable or subject to any manner of alienation, sale, transfer, claims of creditors, pledge, attachment or encumbrances of any kind, except pursuant to a domestic relations order awarding benefits to an "alternate payee" (within the meaning of Section 414(p)(8) of the Internal Revenue Code of 1986, as amended (the "Code")) that the Administrator determines satisfies the criteria set forth in paragraphs (1), (2) and (3) of Code Section 414(p) (a "DRO"). Notwithstanding any provision of the Plan to the contrary, the Plan benefits awarded to an alternate payee under a DRO shall be paid in a single lump sum to the alternate payee as soon as administratively practicable following the date the Administrator determines the order is a DRO."; and

FURTHER RESOLVED that the appropriate officers of the Company are hereby authorized and directed to take such steps that in their opinion or the opinion of legal counsel are necessary or advisable in order to carry out the intent and purposes of the foregoing resolution.

DIRECTOR

Nicholas J. Camera

Dated: _____

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(Dollars in Millions, Except Per Share Amounts)

OVERVIEW OF SIGNIFICANT EVENTS

The year 2001 contained several significant events for the Company as it completed a major acquisition and implemented a wide ranging restructuring plan. Further, the Company's operating results were negatively impacted by very weak demand for its services and by the cost of the restructuring plan and other asset impairment write-offs.

The significant events that occurred during the year were as follows:

* **Acquisition of True North**

On June 22, 2001, the Company acquired True North Communications Inc. ("True North"), a global provider of advertising and communication services, in a transaction accounted for as a pooling of interests. The Company issued approximately 58.2 million shares in connection with the acquisition. The acquisition increased the size of the Company's operations by approximately 25%. The acquisition precipitated a major reorganization and restructuring (see below) and resulted in some one-time revenue losses as client conflicts materialized.

* **Reorganization and Restructuring Plan**

Following the True North acquisition in June 2001, the Company undertook a series of operational initiatives focusing on: a) the integration of the True North operations and the identification of synergies and savings, b) the realignment of certain Interpublic businesses and c) productivity initiatives to achieve higher operating margins. As a result of these initiatives, the combined Company has been organized into four global operating groups. Three of these groups, McCann-Erickson WorldGroup, an enhanced FCB Group and a new global marketing resource called The Partnership, will provide a full complement of global marketing services and marketing communication services. The fourth group, Advanced Marketing Services, focuses on expanding the Company's operations in the areas of specialized marketing communications and services.

In connection with these initiatives, the Company is executing a wide-ranging restructuring plan that includes severance, lease terminations and other actions. The total amount of the charges recorded in connection with the plan was \$645.6 which included severance for approximately 6,800 employees and the downsizing or closure of 180 offices.

* **Economic conditions**

The year 2001 was challenging for both the Company and the advertising and marketing communications industry as a whole. The Company found itself operating against the most adverse conditions in over 50 years. Demand for most of the Company's services dropped dramatically and this had a severe impact on the Company's profitability. The drop in demand was not limited to any one of the Company's service offerings nor to any geographical region. It has been estimated that media spending in 2001 dropped by about 4% in the U.S. and by about 3% internationally compared to the prior year, with the drop accelerating as the year progressed. The Company's revenue in the fourth quarter 2001 was severely impacted by the worsening economic conditions as reflected in the 16% drop in its revenue compared to the fourth quarter of the prior year.

* **Credit Facility and Other Borrowings**

During the year, the Company entered into the following financing transactions:

- a) On June 26, 2001, the Company replaced its maturing \$375.0, 364-day syndicated revolving multi-currency credit agreement with a substantially similar \$500.0 facility. The new facility bears interest at variable rates based on either LIBOR or a bank's base rate, at the Company's option.
- b) On August 22, 2001, the Company completed the issuance and sale of \$500.0 principal amount of senior unsecured notes due 2011. The notes bear interest at a rate of 7.25% per annum. The Company used the net proceeds of approximately \$493 from the sale of the notes to repay outstanding indebtedness under its credit facilities.

- c) In December 2001, the Company completed the issuance and sale of approximately \$702 of aggregate principal amount of Zero-Coupon Convertible Senior Notes due 2021. The yield to maturity of the notes was 1%. The net proceeds from the offering of approximately \$563.5 were used to pay down short-term debt.

* **Other Write-Offs**

During the year, the Company performed a review of its assets and identified certain items that had become impaired. Accordingly, significant charges were taken primarily for goodwill (total charges of \$303.1) and investment write-downs (total charges of \$208.3).

OUTLOOK

The Company's results of operations are dependent upon: a) maintaining and growing its revenue, b) the ability to gain new clients, c) the continuous alignment of its costs to its revenue and d) retaining key personnel. Revenue is also highly dependent on overall economic conditions. As discussed above, 2001 was a very difficult year for the Company. During the year, spending by clients on most marketing services was reduced and the reduction was felt worldwide. While most of the reduction was due to general recessionary conditions, the marketing industry was particularly hard hit as clients, many of whom seemed to have been surprised by the suddenness of the recession, looked to their advertising and marketing budgets for the quickest cuts. Thus the drop in demand for services in our industry was more severe than that noted in the overall economy.

Going into 2002, it is clear that any improvement is likely to be very gradual and will be off a very weak base. Industry watchers have indicated that their current expectation for 2002 is that overall spending on media will grow in the 1% range.

The Company has taken steps to improve its operating performance and to bring its cost structure in line with the current revenue environment. The restructuring program announced in the third quarter of 2001 has already begun to yield significant cost savings. The annualized savings from the plan are expected to exceed \$250. As of December 2001, the Company's headcount has been reduced from approximately 62,000 (at December 31, 2000) to 54,100 primarily due to the restructuring program.

Barring a further economic downturn, the Company believes that its 2002 earnings per share will reflect double-digit growth over the 2001 earnings per share excluding non-recurring items.

RESULTS OF OPERATIONS

On June 22, 2001, the Company acquired True North in a transaction accounted for as a pooling of interests. The Company's financial statements have been restated for all prior periods to reflect the results of True North. The following discussion relates to the combined results of the Company after giving effect to the pooling of interests with True North.

All amounts discussed below are reported in accordance with generally accepted accounting principles ("GAAP") unless otherwise noted. In certain discussions below, the Company has provided comparative comments based on net income and expense amounts excluding non-recurring items (which are described in Non-Recurring Items below). Such amounts do not reflect GAAP; however, management believes they are a relevant and useful measure of financial performance.

The Company reported a net loss of \$505.3 or \$1.37 diluted loss per share, net income of \$420.3 or \$1.14 diluted earnings per share and net income of \$359.4 or \$0.99 diluted earnings per share for the years ended December 31, 2001, 2000 and 1999, respectively. Net income excluding non-recurring items was \$359.2 or \$0.96 diluted earnings per share, \$570.3 or \$1.53 diluted earnings per share and \$460.4 or \$1.26 diluted earnings per share for the years ended December 31, 2001, 2000 and 1999, respectively.

**THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(Dollars in Millions, Except Per Share Amounts)**

The following table sets forth net income (loss) as reported and excluding non-recurring items:

	<u>2001</u>	<u>2000</u>	<u>1999</u>
<u>Net Income (Loss)</u>			
Net income (loss), as reported	\$(505.3)	\$420.3	\$359.4
Less non-recurring items:			
Salaries and related expenses - (reduction in severance reserves)	50.0		
Office and general expenses - (write-off of operating assets)	(85.4)		
Restructuring and other merger related costs	(645.6)	(177.7)	(159.5)
Goodwill impairment and other charges	(303.1)		
Investment impairment	(208.3)		
Tax effect of above items	327.9	53.4	58.5
Equity in net income of unconsolidated affiliates (asset impairment and restructuring charges)	_____	(25.7)	_____

Total non-recurring items	<u>(864.5)</u>	<u>(150.0)</u>	<u>(101.0)</u>
Net income excluding non-recurring items	<u>\$ 359.2</u>	<u>\$570.3</u>	<u>\$460.4</u>

Revenue

Worldwide revenue for 2001 was \$6,726.8, a decrease of \$455.9 or 6.3% from 2000. Domestic revenue, which represented 57% of revenue in 2001, decreased \$438.4 or 10.3% from 2000. International revenue, which represented 43% of revenue in 2001, decreased \$17.5 or 0.6% from 2000. International revenue would have increased 5.0% excluding the effects of changes in foreign currency. The decrease in worldwide revenue was a result of reduced demand for advertising and marketing services due to the weak economy, particularly in the United States, the negative impact of the events of September 11 and the loss of the Chrysler account in the fourth quarter of 2000. The components of the total revenue change of (6.3)% were: acquisitions net of divestitures 0.9%, impact of foreign currency changes (2.2)%, impact of the loss of the Chrysler account (1.6)%, the estimated impact of the events of September 11 (0.5)% and organic revenue decline of (2.9)%. Organic changes in revenue are based on increases or decreases in net new business activity and increases or decreases from existing client accounts.

Worldwide revenue for 2000 was \$7,182.7, an increase of \$765.5 or 11.9% over 1999. Domestic revenue, which represented 59% of revenue, increased \$620 or 17.1% over 1999. International revenue, which represented 41% of revenue in 2000, increased \$145.5 or 5.2% over 1999. International revenue would have increased 14.5% excluding the effects of changes in foreign currency. The increase in worldwide revenue was a result of both growth from new business gains and growth from acquisitions. The components of the total revenue change of 11.9% were: acquisitions 3.6%, impact of foreign currency changes (4.2)% and organic revenue 12.5%.

The Company is a worldwide global marketing services company, providing clients with communications expertise in four broad areas: a) advertising and media management, b) marketing communications, which includes client relationship management (direct marketing), public relations, sales promotion, event marketing, on-line marketing and healthcare marketing, c) marketing intelligence, which includes custom marketing research, brand consultancy and database management and d) specialized marketing services, which includes sports and entertainment marketing, corporate meetings and events, retail marketing and other marketing and business services.

**THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
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The following table sets forth the estimated revenue breakdown by type of service offering. Management of the Company believes that this breakdown is a useful measure of the types of global marketing services provided. This presentation does not represent the way in which the Company is organized or managed since most of the services are offered by each of the Company's global operating groups:

	<u>2001</u>	<u>2000</u>	<u>1999</u>
Advertising and Media Management	\$4,001	\$4,450	\$4,155
Marketing Communications	1,823	1,855	1,511
Marketing Intelligence	446	461	464
Specialized Marketing Services	<u>457</u>	<u>417</u>	<u>287</u>
Total Revenue	<u>\$6,727</u>	<u>\$7,183</u>	<u>\$6,417</u>

Operating Expenses

Worldwide operating expenses for 2001 increased \$601.3 to \$6,934.9. Operating expenses excluding non-recurring items were \$5,950.8, a decrease of 3.3% over 2000. Operating expenses outside the United States increased 4.6%, while domestic operating expenses decreased 6.5%. The decrease in worldwide operating expenses reflected the benefit of the Company's restructuring initiatives in the latter part of the year and other operating cost reduction initiatives partially offset by an increase in amortization of intangible assets due to the higher level of acquisitions in the year 2000 over 1999. The components of the total change of (3.3)% were: acquisitions net of divestitures 0.7%, impact of foreign currency changes (2.1)%, impact of the loss of the Chrysler account (1.6)% and organic operating expenses (0.3)%.

Worldwide operating expenses for 2000 increased \$565.8 to \$6,333.6. Operating expenses excluding non-recurring items were \$6,155.9, an increase of 9.8% over 1999, comprised of a 2.8% increase in international expenses and a 15.3% increase in domestic expenses. The components of the total change of 9.8% were: acquisitions 3.4%, impact of foreign currency changes (3.0)% and organic operating expenses 9.4%.

The Company's expenses related to employee compensation and various employee incentive and benefit programs amount to approximately 56% of revenue. The employee incentive programs are based primarily upon operating results. Salaries and related expenses for 2001 decreased \$248.1 to \$3,787.1. Salaries and related expenses excluding non-recurring items were \$3,837.1, a decrease of 4.9%. The decrease is a result of lower headcount, which was reduced to 54,100 or 12.7% at December 31, 2001 from 62,000 at December 31, 2000, and reduced incentive compensation commensurate with performance. Of the total headcount reduction of 7,900, approximately 5,200 are a direct result of the Company's 2001 restructuring plan. The components of the total change of (4.9)% were: acquisitions net of divestitures 0.8%, impact of foreign currency changes (2.0)%, impact of the loss of the Chrysler account (1.4)% and organic salaries and related expenses (2.3)%.

Salaries and related expenses were \$4,035.2 in 2000 and \$3,617.4 in 1999, an increase of 11.5%. The increase was a result of growth from acquisitions and new business gains. The total headcount increased by 7,200 or 13.1% at December 31, 2000 from the prior year. The components of the total change of 11.5% were: acquisitions 4.2%, impact of foreign currency changes (2.0)% and organic salaries and related expenses 9.3%.

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Office and general expenses increased \$49.7 in 2001 to \$2,026.1. Office and general expenses excluding non-recurring items were \$1,940.7, a decrease of 1.8%. The decrease was due to the impact of foreign currency changes and the impact of the loss of the Chrysler account, offset by higher office rental and supplies costs. However, during the latter part of the year, the Company benefited from the restructuring plan initiatives, including reduced travel and entertainment costs and reduced office rental and supplies costs. The components of the total change of (1.8)% were: acquisitions net of divestitures 0.4%, impact of foreign currency changes (2.4)%, impact of the loss of the Chrysler account (2.2)% and organic office and general expenses 2.4%.

Office and general expenses for 2000 were \$1,976.4, an increase of 6.1% over 1999. The increase was a result of higher new business development costs, higher office rental and supplies costs, higher travel and entertainment costs and increased depreciation costs. The components of the total change of 6.1% were: acquisitions 3.4%, impact of foreign currency changes (5.1)% and organic office and general expenses 7.8%.

Amortization of intangible assets increased \$28.7 to \$173.0 in 2001 and increased \$15.9 to \$144.3 in 2000. The year over year increase reflects the increased level of acquisition activity in 1999 and 2000. See New Accounting Standards section for discussion of accounting for goodwill and other intangible assets going forward.

NON-RECURRING ITEMS

RESTRUCTURING AND OTHER MERGER RELATED COSTS

2001 Activities

Following the completion of the True North acquisition in June 2001, the Company initiated a series of operational initiatives focusing on: a) the integration of the True North operations and the identification of synergies and savings, b) the realignment of certain Interpublic businesses and c) productivity initiatives to achieve higher operating margins. As a result of the operational initiatives, the combined Company has been organized into four global operating groups. Three of these groups, McCann-Erickson WorldGroup, an enhanced FCB Group and a new global marketing resource called The Partnership, provide a full complement of global marketing services and marketing communication services. The fourth group, Advanced Marketing Services, focuses on expanding the Company's operations in the area of specialized marketing communications and services.

In connection with the operational initiatives, the Company executed a wide-ranging restructuring plan that included severance, lease terminations and other actions. The total amount of the charges incurred in connection with the plan was \$645.6 (\$446.5, net of tax), of which \$592.8 was recorded in the third quarter with the remainder having been recorded through the end of the second quarter.

A summary of the components of the total restructuring and other merger related costs in 2001, together with an analysis of the cash and non-cash elements, is as follows:

	<u>Total recorded</u>	<u>Cash paid in 2001</u>	<u>Non-cash items</u>	<u>Liability at December 31, 2001</u>
TOTAL BY TYPE				
Severance and termination costs	\$297.5	\$143.5	\$ --	\$154.0
Lease termination and other exit costs	310.9	55.2	98.6	157.1
Transaction costs	<u>37.2</u>	<u>31.5</u>	<u>5.7</u>	<u>--</u>
Total	<u>\$645.6</u>	<u>\$230.2</u>	<u>\$104.3</u>	<u>\$311.1</u>

The severance and termination costs relate to approximately 6,800 employees who have been, or will be, terminated. As of December 31, 2001, approximately 5,200 of those identified had been terminated. The remaining employees are expected to be terminated by the middle of the year 2002. A significant portion of severance liabilities are expected to be paid out over a period of up to one year. The employee groups affected include all levels and functions across the Company: executive, regional and account management, administrative, creative and media production personnel. Approximately half of the 6,800 headcount reductions relate to the U.S., one third

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relate to Europe (principally the UK, France and Germany), with the remainder relating to Latin America and Asia Pacific.

Lease termination costs, net of estimated sublease income, relate to the offices that have been or will be vacated as part of the restructuring. The Company plans to downsize or vacate approximately 180 locations and expects that all leases will have been terminated or subleased by the middle of the year 2002; however, the cash portion of the charge will be paid out over a period of up to five years. The geographical distribution of offices to be vacated is similar to the geographical distribution of the severance charges. Lease termination and related costs include write-offs related to the abandonment of leasehold improvements as part of the office vacancies.

Other exit costs relate principally to the impairment loss on sale or closing of certain business units in the U.S. and Europe. In the aggregate, the businesses being sold or closed represent an immaterial portion of the revenue and operating profit of the Company. The write-off amount was computed based upon the difference between the estimated sales proceeds (if any) and the carrying value of the related assets. Approximately one half of the sales or closures had occurred by December 2001, with the remaining to occur by the middle of the year 2002.

The transaction costs relate to the direct costs incurred in connection with the True North acquisition and included investment banker and other professional services fees.

2000 Activities

During 2000, the Company recorded restructuring and other merger related costs of \$177.7 (\$124.3, net of tax). Of the total pre-tax restructuring and other merger related costs, cash charges represented \$104.6. The key components of the charge were: a) costs associated with the restructuring of Lowe & Partners Worldwide (formerly Lowe Lintas & Partners Worldwide), b) costs associated with the loss, by True North, of the Chrysler account, c) other costs related to the acquisition of Deutsch and d) costs related principally to the merger with NFO.

Lowe & Partners

In October 1999, the Company announced the merger of two of its advertising networks. The networks affected, Lowe & Partners Worldwide and Ammirati Puris Lintas, were combined to form a new agency. The merger involved the consolidation of operations in agencies in approximately 24 cities in 22 countries around the world and the severance of approximately 600 employees. As of September 30, 2000, all restructuring activities had been completed.

In connection with this restructuring, costs of \$84.1 (\$51.4, net of tax) were recorded in 1999 and \$87.8 (\$53.6, net of tax) in 2000. Of the totals, \$75.6 related to severance, \$50.2 related to lease related costs and the remainder related principally to investment write-offs. No adjustment to the Company's statement of operations was required as a result of the completion of the restructuring plan.

Loss of Chrysler Account

In September 2000, Chrysler, one of True North's larger accounts, announced that it was undertaking a review of its two advertising agencies to reduce the costs of its global advertising and media. On November 3, 2000, True North was informed that it was not selected as the agency of record. In December 2000, True North terminated its existing contract with Chrysler and entered into a transition agreement effective January 1, 2001.

As a result of the loss of the Chrysler account, the Company recorded a charge of \$17.5 pre-tax (\$10.0, net of tax) in the fourth quarter of 2000. The charge covered primarily severance, lease termination and other exit costs associated with the decision to close the Detroit office. The severance portion of the charge amounted to \$5.8 and reflected the elimination of approximately 250 positions. The charge also included \$11.4 associated primarily with the lease termination of the Detroit office, as well as other exit costs. In addition, an impairment loss of \$5.5 was recorded for intangible assets that were determined to be no longer recoverable. Offsetting these charges was a \$5.2 payment from Chrysler to compensate the Company for severance and other exit costs. As of December 31, 2001, all actions had been completed. No adjustment to the Company's statement of operations was required as a result of the completion of these actions.

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Acquisition of Deutsch

In connection with the acquisition of Deutsch in 2000, the Company recognized a charge related to one-time transaction costs of \$44.7 (\$41.7, net of tax). The principal component of this amount related to the expense associated with various equity participation agreements with certain members of management. These agreements provided for participants to receive a portion of the proceeds in the event of the sale or merger of Deutsch.

NFO and Other

In addition to the above 2000 activities, additional charges, substantially all of which were cash costs, were recorded during 2000 related principally to the transaction and other merger related costs arising from the acquisition of NFO.

Also included in 2000 were excess restructuring reserves of \$0.6 related to the 1999 restructuring of Bozell and FCB Worldwide. This excess was reversed into income in the Company's statement of operations during 2000.

1999 Activities

During 1999, the Company recorded restructuring and other merger related costs of \$159.5 (\$101.0, net of tax). Of the total pre-tax restructuring and other merger related costs, cash charges represented \$91.5. The components of the charge were: a) costs associated with the restructuring of Lowe & Partners Worldwide (see above) and b) costs associated with the restructuring of Bozell and FCB Worldwide.

Bozell and FCB Worldwide

In September 1999, the Company announced a formal plan to restructure its Bozell and FCB Worldwide agency operations and recorded a \$75.4 charge (\$49.6, net of tax) in the third quarter of 1999. The charge covered primarily severance (\$41.4) and lease termination and other exit costs (\$24.2) in connection with the combination and integration of the two worldwide advertising agency networks. Approximately 640 individuals were terminated as part of the plan. Bozell Worldwide's international operations, along with Bozell Detroit and Bozell Costa Mesa, were merged with FCB Worldwide and now operate under the FCB Worldwide name. The restructuring initiatives also included the impairment loss on the sale or closing of certain underperforming business units. The activities had been completed by December 31, 2000.

GOODWILL IMPAIRMENT AND OTHER CHARGES

Following the completion of the True North acquisition and the realignment of certain of the Company's businesses, the Company evaluated the realizability of various assets. In connection with this review, undiscounted cash flow projections were prepared for certain investments, and the Company determined that the goodwill attributable to certain business units was stated at an amount in excess of the future estimated cashflows. As a result, an impairment charge of \$303.1 (\$263.4, net of tax) was recorded in 2001. Of the total write-off, \$221.4 was recorded in the second quarter, with the remainder recorded in the third quarter. The largest components of the goodwill impairment and other charges were Capita Technologies, Inc. (approximately \$145) and Zentropy Partners (approximately \$16), both internet services businesses. The remaining amount primarily related to several other businesses including internet services, healthcare consulting and certain advertising offices in Europe and Asia Pacific.

INVESTMENT IMPAIRMENT

During 2001, the Company recorded total charges related to the impairment of investments of \$208.3 (\$134.1, net of tax). Of the total amount, \$160.1 (\$103.7, net of tax) was recorded in the first quarter, with the remainder recorded in the third quarter. The charge in the first quarter related to the impairment of investments primarily in publicly traded internet-related companies, including marchFIRST, Inc. (an internet professional services firm), which had filed for relief under Chapter 11 of the Federal Bankruptcy Code in April 2001. The third quarter charge included write-offs for investments in non-internet companies, certain venture funds and other investments. The impairment charge adjusted the carrying value of investments to the estimated market value where an other than temporary impairment had occurred.

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At December 31, 2001, the Company had approximately \$146 of investments, of which approximately \$55 are less than 20% owned (and are accounted for on the cost basis), and approximately \$91 are available-for-sale securities.

OTHER NON-RECURRING ITEMS

Included in office and general expenses in 2001 were charges of \$85.4 (\$49.5, net of tax) relating primarily to operating assets, which are no longer considered realizable. Additionally, a benefit of \$50.0 (\$29.0, net of tax) resulting from a reduction in severance reserves related to recent significant headcount reductions is included in salaries and related expenses.

In 2000, the Company also recorded its share of the asset impairment and restructuring charges of Modem Media. The \$25.7 charge is reflected in equity in net income of unconsolidated affiliates in the Company's statement of operations.

OTHER INCOME (EXPENSE)

Interest Expense

Interest expense increased by \$38.3 to \$164.6 in 2001 due to higher debt levels, which included the issuance and sale of \$500.0, 7.25% notes due 2011 in August 2001. The increase was partially offset by lower interest rates paid on short-term borrowings. The Company's effective interest rate was benefited by the interest rate swap agreements covering \$400.0 of the \$500.0, 7.875% notes issued in 2000. The interest rate savings as a result of these agreements was approximately \$4.5 in 2001. In addition, the Company expects to further reduce its effective interest rate in 2002 due to the issuance and sale of the Zero-Coupon Convertible Notes in December 2001. See Liquidity and Capital Resources section for description of financing activities. Interest expense increased by \$26.8 to \$126.3 in 2000 due to higher average debt levels and higher interest rates, which included the issuance and sale of \$500.0, 7.875% notes due 2005.

Interest Income

Interest income was \$43.0 in 2001, \$57.5 in 2000 and \$56.2 in 1999. The decrease in 2001 is primarily due to lower interest rates and lower average cash balances primarily resulting from the lower earnings levels in 2001. Interest income increased modestly in 2000 from 1999.

Other Income

Other income primarily consists of investment income, gains from the sale of businesses and other interests and gains (losses) from the sale of investments, primarily marketable securities classified as available-for-sale. Other income decreased by \$32.5 in 2001 and by \$19.6 in 2000 primarily due to a reduction in the gains from sales of investments, which were a loss of \$(2.5), and gains of \$28.5 and \$45.3 in 2001, 2000 and 1999, respectively. The year over year reduction reflects the reduced level of the Company's investment activity.

OTHER ITEMS

The Company's effective income tax rate was a benefit of 8.4% in 2001, and an expense of 42.2% in 2000 and 42.5% in 1999. The 2001 effective tax rate was impacted by the non-recurring items, which were benefited at lower foreign tax rates and by the write-off of non-deductible goodwill, resulting in a lower tax benefit rate. Excluding non-recurring items, the effective income tax rate was 42.5%, 40.1% and 41.4%, respectively. The primary difference between the effective tax rate and the statutory federal rate of 35% is due to state and local taxes and nondeductible goodwill expense. The increased tax rate in 2001 reflects a change in the tax status of Deutsch, Inc., which was acquired in November 2000, from "S" Corporation to "C" Corporation status.

Income applicable to minority interests decreased by \$12.5 to \$30.3 in 2001 and increased by \$4.6 in 2000. The decrease in 2001 was primarily due to lower operating results of certain operations in Europe and Asia Pacific. The slight increase in 2000 was due to the growth of companies not wholly owned.

Equity in net income of unconsolidated affiliates was \$5.4 in 2001, a loss of \$14.6 in 2000 and income of \$11.0 in 1999. Equity in net income of unconsolidated affiliates excluding non-recurring items decreased to \$5.4 in 2001

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from \$11.1 in 2000. The decrease was primarily due to reduced earnings of our unconsolidated affiliates and the consolidation of an advertising office in the Middle East at the end of 2000.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2001, cash and cash equivalents were \$935.2, an increase of \$90.6 from the December 31, 2000 balance of \$844.6. The Company collects funds from clients on behalf of media outlets resulting in cash receipts and disbursements at levels substantially exceeding its

revenue. Therefore, the working capital amounts reported on its balance sheet and cash flows from operating activities reflect the "pass-through" of these items.

Cash flow provided from operating activities, supplemented by seasonal short-term borrowings and long-term credit facilities, finance the operating, acquisition and capital expenditure requirements of the Company, in addition to dividend payments and repurchases of common stock.

Operating Activities

Cash flow from operations and borrowings under existing credit facilities, and refinancings thereof, have been the primary sources of the Company's working capital, and management believes that they will continue to be so in the future.

Net cash provided by operating activities was \$148.5, \$607.2 and \$769.4 for the years ended December 31, 2001, 2000 and 1999, respectively. The decrease in 2001 was primarily attributable to lower operating profit levels and to severance payments made in connection with the Company's restructuring plan. The Company's practice is to bill and collect from its clients in sufficient time to pay the amounts due for media on a timely basis. Other uses of working capital include acquisitions, capital expenditures, disbursements for severance and lease terminations related to the Company's restructuring activities, repurchase of the Company's common stock and payment of cash dividends.

Investing Activities

The Company pursues acquisitions to complement and enhance its service offerings. In addition, the Company seeks to acquire businesses similar to those already owned to expand its geographic scope to better serve new and existing clients. Acquisitions have historically been funded using stock, cash or a combination of both.

During 2001, 2000 and 1999 the Company paid \$1,729.7, \$1,668.3 and \$652.2, respectively, in cash and stock for new acquisitions, including a number of specialized marketing and communications services companies to complement its existing agency systems and to optimally position itself in the ever-broadening communications marketplace. This amount includes the value of stock issued for pooled companies and includes cash of \$84.7, \$577.4 and \$231.4 in 2001, 2000 and 1999, respectively.

The Company's capital expenditures in 2001 were \$268.0 compared to \$259.5 in 2000 and \$249.7 in 1999. The primary purposes of these expenditures were to upgrade computer and telecommunications systems and to modernize offices. The Company's planned capital expenditures for 2002 are estimated to be no greater than the level of spending in 2001.

During 2001, the Company sold a marketing services affiliate in Europe for approximately \$5 and some non-core marketing services affiliates in the U.S. for approximately \$6.9.

During 2000, the Company sold its interest in a non-core minority owned marketing services business for proceeds of approximately \$12.

During 1999, the Company sold its entire investment in Publicis S.A. for net cash proceeds of \$135.3 and a portion of its investments in the common stock of Lycos and marchFIRST (formerly USWEB) for combined proceeds of approximately \$56. Additionally, the Company sold its minority interest in Nicholson NY, Inc. to Icon in exchange for shares of Icon's common stock worth \$19.

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Financing Activities

Total debt at December 31, 2001 was \$2,933.7, an increase of \$852.6 from December 31, 2000. The increase in debt was primarily attributable to lower operating profit levels and to severance payments made in connection with the Company's restructuring plan.

Zero-Coupon Convertible Notes

In December 2001, the Company completed the issuance and sale of approximately \$702 of aggregate principal amount of Zero-Coupon Convertible Senior Notes ("Zero-Coupon Notes") due 2021. The Company used the net proceeds of \$563.5 from this offering to repay indebtedness under the Company's credit facilities. The Zero-Coupon Notes are unsecured, zero-coupon, senior securities that may be converted into common shares if the price of the Company's common stock reaches a specified threshold, at a conversion rate of 22.8147 shares per one thousand dollars principal amount at maturity, subject to adjustment. This threshold will initially be 120% of the accreted value of a Zero-Coupon Note, divided by the conversion rate and will decline 1/2% each year until it reaches 110% at maturity in 2021. A Zero-Coupon Note's accreted value is the sum of its issue price plus its accrued original issue discount.

The Zero-Coupon Notes may also be converted, regardless of the sale price of the Company's common stock, at any time after: (i) the credit rating assigned to the Zero-Coupon Notes by any two of Moody's Investors Service, Inc., Standard & Poor's Ratings Group and Fitch IBCA Duff & Phelps are Bal, BB+ and BB+, respectively, or lower, or the Zero-Coupon Notes are no longer rated by at least two of these ratings services, (ii) the Company calls the Zero-Coupon Notes for redemption, (iii) the Company makes specified distributions to shareholders or (iv) the Company becomes a party to a consolidation, merger or binding share exchange pursuant to which our common stock would be converted into cash or property (other than securities).

The Company, at the investor's option, may be required to redeem the Zero-Coupon Notes for cash on December 14, 2003. The Company may also be required to redeem the Zero-Coupon Notes at the investor's option, on December 14, 2004, 2005, 2006, 2011 or 2016 for cash or common stock or a combination of both, at the Company's election. Additionally, the Company has the option of redeeming the Zero-Coupon Notes after December 14, 2006 for cash.

The yield to maturity of the Zero-Coupon Notes at the date of issuance was 1%. Unless the Company is required to pay the contingent interest described in the following sentence or the U.S. tax laws change in certain ways, no cash interest will be paid at any time. After December 14, 2006, if the Company's stock price reaches specified thresholds, the Company would be obligated to pay semi-annual contingent cash interest which would approximate the dividends paid to common stockholders during the prior six-month period (subject to a floor rate). Further, in the event that the notes are not registered for public sale by May 13, 2002, additional amounts of up to 0.5% per annum would be payable until the

registration is declared effective by the SEC.

Senior Unsecured Notes - 7.25%

On August 22, 2001, the Company completed the issuance and sale of \$500.0 principal amount of senior unsecured notes due 2011. The notes bear interest at a rate of 7.25% per annum. The Company used the net proceeds of approximately \$493 from the sale of the notes to repay outstanding indebtedness under its credit facilities.

Senior Unsecured Notes - 7.875%

On October 20, 2000, the Company completed the issuance and sale of \$500.0 principal amount of senior unsecured notes due 2005. The notes bear an interest rate of 7.875% per annum. The Company used the net proceeds of approximately \$496 from the sale of the notes to repay outstanding indebtedness under its credit facilities.

During 2001, the Company entered into interest rate swap agreements to convert the fixed interest rate on the 7.875% notes to a variable rate based on 6 month LIBOR. At December 31, 2001, the Company had outstanding interest rate swap agreements covering \$400.0 of the \$500.0, 7.875% notes due October 2005. The swaps have the same term as the 7.875% notes and, for 2001, had the effect of reducing the effective interest rate on the notes to 6.972%.

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Credit Agreements

In July 2001, the Company entered into a credit agreement with a group of lenders. The credit agreement provided for revolving borrowings of up to \$750.0. No borrowings were drawn under this facility and the facility terminated upon the issuance and sale of the \$500.0 Senior Notes on August 22, 2001.

On June 26, 2001, the Company replaced its maturing \$375.0, 364-day syndicated revolving multi-currency credit agreement with a substantially similar \$500.0 facility. The new facility bears interest at variable rates based on either LIBOR or a bank's base rate, at the Company's option. As of December 31, 2001, there were no outstanding balances under this facility. Prior to June 25, 2002, the Company may, at its option, borrow the full amount of the \$500.0 facility for a one-year term.

In June 2000, the Company entered into a five-year syndicated revolving multi-currency credit agreement with a group of lenders. The credit agreement provides for borrowings of up to \$375.0 which bear interest at variable rates based on LIBOR or a bank's base rate, at the Company's option. At December 31, 2001, there was approximately \$144.1 borrowed under this facility.

The Company's bank-provided revolving credit agreements include financial covenants that set maximum levels of debt as a function of EBITDA and minimum levels of EBITDA as a function of interest expense (as defined in these agreements). The financial covenants contained in the Company's term loan agreements set minimum levels for net worth and for cash flow as a function of borrowed funds and maximum levels of borrowed funds as a function of net worth (as defined in these agreements). At December 31, 2001, the Company was in compliance with all of its financial covenants, with the most restrictive being that of cash flow to borrowed funds, the ratio of which is required to exceed .25 to 1. During 2001, as a result of the significant non-recurring charges, the Company required and received amendments related to its financial covenants.

Floating Rate Notes

On June 28, 2001, the Company issued and sold \$100.0 of floating rate notes. The notes mature on June 28, 2002 and bear interest at a variable rate based on three month LIBOR. The Company intends to repay these notes at maturity from its available borrowing capacity.

Other

During 2001, the Company purchased approximately 2.4 million shares of its common stock, compared to 4.8 million shares in 2000. Since July 2001, the Company has not repurchased its common stock in the open market as its current holdings of treasury shares are sufficient to meet its needs for various compensation plans.

The Company has paid cash dividends at a quarterly rate of \$0.095 per share since the second quarter of 2000, when it was increased from \$0.085 per share. The determination of dividend payments is made by the Company's Board of Directors on a quarterly basis. The Company anticipates that the payment of dividends will continue to be at levels similar to the levels in 2001.

Based on current demand for the Company's services and the global economic environment, the Company believes that its cash flow from operations, together with its existing lines of credit and cash on hand, is sufficient to provide for the liquidity needs of its business. At December 31, 2001 and 2000, the Company's committed credit facilities were approximately \$875 and \$750, respectively, of which \$144.1 and \$160.0 were utilized at December 31, 2001 and 2000. In addition, the Company has had success in the past accessing the debt markets for increased liquidity. Unanticipated decreases in cash flow from operations as a result of decreased demand for our services and other developments, including those described in the "Cautionary Statement" below, may require the Company to seek other sources of liquidity and modify its operating strategies.

The Company is currently engaged in preliminary discussions and expects to renew its 364-day, \$500.0 bank facility which matures in June 2002. At December 31, 2001, there were no borrowings under this facility.

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Contractual Obligations

The following summarizes the Company's estimated contractual obligations at December 31, 2001, and the effect such obligations are expected to have on its liquidity and cash flow in future periods.

	<u>TOTAL</u>	<u>LESS THAN 1 YEAR</u>	<u>1-3 YEARS</u>	<u>AFTER 3 YEARS</u>
CONTRACTUAL OBLIGATIONS:				
Long-term debt	\$2,515.2	\$ 34.6	\$318.9	\$2,161.7
Non-cancelable operating lease obligations	\$1,552.9	\$314.1	\$400.2	\$ 838.6
Estimated obligations under acquisition earn-outs	\$ 380.0	\$150.0	\$230.0	\$ --

The amount reflected as obligations under acquisition earn-outs is estimated based on the assumption that the full amount due under the acquisition agreements would be paid, however, the Company does not expect to pay out the full amount estimated.

As noted above, the Company's Zero-Coupon Notes contain a provision whereby the Company may be required to redeem the Zero-Coupon Notes for cash on December 14, 2003.

DERIVATIVES AND HEDGING ACTIVITIES

The Company enters into interest rate swaps, hedges of net investment in overseas subsidiaries and forward contracts to mitigate related risks.

Interest Rate Swaps

At December 31, 2001, the Company had outstanding interest rate swap agreements covering \$400.0 of the \$500.0, 7.875% notes due October 2005. The swaps have the same term as the debt and effectively convert the fixed rate on the debt to a variable rate based on 6 month LIBOR. The swaps are accounted for as hedges of the fair value of the related debt and are recorded as an asset or liability as appropriate. As of December 31, 2001, the fair value of the hedges was an asset of \$10. The net effect of the hedges is that interest expense on the \$400.0 of debt being hedged is recorded at variable rates, which for 2001 resulted in the effective interest rate on the \$500.0, 7.875% notes being reduced to 6.972%. The fair value is estimated based on quotes from the market makers of these instruments and represents the estimated amounts that the Company would expect to receive if these agreements were terminated. These instruments were executed with institutions the Company believes to be credit-worthy.

Hedges of Net Investment

The Company has significant foreign operations and conducts business in various foreign currencies. In order to hedge the value of its investment in Europe, the Company has designated approximately 125 million Euro of borrowings under its \$375.0 syndicated revolving multi-currency credit facility as a hedge of this net investment. Changes in the spot rate of the debt instruments designated as hedges of the net investment in a foreign subsidiary are reflected in the cumulative translation adjustment component of stockholders' equity. As of December 31, 2001, the reduction in stockholders' equity related to this item was approximately \$5.

Forward Contracts

Short-term

The Company has entered into foreign currency transactions in which foreign currencies (principally the Euro, Pounds Sterling and the Japanese Yen) are bought or sold forward. The contracts were entered into to meet currency requirements arising from specific transactions. The changes in value of these forward contracts were reflected in the Company's consolidated statement of operations. As of December 31, 2001, the Company had contracts covering

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Dollars in Millions, Except Per Share Amounts)

approximately \$50 of notional amount of currency. Substantially all of these contracts expire by the end of February 2002. As of December 31, 2001, the fair value of the forwards was a loss of \$0.2.

Long-term

In September 2000, the Company acquired a 35.5% interest in Springer & Jacoby, a German-based advertising group, for total consideration of \$25.9. The consideration consisted of an initial cash payment of \$16.9 and a put option valued at \$9.0. Pursuant to the purchase agreement, two shareholders of Springer & Jacoby have the right to sell all of their shares (put option) to the Company in January 2003 at a fixed price of 27.1 million Euros. The additional shares to be purchased in January 2003 pursuant to the put option represent 15.5% of the outstanding shares of Springer & Jacoby. The Company has recorded the fair value of this put option as an \$8.3 liability at December 31, 2001. The Company has entered into forward contracts to purchase 27.1 million Euros in January 2003. The fair value of the forward contracts was recorded as an asset of \$1.0 at December 31, 2001. Changes in the fair value of the put option liability and the forward contracts are reflected as a component of the Company's consolidated statement of operations.

Other

Under the terms of the offering of Zero-Coupon Convertible Notes in December 2001, two embedded derivative instruments were created. The derivatives are related to: a) the value of the contingent interest feature (whereby cash interest may become payable in certain circumstances) and, b) the value of the feature that the debt becomes convertible upon a reduction in the credit rating of the Notes. The Company obtained valuations of the two derivatives at the time of initial issuance of the Notes and determined that the fair value of the two derivatives was negligible. At December 31, 2001, the fair value of the two derivatives was negligible.

CRITICAL ACCOUNTING POLICIES

The Company's significant accounting policies are described in Note 1 to the consolidated financial statements. The Company believes the following accounting policies are critical to the accuracy of the more significant judgements and estimates used in the preparation of its consolidated financial statements:

- * revenue recognition;
- * allowance for doubtful accounts;
- * accounting for income taxes; and
- * valuation of long-lived and intangible assets, investments and goodwill.

Revenue recognition

The Company derives revenue from advertising services, including media buying, and from marketing and communication services, including market research, public relations, direct marketing, sales promotion and event marketing activities.

The Company's advertising services revenue is derived from commissions that are earned when the media is placed, from fees earned as advertising services are performed and from production services rendered. In addition, incentive amounts may be earned based on qualitative and/or quantitative criteria. In the case of commissions, revenue is recognized as the media placements appear. In the case of fee and production arrangements, the revenue is recognized as the services are performed which is generally ratably over the period of the client contract. The Company's marketing service revenues are generally earned on a fee basis, and in certain cases incentive amounts may also be earned. As with fee arrangements in advertising, such revenue is recognized as the work is performed. Incentive amounts are recognized upon satisfaction of the relevant qualitative and quantitative criteria.

Allowance for doubtful accounts

The Company assesses the required amount of allowance for doubtful accounts based on past experience and reviews of aging and analysis of specific accounts. While the expense for bad debts has historically fluctuated in line with revenue, it is not certain that past experience will continue.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Dollars in Millions, Except Per Share Amounts)

Accounting for income taxes

As part of the process of preparing its consolidated financial statements, the Company is required to estimate income taxes payable in each of the jurisdictions in which it operates. This process involves estimating the actual current tax expense together with assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are included within our consolidated balance sheet. The Company then assesses the likelihood that deferred tax assets will be recovered from future taxable income and to the extent it is determined that recovery is not likely, a valuation allowance is established. Significant management judgement is required in determining the provision for income taxes and the amount of valuation allowance that would be required. In the event that actual results differ from these estimates or the Company adjusts these estimates in future periods, the Company may need to establish an additional valuation allowance which could materially impact our financial position and results of operations.

Valuation of long-lived and intangible assets, investments and goodwill

The Company has a significant amount of long-lived assets, including fixed assets, investments, goodwill and other intangibles. The Company periodically evaluates the realizability of all of its long-lived assets. Future events could cause the Company to conclude that impairment indicators exist and that the asset values associated with a given operation have become impaired. Any resulting impairment loss could have a material impact on the Company's financial condition and results of operations.

OTHER MATTERS

Argentina

As a result of the devaluation of the Argentine peso in recent months, the Company's cumulative translation adjustment balance for its Argentine operation reflected a reduction in stockholders' equity of approximately \$10 at December 31, 2001. The Company expects to maintain its strategic investment in Argentina for the long-term and further anticipates that its Argentine operations will remain profitable. Accordingly, the Company does not currently consider its investment in Argentina to be permanently impaired.

New Accounting Standards

In June 2001, Statement of Financial Accounting Standards No. 141, "Business Combinations" ("SFAS 141"), and Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets" ("SFAS 142") were issued. SFAS 141 requires that companies use the purchase method of accounting for all business combinations initiated after June 30, 2001 and addresses the initial recognition and measurement of goodwill and other intangible assets acquired in a business combination. SFAS 142 addresses the initial recognition and measurement of intangible assets acquired outside a business combination and the recognition and measurement of goodwill and other intangible assets subsequent to acquisition. Under the new standards, goodwill and intangible assets deemed to have indefinite lives will no longer be amortized but, instead, will be tested at least annually for impairment. Other intangible assets will continue to be amortized over their useful lives. The Company will adopt the new standards on accounting for goodwill and other intangible assets effective January 1, 2002.

Upon adoption, the Company will cease amortizing the remaining amount of unamortized goodwill. As of December 31, 2001, the Company's remaining unamortized goodwill balance was \$3,004.7. Although the Company is still reviewing the provisions of the Statements, it is management's preliminary assessment that no goodwill impairment will be recognized upon adoption of the new standard. Further, the Company does not anticipate any significant reclassifications of amounts reflected on its balance sheet as a result of the adoption of the standard.

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

(Dollars in Millions, Except Per Share Amounts)

Although SFAS 142 does not require that previously reported numbers be restated, the following table sets forth the effect on reported results of adopting SFAS 142:

	<u>2001</u>	<u>2000</u>	<u>1999</u>
Net income (loss), as reported	\$(505.3)	\$420.3	\$359.4
Add back amortization of goodwill	169.0	140.4	122.8
Less related tax effect	<u>(24.3)</u>	<u>(17.2)</u>	<u>(15.0)</u>
Net income (loss), as adjusted	<u>\$(360.6)</u>	<u>\$543.5</u>	<u>\$467.2</u>

In June 2001, Statement of Financial Accounting Standards No. 143, "Accounting for Asset Retirement Obligations" ("SFAS 143") was issued. SFAS 143 addresses financial accounting and reporting for legal obligations associated with the retirement of tangible long-lived assets and the associated retirement costs that result from the acquisition, construction, or development and normal operation of a long-lived asset. Upon initial recognition of a liability for an asset retirement obligation, SFAS 143 requires an increase in the carrying amount of the related long-lived asset. The asset retirement cost is subsequently allocated to expense using a systematic and rational method over the assets useful life. SFAS 143 is effective for fiscal years beginning after June 15, 2002. The adoption of this statement is not expected to have a material impact on the Company's financial position or results of operations.

In August 2001, Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-lived Assets" ("SFAS 144") was issued. SFAS 144 supersedes Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-lived Assets to be Disposed of", and the accounting and reporting provisions of APB Opinion No. 30, "Reporting the Results of Operations-Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently occurring Events and Transactions". SFAS 144 also amends ARB (Accounting Research Bulletins) No. 51, "Consolidated Financial Statements", to eliminate the exception to consolidation for a subsidiary for which control is likely to be temporary. SFAS 144 retains the fundamental provisions of SFAS 121 for recognizing and measuring impairment losses on long-lived assets held for use and long-lived assets to be disposed of by sale, while resolving significant implementation issues associated with SFAS 121. Among other things, SFAS 144 provides guidance on how long-lived assets used as part of a group should be evaluated for impairment, establishes criteria for when long-lived assets are held for sale, and prescribes the accounting for long-lived assets that will be disposed of other than by sale. SFAS 144 is effective for fiscal years beginning after December 15, 2001. The adoption of this statement is not expected to have a material impact on the Company's financial position or results of operations.

Conversion to the Euro

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

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

**THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(Dollars in Millions, Except Per Share Amounts)**

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is exposed to market risk related to interest rates and foreign currencies.

Interest Rates

At December 31, 2001, a significant portion of the Company's debt obligations were at fixed interest rates. Accordingly, assuming the fixed rate debt is not refinanced, there would be no impact on interest expense or cash flow from either a 10% increase or decrease in market rates of interest. The fair market value of the debt obligations would decrease by \$24 if market rates were to increase by 10% and would increase by \$26 if market rates were to decrease by 10%. For that portion of the debt that is either maintained at variable rates or is swapped into variable rates, based on amounts and rates outstanding at December 31, 2001, the change in interest expense and cash flow from a 10% change in rates would be approximately \$5.

Foreign Currencies

The Company faces two risks related to foreign currency exchange: translation risk and transaction risk. Amounts invested in the Company's foreign operations are translated into U.S. dollars at the exchange rates in effect at the balance sheet date. The resulting translation adjustments are recorded as a component of accumulated other comprehensive income (loss) in the stockholders' equity section of the balance sheet. The Company's foreign subsidiaries generally collect revenues and pay expenses in currencies other than the United States dollar. Since the functional currency of the Company's foreign operations is generally the local currency, foreign currency translation of the balance sheet is reflected as a component of stockholders' equity and does not impact operating results. Revenues and expenses in foreign currencies translate into varying amounts of U.S. dollars depending upon whether the U.S. dollar weakens or strengthens against other currencies. Therefore, changes in exchange rates may negatively affect the Company's consolidated revenues and expenses (as expressed in U.S. dollars) from foreign operations. Currency

transaction gains or losses arising from transactions in currencies other than the functional currency are included in results of operations. The Company has generally not entered into a material amount of foreign currency forward exchange contracts or other derivative financial instruments to hedge the effects of adverse fluctuations in foreign currency exchange rates.

CAUTIONARY STATEMENT

This Annual Report on Form 10-K, including Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements. Statements in this Annual Report that are not historical facts, including statements about the Company's beliefs and expectations, particularly regarding recent business and economic trends, the integration of acquisitions and restructuring costs, constitute forward-looking statements. These statements are based on current plans, expectations, estimates and projections, and you should therefore not place undue reliance on them. Forward-looking statements speak only as of the date they are made, and the Company undertakes 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, those associated with the effect of national and regional economic conditions, the ability of the Company to attract new clients and retain existing clients, the financial success of the Company's clients, developments from changes in the regulatory and legal environment for advertising companies around the world, and the successful completion and integration of acquisitions which complement and expand our business capabilities.

This Annual Report also contains certain financial information calculated on a "pro forma" basis (including information that is restated to exclude the impact of specified historical events). Because "pro forma" financial information by its very nature departs from traditional accounting conventions, such information should not be viewed as a substitute for the information prepared in accordance with GAAP contained in the Company's financial statements that are contained in this Annual Report and should be read in conjunction therewith.

REPORT OF INDEPENDENT ACCOUNTANTS

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

In our opinion, based on our audits and the reports of other auditors, the accompanying consolidated balance sheets and the related consolidated statements of income, of cash flows, and of stockholders' equity and comprehensive income present fairly, in all material respects, the financial position of The Interpublic Group of Companies, Inc. and its subsidiaries (the "Company") at December 31, 2001 and 2000, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2001 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of NFO Worldwide, Inc. ("NFO"), a wholly-owned subsidiary, which statements reflect total revenues constituting approximately 7% of the related 1999 consolidated financial statement total. We did not audit the financial statements of Deutsch, Inc. and Subsidiary and Affiliates ("Deutsch"), a wholly-owned subsidiary, which statements reflect total net loss constituting approximately 2% of the related 2000 consolidated financial statement total and total net income constituting approximately 4% of the related 1999 consolidated financial statement total. Additionally, we did not audit the financial statements of True North Communications Inc. ("True North"), a wholly-owned subsidiary, which statements reflect total revenues constituting approximately 22% of the related consolidated financial statement totals for each of the two years in the period ended December 31, 2000. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for NFO, Deutsch and True North, is based solely on the reports of the other auditors. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits and the reports of other auditors provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
New York, New York
February 28, 2002

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Stockholders and Board of Directors of True North Communications Inc.:

We have audited the consolidated balance sheets of True North Communications Inc. (a Delaware corporation) and Subsidiaries (the "Company") as of December 31, 2000 and 1999, and the related consolidated statements of income, stockholders' equity and cash flows for each of three years in the period ended December 31, 2000 (not presented herein). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of Publicis Communications for the year ended December 31, 1998. The Company's equity in its net earnings was \$3.7 million for the year ended December 31, 1998. The financial statements of Publicis Communications were audited by other auditors whose report has been furnished to us and our opinion, insofar as it relates to the amounts included for Publicis Communications, is based solely upon the report of the other auditors.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the report of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of True North Communications Inc. and Subsidiaries as of December 31, 2000, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally

accepted in the United States.

As explained in the notes to the consolidated financial statements (not presented herein), the Company has given retroactive effect to the change in accounting for amortization of intangible assets.

Arthur Andersen LLP
Chicago, Illinois,
March 20, 2001

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Directors and Stockholders of NFO Worldwide, Inc.:

We have audited the accompanying consolidated statement of income, stockholder's equity and cash flows of NFO Worldwide, Inc. (a Delaware corporation) and subsidiaries for the year ended December 31, 1999. These financial statements (not presented separately herein) are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the results of operations and cash flows of NFO Worldwide, Inc. and subsidiaries for the year ended December 31, 1999, in conformity with accounting principles generally accepted in the United States.

Our audit was made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The schedule referred to in Item 14 (not separately presented herein) is presented for the purpose of complying with the Securities and Exchange Commission's rules and is not part of the consolidated financial statements. This schedule has been subjected to the auditing procedures applied in our audits of the consolidated financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the consolidated financial statements taken as a whole.

Arthur Andersen LLP
New York, New York,
February 25, 2000

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Stockholder of Deutsch, Inc. and Subsidiary and Affiliates:

We have audited the combined balance sheet of Deutsch, Inc. and Subsidiary and Affiliates as of December 31, 2000, and the related combined statements of operations, stockholder's equity and cash flows for the two years then ended. These combined financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall combined financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Deutsch, Inc. and Subsidiary and Affiliates as of December 31, 2000, and their results of operations and cash flows for the two years then ended, in conformity with accounting principles generally accepted in the United States of America.

The 1999 combined financial statements have been restated to reflect the correct treatment of payments made to the Company's sole stockholder. In financial statements previously issued for the year ended December 31, 1999, certain payments had been classified as bonuses which, it has been determined, should have been reflected as distributions to the Company's sole stockholder. Accordingly, the Company has restated the 1999 financial statements to reflect the correct accounting for the payments and the related tax effects.

J.H. Cohn LLP
Roseland, New Jersey
February 13, 2001

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES CONSOLIDATED STATEMENT OF OPERATIONS (Amounts in Millions, Except Per Share Amounts)

	<u>YEAR ENDED DECEMBER 31,</u>		
	<u>2001</u>	<u>2000</u>	<u>1999</u>
REVENUE	<u>\$6,726.8</u>	<u>\$7,182.7</u>	<u>\$6,417.2</u>
OPERATING EXPENSES:			
Salaries and related expenses	3,787.1	4,035.2	3,617.4
Office and general expenses	2,026.1	1,976.4	1,862.5
Amortization of intangible assets	173.0	144.3	128.4
Restructuring and other merger related costs	645.6	177.7	159.5
Goodwill impairment and other charges	<u>303.1</u>	<u>—</u>	<u>—</u>
Total operating expenses	<u>6,934.9</u>	<u>6,333.6</u>	<u>5,767.8</u>
OPERATING INCOME (LOSS)	<u>(208.1)</u>	<u>849.1</u>	<u>649.4</u>
OTHER INCOME (EXPENSE):			
Interest expense	(164.6)	(126.3)	(99.5)
Interest income	43.0	57.5	56.2
Other income	13.7	46.2	65.8
Investment impairment	<u>(208.3)</u>	<u>—</u>	<u>—</u>
Total other income (expense)	<u>(316.2)</u>	<u>(22.6)</u>	<u>22.5</u>
Income (loss) before provision for (benefit of) income taxes	(524.3)	826.5	671.9
Provision for (benefit of) income taxes	<u>(43.9)</u>	<u>348.8</u>	<u>285.3</u>
Income (loss) of consolidated companies	(480.4)	477.7	386.6
Income applicable to minority interests	(30.3)	(42.8)	(38.2)
Equity in net income (loss) of unconsolidated affiliates	<u>5.4</u>	<u>(14.6)</u>	<u>11.0</u>
NET INCOME (LOSS)	<u>\$ (505.3)</u>	<u>\$ 420.3</u>	<u>\$ 359.4</u>
Earnings (loss) per share:			
Basic EPS	\$ (1.37)	\$ 1.17	\$ 1.02
Diluted EPS	\$ (1.37)	\$ 1.14	\$ 0.99
Weighted average shares:			
Basic	369.0	359.6	352.0
Diluted	369.0	370.6	364.6
Cash dividends per share	\$ 0.38	\$ 0.37	\$ 0.33

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

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(Amounts in Millions, Except Per Share Amounts)

ASSETS

	<u>DECEMBER 31,</u>	
	<u>2001</u>	<u>2000</u>
CURRENT ASSETS:		

Cash and cash equivalents (includes certificates of deposit: 2001-\$93.8; 2000-\$110.9)	\$ 935.2	\$ 844.6
Accounts receivable (net of allowance for doubtful accounts: 2001-\$90.7; 2000-\$85.7)	4,780.5	5,735.7
Expenditures billable to clients	333.0	437.9
Deferred taxes on income	80.0	--
Prepaid expenses and other current assets	<u>338.5</u>	<u>277.8</u>
Total current assets	<u>6,467.2</u>	<u>7,296.0</u>

FIXED ASSETS, AT COST:

Land and buildings	161.1	174.1
Furniture and equipment	1,085.8	1,103.7
Leasehold improvements	<u>461.4</u>	<u>427.8</u>
	1,708.3	1,705.6
Less: accumulated depreciation	<u>(858.0)</u>	<u>(879.2)</u>
Total fixed assets	<u>850.3</u>	<u>826.4</u>

OTHER ASSETS:

Investment in unconsolidated affiliates	165.0	178.9
Deferred taxes on income	492.8	380.3
Other assets and miscellaneous investments	432.5	525.4
Intangible assets (net of accumulated amortization: 2001-\$1,024.8; 2000-\$861.5)	<u>3,106.9</u>	<u>3,155.0</u>
Total other assets	<u>4,197.2</u>	<u>4,239.6</u>

TOTAL ASSETS \$11,514.7 \$12,362.0

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

**THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(Amounts in Millions, Except Per Share Amounts)**

LIABILITIES AND STOCKHOLDERS' EQUITY

	<u>DECEMBER 31,</u>	
	<u>2001</u>	<u>2000</u>
CURRENT LIABILITIES:		
Accounts payable	\$ 4,525.2	\$ 5,751.3
Accrued expenses	1,316.5	1,081.7
Accrued income taxes	103.1	210.3
Dividends payable	36.0	29.4
Short-term bank borrowings	418.5	483.8
Current portion of long-term debt	<u>34.6</u>	<u>65.5</u>
Total current liabilities	<u>6,433.9</u>	<u>7,622.0</u>
NON-CURRENT LIABILITIES:		
Long-term debt	1,356.8	998.7
Convertible subordinated notes	548.5	533.1
Zero-coupon convertible senior notes	575.3	-

Deferred compensation	376.7	464.3
Accrued postretirement benefits	54.4	55.2
Other non-current liabilities	100.5	105.7
Minority interests in consolidated subsidiaries	<u>89.3</u>	<u>100.6</u>
Total non-current liabilities	<u>3,101.5</u>	<u>2,257.6</u>

Commitments and contingencies (Note 16)

STOCKHOLDERS' EQUITY:

Preferred stock, no par value,
shares authorized: 20.0, shares issued: none

Common stock, \$0.10 par value,
shares authorized: 550.0,

shares issued: 2001 - 385.8; 2000 - 377.3	38.6	37.7
Additional paid-in capital	1,785.2	1,514.7
Retained earnings	1,011.2	1,667.5
Accumulated other comprehensive loss, net of tax	<u>(451.5)</u>	<u>(411.6)</u>
	2,383.5	2,808.3

Less:

Treasury stock, at cost: 2001 - 7.3 shares; 2000 - 5.5 shares	(290.2)	(194.8)
Unamortized deferred compensation	<u>(114.0)</u>	<u>(131.1)</u>

Total stockholders' equity	<u>1,979.3</u>	<u>2,482.4</u>
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TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$11,514.7</u>	<u>\$12,362.0</u>
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The accompanying notes are an integral part of these financial statements.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
(Amounts in Millions)

	<u>YEAR ENDED DECEMBER</u>		
	<u>2001</u>	<u>2000</u>	<u>1999</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	\$ (505.3)	\$ 420.3	\$ 359.4
Adjustments to reconcile net income (loss) to cash provided by operating activities:			
Depreciation and amortization of fixed assets	199.1	192.6	168.0
Amortization of intangible assets	173.0	144.3	128.4
Amortization of restricted stock awards and bond discounts	79.1	60.5	42.9
Provision for (benefit of) deferred income taxes	(191.2)	(20.2)	14.6
Undistributed equity losses (earnings)	1.5	14.6	(10.4)
Income applicable to minority interests	30.3	42.8	38.2
Restructuring costs, non-cash	104.3	73.1	68.0
Investment impairment	208.3	--	--
Goodwill impairment and other	275.6	--	--
Other net (gains) losses	(5.6)	(32.0)	(47.7)
Change in assets and liabilities, net of acquisitions:			
Accounts receivable	780.6	(230.6)	(928.5)
Expenditures billable to clients	84.6	(30.0)	(24.4)

Prepaid expenses and other current assets	(106.4)	(56.6)	(8.3)
Accounts payable, accrued expenses and other current liabilities	(896.0)	13.1	1,004.6
Accrued income taxes	(97.0)	(13.1)	(64.4)
Other non-current assets and liabilities	<u>13.6</u>	<u>28.4</u>	<u>29.0</u>
Net cash provided by operating activities	<u>148.5</u>	<u>607.2</u>	<u>769.4</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Acquisitions, net of cash acquired	(310.6)	(670.1)	(318.6)
Capital expenditures	(268.0)	(259.5)	(249.7)
Proceeds from sales of businesses	18.9	12.1	--
Proceeds from sales of long-term investments	36.8	83.9	268.2
Purchase of long-term investments	(29.4)	(147.9)	(133.9)
Maturities of short-term marketable securities	85.3	98.3	25.8
Purchases of short-term marketable securities	(79.7)	(101.4)	(51.7)
Other investments and miscellaneous assets	(142.2)	(95.0)	(54.2)
Investment in unconsolidated affiliates	<u>(7.6)</u>	<u>(12.5)</u>	<u>(11.1)</u>
Net cash used in investing activities	<u>(696.5)</u>	<u>(1,092.1)</u>	<u>(525.2)</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Increase (decrease) in short-term bank borrowings	(670.6)	105.8	50.0
Proceeds from long-term debt	1,804.7	1,013.9	433.9
Payments of long-term debt	(281.8)	(521.8)	(111.1)
Treasury stock acquired	(118.0)	(248.1)	(313.4)
Issuance of common stock	85.6	60.0	91.5
Proceeds from IPO of subsidiary	--	--	42.0
Cash dividends - Interpublic	(129.2)	(109.1)	(90.4)
Cash dividends - pooled companies	<u>(15.2)</u>	<u>(44.3)</u>	<u>(43.3)</u>
Net cash provided by financing activities	<u>675.5</u>	<u>256.4</u>	<u>59.2</u>

Deconsolidation of subsidiary	--	(29.1)	--
Effect of exchange rates on cash and cash equivalents	<u>(36.9)</u>	<u>(45.1)</u>	<u>(46.0)</u>
Increase (decrease) in cash and cash equivalents	90.6	(302.7)	257.4
Cash and cash equivalents at beginning of year	<u>844.6</u>	<u>1,147.3</u>	<u>889.9</u>
Cash and cash equivalents at end of year	<u>\$ 935.2</u>	<u>\$ 844.6</u>	<u>\$1,147.3</u>

SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid for interest	\$ 122.5	\$ 88.7	\$ 72.0
Cash paid for income taxes	\$ 231.1	\$ 274.5	\$ 239.2

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

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY AND COMPREHENSIVE INCOME
FOR THE THREE YEAR PERIOD ENDED DECEMBER 31, 2001
(Amounts in Millions)

<u>Common Stock</u>		Additional	Retained	Accumulated Other	Unamortized Expense
Number	Amount				

Treasury

	<u>of Shares</u>	<u>(par value \$.10)</u>	<u>Paid-In Capital</u>	<u>Earnings</u>	<u>Comprehensive Income (Loss)</u>	<u>Stock</u>	<u>of Restricted Stock Grants</u>	<u>Total</u>
BALANCES AT DECEMBER 31, 1998 AS PREVIOUSLY REPORTED	310.0	\$31.0	\$ 597.6	\$1,166.8	\$(161.0)	\$(132.7)	\$(71.3)	\$1,430.4
Pooling of interests transaction	<u>51.3</u>	<u>5.1</u>	<u>297.7</u>	<u>18.0</u>	<u>(7.9)</u>	<u>--</u>	<u>--</u>	<u>312.9</u>
BALANCES AT DECEMBER 31, 1998 AS RESTATED	361.3	36.1	895.3	1,184.8	(168.9)	(132.7)	(71.3)	1,743.3
Comprehensive income:								
Net income				359.4				359.4
Adjustment for minimum pension liability					18.6			18.6
Change in market value of securities available-for-sale (net of reclassifications)					154.8			154.8
Foreign currency translation adjustment					(100.8)			<u>(100.8)</u>
Total comprehensive income								432.0
Dividends				(137.2)				(137.2)
Awards of stock under Company plans:								
Achievement stock and incentive awards			6.2			.3		6.5
Restricted stock, net of forfeitures and amortization	1.0	.1	42.1			(7.9)	(7.6)	26.7
Employee stock purchases			19.1					19.1
Exercise of stock options, including tax benefit	6.1	.6	116.1					116.7
Purchase of Company's own stock						(300.5)		(300.5)
Issuance of shares for acquisitions			72.5			127.9		200.4
Par value of shares issued for two-for-one split	2.1	.2		(.2)				--
Equity adjustments - pooled companies			4.5	(.5)				4.0
Other	<u>1.1</u>	<u>.1</u>	<u>15.2</u>					<u>15.3</u>
BALANCES AT DECEMBER 31, 1999	371.6	\$37.1	\$1,171.0	\$1,406.3	\$(96.3)	\$(312.9)	\$(78.9)	\$2,126.3
Comprehensive income:								
Net income				\$ 420.3				\$ 420.3
Change in market value of securities available-for-sale (net of reclassifications)					(224.2)			(224.2)
Foreign currency translation adjustment					(91.1)			<u>(91.1)</u>
Total comprehensive income								105.0
Dividends				(158.9)				(158.9)
Awards of stock under Company plans:								
Achievement stock and incentive awards			.9			.2		1.1
Restricted stock, net of forfeitures and amortization	1.8	.2	90.8			6.2	(52.2)	45.0
Employee stock purchases	1.0	.1	22.0					22.1
Exercise of stock options, including tax benefit	2.9	.3	84.0					84.3
Purchase of Company's own stock						(236.8)		(236.8)
Issuance of shares for acquisitions			43.9			348.5		392.4
Tax impact of Deutsch acquisition			94.9					94.9
Equity adjustments - pooled companies			1.1	(.2)				.9
Other			<u>6.1</u>					<u>6.1</u>
BALANCES AT DECEMBER 31, 2000	377.3	\$37.7	\$1,514.7	\$1,667.5	\$(411.6)	\$(194.8)	\$(131.1)	\$2,482.4
Comprehensive income:								
Net loss				\$(505.3)				\$ (505.3)
Adjustment for minimum pension liability					(5.4)			(5.4)
Change in market value of securities available-for-sale (net of reclassifications)					55.1			55.1
Foreign currency translation adjustment					(89.6)			<u>(89.6)</u>
Total comprehensive income								(545.2)
Dividends				(151.0)				(151.0)
Awards of stock under Company plans:								
Restricted stock, net of forfeitures and amortization	.8	.1	37.4			(.9)	17.1	53.7
Employee stock purchases	1.0	.1	19.6					19.7
Exercise of stock options, including tax benefit	3.8	.4	129.4					129.8

Purchase of Company's own stock						(123.7)		(123.7)
Issuance of shares for acquisitions	2.9	.3	56.8			29.2		86.3
Equity adjustments - pooled companies			26.0					26.0
Other			1.3					1.3
BALANCES AT DECEMBER 31, 2001	<u>385.8</u>	<u>\$38.6</u>	<u>\$1,785.2</u>	<u>\$1,011.2</u>	<u>\$(451.5)</u>	<u>\$(290.2)</u>	<u>\$(114.0)</u>	<u>\$1,979.3</u>

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in Millions, Except Per Share Amounts)

Note 1: Summary of Significant Accounting Policies

Nature of Operations

The Company is a worldwide global marketing services company, providing clients with communications expertise in four broad areas: a) advertising and media management, b) marketing communications, which includes client relationship management (direct marketing), public relations, sales promotion, on-line marketing and healthcare marketing, c) marketing intelligence, which includes custom marketing research, brand consultancy and database management and d) marketing services, which includes sports and entertainment marketing, corporate meetings and events, retail marketing and other marketing and business services.

The Company is organized into four global operating groups. Three of these groups, McCann-Erickson WorldGroup, the FCB Group and The Partnership, are global marketing communications companies that provide a full complement of global marketing services and marketing communication services. The fourth global operating group, Advanced Marketing Services, focuses on expanding the Company's operations in the area of specialized marketing communications and services.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries, most of which are wholly owned. All significant intercompany transactions and balances have been eliminated. The Company also has certain investments in unconsolidated affiliates that are carried on the equity basis.

The Company's consolidated financial statements, including the related notes, have been restated as of the earliest period presented to include the results of operations, financial position and cash flows of transactions accounted for as poolings of interest. Certain prior year amounts have been reclassified to conform to the current year presentation.

Cash Equivalents and Investments

Cash equivalents are highly liquid investments, including certificate of deposits, government securities and time deposits, with maturities of three months or less at the time of purchase and are stated at estimated fair value which approximates cost.

The Company classifies its existing marketable securities as available-for-sale in accordance with the provisions of Statement of Financial Accounting Standards ("SFAS") No. 115, "Accounting for Certain Investments in Debt and Equity Securities." These securities are carried at fair value with the corresponding unrealized gains and losses reported as a separate component of comprehensive income. The cost of securities sold is determined based upon the average cost of the securities sold.

Use of Estimates

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

Translation of Foreign Currencies

The financial statements of the Company's foreign operations, when the local currency is the functional currency, are translated into U.S. dollars at the exchange rates in effect at each year end for assets and liabilities and average exchange rates during each year for the results of operations. The related unrealized gains or losses from translation are reported as a separate component of comprehensive income.

The financial statements of foreign subsidiaries located in highly inflationary economies are remeasured as if the functional currency were the U.S. dollar. The related remeasurement adjustments are included as a component of operating expenses.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in Millions, Except Per Share Amounts)

Revenue Recognition

The Company derives revenue from advertising services, including media buying, and from marketing and communication services, including market research, public relations, direct marketing, sales promotion and event marketing activities.

The Company's advertising services revenue is derived from commissions that are earned when the media is placed, from fees earned as

advertising services are performed and from production services rendered. In addition, incentive amounts may be earned based on qualitative and/or quantitative criteria. In the case of commissions, revenue is recognized as the media placements appear. In the case of fee and production arrangements, the revenue is recognized as the services are performed which is generally ratably over the period of the client contract. The Company's marketing service revenue is generally earned on a fee basis, and in certain cases incentive amounts may also be earned. As with fee arrangements in advertising, such revenue is recognized as the work is performed. Incentive amounts are recognized upon satisfaction of the relevant qualitative and quantitative criteria.

Expenditures Billable to Clients

Expenditures billable to clients include costs incurred primarily in connection with production work by the Company on behalf of clients that have not yet been billed to clients. Commissions and fees on such production work are recorded as revenue when earned.

Property and Depreciation

The cost of property and equipment is depreciated generally using the straight-line method over the estimated useful lives of the related assets, which range from 3 to 20 years for furniture and equipment and from 10 to 45 years for the component parts of buildings. Leasehold improvements are capitalized and amortized over the shorter of the life of the asset or the lease term.

Long-lived Assets

Long-lived assets, consisting primarily of property and equipment and intangible assets arising from business purchase combinations, are reviewed for impairment whenever events or circumstances indicate their carrying value may not be recoverable. When such events or circumstances arise, an estimate of the future undiscounted cash flows produced by the asset, or the appropriate grouping of assets, is compared to the asset's carrying value to determine if an impairment exists pursuant to the requirements of SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of." If the asset is determined to be impaired, the impairment loss is measured based on the excess of its carrying value over its fair value. Assets to be disposed of are reported at the lower of its carrying value or net realizable value.

Intangible assets, principally goodwill and customer lists, have been amortized using the straight-line method over periods not exceeding 40 years. In June 2001, SFAS No. 141 ("SFAS 141"), "Business Combinations", and SFAS No. 142 ("SFAS 142"), "Goodwill and Other Intangible Assets" were issued. SFAS No. 141 requires that companies use the purchase method of accounting for all business combinations initiated after June 30, 2001 and addresses the initial recognition and measurement of goodwill and other intangible assets acquired in a business combination. SFAS No. 142 addresses the initial recognition and measurement of intangible assets acquired outside a business combination and the recognition and measurement of goodwill and other intangible assets subsequent to acquisition. Under the new standards, goodwill and intangible assets deemed to have indefinite lives will no longer be amortized but, instead, will be tested at least annually for impairment. Other intangible assets will continue to be amortized over their useful lives. The Company will adopt the new standards on accounting for goodwill and other intangible assets effective January 1, 2002.

Upon adoption, the Company will cease amortizing the remaining amount of unamortized goodwill. As of December 31, 2001, the Company's remaining unamortized goodwill balance was \$3,004.7. Although the Company is still reviewing the provisions of the Statements, it is management's preliminary assessment that no goodwill impairment will be recognized upon adoption of the new standard. Further, the Company does not anticipate any significant reclassifications of amounts reflected on its balance sheet as a result of the adoption of the standard.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Dollars in Millions, Except Per Share Amounts)

In August 2001, SFAS No. 144, "Accounting for the Impairment or Disposal of Long-lived Assets" ("SFAS 144") was issued. SFAS 144 supersedes SFAS No. 121, "Accounting for the Impairment of Long-lived Assets to be Disposed of", and the accounting and reporting provisions of APB Opinion No. 30, "Reporting the Results of Operations-Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently occurring Events and Transactions". SFAS 144 also amends ARB (Accounting Research Bulletins) No. 51, "Consolidated Financial Statements", to eliminate the exception to consolidation for a subsidiary for which control is likely to be temporary. SFAS 144 retains the fundamental provisions of SFAS 121 for recognizing and measuring impairment losses on long-lived assets held for use and long-lived assets to be disposed of by sale, while resolving significant implementation issues associated with SFAS 121. Among other things, SFAS 144 provides guidance on how long-lived assets used as part of a group should be evaluated for impairment, establishes criteria for when long-lived assets are held for sale, and prescribes the accounting for long-lived assets that will be disposed of other than by sale. SFAS 144 is effective for fiscal years beginning after December 15, 2001. The adoption of this statement is not expected to have a material impact on the Company's financial position or results of operations.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the estimated future tax consequences of temporary differences between the financial statement carrying amounts and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the year in which the temporary differences are expected to be recovered or settled.

Income taxes are generally not provided on undistributed earnings of foreign subsidiaries because these earnings are considered to be permanently invested.

Earnings Per Share

Basic earnings per share are computed using the weighted average number of common shares outstanding during the year. Diluted earnings per share are computed using the weighted average number of common shares outstanding during the year but also include the dilutive effect of stock-based (including stock options and awards to restricted stock) and the assumed conversion, as applicable, of the convertible notes as described in Note 9.

Treasury Stock

In July 1999, the Board of Directors authorized the repurchase of up to 60 million shares of the Company's common stock and, specifically, authorized a maximum of 6 million shares be purchased annually. The purchase of treasury shares is accounted for at cost. The reissuance of treasury shares is accounted for on a first-in, first-out basis and any gains or losses are accounted for as additional paid-in capital. Since July 2001, the Company has not made any purchases of treasury shares.

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk are primarily cash and cash equivalents, accounts receivable, interest rate instruments and foreign exchange contracts. The Company invests its excess cash in investment-grade, short-term securities with financial institutions and limits the amount of credit exposure to any one counterparty. Concentrations of credit risk with accounts receivable are limited due to the large number of clients and the dispersion across different industries and geographical areas. The Company performs ongoing credit evaluations of its clients and maintains an allowance for doubtful accounts based upon the expected collectibility of all accounts receivable. The Company is exposed to credit loss in the event of nonperformance by the counterparties of the interest rate swaps and foreign currency contracts. The Company limits its exposure to any one financial institution and does not anticipate nonperformance by these counterparties.

Derivative Instruments and Hedging Activities

In June 1998, SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" was issued. SFAS No. 133 established accounting and reporting standards requiring that every derivative instrument, including certain derivative instruments embedded in other contracts, be recorded in the balance sheet as either an asset or a liability

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Dollars in Millions, Except Per Share Amounts)

measured at its fair value. SFAS No. 133 requires that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. SFAS No. 133 was to be effective for fiscal years beginning after June 15, 1999. In June 1999, the FASB issued SFAS No. 137, which delayed the effective date of SFAS No. 133 by one year. In June 2000, the FASB issued SFAS No. 138, which amends the accounting and reporting standards of SFAS No. 133 for certain derivative instruments and hedging activities. The Company adopted the provisions of SFAS No. 133 effective January 1, 2001. The adoption did not have a material effect on the Company's financial condition or results of operations.

See Note 13 for a discussion of the derivative instruments currently outstanding and the associated accounting treatment.

In June 2001, SFAS No. 143, "Accounting for Asset Retirement Obligations" ("SFAS 143") was issued. SFAS 143 addresses financial accounting and reporting for legal obligations associated with the retirement of tangible long-lived assets and the associated retirement costs that result from the acquisition, construction, or development and normal operation of a long-lived asset. Upon initial recognition of a liability for an asset retirement obligation, SFAS 143 requires an increase in the carrying amount of the related long-lived asset. The asset retirement cost is subsequently allocated to expense using a systematic and rational method over the assets' useful life. SFAS 143 is effective for fiscal years beginning after June 15, 2002. The adoption of this statement is not expected to have a material impact on the Company's financial position or results of operations.

Note 2: Earnings Per Share

The following is a reconciliation of the components of the basic and diluted earnings per share computations for income available to common stockholders for the years ended December 31:

<i>(Number of Shares in Millions)</i>	2001			2000			1999		
	<u>Income</u>	<u>Shares</u>	<u>Per Share Amount</u>	<u>Income</u>	<u>Shares</u>	<u>Per Share Amount</u>	<u>Income</u>	<u>Shares</u>	<u>Per Share Amount</u>
BASIC EARNINGS PER SHARE									
Income available to common stockholders	\$(505.3)	369.0	\$(1.37)	\$420.3	359.6	\$1.17	\$359.4	352.0	\$1.02
Effect of Dilutive Securities:(a) (b)									
Options	--	--		--	7.6		--	9.1	
Restricted stock	--	--		.6	3.4		.6	3.5	

DILUTED EARNINGS PER SHARE \$(605.3) 369.0 \$(1.37) \$420.9 370.6 \$1.14 \$360.0 364.6 \$0.99

(a) The computation of diluted earnings per share for 2001, 2000 and 1999 excludes the assumed conversion of the 1.87% and 1.80% Convertible Subordinated Notes (see Note 9) because they were antidilutive. The computation of diluted earnings per share for 2001 excludes the weighted average number of incremental shares in connection with stock options and restricted stock because they were antidilutive.

(b) The computation of diluted earnings per share for 2001 excludes the assumed conversion of the Zero-Coupon Convertible Senior Notes due 2021 (see Note 9) as they are contingently convertible and assume cash settlement of the put option.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in Millions, Except Per Share Amounts)

Note 3: Acquisitions and Dispositions

The Company acquired a significant number of advertising and specialized marketing and communications services companies during the three-year period ended December 31, 2001. The aggregate purchase price, including cash and stock payments, was as follows:

	<u>Number of</u> <u>Acquisitions</u>	<u>Consideration</u>			<u>No. of</u> <u>Shares</u> <u>Issued (000s)</u>
		<u>Cash</u>	<u>Stock</u>	<u>Total</u>	
2001 - Purchases	19	\$ 84.7	\$ 14.0	\$ 98.7	500
- Pooling	<u>1</u>	<u>—</u>	<u>1,631.0</u>	<u>1,631.0</u>	<u>58,200</u>
Total	<u>20</u>	<u>\$ 84.7</u>	<u>\$1,645.0</u>	<u>\$1,729.7</u>	<u>58,700</u>
2000 - Purchases	93	\$577.4	\$ 331.9	\$ 909.3	8,000
- Poolings	<u>3</u>	<u>—</u>	<u>759.0</u>	<u>759.0</u>	<u>19,100</u>
Total	<u>96</u>	<u>\$577.4</u>	<u>\$1,090.9</u>	<u>\$1,668.3</u>	<u>27,100</u>
1999 - Purchases	64	\$231.4	\$ 117.6	\$ 349.0	3,100
- Poolings	<u>5</u>	<u>—</u>	<u>303.2</u>	<u>303.2</u>	<u>7,200</u>
Total	<u>69</u>	<u>\$231.4</u>	<u>\$ 420.8</u>	<u>\$ 652.2</u>	<u>10,300</u>

The value of the stock issued for acquisitions is based on the market price of the Company's stock at the time of the closing of the transaction. For those entities accounted for as purchase transactions, the purchase price of the acquisitions has been allocated to assets acquired and liabilities assumed based on estimated fair values.

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

	<u>2001</u>	<u>2000</u>	<u>1999</u>
Consideration for new acquisitions	\$ 98.7	\$909.3	\$349.0
Less: net assets of new acquisitions	<u>17.1</u>	<u>91.1</u>	<u>35.7</u>
Goodwill recorded for new acquisitions	<u>\$ 81.6</u>	<u>\$818.2</u>	<u>\$313.3</u>
Cash paid for new acquisitions	\$ 84.7	\$577.4	\$231.4
Deferred cash payments, prior acquisitions	228.9	158.1	149.5
Less: cash acquired	<u>3.0</u>	<u>65.4</u>	<u>62.3</u>
Net cash paid for acquisitions	<u>\$310.6</u>	<u>\$670.1</u>	<u>\$318.6</u>

2001 Acquisitions

Purchases

The results of operations of the acquired companies, which included Transworld Marketing Corporation and DeVries Public Relations, were included in the consolidated results of the Company from their respective acquisition dates, which were generally in the middle of the year. None of the acquisitions made in 2001 was significant on an individual basis.

Acquisition of True North

On June 22, 2001, the Company acquired True North Communications Inc. ("True North"), a global provider of advertising and communication services, in a transaction accounted for as a pooling of interests. Approximately 58.2 million shares were issued in connection with the acquisition, which, based on the market price of the Company's stock at the date of closing, yielded a value of approximately \$1,631. No adjustments were necessary to conform accounting policies of the entities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in Millions, Except Per Share Amounts)

The Company's consolidated financial statements, including the related notes, have been restated as of the earliest period presented to include the results of operations, financial position and cash flows of True North.

The following table shows the historical results of the Company and True North for the periods prior to the consummation of the merger:

	Three Months Ended	Years Ended	
	March 31, 2001	December 31,	
	(Unaudited)	2000	1999
Revenue:			
IPG	\$1,302.2	\$5,625.8	\$4,977.8
True North	<u>356.0</u>	<u>1,556.9</u>	<u>1,439.4</u>
Revenue, as restated	<u>\$1,658.2</u>	<u>\$7,182.7</u>	<u>\$6,417.2</u>
Net income (loss):			
IPG, as previously reported	\$ (38.3)	\$ 358.7	\$ 331.3
True North, as previously reported	<u>9.5</u>	<u>61.6</u>	<u>28.1</u>
Net income (loss), as restated	<u>\$ (28.8)</u>	<u>\$ 420.3</u>	<u>\$ 359.4</u>

2000 Acquisitions

Purchases

The companies acquired in transactions accounted for as purchases included Capita Technologies, Nationwide Advertising Services, Waylon, MWW and certain assets of Caribiner International. The results of operations of the acquired companies were included in the consolidated results of the Company from their respective acquisition dates, which occurred throughout the year. None of the acquisitions was significant on an individual basis.

Poolings

In April 2000, the Company acquired NFO Worldwide, Inc. ("NFO"), a leading provider of research-based marketing information and counsel, in a transaction accounted for as a pooling of interests. Approximately 12.6 million shares were issued to acquire NFO. In November 2000, the Company acquired Deutsch, Inc. and its affiliate companies ("Deutsch"), a full service advertising agency, in a transaction accounted for as a pooling of interests. Approximately 6 million shares were issued to acquire Deutsch. No adjustments were necessary to conform accounting policies of the entities. The Company's consolidated financial statements have been restated as of the earliest period presented to include the results of operations, financial position and cash flows of NFO, Deutsch and the other immaterial acquisition (for which 0.5 million shares were issued) accounted for as poolings of interests.

Revenue and net income for NFO for the quarter ended March 31, 2000 were \$106.0 and \$.2 and for the year 1999 were \$457.2 and a loss of \$6.2, respectively. Revenue and net income for Deutsch for the three quarters ended September 30, 2000 were \$88.1 and \$19.5 and for the year 1999 were \$84.9 and \$16.0, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in Millions, Except Per Share Amounts)

The following table shows the historical results of the Company, NFO and Deutsch for the year ended December 31, 1999:

	Year Ended
	December 31,
	1999
Revenue:	
IPG	\$4,427.3
NFO	457.2
Deutsch	84.9
Other	<u>8.4</u>
Revenue, as restated	<u>\$4,977.8</u>
Net Income (Loss):	
IPG, as previously reported	\$ 321.9
NFO, as previously reported	(6.2)
Deutsch, as previously reported	16.0

Other, as previously reported	(.)4
Net income, as restated	<u>\$ 331.3</u>

In connection with the acquisition of Deutsch in 2000 and based on the taxable structure of the transaction, a deferred tax asset of approximately \$110 and a current tax liability of \$15 were recorded with corresponding adjustments to additional paid in capital. In connection with the acquisition of Deutsch, the Company recognized a charge related to one-time transaction costs of \$44.7. The principal component of this amount related to the expense associated with various equity participation agreements with certain members of management. These agreements provided for participants to receive a portion of the proceeds in the event of the sale or merger of Deutsch.

Prior to its acquisition by the Company, Deutsch elected to be treated as an "S" Corporation under applicable sections of the Internal Revenue Code as well as for state income tax purposes. Accordingly, income tax expense was lower than would have been the case had Deutsch been treated as a "C" Corporation. Deutsch became a "C" Corporation upon its acquisition by the Company. On a pro forma basis, assuming "C" Corporation status, net income for Deutsch and the Company would have been lower by \$10.7 in 2000 and \$6.5 in 1999.

The following unaudited pro forma data summarize the results of operations for the periods indicated as if the 2000 and 2001 purchase acquisitions had been completed as of January 1, 2000.

	<u>For the year ended December 31,</u>		
	<u>2001</u>		
	<u>IPG</u> <u>(as reported)</u>	<u>Pre-</u> <u>acquisition</u> <u>results</u> <u>(unaudited)</u>	<u>Pro forma IPG</u> <u>with 2001</u> <u>acquisitions</u> <u>(unaudited)</u>
Revenue	\$6,726.8	\$46.1	\$ 6,772.9
Net loss	\$ (505.3)	\$(1.3)	\$ (506.6)
Loss per share:			
Basic	\$ (1.37)		\$ (1.37)
Diluted	\$ (1.37)		\$ (1.37)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in Millions, Except Per Share Amounts)

	<u>For the year ended December 31,</u>		
	<u>2000</u>		
	<u>IPG</u> <u>(as</u> <u>reported)</u>	<u>Pre-</u> <u>acquisition</u> <u>results</u> <u>(unaudited)</u>	<u>Pro forma IPG</u> <u>with 2000 and</u> <u>2001</u> <u>acquisitions</u> <u>(unaudited)</u>
Revenue	\$7,182.7	\$376.5	\$7,559.2
Net income	\$ 420.3	\$ 22.3	\$ 442.6
Earnings per share:			
Basic	\$ 1.17		\$ 1.23
Diluted	\$ 1.14		\$ 1.20

The pro forma data give effect to actual operating results prior to the acquisition, adjusted to include the estimated pro forma effect of interest expense, amortization of intangibles and income taxes. These pro forma amounts do not purport to be indicative of the results that would have actually been obtained if the acquisitions occurred as of the beginning of the periods presented or that may be obtained in the future.

1999 Acquisitions

Purchases

The companies acquired in transactions accounted for as purchases included The Cassidy Companies, Spedic France, Mullen Advertising and PDP Promotions UK. None of the acquisitions was significant on an individual basis.

Poolings

On December 1, 1999, the Company acquired Brands Hatch Leisure Plc., a UK-based international motorsports circuit and venue management company, for 5.2 million shares of stock. The acquisition has been accounted for as a pooling of interests. Additionally, during 1999 the Company

issued 2 million shares to acquire 4 other companies, including public relations and media buying companies, which have been accounted for as poolings of interests.

OTHER

Deferred Payments

Certain of the Company's acquisition agreements provide for deferred payments by the Company, contingent upon future revenues or profits of the companies acquired. Deferred payments of both cash and shares of the Company's common stock for prior years' acquisitions were \$277.1, \$221.3 and \$230.4 in 2001, 2000 and 1999, respectively. Such payments are capitalized and recorded as goodwill.

Dispositions

During 2001, the Company disposed of 22 operations through either sale or closure. The operating results of the entities disposed of were not material to the operating results of the Company.

Note 4: Restructuring and Other Merger Related Costs

2001 Activities

Following the completion of the True North acquisition in June 2001, the Company initiated a series of operational initiatives focusing on: a) the integration of the True North operations and the identification of synergies and savings, b) the realignment of certain Interpublic businesses and c) productivity initiatives to achieve higher operating margins. As a result of the operational initiatives, the combined Company has been organized into four global operating groups. Three of these groups, McCann-Erickson WorldGroup, an enhanced FCB Group and a new global marketing resource called The Partnership, provide a full complement of global marketing services and marketing communication services. The fourth group, Advanced Marketing Services, focuses on expanding the Company's operations in the area of specialized marketing communications and services.

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In connection with the operational initiatives, the Company executed a wide-ranging restructuring plan that included severance, lease terminations and other actions. The total amount of the charges incurred in connection with the plan was \$645.6 (\$446.5, net of tax), of which \$592.8 was recorded in the third quarter with the remainder having been recorded through the end of the second quarter.

A summary of the components of the total restructuring and other merger related costs in 2001, together with an analysis of the cash and non-cash elements, is as follows:

	<u>Total recorded</u>	<u>Cash paid in 2001</u>	<u>Non-cash items</u>	<u>Liability at December 31, 2001</u>
TOTAL BY TYPE				
Severance and termination costs	\$297.5	\$143.5	\$ --	\$154.0
Lease termination and other exit costs	310.9	55.2	98.6	157.1
Transaction costs	<u>37.2</u>	<u>31.5</u>	<u>5.7</u>	<u>--</u>
Total	<u>\$645.6</u>	<u>\$230.2</u>	<u>\$104.3</u>	<u>\$311.1</u>

The severance and termination costs related to approximately 6,800 employees who have been, or will be, terminated. As of December 31, 2001, approximately 5,200 of those identified had been terminated. The remaining employees are expected to be terminated by the middle of the year 2002. A significant portion of severance liabilities are expected to be paid out over a period of up to one year. The employee groups affected included all levels and functions across the Company: executive, regional and account management, administrative, creative and media production personnel. Approximately half of the 6,800 headcount reductions related to the U.S., one third related to Europe (principally the UK, France and Germany), with the remainder related to Latin America and Asia Pacific.

Lease termination costs, net of estimated sublease income, relate to the offices that have been or will be vacated as part of the restructuring. The Company plans to downsize or vacate approximately 180 locations and expects that all leases will have been terminated or subleased by the middle of the year 2002; however, the cash portion of the charge will be paid out over a period of up to five years. The geographical distribution of offices to be vacated is similar to the geographical distribution of the severance charges. Lease termination and related costs include write-offs related to the abandonment of leasehold improvements as part of the office vacancies.

Other exit costs relate principally to the impairment loss on sale or closing of certain business units in the U.S. and Europe. In the aggregate, the businesses being sold or closed represent an immaterial portion of the revenue and operating profit of the Company. The write-off amount was computed based upon the difference between the estimated sales proceeds (if any) and the carrying value of the related assets. Approximately one half of the sales or closures had occurred by December 2001, with the remaining to occur by the middle of the year 2002.

The transaction costs relate to the direct costs incurred in connection with the True North acquisition and included investment banker and other professional services fees.

2000 Activities

During 2000, the Company recorded restructuring and other merger related costs of \$177.7 (\$124.3, net of tax). Of the total pre-tax restructuring and other merger related costs, cash charges represented \$104.6. The key components of the charge were: a) costs associated with the restructuring of Lowe & Partners Worldwide (formerly Lowe Lintas & Partners Worldwide), b) costs associated with the loss, by True North, of the Chrysler account, c) other costs related to the acquisition of Deutsch and d) costs relating principally to the merger with NFO.

Lowe & Partners

In October 1999, the Company announced the merger of two of its advertising networks. The networks affected, Lowe & Partners Worldwide and Ammirati Puris Lintas, were combined to form a new agency. The merger involved the consolidation of operations in agencies in approximately 24 cities in 22 countries around the world and the severance of approximately 600 employees. As of September 30, 2000, all restructuring activities had been completed.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Dollars in Millions, Except Per Share Amounts)

In connection with this restructuring, costs of \$84.1 (\$51.4, net of tax) were recorded in 1999 and \$87.8 (\$53.6, net of tax) in 2000. Of the totals, \$75.6 related to severance, \$50.2 related to lease related costs and the remainder related principally to investment write-offs. No adjustment to the Company's statement of operations was required as a result of the completion of the restructuring plan.

Loss of Chrysler Account

In September 2000, Chrysler, one of True North's larger accounts, announced that it was undertaking a review of its two advertising agencies to reduce the costs of its global advertising and media. On November 3, 2000, True North was informed that it was not selected as the agency of record. In December 2000, True North terminated its existing contract with Chrysler and entered into a transition agreement effective January 1, 2001.

As a result of the loss of the Chrysler account, the Company recorded a charge of \$17.5 pre-tax (\$10.0, net of tax) in the fourth quarter of 2000. The charge covered primarily severance, lease termination and other exit costs associated with the decision to close the Detroit office. The severance portion of the charge amounted to \$5.8 and reflected the elimination of approximately 250 positions. The charge also included \$11.4 associated primarily with the lease termination of the Detroit office, as well as other exit costs. In addition, an impairment loss of \$5.5 was recorded for intangible assets that were determined to be no longer recoverable. Offsetting these charges was a \$5.2 payment from Chrysler to compensate the Company for severance and other exit costs. As of December 31, 2001, all actions had been completed. No adjustment to the Company's statement of operations was required as a result of the completion of these actions.

Acquisition of Deutsch

In connection with the acquisition of Deutsch in 2000, the Company recognized a charge related to one-time transaction costs of \$44.7 (\$41.7, net of tax). The principal component of this amount related to the expense associated with various equity participation agreements with certain members of management. These agreements provided for participants to receive a portion of the proceeds in the event of the sale or merger of Deutsch.

NFO and Other

In addition to the above 2000 activities, additional charges, substantially all of which were cash costs, were recorded during 2000 related principally to the transaction and other merger related costs arising from the acquisition of NFO.

Also included in 2000 were excess restructuring reserves of \$0.6 related to the 1999 restructuring of Bozell and FCB Worldwide. This excess was reversed into income in the Company's statement of operations during 2000.

1999 Activities

During 1999, the Company recorded restructuring and other merger related costs of \$159.5 (\$101.0, net of tax). Of the total pre-tax restructuring and other merger related costs, cash charges represented \$91.5. The components of the charge were: a) costs associated with the restructuring of Lowe & Partners Worldwide (see above) and b) costs associated with the restructuring of Bozell and FCB Worldwide.

Bozell and FCB Worldwide

In September 1999, the Company announced a formal plan to restructure its Bozell and FCB Worldwide agency operations and recorded a \$75.4 charge (\$49.6, net of tax) in the third quarter of 1999. The charge covered primarily severance (\$41.4) and lease termination and other exit costs (\$24.2) in connection with the combination and integration of the two worldwide advertising agency networks. Approximately 640 individuals were terminated as part of the plan. Bozell Worldwide's international operations, along with Bozell Detroit and Bozell Costa Mesa, were merged with FCB Worldwide and now operate under the FCB Worldwide name. The restructuring initiatives also included the impairment loss on the sale or closing of certain underperforming business units. The activities had been completed by December 31, 2000.

Note 5: Goodwill Impairment and Other Operating Charges

Goodwill Impairment and Other Charges

Following the completion of the True North acquisition and the realignment of certain of the Company's businesses, the Company evaluated the realizability of various assets. In connection with this review, undiscounted cash flow projections were prepared for certain investments, and the Company determined that the goodwill attributable to certain business units was stated at an amount in excess of the future estimated cashflows. As a result, an

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Dollars in Millions, Except Per Share Amounts)

impairment charge of \$303.1 (\$263.4, net of tax) was recorded in 2001. Of the total write-off, \$221.4 was recorded in the second quarter, with the remainder recorded in the third quarter. The largest components of the goodwill impairment and other charges were Capita Technologies, Inc. (approximately \$145) and Zentropy Partners (approximately \$16), both internet services businesses. The remaining amount primarily related to several other businesses including internet services, healthcare consulting and certain advertising offices in Europe and Asia Pacific.

Operating Expenses

Included in office and general expenses in 2001 are charges of \$85.4 (\$49.5, net of tax) relating primarily to operating assets, which are no longer considered realizable. Additionally, a benefit of \$50.0 (\$29.0, net of tax) resulting from a reduction in severance reserves related to recent

significant headcount reductions is included in salaries and related expenses.

Note 6: Other Income (Expense)

Investment Impairment

During 2001, the Company recorded total charges related to the impairment of investments of \$208.3 (\$134.1, net of tax). Of the total amount, \$160.1 (\$103.7, net of tax) was recorded in the first quarter, with the remainder recorded in the third quarter. The charge in the first quarter related to the impairment of investments primarily in publicly traded internet-related companies, including marchFIRST, Inc. (an internet professional services firm), which had filed for relief under Chapter 11 of the Federal Bankruptcy Code in April 2001. The third quarter charge included write-offs for investments in non-internet companies, certain venture funds and other investments. The impairment charge adjusted the carrying value of investments to the estimated market value where an other than temporary impairment had occurred.

Other Income

The following table sets forth the components of other income:

	<u>2001</u>	<u>2000</u>	<u>1999</u>
Gains on sales of business	\$12.3	\$16.5	\$14.5
Gains (losses) on sales of available-for-sale securities	(2.5)	28.5	45.3
Investment income and miscellaneous	<u>3.9</u>	<u>1.2</u>	<u>6.0</u>
	<u>\$13.7</u>	<u>\$46.2</u>	<u>\$65.8</u>

During 2001, the Company sold a marketing services affiliate in Europe for approximately \$5 and some non-core marketing services affiliates in the U.S. for approximately \$6.9.

During 2000, the Company sold its interest in a non-core minority owned marketing services business for proceeds of approximately \$12.

During 1999, the Company sold its entire investment in Publicis S.A. for net cash proceeds of \$135.3 and a portion of its investments in the common stock of Lycos and marchFIRST (formerly USWEB) for combined proceeds of approximately \$56. Additionally, the Company sold its minority interest in Nicholson NY, Inc. to Icon in exchange for shares of Icon's common stock worth \$19.

Note 7: Provision for Income Taxes

The Company accounts for income taxes under Statement of Financial Accounting Standards No. 109 ("SFAS 109"), "Accounting for Income Taxes". SFAS 109 applies an asset and liability approach that requires the recognition of deferred tax assets and liabilities with respect to the expected future tax consequences of events that have been recognized in the consolidated financial statements and tax returns.

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The components of income (loss) before provision for (benefit of) income taxes are as follows:

	<u>Year Ended December 31,</u>		
	<u>2001</u>	<u>2000</u>	<u>1999</u>
Domestic	\$(470.0)	\$501.6	\$440.9
Foreign	<u>(54.3)</u>	<u>324.9</u>	<u>231.0</u>
Total	<u>\$(524.3)</u>	<u>\$826.5</u>	<u>\$671.9</u>

The provision for (benefit of) income taxes consists of:

Federal Income Taxes (Including Foreign Withholding Taxes):			
Current	\$49.6	\$168.8	\$117.9
Deferred	<u>(144.4)</u>	<u>2.9</u>	<u>25.1</u>
	<u>(94.8)</u>	<u>171.7</u>	<u>143.0</u>
State and Local Income Taxes:			
Current	3.9	48.4	32.3
Deferred	<u>(36.9)</u>	<u>(2.8)</u>	<u>4.3</u>
	<u>(33.0)</u>	<u>45.6</u>	<u>36.6</u>
Foreign Income Taxes:			
Current	93.8	151.8	120.5

Deferred	<u>(9.9)</u>	<u>(20.3)</u>	<u>(14.8)</u>
	<u>83.9</u>	<u>131.5</u>	<u>105.7</u>
Total	<u>\$ (43.9)</u>	<u>\$348.8</u>	<u>\$285.3</u>

At December 31, 2001 and 2000 the deferred tax assets consisted of the following items:

	<u>December 31,</u>	
	<u>2001</u>	<u>2000</u>
Postretirement/postemployment benefits	\$ 59.6	\$ 55.2
Deferred compensation	112.5	98.6
Pension costs	21.3	25.2
Depreciation	(11.0)	(11.7)
Rent	(9.6)	(10.5)
Interest	3.5	1.7
Accrued reserves	12.2	20.6
Allowance for doubtful accounts	16.8	13.8
Goodwill amortization	83.9	98.1
Investments in equity securities	33.7	32.9
Tax loss/tax credit carryforwards	74.2	54.1
Restructuring and other merger related costs	220.3	26.1
Other	<u>(2.8)</u>	<u>1.8</u>
Total deferred tax assets	614.6	405.9
Valuation allowance	<u>(41.8)</u>	<u>(25.6)</u>
Net deferred tax assets	<u>\$572.8</u>	<u>\$380.3</u>

The valuation allowance of \$41.8 and \$25.6 at December 31, 2001 and 2000, respectively, represents a provision for uncertainty as to the realization of certain deferred tax assets, including U.S. tax credits and net operating loss carryforwards in certain jurisdictions. The change during 2001 in the deferred tax valuation allowance primarily relates to uncertainties regarding the utilization of tax credits and net operating loss carryforwards. At December 31, 2001, there were \$31.0 of tax credit carryforwards with expiration periods through 2006 and net operating loss carryforwards with a tax effect of \$43.2 with various expiration periods. The Company has concluded that, based upon expected future results, it is more likely than not that the net deferred tax asset balance will be realized.

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

	<u>Year Ended December</u>		
	<u>31,</u>		
	<u>2001</u>	<u>2000</u>	<u>1999</u>
Statutory federal income tax rate	(35.0)%	35.0%	35.0%
State and local income taxes, net of federal income tax benefit	3.1	3.5	2.8
Impact of foreign operations, including withholding taxes	2.5	(0.7)	0.9
Goodwill and intangible asset amortization	6.5	3.4	3.6
Effect of pooled companies	--	1.7	2.2
Effect of non-recurring items:			
Goodwill impairment	12.6	--	--
Restructuring and other merger related costs	5.1	1.1	(0.4)
Investment impairment	(0.2)	--	--
Other	<u>(3.0)</u>	<u>(1.8)</u>	<u>(1.6)</u>
Effective tax rate	<u>(8.4)%</u>	<u>42.2%</u>	<u>42.5%</u>

As described in Note 3, prior to its acquisition by the Company, Deutsch had elected to be treated as an "S" Corporation and accordingly, its income tax expense was lower than it would have been had Deutsch been treated as a "C" Corporation. Deutsch became a "C" Corporation upon its acquisition by the Company. Assuming Deutsch had been a "C" Corporation since 1999, the Company's effective tax rate would have been

43.5% and 43.4% for 2000 and 1999, respectively.

The total amount of undistributed earnings of foreign subsidiaries for income tax purposes was approximately \$847.7 at December 31, 2001. It is the Company's intention to reinvest undistributed earnings of its foreign subsidiaries and thereby indefinitely postpone their remittance. Accordingly, no provision has been made for foreign withholding taxes or United States income taxes which may become payable if undistributed earnings of foreign subsidiaries were paid as dividends to the Company. The additional taxes on that portion of undistributed earnings which is available for dividends are not practicably determinable.

Note 8: Short-Term Borrowings

The Company and its subsidiaries have lines of credit with various banks that permit borrowings at variable interest rates. At December 31, 2001 and 2000, borrowings in the United States under these facilities totaled \$87.2 and \$117.8, respectively. Borrowings by subsidiaries outside the United States at December 31, 2001 and 2000 totaled \$231.3 and \$365.9, respectively. These international borrowings principally consist of drawings against uncommitted bank facilities. These credit lines are primarily provided by key relationship banks, which also participate in our committed facilities. Where required, the Company has guaranteed the repayment of these borrowings. Short-term unused lines of credit by the Company and its subsidiaries at December 31, 2001 and 2000 aggregated approximately \$1,000 and \$1,200, respectively. The weighted-average interest rates on outstanding balances at December 31, 2001 and 2000 were approximately 4.2% and 6.6%, respectively.

Floating Rate Notes

On June 28, 2001, the Company issued and sold \$100.0 of floating rate notes. The notes mature on June 28, 2002 and bear interest at a variable rate based on three month LIBOR. The Company intends to repay these notes at maturity from its available borrowing capacity.

Credit Agreements

On June 26, 2001, the Company replaced its maturing \$375.0, 364-day syndicated revolving multi-currency credit agreement with a substantially similar \$500.0 facility. The facility bears interest at variable rates based on either LIBOR or a bank's base rate, at the Company's option. As of December 31, 2001, there were no outstanding

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balances under this facility. Prior to June 25, 2002, the Company may, at its option, borrow the full amount of the facility for a one-year term.

Note 9: Long-Term Debt

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

	<u>2001</u>	<u>2000</u>
Convertible Subordinated Notes - 1.80%	\$ 228.5	\$ 221.2
Convertible Subordinated Notes - 1.87%	320.0	311.9
Zero-Coupon Convertible Notes	575.3	--
Senior Unsecured Note - 7.875%	500.0	500.0
Senior Unsecured Note - 7.25%	500.0	--
Syndicated Multi-Currency Credit Agreement - 3.05% (7.0% in 2000)	144.1	160.0
Term Loans - 6.05% to 8.01% (5.03% to 7.91% in 2000)	203.9	307.7
Germany Mortgage Note Payable - 7.6%	22.7	24.5
Other Mortgage Notes Payable and Long-Term Loans - 2.30% to 17.27%	<u>20.7</u>	<u>72.0</u>
	2,515.2	1,597.3
Less: Current Portion	<u>34.6</u>	<u>65.5</u>
Long-Term Debt	<u>\$2,480.6</u>	<u>\$1,531.8</u>

Zero-Coupon Convertible Notes

In December 2001, the Company completed the issuance and sale of approximately \$702 of aggregate principal amount of Zero-Coupon Convertible Senior Notes ("Zero-Coupon Notes") due 2021. The Company used the net proceeds of \$563.5 from this offering to repay indebtedness under the Company's credit facilities. The Zero-Coupon Notes are unsecured, zero-coupon, senior securities that may be converted into common shares if the price of the Company's common stock reaches a specified threshold, at a conversion rate of 22.8147 shares per one thousand dollars principal amount at maturity, subject to adjustment. This threshold will initially be 120% of the accreted value of a Zero-Coupon Note, divided by the conversion rate and will decline 1/2% each year until it reaches 110% at maturity in 2021. A Zero-Coupon Note's accreted value is the sum of its issue price plus its accrued original issue discount.

The Zero-Coupon Notes may also be converted, regardless of the sale price of the Company's common stock, at any time after: (i) the credit rating assigned to the Zero-Coupon Notes by any two of Moody's Investors Service, Inc., Standard & Poor's Ratings Group and Fitch IBCA Duff & Phelps are Bal, BB+ and BB+, respectively, or lower, or the Zero-Coupon Notes are no longer rated by at least two of these ratings services, (ii) the Company calls the Zero-Coupon Notes for redemption, (iii) the Company makes specified distributions to shareholders or (iv) the Company becomes a party to a consolidation, merger or binding share exchange pursuant to which our common stock would be converted into cash or property (other than securities).

The Company, at the investor's option, may be required to redeem the Zero-Coupon Notes for cash on December 14, 2003. The Company may also be required to redeem the Zero-Coupon Notes at the investor's option, on December 14, 2004, 2005, 2006, 2011 or 2016 for cash or common stock or a combination of both, at the Company's election. Additionally, the Company has the option of redeeming the Zero-Coupon Notes after December 14, 2006 for cash.

The yield to maturity of the Zero-Coupon Notes at the date of issuance was 1%. Unless the Company is required to pay the contingent interest described in the following sentence or the U.S. tax laws change in certain ways, no cash interest will be paid at any time. After December 14, 2006, if the Company's stock price reaches specified thresholds, the Company would be obligated to pay semi-annual contingent cash interest which would approximate the dividends paid to common stockholders during the prior six-month period (subject to a floor rate). Further, in the event that the notes are not registered for public sale by May 13, 2002, additional amounts of up to 0.5% per annum would be payable until the registration is declared effective by the SEC.

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Senior Unsecured Notes - 7.25%

On August 22, 2001, the Company completed the issuance and sale of \$500.0 principal amount of senior unsecured notes due 2011. The notes bear interest at a rate of 7.25% per annum. The Company used the net proceeds of approximately \$493 from the sale of the notes to repay outstanding indebtedness under its credit facilities.

Senior Unsecured Notes - 7.875%

On October 20, 2000, the Company completed the issuance and sale of \$500.0 principal amount of senior unsecured notes due 2005. The notes bear an interest rate of 7.875% per annum. The Company used the net proceeds of approximately \$496 from the sale of the notes to repay outstanding indebtedness under its credit facilities.

During 2001, the Company entered into interest rate swap agreements to convert the fixed interest rate on the 7.875% notes to a variable rate based on 6 month LIBOR. At December 31, 2001, the Company had outstanding interest rate swap agreements covering \$400.0 of the \$500.0, 7.875% notes due October 2005. The swaps have the same term as the 7.875% notes and, for 2001, had the effect of reducing the effective interest rate on the notes to 6.972%.

Credit Agreements

In July 2001, the Company entered into a credit agreement with a group of lenders. The credit agreement provided for revolving borrowings of up to \$750.0. No borrowings were drawn under this facility and the facility terminated upon the issuance and sale of the \$500.0 Senior Notes on August 22, 2001.

In June 2000, the Company entered into a five-year syndicated revolving multi-currency credit agreement with a group of lenders. The credit agreement provides for borrowings of up to \$375.0 which bear interest at variable rate based on LIBOR or a bank's base rate, at the Company's option. At December 31, 2001, there was approximately \$144.1 borrowed under this facility.

Convertible Subordinated Notes - 1.87%

On June 1, 1999, the Company issued \$361.0 face amount of Convertible Subordinated Notes due 2006 with a cash coupon rate of 1.87% and a yield to maturity of 4.75%. The 2006 notes were issued at an original price of 83% of the face amount, generating proceeds of approximately \$300. The notes are convertible into 6.4 million shares of the Company's common stock at a conversion rate of 17.616 shares per one thousand dollars face amount. From June 2002, the Company may redeem the notes for cash.

Convertible Subordinated Notes - 1.80%

On September 16, 1997, the Company issued \$250.0 face amount of Convertible Subordinated Notes due 2004 with a coupon rate of 1.80% and a yield to maturity of 5.25%. The 2004 Notes were issued at an original price of 80% of the face amount, generating proceeds of approximately \$200. The notes are convertible into 6.7 million shares of the Company's common stock at a conversion rate of 26.772 shares per one thousand dollars face amount. Since September 2000, the Company has had the option to redeem the notes for cash.

Other

The Company's bank-provided revolving credit agreements include financial covenants that set maximum levels of debt as a function of EBITDA and minimum levels of EBITDA as a function of interest expense (as defined in these agreements). The financial covenants contained in the Company's term loan agreements set minimum levels for net worth and for cash flow as a function of borrowed funds and maximum levels of borrowed funds as a function of net worth (as defined in these agreements). At December 31, 2001, the Company was in compliance with all of its financial covenants, with the most restrictive being that of cash flow to borrowed funds, the ratio of which is required to exceed .25 to 1. During 2001, as a result of the significant non-recurring charges, the Company required and received amendments related to its financial covenants.

Long-term debt maturing over the next five years and thereafter is as follows: 2002-\$34.6, 2003-\$52.6, 2004-\$266.3, 2005-\$507.6, 2006-\$461.6 and \$1,192.5 thereafter.

See Note 14 for discussion of fair market value of the Company's long-term debt.

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Note 10: Incentive Plans

The 1997 Performance Incentive Plan ("1997 PIP Plan") was approved by the Company's stockholders in May 1997 and includes both stock and cash based incentive awards. The maximum number of shares of the Company's common stock which may be granted in any year under the 1997 PIP Plan is equal to 1.85% of the total number of shares of the Company's common stock outstanding on the first day of the year adjusted for additional shares as defined in the 1997 PIP Plan document (excluding management incentive compensation performance awards). The 1997 PIP Plan also limits the number of shares available with respect to awards made to any one participant as well as limiting the number of shares available under certain awards. Awards made prior to the 1997 PIP Plan remain subject to the respective terms and conditions of the predecessor plans. Except as otherwise noted, awards under the 1997 PIP Plan have terms similar to awards made under the respective predecessor plans.

Stock Options

Stock options are generally granted at the fair market value of the Company's common stock on the date of grant and are exercisable as determined by the Compensation Committee of the Board of Directors (the "Committee"). Generally, options become exercisable between two and five years after the date of grant and expire ten years from the grant date.

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

	<u>2001</u>		<u>2000</u>		<u>1999</u>	
	<u>Shares</u>	<u>Weighted Average Exercise Price</u>	<u>Shares</u>	<u>Weighted Average Exercise Price</u>	<u>Shares</u>	<u>Weighted Average Exercise Price</u>
	<u>(000s)</u>		<u>(000s)</u>		<u>(000s)</u>	
Shares under option, beginning of year	34,939	\$25	34,665	\$22	37,401	\$18
Options granted	10,048	\$36	6,381	\$38	6,774	\$33
Options exercised	(5,228)	\$15	(3,657)	\$15	(6,485)	\$12
Options cancelled	<u>(1,445)</u>	\$33	<u>(2,450)</u>	\$28	<u>(3,025)</u>	\$23
Shares under option, end of year	<u>38,314</u>	\$29	<u>34,939</u>	\$25	<u>34,665</u>	\$22
Options exercisable at year-end	20,166	\$22	12,008	\$15	11,647	\$14

The following table summarizes information about stock options outstanding and exercisable at December 31, 2001:

<u>Range of Exercise Prices</u>	<u>Number of Shares (000s) Outstanding at 12/31/01</u>	<u>Weighted-Average Remaining Contractual Life</u>	<u>Weighted-Average Exercise Price</u>	<u>Number of Shares (000s) Exercisable at 12/31/01</u>	<u>Weighted-Average Exercise Price</u>
\$ 3.31 to \$9.99	1,302	1.56	\$ 7.10	1,302	\$ 7.10
\$10.00 to \$14.99	2,110	2.93	\$11.22	2,100	\$11.22
\$15.00 to \$24.99	10,583	5.55	\$18.95	10,032	\$18.87
\$25.00 to \$60.00	24,319	8.17	\$36.46	6,732	\$33.24

Employee Stock Purchase Plan

Under the Employee Stock Purchase Plan ("ESPP"), employees may purchase common stock of the Company through payroll deductions not exceeding 10% of their compensation. The price an employee pays for a share of stock is 85% of the market price on the last business day of the month. The Company issued approximately eight hundred thousand shares in 2001, six hundred thousand shares in 2000 and five hundred thousand shares in 1999, under the ESPP. An additional 14.1 million shares were reserved for issuance at December 31, 2001.

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SFAS 123 Disclosures

The Company applies the disclosure principles of Statement of Financial Accounting Standards No. 123 ("SFAS 123"), "Accounting for Stock-Based Compensation". As permitted by the provisions of SFAS 123, the Company applies APB Opinion 25, "Accounting for Stock Issued to Employees", and related interpretations in accounting for its stock-based employee compensation plans.

If compensation cost for the Company's stock option plans and its ESPP had been determined based on the fair value at the grant dates as defined by SFAS 123, the Company's pro forma net income (loss) and earnings (loss) per share would have been as follows:

		<u>2001</u>	<u>2000</u>	<u>1999</u>
Net income (loss)	As reported	\$(505.3)	\$420.3	\$359.4
	Pro forma	\$(573.9)	\$382.9	\$325.3

Earnings (loss) per share

Basic	As reported	\$ (1.37)	\$ 1.17	\$ 1.02
	Pro forma	\$ (1.56)	\$ 1.06	\$ 0.92
Diluted	As reported	\$ (1.37)	\$ 1.14	\$ 0.99
	Pro forma	\$ (1.56)	\$ 1.03	\$ 0.89

For purposes of this pro forma information, the fair value of shares issued under the ESPP was based on the 15% discount received by employees. The weighted-average fair value (discount) on the date of purchase for stock purchased under this plan was \$4.50, \$6.17 and \$5.28 in 2001, 2000 and 1999, respectively.

The weighted-average fair value of options granted during 2001, 2000 and 1999 was \$12.55, \$14.86 and \$12.94, respectively. The fair value of each option grant has been estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions:

	<u>2001</u>	<u>2000</u>	<u>1999</u>
Expected option lives	6 years	6 years	6 years
Risk free interest rate	4.89%	6.15%	5.72%
Expected volatility	30.35%	25.86%	19.73%
Dividend yield	1.19%	.89%	.81%

As required by SFAS 123, this pro forma information is based on stock awards beginning in 1995, and accordingly, the pro forma information for 1999 is not likely to be representative of the pro forma effects in future years because options generally vest over five years.

Restricted Stock

Restricted stock issuances are subject to certain restrictions and vesting requirements as determined by the Compensation Committee of the Board of Directors. The vesting period is generally five to seven years. No monetary consideration is paid by a recipient for a restricted stock award and the grant date fair value of these shares is amortized over the restriction periods. At December 31, 2001, there was a total of 6.3 million shares of restricted stock outstanding. During 2001, 2000 and 1999, the Company awarded 1.5 million shares, 2.4 million shares and 1.2 million shares of restricted stock with a weighted-average grant date fair value of \$32.09, \$42.13 and \$35.84, respectively. The cost recorded for restricted stock awards in 2001, 2000 and 1999 was \$48.4, \$40.3 and \$27.7, respectively.

Performance Units

Performance units have been awarded to certain key employees of the Company and its subsidiaries. The ultimate value of these performance units is contingent upon the annual growth in profits (as defined) of the Company, its

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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operating components or both, over the performance periods. The awards are generally paid in cash. The projected value of these units is accrued by the Company and charged to expense over the performance period. The Company expensed approximately \$45, \$40 and \$42 in 2001, 2000 and 1999, respectively.

Note 11: Retirement Plans

Defined Benefit Pension Plans

Through March 31, 1998 the Company and certain of its domestic subsidiaries had a defined benefit plan ("Domestic Plan") which covered substantially all regular domestic employees. Effective April 1, 1998, this Plan was curtailed and participants with five or less years of service became fully vested in the Domestic Plan. Participants with five or more years of service as of March 31, 1998 retain their vested balances and participate in a new benefit plan.

Under the new plan, each participant's account is credited with an annual allocation, which approximates the projected discounted pension benefit accrual (normally made under the Domestic Plan) plus interest, while they continue to work for the Company. Participants in active service are eligible to receive up to ten years of allocations coinciding with the number of years of plan participation with the Company after March 31, 1998.

Net periodic pension costs (income) for the Domestic Plan for 2001, 2000 and 1999 were \$1.6, (\$.9) and \$1.3, respectively.

Additionally, NFO maintains a defined benefit plan ("NFO Plan") covering approximately one half of NFO's U.S. employees. The periodic pension costs for this plan for 2001, 2000 and 1999 were \$0.6, \$0.5 and \$0.8, respectively.

The Company's stockholders' equity balance includes a minimum pension liability of \$24.0, \$18.6 and \$18.6 at December 31, 2001, 2000 and

1999, respectively.

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

Net periodic pension costs for foreign pension plans for 2001, 2000 and 1999 included the following components:

	<u>2001</u>	<u>2000</u>	<u>1999</u>
Service cost	\$ 10.4	\$ 9.5	\$ 9.6
Interest cost	11.7	11.6	11.8
Expected return on plan assets	(10.7)	(12.0)	(9.4)
Amortization of unrecognized transition obligation	1.3	.5	.4
Amortization of prior service cost	.6	.7	.8
Recognized actuarial loss (gain)	<u>— (.6)</u>	<u>— (.3)</u>	<u>— .5</u>
Net periodic pension cost	<u>\$ 12.7</u>	<u>\$ 10.0</u>	<u>\$ 13.7</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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The following table sets forth the change in the benefit obligation, the change in plan assets, the funded status and amounts recognized for the pension plans in the Company's consolidated balance sheet at December 31, 2001 and 2000:

	<u>Domestic</u>		<u>Foreign</u>	
	<u>Pension</u>		<u>Pension</u>	
	<u>Plans</u>	<u>Plans</u>	<u>Plans</u>	<u>Plans</u>
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Change in benefit obligation				
Beginning obligation	\$ 153.8	\$ 151.9	\$ 231.7	\$ 226.5
Service cost	.7	.7	10.4	9.5
Interest cost	10.4	10.5	11.7	11.6
Benefits paid	(13.9)	(14.7)	(16.6)	(10.9)
Participant contributions	—	—	2.3	1.6
Actuarial (gains) losses	(3.6)	5.4	(15.7)	8.0
Currency effect	—	—	(15.1)	(14.9)
Other	<u>.1</u>	<u>—</u>	<u>.2</u>	<u>.3</u>
Ending obligation	<u>147.5</u>	<u>153.8</u>	<u>208.9</u>	<u>231.7</u>
Change in plan assets				
Beginning fair value	132.5	135.5	183.8	192.7
Actual return on plan assets	(6.2)	2.5	(18.0)	(2.3)
Employer contributions	.4	9.2	7.8	8.3
Participant contributions	—	—	2.3	1.6
Benefits paid	(13.9)	(14.7)	(16.6)	(10.9)
Currency effect	—	—	(14.7)	(5.8)
Other	<u>—</u>	<u>—</u>	<u>4.1</u>	<u>.2</u>
Ending fair value	<u>112.8</u>	<u>132.5</u>	<u>148.7</u>	<u>183.8</u>
Funded status of the plans	(34.7)	(21.3)	(60.2)	(47.9)
Unrecognized net actuarial loss	45.0	33.5	14.3	5.4
Unrecognized prior service cost	.1	—	.8	1.3
	—	—	—	—

Unrecognized transition cost	—	—	1.9	2.7
	=	=		
Net asset (liability) recognized	<u>\$ 10.4</u>	<u>\$ 12.2</u>	<u>\$ (43.2)</u>	<u>\$ (38.5)</u>

At December 31, 2001 and 2000, the assets of the Domestic Plans and the foreign pension plans were primarily invested in fixed income and equity securities.

For the Domestic Plans, discount rates of 7.25% in 2001, 7.5% in 2000 and 7.75% in 1999 and salary increase assumptions of 3.5% in 2001 and 4.5% in 2000 and 1999 (for the NFO Plan) were used in determining the actuarial present value of the projected benefit obligation. The expected return of Domestic Plans assets was 9% to 9.5% in 2001, 2000 and 1999. For the foreign pension plans, discount rates ranging from 3% to 10% in 2001, 3.8% to 10% in 2000 and 3.75% to 14% in 1999 and salary increase assumptions ranging from 1% to 10% in 2001, 2.5% to 10% in 2000 and 3% to 10% in 1999 were used in determining the actuarial present value of the projected benefit obligation. The expected rates of return on the assets of the foreign pension plans ranged from 2% to 10% in 2001 and 2000 and 2% to 14% in 1999.

As of December 31, 2001, the projected benefit obligation, accumulated benefit obligation and fair value of plan assets for the Domestic Plans with accumulated benefit obligation in excess of plan assets were approximately \$147, \$146 and \$113, respectively, and as of December 31, 2000, approximately \$145, \$145 and \$124, respectively. The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for the foreign pension

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plans with accumulated benefit obligations in excess of plan assets were approximately \$69, \$66 and \$3, respectively, as of December 31, 2001 and approximately \$77, \$72 and \$5, respectively, as of December 31, 2000.

Other Benefit Arrangements

The Company sponsors other defined contribution plans ("Savings Plans") and certain domestic subsidiaries maintain a profit sharing plan that cover substantially all domestic employees of the Company and participating subsidiaries. The Savings Plans permit participants to make contributions on a pre-tax and/or after-tax basis. The Savings Plans allow participants to choose among several investment alternatives. The Company matches a portion of participants' contributions based upon the number of years of service. The Company match is made in cash and ranges between 2-4% of salary. The Company contributed \$36.7, \$34.2 and \$27.4 to the Savings Plans and Profit Sharing Plan in 2001, 2000 and 1999, respectively.

The Company has deferred compensation plans which permit certain of its key officers and employees to defer a portion of their salary and incentive compensation and receive corresponding company matching and discretionary profit sharing contributions. The Company has purchased whole life insurance policies on participants' lives to assist in the funding of the deferred compensation liability. As of December 31, 2001 and 2000, the cash surrender value of these policies was approximately \$105 and \$73, respectively. Additionally, certain investments are maintained in a separate trust for the purpose of paying the deferred compensation liability. The assets are held on the balance sheet of the Company but are restricted to the purpose of paying the deferred compensation liability. As of December 31, 2001 and 2000, the value of such restricted assets was approximately \$91 and \$71, respectively.

Postretirement Benefit Plans

The Company and its subsidiaries provide certain postretirement health care benefits for employees who were in the employ of the Company as of January 1, 1988 and life insurance benefits for employees who were in the employ of the Company as of December 1, 1961. The plans cover certain domestic employees and certain key employees in foreign countries. The Company's plan covering postretirement medical benefits is self-insured with no maximum limit of coverage. However, the Company carries insurance to cover medical benefits of between \$350 thousand and one million dollars per person per year for retirees pre-65 years of age, for whom the Company is the primary insurer.

The Company accrues the expected cost of postretirement benefits other than pensions over the period in which the active employees become eligible for such postretirement benefits. The net periodic expense for these postretirement benefits for 2001, 2000 and 1999 was \$3.7, \$3.0 and \$3.0, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Dollars in Millions, Except Per Share Amounts)

The following table sets forth the change in benefit obligation, change in plan assets, funded status and amounts recognized for the Company's postretirement benefit plans in the consolidated balance sheet at December 31, 2001 and 2000:

	<u>2001</u>	<u>2000</u>
Change in benefit obligation		
Beginning obligation	\$ 49.4	\$ 45.8
Service cost	.9	.5
Interest cost	3.7	3.9
Participant contributions	.1	.1
Benefits paid	(4.6)	(3.9)
Plan amendments	—	(.6)
Actuarial loss	<u>3.1</u>	<u>3.6</u>
Ending obligation	<u>52.6</u>	<u>49.4</u>

Change in plan assets

Beginning fair value	--	--
Actual return on plan assets	--	--
Employer contributions	4.5	3.8
Participant contributions	.1	.1
Benefits paid	<u>(4.6)</u>	<u>(3.9)</u>
Ending fair value	<u>--</u>	<u>--</u>
Funded status of the plans	(52.6)	(49.4)
Unrecognized net actuarial gain	(2.9)	(6.2)
Unrecognized prior service cost	(.5)	(1.5)
Unrecognized net transaction obligation (assets)	<u>1.6</u>	<u>1.9</u>
Net liability recognized	<u>\$(54.4)</u>	<u>\$(55.2)</u>

Discount rates of 7.25% in 2001, 7.5% to 7.8% in 2000 and 6.8% to 7.75% in 1999 and salary increase assumptions of 3.5% to 6% in 2001, 5% to 6% in 2000 and 4% to 6% in 1999 were used in determining the accumulated postretirement benefit obligation. A 6.1% to 12% and a 5% to 7.5% increase in the cost of covered health care benefits were assumed for 2001 and 2000, respectively. These rates are assumed to decrease incrementally to approximately 5% to 11% in the years 2002 to 2006 and remain at that level thereafter. A 1% increase in the health care cost trend rate would increase the obligation by approximately \$3 and the periodic expense by \$0.3. A 1% decrease would decrease the obligation and expense by similar amounts.

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Note 12: Comprehensive Income

Accumulated other comprehensive income (loss) amounts are reflected in the consolidated financial statements as follows:

	<u>2001</u>	<u>2000</u>	<u>1999</u>
Net income (loss)	<u>\$(505.3)</u>	<u>\$420.3</u>	<u>\$ 359.4</u>
Foreign currency translation adjustment	<u>(89.6)</u>	<u>(91.1)</u>	<u>(100.8)</u>
Adjustment for minimum pension liability:			
Adjustment for minimum pension liability	(9.3)	--	18.6
Tax benefit	<u>3.9</u>	<u>--</u>	<u>--</u>
Adjustment for minimum pension liability	<u>(5.4)</u>	<u>--</u>	<u>18.6</u>
Unrealized holding gain (loss) on securities:			
Unrealized holding gains	0.5	9.1	309.8
Tax expense	(0.2)	(3.8)	(130.1)
Unrealized holding losses	--	(381.9)	(8.4)
Tax benefit	--	160.4	3.5
Reclassification of unrealized loss to net earnings	94.8	--	--
Tax benefit	(39.8)	--	--
Reclassification of unrealized gains to net earnings	(0.3)	(13.8)	(34.7)
Tax expense	<u>0.1</u>	<u>5.8</u>	<u>14.7</u>
Unrealized holding gain (loss) on securities	<u>55.1</u>	<u>(224.2)</u>	<u>154.8</u>
Comprehensive income (loss)	<u>\$(545.2)</u>	<u>\$105.0</u>	<u>\$432.0</u>

As of December 31, accumulated other comprehensive loss as reflected in the Consolidated Balance Sheet is as follows:

	<u>2001</u>	<u>2000</u>	<u>1999</u>
Foreign currency translation adjustment	\$(428.1)	\$(338.5)	\$(247.4)
Adjustment for minimum pension liability	(24.0)	(18.6)	(18.6)

Unrealized holding gain (loss) on securities	<u>0.6</u>	<u>(54.5)</u>	<u>169.7</u>
Accumulated other comprehensive loss	<u>\$(451.5)</u>	<u>\$(411.6)</u>	<u>\$ (96.3)</u>

Note 13: Derivative and Hedging Instruments

The Company enters into interest rate swap agreements, forward foreign currency contracts and maintains certain debt balances in currencies other than the Company's functional currency.

Interest Rate Swaps

At December 31, 2001, the Company had outstanding interest rate swap agreements covering \$400.0 of the \$500.0, 7.875% notes due October 2005. The swaps have the same term as the debt and effectively convert the fixed rate on the debt to a variable rate based on 6 month LIBOR. The swaps are accounted for as hedges of the fair value of the related debt and are recorded as an asset or liability as appropriate. As of December 31, 2001, the fair value of the hedges was an asset of approximately \$10. The net effect of the hedges is that interest expense on the \$400.0 of debt being hedged is recorded at variable rates, which for 2001 resulted in the effective interest rate on the \$500.0, 7.875% notes being reduced to 6.972%. The fair value is estimated based on quotes from the market makers of these instruments and represents the estimated amounts that the Company would expect to receive if these agreements were terminated. These instruments were executed with institutions the Company believes to be credit-worthy.

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Hedges of Net Investment

The Company has significant foreign operations and conducts business in various foreign currencies. In order to hedge the value of its investment in Europe, the Company has designated approximately 125 million Euro of borrowings under its \$375.0 syndicated revolving multi-currency credit facility as a hedge of this net investment. Changes in the spot rate of the debt instruments designated as hedges of the net investment in a foreign subsidiary are reflected in the cumulative translation adjustment component of stockholders' equity. The amount deferred in 2001 was approximately \$5.

Forward Contracts

Short-term

The Company has entered into foreign currency transactions in which foreign currencies (principally the Euro, Pounds Sterling and the Japanese Yen) are bought or sold forward. The contracts were entered into to meet currency requirements arising from specific transactions. The changes in value of these forward contracts were reflected in the Company's consolidated statement of operations. As of December 31, 2001 the Company had contracts covering approximately \$50 of notional amount of currency. Substantially all of these contracts expire by the end of February 2002. As of December 31, 2001, the fair value of the forwards was a loss of \$0.2.

Long-term

In September 2000, the Company acquired a 35.5% interest in Springer & Jacoby, a German-based advertising group, for total consideration of \$25.9. The consideration consisted of an initial cash payment of \$16.9 and a put option valued at \$9.0. Pursuant to the purchase agreement, two shareholders of Springer & Jacoby have the right to sell all of their shares (put option) to the Company in January 2003 at a fixed price of 27.1 million Euros. The additional shares to be purchased in January 2003 pursuant to the put option represent 15.5% of the outstanding shares of Springer & Jacoby. The Company has recorded the fair value of this put option as an \$8.3 liability at December 31, 2001. The Company has entered into forward contracts to purchase 27.1 million Euros in January 2003. The fair value of the forward contracts was recorded as an asset of \$1.0 at December 31, 2001. Changes in the fair value of the put option liability and the forward contracts are reflected as a component of the Company's consolidated statement of operations.

Other

Under the terms of the offering of Zero-Coupon Convertible Notes in December 2001 (see Note 9), two embedded derivative instruments were created. The derivatives are related to: a) the value of the contingent interest feature (whereby cash interest may become payable in certain circumstances) and b) the value of the feature that the debt become convertible upon a reduction in the credit rating of the Notes. The Company obtained valuations of the two derivatives at the time of initial issuance of the Notes and determined that the fair value of the two derivatives was negligible. At December 31, 2001, the fair value of the two derivatives was negligible.

Note 14: Financial Instruments

Financial assets, which include cash and cash equivalents, short-term marketable securities and receivables, have carrying values which approximate fair value. Marketable securities are deemed to be available-for-sale as defined by SFAS 115 and accordingly are reported at fair value, with net unrealized gains and losses reported as a component of the comprehensive income.

The following table summarizes net unrealized holding gains and losses on marketable securities before taxes at December 31:

	<u>2001</u>	<u>2000</u>	<u>1999</u>
Cost	<u>\$68.2</u>	<u>\$217.1</u>	<u>\$172.3</u>
Unrealized:			
- Gains	1.4	1.3	304.3
- Losses	<u>--</u>	<u>(94.9)</u>	<u>(12.2)</u>
Net unrealized gains (losses)	<u>1.4</u>	<u>(93.6)</u>	<u>292.1</u>
Fair market value	<u>\$69.6</u>	<u>\$123.5</u>	<u>\$464.4</u>

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Unrealized holding gains (losses), net of tax, were \$0.6, \$(54.5) and \$169.7 at December 31, 2001, 2000 and 1999, respectively.

Financial liabilities with carrying values approximating fair value include accounts payable and accrued expenses, as well as short-term bank borrowings.

As of December 31, the fair value of the Company's significant long-term borrowings was as follows:

	<u>2001</u>		<u>2000</u>	
	<u>Book Value</u>	<u>Fair Value</u>	<u>Book Value</u>	<u>Fair Value</u>
Convertible Subordinated Notes - 1.87%	\$320.0	\$284.7	\$311.9	\$339.0
Convertible Subordinated Notes - 1.80%	\$228.5	\$235.9	\$221.2	\$293.0
Senior Unsecured Note - 7.875%	\$500.0	\$513.4	\$500.0	\$509.0
Senior Unsecured Note - 7.25%	\$500.0	\$476.7	\$ -	\$ -
Zero-Coupon Convertible Notes	\$575.3	\$593.1	\$ -	\$ -

Effective February 10, 1999, a majority-owned subsidiary of the Company, Modem Media, Poppe Tyson, Inc. (now known as Modem Media, Inc.), completed an initial public offering (IPO) of its common stock. The number of shares issued was 3.0 million, at a price of \$16 per share, with net proceeds totaling \$42.0. As a result of the IPO, the Company owned approximately 48% of Modem Media, down from its 70% ownership, but controlled approximately 80% of the related stockholder votes due to the super-majority voting right on its Class B shares. Modem Media used the proceeds from the IPO for working capital, capital expenditures and acquisitions. As a result of this transaction, the Company recorded a \$2.6 gain, net of \$2.0 of deferred income taxes, as a credit to stockholders' equity.

In April 2000, the Company converted all of its shares of Modem Media Class B common stock into Class A common stock pursuant to a Stockholders' Agreement with Modem Media. As a result, the Company's voting power was reduced from approximately 80% to approximately 46%. Accordingly, effective with the second quarter of 2000, Modem Media is no longer consolidated in the Company's financial statements and is accounted for on the equity method.

Note 15: Geographic Areas

Following the acquisition of True North in June 2001, the Company was reorganized into four global operating groups. The Company's global groups are: a) McCann-Erickson WorldGroup ("McCann"), b) the FCB Group ("FCB"), c) The Partnership and d) Advanced Marketing Services ("AMS"). Each of the four groups has its own management structure and reports to senior management of the Company on the basis of the four groups. McCann, FCB and The Partnership provide a full complement of global marketing services including advertising and media management, marketing communications including direct marketing, public relations, sales promotion, event marketing, on-line marketing and healthcare marketing in addition to specialized marketing services. AMS provides marketing communication services, primarily public relations, and also includes NFO WorldGroup (for marketing intelligence services) and Jack Morton Worldwide (for specialized marketing services including corporate events, meetings and training/learning).

Each of McCann, FCB, The Partnership and AMS operates with the same business objective which is to provide clients with a wide variety of services that contribute to the delivery of a message and to the maintenance or creation of a brand. The service offerings included in AMS are affiliated with the three other operating groups and provide services to clients on a seamless and integrated basis. Given the similarity of the operations, the Company has aggregated the results of the four groups. The four groups have similar economic characteristics and, specifically, are similar in: a) the nature of the services they provide, b) the manner in which the services are delivered and c) the type of clients served.

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Long-lived assets and revenue are presented below by major geographic area:

	<u>2001</u>	<u>2000</u>	<u>1999</u>
Long-Lived Assets:			
United States	<u>\$2,772.5</u>	<u>\$2,702.9</u>	<u>\$2,189.5</u>
International			
United Kingdom	610.7	568.9	504.9
All Other Europe	782.0	850.3	742.8
Asia Pacific	155.0	310.8	297.0
Latin America	116.5	118.9	105.6
Other	<u>118.0</u>	<u>133.9</u>	<u>87.1</u>
Total International	<u>1,782.2</u>	<u>1,982.8</u>	<u>1,737.4</u>
Total Consolidated	<u>\$4,554.7</u>	<u>\$4,685.7</u>	<u>\$3,926.9</u>

Revenue:			
United States	<u>\$3,805.8</u>	<u>\$4,244.2</u>	<u>\$3,624.2</u>
International			
United Kingdom	679.7	604.9	596.0
All Other Europe	1,161.0	1,233.6	1,278.7
Asia Pacific	478.9	508.9	415.1
Latin America	327.1	333.7	280.0
Other	<u>274.3</u>	<u>257.4</u>	<u>223.2</u>
Total International	<u>2,921.0</u>	<u>2,938.5</u>	<u>2,793.0</u>
Total Consolidated	<u>\$6,726.8</u>	<u>\$7,182.7</u>	<u>\$6,417.2</u>

Revenue is attributed to geographic areas based on where the services are performed. Property and equipment is allocated based upon physical location. Intangible assets, other assets and investments are allocated based on the location of the related operation.

The largest client of the Company contributed approximately 7% in 2001, 6% in 2000 and 6% in 1999 to revenue. The Company's second largest client contributed approximately 2% in 2001, 2% in 2000 and 3% in 1999 to revenue.

Note 16: Commitments and Contingencies

The Company and its subsidiaries lease certain facilities and equipment. Gross rental expense amounted to approximately \$470.2 for 2001, \$433.8 for 2000 and \$393.6 for 1999, which was reduced by sublease income of \$29.2 in 2001, \$34.7 in 2000 and \$33.5 in 1999.

Minimum rental commitments for the rental of office premises and equipment under noncancellable leases, some of which provide for rental adjustments due to increased property taxes and operating costs for 2002 and thereafter, are as follows:

<u>Period</u>	<u>Amount</u>
2002	\$314.1
2003	\$210.4
2004	\$189.8
2005	\$157.2
2006	\$145.6
2007 and thereafter	\$535.8

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Dollars in Millions, Except Per Share Amounts)

Certain of the Company's acquisition agreements provide for deferred payments by the Company, contingent upon future revenues or profits of the companies acquired. Such contingent amounts are approximately \$550 (including cash and stock) assuming the full amount due under these acquisition agreements is paid, however, the Company does not expect to pay the full amount estimated.

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

The Company is involved in legal and administrative proceedings of various types. While any litigation contains an element of uncertainty, the Company believes that the outcome of such proceedings or claims will not have a material adverse effect on the Company.

SELECTED FINANCIAL DATA FOR FIVE YEARS (Amounts in Millions, Except Per Share Amounts and Number of Employees)

	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
OPERATING DATA					
Revenue	\$ 6,726.8	\$ 7,182.7	\$ 6,417.2	\$ 5,492.9	\$ 4,850.7
Operating expenses	5,986.2	6,155.9	5,608.3	4,817.2	4,396.3
Restructuring and other merger related costs	645.6	177.7	159.5	3.3	79.6
Goodwill impairment and other charges	303.1	--	--	--	--
Special compensation charge	--	--	--	--	32.2
Investment impairment	208.3	--	--	--	--
Interest expense	164.6	126.3	99.5	86.5	80.0
Provision for (benefit of) income taxes	(43.9)	348.8	285.3	301.7	208.6
Net income (loss)	\$ (505.3)	\$ 420.3	\$ 359.4	\$ 374.2	\$ 168.7

Weighted-average shares:

Basic	366.1	355.6	368.9	356.7	369.6	362.7	371.3	363.5
Diluted	366.1	368.0	368.9	380.9	369.6	373.1	377.2	373.3

Stock price:

High	\$ 47.19	\$ 55.56	\$ 38.85	\$ 48.25	\$ 30.46	\$ 44.63	\$ 31.00	\$ 43.75
Low	\$ 32.50	\$ 37.00	\$ 27.79	\$ 38.00	\$ 19.30	\$ 33.50	\$ 19.50	\$ 33.06

REPORT OF MANAGEMENT

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

Management maintains a system of internal accounting controls which provides reasonable assurance that, in all material respects, assets are maintained and accounted for in accordance with management's authorization, and transactions are recorded accurately in the books and records. To assure the effectiveness of the internal control system, the organizational structure provides for defined lines of responsibility and delegation of authority.

The Finance Committee of the Board of Directors, which is comprised of the Company's Chairman and Chief Financial Officer and four outside Directors, is responsible for defining these lines of responsibility and delegating the authority to management to conduct the day-to-day financial affairs of the Company. In carrying out its duties, the Finance Committee primarily focuses on monitoring financial and operational goals and guidelines; approving and monitoring specific proposals for acquisitions; approving capital expenditures; working capital, cash and balance sheet management; and overseeing the hedging of foreign exchange, interest-rate and other financial risks. The Committee meets regularly to review presentations and reports on these and other financial matters to the Board. It also works closely with, but is separate from, the Audit Committee of the Board of Directors.

The Company has formally stated and communicated policies requiring of employees high ethical standards in their conduct of its business. As a further enhancement of the above, the Company's comprehensive internal audit program is designed for continual evaluation of the adequacy and effectiveness of its internal controls and measures adherence to established policies and procedures.

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

The independent accountants, PricewaterhouseCoopers LLP, were recommended by the Audit Committee of the Board of Directors and selected by the Board of Directors, and their appointment was ratified by the stockholders. The independent accountants have examined the financial statements of the Company and their opinion is included as part of the financial statements.

/s/ John J. Dooner Jr.

John J. Dooner Jr.
Chairman and Chief Executive Officer

/s/ Sean F. Orr

Sean F. Orr
Executive Vice President and Chief Financial Officer

<u>Name</u>	<u>Jurisdiction Under Which Organized</u>	<u>Percentage Of Voting Securities Owned By Immediate Parent (%)</u>	<u>Immediate Parent</u>
Domestic:			
The Interpublic Group of Companies, Inc. (Registrant)	Delaware	-	-
Lowe Biocore Inc.	California	100	Lowe Group Holdings Inc.
Bragman Nyman Cafarelli, Inc.	California	100	Registrant
Bragman Nyman Cafarelli LLC	California	100	Bragman Nyman Cafarelli, Inc.
Campbell Mithunof California, Inc.	California	100	Registrant
Casablanca Productions'	California	100	Registrant
Casanova PendrillPublicidad, Inc.	California	100	Registrant
Creative Color, Inc.	California	100	Graphic Orb, Inc.
D&H Imagewerks, Inc.	California	100	Registrant
Dailey & Associates, Inc.	California	100	Registrant
Deutsch LA, Inc.	California	100	DA Acquisition Corp.
Eidolon Corporation	California	100	Registrant
Goldberg, Moser, O'Neill LLC	California	100	Lowe & Partners/SMS Inc.
Graphic Orb, Inc.	California	100	Registrant
International Business Services, Inc.	California	100	Infoplan Int'l, Inc.
Initiative Media Corp.	California	100	Registrant
Kaleidoscope Films, Inc.	California	51	Interpublic KFI Ventures, Inc.
Marketing Drive San Francisco, Inc.	California	100	Marketing Drive Worldwide, Inc.
North Light, Ltd.	California	100	Dailey & Assoc., Inc.
Octagon CLS Sports Corp.	California	100	Registrant
Octagon Sullivan & Sperbeck Corp.	California	100	Registrant
Outdoor AdvertisingGroup	California	100	Registrant
PIC-TV & Associates, Inc.	California	100	Initiative Media Worldwide, Inc.
PMK/HBH, Inc.	California	100	Registrant
Publicidad Siboney (CA), Inc.	California	100	True North Communications Inc.
SMS Productions, Inc.	California	100	Registrant
Suissa Miller Advertising LLC	California	80	Lowe Group Holdings Inc.
The Benjamin Group	California	100	BSMG Worldwide, Inc.
The FutureBrand Company, Inc.	California	100	Registrant
Western Int'l Advocacy Group	California	100	Registrant
Western Motivational Incentives Group	California	100	Initiative Media Worldwide, Inc.
WIM Traffic, Inc.	California	100	Registrant
Momentum-NA, Inc.	Colorado	100	McCann-Erickson USA, Inc.
ClinARC Co.	Connecticut	100	Registrant
Adair Greene, Inc.	Delaware	100	McCann-Erickson USA, Inc.
Advanced Marketing Solutions Corp.	Delaware	100	NFO WorldGroup, Inc.
Advantage Int'l Holdings, Inc.	Delaware	100	Registrant
AG Multimedia LLC	Delaware	55	DraftWorldwide, Inc.
Ammirati Puris Lintas Inc.	Delaware	100	Registrant
Ammirati Puris Lintas USA, Inc.	Delaware	100	Registrant
Anderson & Lembke, Inc.	Delaware	100	Registrant
Angotti, Thomas, Hedge, Inc.	Delaware	100	Registrant
ARS Acquisition Corp.	Delaware	100	Registrant
Asset Recovery Group, Inc.	Delaware	100	Registrant
Barbour Griffith & Rogers, Inc.	Delaware	100	Registrant
Berenter Greenhouse & Webster, Inc.	Delaware	100	Bozell Group, Inc.
Bozell Group, Inc.	Delaware	100	True North Communications, Inc.

<u>Name</u>	<u>Jurisdiction Under Which Organized</u>	<u>Percentage Of Voting Securities Owned By Immediate Parent (%)</u>	<u>Immediate Parent</u>
DOMESTIC:			
BJK&E, Inc.	Delaware	100	True North Communications, Inc.
Bozell Kamstra Inc.	Delaware	100	Bozell Group, Inc.
BrandFutures, LLC	Delaware	50	FutureBrand Company, Inc.
BSG Holding LLC	Delaware	100	Protech Holdings
Business Science Research Corp.	Delaware	100	Registrant
Campbell-Ewald Company	Delaware	100	Registrant
Campbell Mithun LLC	Delaware	80	Registrant
Capita Technologies, Inc.	Delaware	100	Registrant
Caribiner Newco, Inc.	Delaware	100	IPG Caribiner Acquisition Corp.
Chesapeake Surveys, Inc.	Delaware	80	Migliara/Kaplan Associates, Inc.
Coleman Graham LLC	Delaware	77	New America Strategies Group, L.L.C.
Columbian Advertising, Inc.	Delaware	100	Registrant
CrossMediaCEM, Inc.	Delaware	100	Registrant
DraftWorldwide, Inc.	Delaware	100	Registrant
EVI Holdings, Inc.	Delaware	100	Capita Technologies, Inc.
FCB Japan Inc.	Delaware	100	FCB Worldwide, L.L.C.
FCB Worldwide Inc.	Delaware	100	FCB Worldwide, L.L.C.
FCB Worldwide, LLC	Delaware	100	True North Communications, Inc.
FMI Acquisition Corp.	Delaware	100	McCann-Erickson USA, Inc.
GDI Holdings LLC	Delaware	100	Protech Holdings, Inc.
Global Event Marketing & Management (GEMM) Inc.	Delaware	100	Registrant
Golin/Harris International Inc.	Delaware	100	Shandwick N. Amer. Hold. Co. Inc.
Gravity Sports & Entertainment LLC	Delaware	100	Registrant
Healthcare Capital, Inc.	Delaware	100	McCann Healthcare, Inc.
Hill, Holliday, Connors, Cosmopolos, Inc.	Delaware	100	Registrant
Howard, Merrell & Partners, Inc.	Delaware	100	Bozell Group, Inc.
IBS Holding Corp.	Delaware	100	Registrant
ICN Acquisition Corp.	Delaware	100	Registrant
Industry Entertainment, LLC	Delaware	100	Registrant
Infoplan International, Inc.	Delaware	100	Registrant
International Cycling Productions, Inc.	Delaware	100	H&C Holdings LTD.
Interpublic Game Shows, Inc.	Delaware	100	Registrant
Interpublic KFI Ventures, Inc.	Delaware	100	Registrant
Interpublic SV Ventures, Inc.	Delaware	100	Registrant
IPG Caribiner Acquisition Corp.	Delaware	100	Jack Morton Worldwide, Inc.
IPG DS Ventures, Inc.	Delaware	100	Registrant
IPG Interactive Investment Corp.	Delaware	100	Registrant
IPG S&E, Inc.	Delaware	100	Registrant
IPG S&E Ventures, Inc.	Delaware	100	Registrant
IPG SAI Holding Corp.	Delaware	100	Registrant
IX, Inc.	Delaware	100	NFO WorldGroup, Inc.
Jack Morton Worldwide Inc.	Delaware	100	Registrant
Jack Tinker Advertising, Inc.	Delaware	100	Registrant
Jay Advertising, Inc.	Delaware	100	Registrant

Name	Jurisdiction Under Which Organized	Percentage Of Voting Securities Owned By Immediate Parent (%)	Immediate Parent
DOMESTIC:			
JMP Holding Company, Inc.	Delaware	100	Registrant
KAL Acquisition Corp.	Delaware	100	Registrant
Kaleidoscope Sports and Entertainment LLC	Delaware	100	Registrant
KSL Media, Inc.	Delaware	100	True North Diversified Companies, Inc.
LFS, Inc.	Delaware	100	Registrant
Lowe Fox Pavlika Inc.	Delaware	100	Lowe & Partners/SMS Inc.
Lowe Live New York, Inc.	Delaware	100	Lowe & Partners/SMS Inc.
LMMS-USA, Inc.	Delaware	100	McCann-Erickson USA, Inc.
Magna Global USA, Inc.	Delaware	100	Registrant
MarketCorp Promotions, Inc.	Delaware	100	DraftWorldwide, Inc.
Marketing Communications Technologies, Inc.	Delaware	100	Registrant
Marketing Corporation of America	Delaware	100	Registrant
Marketing Drive EMP W/Wide, Inc.	Delaware	100	Marketing Drive Worldwide, Inc.
Marketing Drive Minneapolis, Inc.	Delaware	100	Marketing Drive Worldwide, Inc.
Marketing Drive USA, Inc.	Delaware	100	Marketing Drive Worldwide, Inc.
Marketing Drive Worldwide, Inc.	Delaware	100	True North Diversified Companies, L.L.C.
Marketmind, Inc.	Delaware	100	NFO USA, Inc.
McAvey & Grogan, Inc.	Delaware	100	Registrant
McCann-Erickson USA, Inc.	Delaware	100	Registrant
McCann-Erickson Corporation (S.A.)	Delaware	100	Registrant
McCann-Erickson Corporation (Int'l)	Delaware	100	Registrant
McCann-Erickson (Paraguay) Co.	Delaware	100	Registrant
McCann-Erickson Worldwide, Inc.	Delaware	100	Registrant
McCann Healthcare, Inc.	Delaware	100	McCann-Erickson USA, Inc.
McCann Worldwide Marketing Communications Co.	Delaware	100	Registrant
Media Inc.	Delaware	100	Registrant
Media Direct Partners, Inc.	Delaware	100	Media, Inc.
Media Partnership Corporation	Delaware	100	Registrant
MGould Co., Inc.	Delaware	100	Registrant
Migliara/Kaplan Associates, Inc.	Delaware	100	NFO WorldGroup, Inc.
Pros, Inc.	Virginia	100	Advantage Int'l Holdings, Inc.
The Martin Agency, Inc.	Virginia	100	Lowe & Partners/SMS Inc.
Weber McGinn, Inc.	Virginia	100	Registrant
Sedgwick Rd., Inc.	Washington	100	Registrant

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Name	Jurisdiction Under Which Organized	Percentage Of Voting Securities Owned By Immediate Parent (%)	Immediate Parent
Foreign:			
Abex SA	Argentina	99	Agulia & Baccetti S.A.
Bozell Vasquez	Argentina	65	TN Holdings (Latin America),Inc.
B.T.L. SA	Argentina	70	Agulia & Baccetti S.A.

Cesar Mansilla Asociados SA	Argentina	90	Group Nueva Comunicacion S.A.
Dial Database Marketing	Argentina	60	Interpublic S.A. de Publicidad
FutureBrand S.A.	Argentina	70	Registrant (70%); Luis Rey (15%); Gustavo Kniszczcer (15%)
Grupo Nueva Comunicacion SA	Argentina	80	Registrant (80%); Cesar Leonardo Mansilla (20%)
Interpublic S.A. de Publicidad	Argentina	100	Registrant
IM Naya	Argentina	50	Registrant
Nueva Comunicacion SA	Argentina	100	Grupo Nuever Communications SA; Interpublic SA de Publicidad
Pragma/FCB	Argentina	90	TN Holdings (Latin America), Inc.
Primera Impresion SA	Argentina	99	Espacios S.A.
Promocionar	Argentina	60	Interpublic S.A. de Publicidad
Servicio Integral de Comm. SA	Argentina	100	Grupo Nueva Communications SA, Interpublic SA de Publicidad
XYZ Producciones	Argentina	100	Pragma FCB Publicidad S.A
Adlogic Proprietary Limited	Australia	50	Merchant Partners Australia Ltd.
Advantage Holdings	Australia	100	Advantage Int'l Holdings Inc.
Ammirati Puris Lintas Proprietary Ltd.	Australia	100	Registrant
Ammirati Puris Lintas Melbourne	Australia	100	Ammirati Puris Lintas Prop. Ltd.
Australia Pty. Ltd.	Australia	100	Charcoal Nominees Limited
Australian Safari Pty. Limited	Australia	100	Octagon Worldwide Pty. Limited
Bozell Worldwide Pty. Ltd.	Australia	100	TN Holdings (Asia/Pacific), Inc.
CWFS	Australia	100	McCann Australia (50%) and McCann-Erickson Ltd.(50%)
Directory Investments Pty Ltd.	Australia	100	Shandwick Holdings Pty. Ltd. (91%) Weber Shandwick W/Wide Pty. Ltd. (9%)
Direct Response	Australia	100	McCann-Erickson Pty. Limited
FCB Australia Pty. Ltd.	Australia	100	TN Holdings (Asia Pacific), Inc.
FCB Melbourne Pty. Ltd.	Australia	100	FCB Australia Pty. Ltd.
FCB Superannuation Pty. Ltd.	Australia	100	FCB Australia Pty. Ltd.
FCB Sydney Pty. Ltd.	Australia	100	FCB Australia Pty. Ltd.
Future Motorsports Concepts	Australia	50	Octagon Worldwide Pty. Limited
Harrison Advertising Pty Limited	Australia	100	McCann-Erickson Advertising Ltd.
Impulse Art Proprietary Limited	Australia	100	Ammirati Puris Lintas Prop. Ltd.
Initiative Media Australia Pty. Ltd.	Australia	100	Merchant and Partners Australia Pty. Limited
International Public Relations Pty. Ltd.	Australia	100	Shandwick Holdings Pty. Ltd.
Interpublic Australia Proprietary Ltd.	Australia	100	Registrant
Interpublic Limited Proprietary Ltd.	Australia	100	Registrant
IPR Shandwick Pty. Ltd.	Australia	100	Shandwick Holdings Pty. Ltd.
Lintas: Hakuhodo Pty. Ltd.	Australia	50	Ammirati Puris Lintas Prop.
Loyalty Research Pty Limited	Australia	100	NFO CM Research Australia Holdings Limited

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Name	Jurisdiction Under Which Organized	Percentage Of Voting Securities Owned By Immediate Parent (%)	Immediate Parent
Foreign:			
Marplan Proprietary Limited McCann-Erickson Advertising Pty. Ltd.	Australia	100	Registrant
McCann-Erickson Sydney	Australia	100	Registrant

Charles Barker SCRL	Belgium	100	BSMG Worldwide B.V.
Direct Creations S.A.	Belgium	100	Lowe Lintas & Partners S.A.
Draft Belgium Holdings S.P.R.L.	Belgium	100	Draft Group Holdings Limited
Eleven Pool (KSE)	Belgium	100	Interpublic Belgium Holdings SA
FCB Worldwide SA	Belgium	100	TN Holdings (Europe), Inc.
Feedback S.P.R.L.	Belgium	100	DraftWorldwide, Inc.
Initiative Media Brussels S.A.	Belgium	100	Ammirati Puris Lintas Brussels S.A. (96%) and Initiative Media (4%)
Initiative Media Int'l S.A.	Belgium	100	Lintas Holding B.V.
Interpublic Belgium Holdings II SPRL	Belgium	99	Interpublic Group Denmark Holdings APS
Interpublic Belgium Holdings SA	Belgium	100	Interpublic Group Denmark Holdings APS
Karamba S.A.	Belgium	100	Draft Group Holdings Ltd.
Lowe Lintas & Partners S.A.	Belgium	100	Lowe Worldwide Holdings B.V.
McCann-Erickson Co. S.A.	Belgium	100	Registrant
Momentum Brussels SA	Belgium	85	McCann-Erickson Company S.A.
Octagon Holdings BVBA Holdings BV	Belgium	100	Octagon Worldwide Holdings BV
Outdoor Services SA.NV	Belgium	100	Interpublic Belgium Holdings SA
Programming Media Int'l PMI S.A.	Belgium	100	Registrant
Promo Sapiens S.A.	Belgium	100	Draft Belgium Holding S.P.R.L. (85%) and Karamba S.A. (15%)
Shandwick Belgium S.A. The Advanced Marketing Centre S.A.	Belgium	100	Shandwick Investments Ltd.
Universal Media, S.A.	Belgium	100	Draft Group Holdings Ltd. Registrant
Triad Assurance Limited	Bermuda	100	Registrant
BciH	Brazil	60	Hennison
Bullet Promocoos Ltda.	Brazil	60	Interpublic Publicidade e Pesquisas Sociedade Ltda
Contemporanea	Brazil	60	Interpublic Brazil (54%); Intelan SA (Uruguay) (6%)
Datamidia Database Marketing Ltda	Brazil	100	Giovanni/FCB SA
DraftWorldwide Ltda.	Brazil	66	DraftWorldwide, Inc.
DraftWorldwide Sao Paulo Ltda.	Brazil	66	DraftWorldwide, Inc.
FCB do Brazil	Brazil	100	TN Holdings (Latin America),Inc.
Giovanni/FCB	Brazil	60	TN Holdings (Latin America),Inc.
Giovanni FCB Midia Ltda	Brazil	60	Datamidia Database Marketing Ltda
Harrison Comunicacoes Ltda	Brazil	100	Interpublic Publicidade e Pesquisas Sociedade Ltda

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Name	Jurisdiction Under Which Organized	Percentage Of Voting Securities Owned By Immediate Parent (%)	Immediate Parent
Foreign:			
Interpublic Publicidade e Pesquisas Sociedade Ltda.	Brazil	100	Int'l Business Services, Inc.
Lowe Lintas & Partners Ltda.	Brazil	98.75	Registrant
Marketing Drive	Brazil	80	TN Holdings (Latin America),Inc.
McCann-Erickson Publicidade Ltda.	Brazil	100	Registrant
MPMPPA Profissionais de Promocao Associados Ltda.	Brazil	100	MPM Lintas Comunicacoes Ltda.

Octagon do Brazil			
Participacoes S/C Ltda.	Brazil	100	Octagon Worldwide Brazil Inc.
Sight Momentum Ltda	Brazil	69.99	Intelan S.A.
Sun Marketing Direct	Brazil	65	Interpublic Publicidade e Pesquisas Sociedade Ltda.
Thunder House Communications Ltd	Brazil	99.8	Interpublic Publicidade e Pesquisas Sociedade Ltda
TMKT-MRM Servicos de Marketing Ltda.			
	Brazil	55	Interpublic Publicidad e Pesquisas Sociedade Ltda (55%); TMKT Telemarketing S/C Ltda (9%); SMK Servicos de Marketing S/C Ltda (36%); 4 individuals (1% each)
Universal Publicidade Ltda.	Brazil	100	Interpublic Publicidade E Pesquisas Sociedade Ltda.
Asiatic Corporation	Brit. Virgin Islands	100	PR Consultants Scotland Ltd.
Hanks International	Brit. Virgin Islands	100	True North Communications, Inc.
Karting Marketing and Management Corp.	Brit. Virgin Islands	51	Octagon Motorsports Ltd.
Lowe Holdings BVI Limited	Brit. Virgin Islands	100	Lowe Group Holdings Inc.
Octagon Asia Inc.	Brit. Virgin Islands	100	Octagon Prism Limited
Octagon CSI Holdings S.A.	Brit. Virgin Islands	100	Communication Services Int'l (Holdings) S.A.
Octagon CSI International Holdings S.A.			
	Brit. Virgin Islands	100	Octagon CSI S.A.
Octagon Motorsports Limited	Brit. Virgin Islands	66.6	Octagon Worldwide Inc.
SBK Superbike International Limited	Brit. Virgin Islands	100	Octagon Motorsports Ltd. (50%); Octagon Worldwide Inc. (50%)
GJW Tanacsado Kft	Budapest	100	True North Communications Inc.
PBI	Bulgaria	51	Registrant
Adware Systems Canada Inc.	Canada	100	Adware Systems, Inc.
Ammirati Puris Ltd.	Canada	100	Registrant
BDDS Groupe	Canada	70	Shandwick Canada
Calimero Partenariat, Inc.	Canada	100	DraftWorldwide Canada, Inc.
Cameron McCleery Productions Limited	Canada	100	MacLaren McCann Canada Inc.
CF Group Inc.	Canada	100	NFO WorldGroup Inc.
CMC Canada Ltd.	Canada	60	Complete Medical Group Ltd.
Continental Communications Inc.	Canada	100	Shandwick Investments of Canada Ltd.
Continental PIR Communications Ltd.			
	Canada	100	Continental Communications Inc.
Corporation BDDS Shandwick	Canada	70 3707822	Canada Inc.
Diefenbach-Elkins Limited	Canada	100	FBI(US)

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Name	Jurisdiction Under Which Organized	Percentage Of Voting Securities Owned By Immediate Parent (%)	Immediate Parent
Foreign:			
Dollery Rudman Freibauer Design	Canada	75	McClaren McCann
DraftWorldwide Quebec Inc.	Canada	100	DraftWorldwide Canada
DRF	Canada	75	Registrant
Duman Communications	Canada	100	Ammirati Puris Lintas Canada Ltd.
Everest Commandities (GECM) Inc.	Canada	100	DraftWorldwide Quebec, Inc.

Everest Estrie Publicite (GECM) Inc.	Canada	100	DraftWorldwide Quebec, Inc.
Everest Relations Publiques (GECM) Inc.	Canada	100	DraftWorldwide Quebec, Inc.
FCB Worldwide (Canada) Ltd.	Canada	100	TN Holdings (Asia/Pacific), Inc.
Fuel	Canada	100	Messary Industries Ltd. (33%); DraftWorldwide Canada Inc. (67%)
FSA Targeting Inc.	Canada	100	Registrant
Generations Research, Inc.	Canada	100	FCB Worldwide Canada Limited
Gingko Direct Ltd.	Canada	100	Draft Worldwide Canada, Inc.
Groupe Everest	Canada	100	DraftWorldwide, Inc.
Hawgtown Creative Ltd.	Canada	100	DraftWorldwide, Inc.
HyperMedia Solutions (1998) Inc.	Canada	100	Hypermedia Solutions
ISOGROUP Canada, Inc.	Canada	100	Registrant
Kelly Management Group Inc.	Canada	100	Octagon Canada Inc.
Lambert Multimedia Inc.	Canada	100	DraftWorldwide Quebec Inc.
Le Groupe BDDS Inc.	Canada	70 3707822	Canada, Inc.(70%); Yves St. Amand (7.5%); M. Dumas (7.5%); Yves Dupre (7.5%); Jean- Francois Lebron (7.5%)
Lowe Investments Limited	Canada	100	Lowe Group Holdings Inc. (54%) Lowe Worldwide Holdings BV (46%)
MacLaren McCann Canada Inc.	Canada	100	Registrant
Messary Productions Inc.	Canada	100	Draft Worldwide Canada, Inc.
Mondialis Communications Mrktg. Inc.	Canada	100	FCB Worldwide Canada Limited
Octagon Canada Inc.	Canada	100	Octagon Worldwide Inc.
Page 1 Ltd.	Canada	100	True North Communications Inc.
Pederson & Gesk (Canada) Ltd.	Canada	100	Registrant
Pipeline Productions, Inc.	Canada	100	Fuel Advertising (40%); DraftWorldwide Canada (60%)
P&T Communications	Canada	100	Messary Industries Ltd. (49%); DraftWorldwide Canada (51%)
Programmes Inc.	Canada	100	FCB Worldwide Canada Limited
Promaction Corporation	Canada	100	McCann-Erickson Advert. of Canada
Promaction 1986 Inc.	Canada	100	MacLaren McCann Canada, Inc.
Segal Communications	Canada	100	DraftWorldwide, Inc.
Sensas (GECM) Inc.	Canada	100	DraftWorldwide Quebec Inc.
Shandwick Canada Inc.	Canada	100	Golin/Harris International Inc. (50%) Continental Communications Corp. (50%)
Shandwick Investment of Canada Ltd.	Canada	100	Shandwick Investments Ltd.
Temerlin McClain Ltd.	Canada	100	Temerlin McClain of Texas, Inc.
The FutureBrand Company	Canada	75	MacLaren McCann Canada Inc.
The Gingko Group Ltd.	Canada	100	DraftWorldwide Canada, Inc.

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Name	Jurisdiction Under Which Organized	Percentage Of Voting Securities Owned By Immediate Parent (%)	Immediate Parent
Foreign:			
The Medicine Group Limited	Canada	51	Complete Medical Group Ltd.
Tribu Lintas Inc.	Canada	100	MacLaren McCann Canada, Inc.

True North Comm. (Canada) Ltd.	Canada	100	FCB Worldwide (Canada) Ltd.
Wahlstrom Branch	Canada	100	True North Communications Inc.
Ammirati Puris Lintas Chile S.A.	Chile	100	Lowé Worldwide Holdings B.V.
Bozell S/B Chile SA	Chile	100	TN Holdings (Latin America), Inc.
Creactiva	Chile	60	DraftWorldwide Chile Limitada
Dittborn, Urzueta y Asociados Marketing	Chile	60	McCann-Erickson S.A. de Publicidad
Directo S.A.			
DraftWorldwide Chile Ltda.	Chile	100	DraftWorldwide Latinoamerica Ltda.
DraftWorldwide Latinoamerica Ltda.	Chile	100	DraftWorldwide, Inc.
IDB/FCB SA	Chile	70	TN Holdings (Latin America),Inc.
Initiative Media Servicios de Medios Ltda.	Chile	99	Ammirati Puris Lintas Chile S.A.
Lowé (Chile) Holdings SA	Chile	100	Lowé & Partners South America Holdings SA
Lowé & Partners Porta SA	Chile	55	Lowé (Chile) Holdings SA (19.3%); Lowé Worldwide Holdings BV (35.71%)
Marketing Drive Chile SA	Chile	70	TN Holdings (Latin America),Inc.
McCann-Erickson S.A. de Publicidad	Chile	100	Registrant
Ammirati Puris Lintas China	China	50	Registrant,; Shanghai Bang Da Advtg.
FCB Worldwide (Bo Da Da Qiao)	China	50	TN Holdings (Asia/Pacific), Inc.
Guangzhou Shandwick PR Consultant	China	100	Shandwick International (Asia) Pacific Limited
Lowé & Partners Live Consultants Ltd.	China	90	Lowé & Partners Live Limited
Market Behavior (Shanghai) Limited	China	100	NFO Asia-Pacific Limited
McCann-Erickson Guangming Advertising Limited	China	51	McCann-Erickson Worldwide Registrant
Shanghai Lintas Advertising Co. Ltd.	China	50	Registrant
Ammirati Puris Lintas Colombia	Columbia	100	Registrant
Artefilme Ltda.	Columbia	100	TN Holdings (Latin America), Inc.
Epoca S.A.	Columbia	60	Registrant
FCB Worldwide Columbia SA	Columbia	100	TN Holdings (Latin America),Inc.
Harrison Publicidad De Colombia S.A.	Columbia	100	Registrant
Initiative Media Colombia SA	Columbia	100	Ammirati Puris Lintas Colombia
Arte Cinema	Costa Rica	100	TN Holdings (Latin America),Inc.
Atitlan	Costa Rica	100	TN Holdings (Latin America),Inc.
FCB Costa de Rica	Costa Rica	100	TN Holdings (Latin America),Inc.
McCann-Erickson Centroamericana (Costa Rica) Ltda.	Costa Rica	100	Registrant
McCann-Erickson Zagreb	Croatia	100	McCann-Erickson Int'l GmbH McCann-Erickson Prague
Aisa	Czech Rep.	60	NFO Worldwide, Inc.
Ammirati Lintas Praha Spol. S.R.O.	Czech Rep.	100	Ammirati Puris Lintas Deutschland
Footé, Cone & Belding, S.R.O.	Czech Rep.	85	Registrant
Initiative Media Prague sro	Czech Rep.	100	Registrant

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Name	Jurisdiction Under Which Organized	Percentage Of Voting Securities Owned By Immediate Parent (%)	Immediate Parent
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Foreign:

Lowe Lintas GGK spol. Sro McCann-Erickson Prague, Spol. S.R.O.	Czech Rep. Czech Rep.	93 100	Lowe Lintas GGK Holdings AG McCann-Erickson International GmbH
NFO Aisa Czechoslovakia	Czeck Rep.	60	
Pan Media Western Praha spol Pool Media International srl	Czech Rep. Czech Rep.	100 100	Lowe Lintas GGK Holdings AG McCann-Erickson Prague, Spol. s.r.o. (51%) Ammirati Puris Lintas Praha, s.r.o. (49%)
Ammirati Puris Lintas Denmark A/S	Denmark	100	Lowe Lintas & Partners AS
Campbell-Ewald Aps	Denmark	100	Registrant
Infratest Burke APS	Denmark	100	Infratest Burke AB
Initiative Universal Aps	Denmark	100	Registrant
Job A/S	Denmark	100	Ammirati Puris Lintas Denmark
Lowe Holdings ApS	Denmark	100	IPG Group Denmark Holdings ApS
Lowe Lintas & Partners A/S	Denmark	75	Lowe Worldwide Holdings BV
McCann-Erickson A/S	Denmark	100	M-E Holdings ApS
McCann-Erickson Holdings APS	Denmark	100	Interpublic Group Denmark Holdings ApS
Medialog A/S	Denmark	100	Registrant
Octagon Holdings ApS	Denmark	100	Interpublic Group Denmark Holdings ApS
Overseas Group Denmark ApS	Denmark	100	Registrant
Overseas Holdings Denmark AS	Denmark	100	Overseas Group Denmark Aps
Parafilm A/S	Denmark	100	Registrant
Progaganda, Reuther, Lund & Priesler Reklamebureau Aps	Denmark	75	Registrant
Scandinavian Design Group ApS	Denmark	75	Scandanavian Design Group AS
Signatur Internet ApS	Denmark	100	Ammirati Puris Lintas Denmark A/S
ZP Group Denmark ApS	Denmark	100	ZEN
ZP Nordic A/S	Denmark	100	ZP Group Denmark ApS
ZP Nordic Holdings A/A	Denmark	100	ZP Group Denmark ApS
FCB Impact	Dominican Rep.	100	TN Holdings (Latin America), Inc.
Harrison Figuera Agencia De Counicaciones Integradas, S.A.	Dominican Rep.	70	McCann-Erick Dominicana, S.A.
McCann-Erickson Dominicana, S.A.	Dominican Rep.	100	Registrant
FCB/Ecuador	Ecuador	100	TN Holdings (Latin America), Inc.
McCann-Erickson (Ecuador) Publicidad S.A.	Ecuador	96	McCann-Erickson Corporation (Int'l)
Horizon FCB Limited	Egypt	99	Horizon Holdings Limited
Merac Egypt Ltd.	Egypt	80%	Merac-Middle East Research & Consultancy W.L.L.
FCB El Salvador Publicidad SA de CV McCann-Erickson Centro	El Salvador	100	TN Holdings (Latin America), Inc.
Americana (El Salvador) S.A. AS Division	El Salvador Estonia	100 75	Registrant Registrant (75%); Urmas Lilleng (9%); Rain Pikand (9%); Tonu Sikk (5%); Andrus Lember (2%)
ISOGROUP/Pavias Holdings	Europe	100	Registrant
Ammirati Puris Lintas Oy	Finland	100	Lowe Worldwide Holdings BV
Hasan & Partners Oy	Finland	100	Registrant

Name	Jurisdiction Under Which Organized	Percentage Of Voting Securities Owned By Immediate Parent (%)	Immediate Parent
Foreign:			
Hasan & Partners Finland Oy	Finland	51	Hasan & Partners Oy
Infratest Burke Oy	Finland	83.40	Infratest Burke AB
Kauppamainos/FCB OY	Finland	100	True North Holdings (Netherlands) B.V.
Lintas Service Oy	Finland	100	Lintas Oy
Lowe Brindfors Oy	Finland	100	Lowe Sweden AB
Lowe Brindfors Production Oy	Finland	100	Lowe Brindfors Oy
Lowe Forever Oy	Finland	100	Lowe Brindrods OY
MRM McCann Relationship Marketing Mainostoinisto Ami	Finland	100	McCann Helsinki Oy
Hasan & Company Oy Mainostoinisto Womena - McCann Oy	Finland	100	Hasan & Partners, Inc.
McCann Helsinki Oy	Finland	100	Registrant
McCann-Pro Oy	Finland	100	IPG
Neo Geo Graphic Design Oy	Finland	100	Oy Liikemainonta-McCann AB
Oy Liikemainonta-McCann AB	Finland	100	Mainostoinisto Womena-McCann Oy
PMI-Mediaporssi Oy	Finland	66	Registrant Oy Liikemainonta-McCann AB (33%); Lintas Oy (33%)
Sodapop Momentum Oy	Finland	86	McCann Helsinki Oy
Womena-Myyntinvaudittajat Oy	Finland	100	Oy Liikemainonta-McCann AB
ACAM	France	51	True North Holdings (France) SAS
Agence Virtuelle	France	99.84	Fieldplant Limited
Alice SNC	France	100	Lowe Alice SA (50%); Antennes Sa (50%)
Antennes SA	France	100	Lowe Alica SA
BJK&E Media	France	100	True North Holdings (France) SAS
Capskirting	France	51	Acam
CDRG France	France	74	McCann-Erickson France Holding Co.
Creation Sarl	France	97.5	SP3 S.A.
Creative Marketing Service SAS	France	100	France C.C.P.M.
DCI Pharma Sarl	France	100	Zeta S.A.
D.L. Blair Europe SNC	France	100	T.C. Promotions, I, Inc. (50%); T.C. Promotions II, Inc. (50%)
Dimension 4	France	80	20/80 Group
DraftDirect WorldwideSante Sarl	France	100	DraftWorldwide S.A.
DraftWorldwide S.A.	France	100	Draft Group Holdings Limited
E.C. Television/Paris, S.A.	France	100	France C.C.P.M.
Empir Media	France	100	True North Holdings (France) SAS
Empir SA	France	100	FCB SAS
Equation Graphique	France	100	DraftWorldwide S.A.
Fab + S.A.	France	99.4	SP3 S.A.
FCB SAS	France	100	True North Holdings (France) SAS
Formes et Facons	France	100	True North Holdings (France) SAS
France C.C.P.M.	France	100	Lowe Worldwide Holdings BV
FutureBrand Menu	France	51	Registrant
Huy Oettgen Oettgen S.A.	France	100	DraftWorldwide S.A.
Infernal Sarl	France	100	SP3 S.A.
Infratest Burke Sarl	France	100	Infratest Burke GmbH & Co.
Initiatives Media Paris S.A.	France	100	France C.C.P.M.

<u>Name</u>	<u>Jurisdiction Under Which Organized</u>	<u>Percentage Of Voting Securities Owned By Immediate Parent (%)</u>	<u>Immediate Parent</u>
Foreign:			
Isogroup France Sarl	France	100	Isograoup Europe B.V.
Leuthe il-autre Agence	France	99.8	McCann-Erickson France
Lowe Alice S.A.	France	100	Lowe Worldwide Holdings B.V.
Lowe Lintas & Partners SA	France	100	France C.C.P.M.
MACAO Communications S.A.	France	83.71	McCann-Erickson France
MacLaren Lintas S.A.	France	100	France C.C.P.M.
McCann Communications	France	99.70	MACAO Communications S.A.
McCann-Promotion S.A.	France	99.8	McCann-Erickson (France) Holding Co.
McCann-Erickson (France)			
McCann-Erickson Holding France	France	100	McCann-Erickson France
Holding Co.	France	100	Registrant
McCann-Erickson (Paris) S.A.	France	100	McCann-Erickson (France) Holding Co.
McCann-Erickson			
Rhone Alpes S.A.	France	100	McCann-Erickson (France) Holding Co.
McCann-Erickson Thera France	France	74	CDRG Communications
McCann Macao Momentum	France	9.88	Macao Communications S.A.
McCann Sante Promo Factory SA	France	99.88	Macao Communications S.A.
MDEO	France	80	McCann-Erickson France
Menu & Associes	France	51	The Coleman Group Worldwide LLC
Nationwide Advertising Svcs.	France	100	McCann France
Octagon International Sarl	France	100	Advantage Int'l Holdings Inc.
Pierre De Lune S.A.	France	100	Topaze Investissements S.A.
Pschitt S.A.	France	100	Zeta Agence Conseil En Publicite S.A.
Publi Media Service	France	50	Owned in quarters by McCann, Ammirati Puris Lintas agencies in France, Publicis and Idemedia
SDIG	France	66	McCann-Erickson France Holding Co. SA
Shandwick France Sarl	France	100	Shandwick Holdings SA
Shandwick Holding SA	France	100	Shandwick Investments Ltd.
Slad	France	99.8	McCann-Erickson France
Societe our le Developpement De			
L'Industrie du Gaz en France S.A.	France	66	McCann-Erickson France
SPEDIC	France	100	Registrant
SP3 S.A.	France	100	McCann-Erickson (France) Holding Co.
Strateus	France	72	France C.C.P.M.
Synthese Marketing S.A.	France	100	DraftWorldwide S.A.
Terre-Lune Marketing Drive	France	70	True North Holdings (France) SAS
Test S.A.	France	60	Infratest Burke Gmbh & Co.
Topaze Investissements S.A.	France	100	DraftWorldwide S.A.
Topaze Promotions Valeur S.A.	France	100	Topaze Investissements S.A.
True North Holdings (France) SAS	France	100	True North Holdings (Netherlands) B.V.
20/80 Group	France	80	FCB SAS
Universal Media S.A.	France	100	McCann-Erickson (France) Holding Co.
Valefi	France	55	McCann-Erickson (France) Holding Co.
Virtuelle	France	60	Fieldplan Limited

Western International Media Holdings Sarl Zeta Agence Conseil En Publicite S.A.	France France	100 100	Alice SNC DraftDirect Worldwide Sante Sarl
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Name	Jurisdiction Under Which Organized	Percentage Of Voting Securities Owned By Immediate Parent (%)	Immediate Parent
Foreign:			
Zoa Sarl	France	100	Alice SNC
Adplus Werbeagentur GmbH	Germany	100	Lowe & Partners GmbH
Ammirati Puris Lintas Hamburg GMBH	Germany	100	Ammirati Puris Lintas Deutschland GMBH
Ammirati Puris Lintas Deutschland GmbH	Germany	100	Registrant
Ammirati Puris Lintas Service GmbH	Germany	100	Ammirati Puris Lintas Deutschland
Ammirati Puris Lintas Hamburg GmbH	Germany	100	Ammirati Puris Lintas Deutschland
Ammirati Puris Lintas Baader, Lang, Behnken	Germany	100	Ammirati Puris Lintas Deutschland
Werbeagentur GmbH	Germany	100	Ammirati Puris Lintas Deutschland
B&L Dr. von Bergen und Rauch GmbH	Germany	100	Interpublic GmbH
BCG Marketing Communications GMBH	Germany	87	Interpublic GMBH (GM872)
Borsch, Stengel, Komer & Bozell	Germany	91.91	True North Holdings (Germany) GmbH
BSK Brand Pharma GmbH	Germany	100	True North Holdings (Germany) GmbH
BSK Markendesign GmbH	Germany	100	True North Holdings (Germany) GmbH
BSMG Worldwide GmbH	Germany	74	FCB Wilkens GmbH
Change Communications GmbH	Germany	100	Ammirati Puris Lintas Deutschland
Creative Media Services GmbH	Germany	100	Ammirati Puris Lintas Deutschland
DCM Dialog-Creation-Munchen Agentur fur Dialogmarketing GmbH	Germany	80	M&V Agentur fur Dialogmarketing und Verkaufsforderung GmbH
DeOtter & DeVries	Germany	51	The Jack Morton Company
Draft Beteiligungs GmbH	Germany	100	DraftDirect Worldwide Holdings GmbH Germany
DraftDirect Worldwide Holdings GmbH (Germany)	Germany	100	Draft Group Holdings Limited
DraftWorldwide Agentur fur Marketing Kommunikation GmbH (Munich)	Germany	100	M&V Agentur fur Dialogmarketing und Verkaufsforderung GmbH
Exclusiv-Verlag Meissner GmbH	Germany	100	Shandwick Deut. GmbH & Co. KG
Farewell GmbH	Germany	100	True North Communications Inc.
FCB Wilkens GmbH	Germany	100	True North Holdings (Germany) GmbH
FCB/Wilkens Direct GmbH	Germany	100	True North Communications Inc.
FCBi GmbH	Germany	100	FCB Wilkens GmbH
GPI Kommunikationsforschung			

Fur Pharma- Informationssysteme	Germany	80	I+G Gesundheitsforschung GmbH & CO
Heinrich Hoffman & Partner GmbH	Germany	100	Lowe & Partners Werbeagentur GmbH
I+G Gesundheits - Und Pharmaamarkt-Forschung Verwaltungs Gmb	Germany	100	Infratest + GfK Gesundheitsforschung GmbH & CO

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Name	Jurisdiction Under Which Organized	Percentage Of Voting Securities Owned By Immediate Parent (%)	Immediate Parent
Foreign:			
I+G Gesundheitsforschung Verwaltungs GmbH	Germany	100	Infratest + GfK Gesundheitsforschung GmbH & CO
I+G Gesundheitsforschung GmbH & Co	Germany	100	Infratest + GfK Gesundheitsforschung GmbH & CO
IMEPA Institut Medizin-Und Patienten Forschung GmbH	Germany	100	I+G Gesundheitsforschung GmbH & CO
Infratest + GfK Gesundheitsforschung Verwaltungs GmbH	Germany	100	Infratest Gesundheitsforschung GmbH & Co. Munchen
Infratest + GfK Gesundheitsforschung GmbH & Go	Germany	50	Infratest Gesundheitsforschung GmbH & Co. Munchen
Infratest Burke Beteiligungs GmbH	Germany	100	Infratest Burke GmbH & Co. KG
Infratest Burke Verwaltungs GmbH	Germany	100	NFO Europe GmbH & Co KG
Infratest Burke GmbH & Co. KG	Germany	100	NFO Europe GmbH & Co KG
Infratest Burke Incom Beteiligungs GmbH	Germany	100	Infratest Burke GmbH & Co. KG
Infratest Burke Incom GmbH & Co	Germany	100	Infratest Burke GmbH & Co. KG
Infratest Burke International GmbH Holdings	Germany	100	NFO Europe GmbH & Co KG
Infratest Dimap Gesellschaft Fur Trend-Und Wahlf. GmbH	Germany	74	Infratest Burke Incom GmbH & Co.
Infratest Burke Sozialforschung Betheteiligungs GmbH	Germany	100	NFO Europe GmbH & Co KG
Infratest Burke Sozialforschung GmbH & Co	Germany	100	NFO Europe GmbH & Co KG
Infratest Burke Wirtschaftsforschung Beteiligungs GmbH	Germany	100	NFO Europe GmbH & Co KG
Infratest Burke Wirtschaftsforschung GmbH & Co.	Germany	100	NFO Europe GmbH & Co KG

Infratest Burke GmbH & Co. Marketing Forschung	Germany	100	Infratest Burke Wirtschaftsforschung GmbH & Co.
Infratest Gesundheitsforschung GmbH	Germany	80	Infratest Burke GmbH & Co. KG
Infratest Gesundheitsforschung GmbH & Co. Munchen	Germany	80	Infratest Burke GmbH & Co. KG
Initiativ Media GmbH	Germany	100	Ammirati Puris Lintas Deut. GmbH Registrant
Interpublic GmbH	Germany	100	Initiative Media GmbH
Intensiv Media GMBH	Germany	50	Universal Communication Media Intensive GmbH
Jack Morton Worldwide GMBH	Germany	51.20	JMC-Mack Morton Company
Karrasch	Germany	50.22	BSMG Worldwide GmbH
KFM Klinische Forschung GmbH	Germany	90	Infratest Gesundheitsforschung GmbH & Co. Munchen

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Name	Jurisdiction Under Which Organized	Percentage Of Voting Securities Owned By Immediate Parent (%)	Immediate Parent
Foreign:			
KMB Kommunikation Und Marketing Bonn GmbH	Germany	100	Shandwick Deut. GmbH & Co. KG
Kolitho Repro GmbH	Germany	100	Peter Reincke Direkt-Marketing GmbH
Krakow McCann Werbeagentur GmbH	Germany	100	McCann-Erickson Deutschland GmbH
Kreatives Direktmarketing Beteiligungs GmbH	Germany	100	Draft Group Holdings Limited
Lowe Deutschland Holding GmbH	Germany	100	Lowe Worldwide Holdings B.V. (75%); Registrant (25%)
Lowe & Partners GMBH, Dusseldorf	Germany	100	Lowe Deutschland Holding GMBH
Lowe & Partners GmbH	Germany	63.7	Lowe Deutschland Holding GmbH
Lowe Hoffmann & Schnakenburg GmbH	Germany	100	Lowe Deutschland Holding GmbH
Lowe & Partners GmbH Hamburg	Germany	100	Lowe Deutschland Holding GmbH
Lutz Bohme Public Relations GmbH	Germany	100	Shandwick Europe Holding GmbH
Luxon/Carra	Germany	100	True North Holdings (Netherlands) BV
Mailpool Adressen- Management GmbH	Germany	100	DraftDirect Worldwide Holdings GmbH
Max W.A. Kramer GmbH	Germany	100	Ammirati Puris Lintas Deut. GmbH
McCann Direct GmbH	Germany	100	McCann-Erickson Deutschland GmbH
McCann-Erickson Dusseldorf McCann-Erickson	Germany	100	McCann-Erickson Deutschland
(International) GmbH McCann-Erickson	Germany	100	Registrant
Deutschland GmbH McCann-Erickson	Germany	100	McCann-Erickson (Int'l) GmbH
Deutsch. GmbH & Co. Mgmt.			

Prop. KG (Partnership)	Germany	100	McCann-Erickson Deutschland GmbH (80%); Registrant (20%)
McCann-Erickson Scope GmbH	Germany	100	McCann-Erickson Deutschland GmbH
McCann-Erickson Frankfurt GmbH	Germany	100	McCann-Erickson Deutschland GmbH
McCann-Erickson Hamburg GmbH	Germany	100	McCann-Erickson Deutschland GmbH
McCann-Erickson Management Property GmbH	Germany	100	McCann-Erickson Deutschland GmbH (80%), Interpublic GmbH (20%)
McCann-Erickson Nurnberg GmbH	Germany	100	McCann-Erickson Deutschland GmbH
McCann-Erickson Thunderhouse	Germany	100	McCann-Erickson Deutschland GmbH
McCann-Erickson Service GmbH	Germany	100	McCann-Erickson Deutschland GmbH
MCS Medizinischer Creativ Service, GmbH	Germany	60	McCann-Erickson Deutschland GmbH
M&V Agentur fur Dialog Marketing und Verkaufsforderung GmbH	Germany	82	Draft Direct Worldwide Holdings GmbH Germany
Media Satel	Germany	100	True North Holdings (Germany) GmbH
Newco GmbH	Germany	100	True North Communications Inc.
Nexus Kommunikationsanlagen GmbH Munchen	Germany	100	Infratest Burke GmbH & Co. KG
NFO Europe Beteiligungs GmbH	Germany	100	NFO Europe Inc.
NFO Europe AG Holdings & Co			

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Name	Jurisdiction Under Which Organized	Percentage Of Voting Securities Owned By Immediate Parent (%)	Immediate Parent
Foreign:			
KG research & Consulting (Munich)	Germany	100	NFO Europe Beteiligungs GmbH
NFO Europe AG Holding	Germany	100	NFO Europe Beteiligungs GmbH
NFO Europe GmbH & Co KG	Germany	100	NFO Europe Beteiligungs GmbH
NFO Europe Verwaltungs GmbH	Germany	100	NFO Europe Beteiligungs GmbH
Pajunk & Schelckhardt Peter Reincke/ DraftWorldwide GmbH	Germany	100 76	True North Communications Inc. DraftDirect Worldwide Holdings GmbH
PR Bonn Public Relations Gesellschaft fur Kommunikatins und Marketingberatung mbH	Germany	100	McCann-Erickson Deutschland GmbH
Pro concept marketing Verwaltungsgesellschaft	Germany	51	McCann-Erickson Deutschland GmbH
PWS	Germany	100	McCann-Erickson Deutschland GmbH
Scherer MRM Holding GmbH	Germany	100	McCann-Erickson Deutschland GmbH
Scherer Team GmbH	Germany	75	McCann-Erickson Deutschland GmbH

Servicepro Agentur fur Dialogmarketing und Verkaufsforderung GmbH Shandwick Deutschland GmbH & Co. KG Shandwick Deutschland Verwaltungsgesellschaft MBH Shandwick Hamburg GMBH Shandwick Europe Holding GmbH Stinnes Marketing Consulting GmbH Testpanel-Marktforschungsinstitut GmbH Wetzlar The Core Company, Beratung Fur Das Marketing Torre Lazur McCann GMBH TPI-Beteiligungs GmbH Wetzlar True North Holdings (Germany) GmbH Typo-Wenz Artwork GmbH Universalcommunication Media Intensiv GmbH Unterstuetzungskasse der H.K. McCann Company GmbH Verwaltungsgesell Schaft Lutz Bohme GmbH Western Media GmbH Wolff & Partner DraftWorldwide, Kreatives Direktmarketing GmbH & Co. Zeg Zenturri Furepidemiologie Und Gesundheitsforschung GmbH Zentropy Partners Germany Ashley & Holmes S.A.	Germany Greece	100 100 100 100 100 100 100 100 100 100 100 50 87 100 100 100 100 100 100 100 100 100 100 100 55 100 51	M&V Agentur Fur Dialogmarketing und Verkaufsforderung GmbH Shandwick Europe Holding GmbH Shandwick Europe Holding GmbH Lutz Bohme Public Relations GMBH Shandwick Investments Ltd. Shandwick Deutschland GmbH & Co. KG Infratest Burke GmbH & Co. KG Infratest Burke GmbH & Co. KG Interpublic GMBH Testpanel-Marktforschungsinstitut GmbH Wetzlar True North Holdings (Netherlands) B.V. Interpublic GmbH Interpublic GmbH McCann-Erickson (Int'l) GmbH Shandwick Europe Holding GmbH Adplus GmbH Draft Beteiligungs GmbH I+G Gesundheitsforschung GmbH & CO IPG IPG
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Name	Jurisdiction Under Which Organized	Percentage Of Voting Securities Owned By Immediate Parent (%)	Immediate Parent
Foreign:			
Brand Connection Advertising SCA	Greece	51	Communication Channels Management Services SCA
Communication Channels Management Services SCA	Greece	100	Fieldplant Limited (UK852C)
Horizon FCB Limited	Greece	100	Horizon FCB Limited
Le Sport Productions SA	Greece	100	Ashley & Holmes S.A.
Lowe Lintas & Partners Advertising Co. S.A.	Greece	100	Fieldplant Ltd.
International Media Advertising	Greece	100	Fieldplant Ltd.
McCann-Erickson Athens S.A.	Greece	100	Registrant
MWG Politics SA	Greece	72	McCann-Erickson Athens S.A.
Initiative Media Advertising S.A.	Greece	100	Fieldplant Limited
Universal Media Hellas S.A.	Greece	100	McCann-Erickson (Int'l) GmbH

Arefilme SA	Guatemala	100	TN Holdings (Latin America), Inc.
FCB Publicidad	Guatemala	100	TN Holdings (Latin America), Inc.
Publicidad McCann-Erickson Centroamericana (Guatemala), S.A.	Guatemala	100	Registrant
FCB Honduras McCann-Erickson	Honduras	100	TN Holdings (Latin America), Inc.
Centroamericana S. de R.L.	Honduras	100	Registrant
Publicidad Siboney S.A.	Honduras	100	TN Holdings (Latin America), Inc.
AMF Productions	Hong Kong	100	FCB Hong Kong Limited
Anderson & Lembke Asia Limited Ammirati Puris Lintas	Hong Kong	100	Anderson & Lembke, Inc.
Hong Kong Ltd.	Hong Kong	99	Registrant
Cal Bozell Limited (Hong Kong) China Market Investigation Company Limited	Hong Kong	100	FCB Asia (Holding) Ltd.
	Hong Kong	85	NFO Asia-Pacific Limited
Consensus MBL Limited	Hong Kong	100	NFO Asia-Pacific Limited
Dailey International Enterprises Ltd.	Hong Kong	100	Registrant (50%), Ammirati Puris Lintas (50%)
Dailey Investments Limited	Hong Kong	100	Registrant (50%), Ammirati Puris Lintas (50%)
DraftWorldwide Limited	Hong Kong	100	DraftWorldwide, Inc.
FCB Asia (Holding) Ltd.	Hong Kong	100	TN Holdings (Asia/Pacific), Inc.
FCB Hong Kong Ltd.	Hong Kong	99.1	TN Holdings (Asia/Pacific), Inc.
FCB (Taiwan) Ltd.	Hong Kong	100	TN Holdings (Asia/Pacific), Inc.
Forrest Int'l Holdings, Ltd.	Hong Kong	100	Registrant
Golin/Harris International Limited	Hong Kong	100	IPG
Grant Advertising	Hong Kong	100	Pope Kieman & Black
Infoplan (Hong Kong) Limited	Hong Kong	100	McCann-Erickson (HK) Limited
INRA (Hong Kong) Limited International Research Associates (Hong Kong) Limit	Hong Kong	100	NFO Asia-Pacific Limited
Kart Mall	Hong Kong	50	Octagon Worldwide, Inc.
Lintas Holdings B.V.	Hong Kong	100	Registrant
Live	Hong Kong	100	Lowe & Partners/Live Limited
Lowe & Partners/Live Limited	Hong Kong	100	Lowe Group Holding Inc.
Ludgate Asia Ltd.	Hong Kong	100	Ludgate Group Limited
Market Behaviour (China) Limited	Hong Kong	100	NFO Asia-Pacific Limited

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Name	Jurisdiction Under Which Organized	Percentage Of Voting Securities Owned By Immediate Parent (%)	Immediate Parent
Foreign:			
Market Behavior (HK) Ltd.	Hong Kong	100	NFO Asia-Pacific Limited
Market Behaviour Malaysia Limited	Hong Kong	50	NFO Asia-Pacific Limited
Market Behaviour (Vietnam) Limited	Hong Kong	100	NFO Asia-Pacific Limited
Market Behaviour (Thailand) Ltd.	Hong Kong	100	NFO Asia-Pacific Limited
Market Behaviour (International) Limited	Hong Kong	100	NFO Asia-Pacific Limited
Marketing Communications Technologies A/P LTD.	Hong Kong	100	McCann-Erickson (HK) Limited
McCann-Erickson, Guangmin Ltd.	Hong Kong	51	Registrant
McCann-Erickson (HK) Limited	Hong Kong	100	Registrant
MNC (HK) Ltd.	Hong Kong	100	TN Holdings (Asia/Pacific), Inc.

NFO Asia-Pacific Limited	Hong Kong	100	MBL Group plc
Octagon CSI Asia Pacific Ltd.	Hong Kong	100	Octagon CSI Int'l Holdings SA
Octagon Prism Limited	Hong Kong	70	Octagon Sports Marketing Limited
Orvieto Limited	Hong Kong	100	Asiatic Corp.
Park Advertising Limited	Hong Kong	100	TN Holdings (Asia/Pacific), Inc.
Pope Kieman & Black	Hong Kong	100	FCB Hong Kong Limited
Presko Limited	Hong Kong	100	Shandwick Asia Pacific Limited
Prism Golf Management Ltd.	Hong Kong	50	Octagon Prism Limited
Prism Holdings Limited	Hong Kong	100	Octagon Prism Limited (50%); Prism Golf Management (50%)
Scotchbrook/BSMG Worldwide Ltd. (Hong Kong)	Hong Kong	100	TN Holdings (Asia/Pacific), Inc.
Shandwick Asia Pacific Limited	Hong Kong	100	Shandwick Investments Limited
Shandwick Hong Kong Limited	Hong Kong	100	Shandwick Asia Pacific Limited
Springpoint (Asia) Limited	Hong Kong	100	Springpoint Limited.
Strategic Solutions Limited	Hong Kong	100	DraftWorldwide Limited H.K.
TN Media Limited	Hong Kong	100	TN Holdings (Asia/Pacific), Inc.
Ammirati Puris Lintas Budapest Reklam Es Marketing Kommunikacios Kft	Hungary	100	Ammirati Puris Lintas Deutschland
Creative Media Service KFT.	Hungary	100	Lintas: Budapest Reklam Es Marketing Kommunikacios KFT
FCB Budapest	Hungary	99.6	True North Holdings (Netherlands) B.V.
GGK Direct Kft.	Hungary	70	Lowe Lintas GGK Holdings AG
GJW Tanacsado Kft	Hungary	100	GJW Government Relations Ltd.
Initiative Media Hungary	Hungary	100	Lintas Budapest
Lowe Lintas GGK Kft.	Hungary	77	Lowe Lintas GGK Holdings AG
McCann Communications Budapest KFT	Hungary	100	Registrant
McCann-Erickson Interpress International Advertising Agency Ltd.	Hungary	100	McCann Erickson Worldwide
McCann Relationship Marketing KFT	Hungary	100	McCann-Erickson Budpaest Ltd.
Momentum Hungary Pr & Advertising Ltd.	Hungary	100	McCann-Erickson Budapest Ltd. (97%) McCann Relationship Marketing KFT.(3%)
Panmedia Western Kft.	Hungary	70	Lowe Lintas GGK Holdings AG

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Name	Jurisdiction Under Which Organized	Percentage Of Voting Securities Owned By Immediate Parent (%)	Immediate Parent
FOREIGN:			
Gott Folk McCann-Erickson Associate Corp. Consl. (India) Pvt.Ltd.	Iceland	65	Interpublic Group Denmark Holdings APS
DraftWorldwide (India PVT Ltd.)	India	99.60	McCann-Erickson (India) Private Ltd.
FCB Ulka Advertising Ltd.	India	74	DraftWorldwide, Inc.
Interface Communications	India	51	Adcom
	India	100	FCB Ulka Advertising Ltd.

Karishma Advertising Ltd.	India	99.95	Lintas Inida Limited
McCann-Erickson (India) Pvt.	India	100	McCann-Erickson Worldwide Inc.
McCann-Erickson (NEPAL) Pvt. Ltd	India	100	McCann-Erickson (India) Private Limited
NFO MBL India Pvt. Ltd.	India	87.45	MBL Group plc
Result Services Private Ltd.	India	99.10	McCann-Erickson (India) Private Ltd.
APL Indonesia	Indonesia	53.4	Registrant
Grafix	Indonesia	100	PT Inpurema Konsultama
PT Continental Sentratama Surveys	Indonesia	100	Consensus MLB Limited
PT Intra Primustana Respati	Indonesia	100	Shandwick Investment Ltd.
F.C.C. Shandwick Ltd.	Ireland	100	Registrant
McCann-Erickson, Limited	Ireland	100	Registrant
Frontline Marketing Limited	Isle of Man	100	Horizon Holdings Limited
Horizon FCB Limited	Isle of Man	100	Horizon Holdings Limited
Horizon Holdings Limited	Isle of Man	51	FCB Worldwide L.L.C.
Pool Limited	Isle of Man	100	Interpublic Group Denmark Holdings APS
Kesher Barel	Israel	50	Registrant
Select Media Ltd.	Israel	78	Registrant
Shamluk, Raban, Golani	Israel	60	A.T.M.Z. Holding Company Ltd.
Zentropy Israel Ltd.	Israel	100	McCann/Kesher Barrel & Co. Advertising Ltd.
Ammirati Puris Lintas Milano S.p.A.	Italy	100	Ammirati Puris Lintas Holding BV
Bozell Marketing Services, Srl	Italy	100	FCB Italia Srl
Bridge S.R.L.	Italy	100	Massmedia Partners S.R.L. (70%); Shandwick Corporate Communication S.P.A. (30%)
Centro Media Planning- Buying-Booking S.r.l.	Italy	100	Ammirati Puris Lintas Milano SpA
Chorus Media Srl	Italy	51	Lowe Pirella Gottsche SpA
Compagnia del Marketing Diretto	Italy	100	FCB Italia Srl
DraftWorldwide Italia Srl.	Italy	100	DraftWorldwide, Inc.
Evena SRL	Italy	51	McCann Erickson Worldwide Italia S.P.A.
FCB Italia Srl	Italy	100	True North Holdings (Netherlands) B.V.
Coleman Gio' Rossi Associati SPA	Italy	71	Consouteur BV
Interactive Communications SRL	Italy	100	McCann Erickson Worldwide Italia S.P.A. (94.12%); Registrant (5.88%)
Initiative Media S.R.L.	Italy	100	Ammirati Puris Lintas SPA
Infoplan Italiana S.P.A.	Italy	100	Registrant
Infratest Burke S.P.A.	Italy	100	Infratest Burke International GmbH Holdings
Interpublic Group Holdings (Italy) S.R.L.	Italy	100	McCann-Erickson France

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Name	Jurisdiction Under Which Organized	Percentage Of Voting Securities Owned By Immediate Parent (%)	Immediate Parent
Foreign:			
Lowe Lintas Pirella Gottsche & Partners S.P.A.	Italy	100	Lowe Worldwide Holdings BV
Mass Media Partner S.r.l.	Italy	100	Shandwick Corporate Comm., SpA

McCann-Erickson Italiana SpA	Italy	100	Registrant
McCann-Erickson Roma S.P.A.	Italy	100	McCann Erickson Worldwide Italia S.P.A. (IT370)
McCann-Erickson S.P.A.	Italy	100	McCann Erickson Worldwide Italia S.P.A. (IT370)
McCann Mktg. Communications SpA	Italy	100	McCann-Erickson Italiana SpA
MRM Dialogo	Italy	100	McCann-Erickson Worldwide Italia SpA
Octagon Motorsport Srl.	Italy	100	Inka AG
Omitorinco	Italy	100	FCB Italia Srl
Pool Media International (P.M.I.) S.r.l.	Italy	100	Registrant (95%) and Business Science Research Corp (5%)
SBK Motorsport Srl	Italy	100	SBK Superbike International Ltd.
Shandwick Corporate Communication SPA	Italy	100	Shandwick Investments Limited
Shandwick Italia Holding Srl	Italy	100	Shandwick Investments Limited
Shandwick Mktg. Communication Srl	Italy	100	Shandwick Italia Holding Srl
Shandwick Roma in Liquidazione Srl	Italy	100	Shandwick Italia Holding Srl
Spring S.R.L.	Italy	99	Lowe Lintas Pirella Gottsche & Ptnrs.
Universal S.R.L.	Italy	100	Registrant
Universal Media Srl	Italy	100	McCann-Erickson Italiana SpA
Ammirati Puris Lintas S.A.	Ivory Coast	67	France C.C.P.M.
McCann-Erickson Ivory Coast	Ivory Coast	98.80	McCann-Erickson France
Nelson Ivory Coast	Ivory Coast	100	McCann-Erickson France
McCann-Erickson (Jamaica) Ltd	Jamaica	100	Registrant
Ammirati Puris Lintas K.K.	Japan	100	Ammirati Puris Lintas Nederland BV (29%); Registrant (71%)
FCB Japan, KK	Japan	100	TN Holdings (Asia/Pacific), Inc.
Hakuhodo Lintas K.K.	Japan	50	Ammirati Puris Lintas Worldwide Ltd.
Infoplan, Inc.	Japan	100	McCann-Erickson Inc.
Int'l Management Consultants Ltd.	Japan	100	IPR Shandwick Inc.
IPR Shandwick Inc.	Japan	100	Shandwick Investments Limited
ISDM Japan Inc.	Japan	73.32	McCann-Erickson Inc. (Japan)
International PR Inc.	Japan	100	Shandwick International Inc.
KK Bozell Worldwide	Japan	100	FCB Asia (Holding) Ltd.
KK ISD Japan	Japan	75	McCann-Erickson Inc.
K.K. Standard McIntyre	Japan	100	McCann-Erickson Healthcare, Inc.
McCann-Erickson Inc.	Japan	100	Registrant
Momentum MIK, Inc.	Japan	100	McCann-Erickson Inc.
Public Relations Services Co. Ltd.	Japan	100	IPR Shandwick Inc.
The Harrison Agency Inc.	Japan	100	McCann-Erickson, Inc. (Japan)
Torre Lazur McCann, Inc.	Japan	100	McCann Healthcare, Inc.
McCann-Erickson Management Service Inc.	Japan	100	McCann-Erickson, Inc. (Japan)
Universal Public Relations Services Ltd.	Japan	100	IPR Shandwick Inc.
Third Dimension Limited	Jersey	100	Interpublic Limited
McCann-Erickson Kazakhstan	Kazakhstan	100	Registrant

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Name	Jurisdiction Under Which Organized	Percentage Of Voting Securities Owned By Immediate Parent (%)	Immediate Parent
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Foreign:

McCann-Erickson (Kenya) Ltd.	Kenya	73	Registrant
McCann-Erickson Inc. (Korea)	Korea	51	McCann-Erickson Marketing, Inc.
NFO Korea, Inc.	Korea	100	NFO Asia Pacific, Inc.
Universal McCann Inc.	Korea	100	McCann-Erickson Inc (Korea)
SIA McCann-Erickson RIGA	Latvia	75	IPG
SIA Sabiedrisko Attiecibu Birojs	Latvia	75	SIA McCann-Erickson RIGA
SIA "Fokuss Relama"	Latvia	75	SIA McCann-Erickson RIGA
Horizon FCB SARL	Lebanon	100	Horizon Holdings Limited
Merac Liban S.A.R.L.	Lebanon	98	Merac-Middle East Research & Consultancy W.L.L.
Communication Services			
(International) Holdings SA	Luxembourg	100	Registrant
Inka AG	Luxembourg	100	Octagon Motorsport Limited
API Sponsorship SDM.BHD	Malaysia	100	Advantage Sponsorship Canada Ltd. (50%) & Octagon Sports Marketing Ltd. (50%)
DraftWorldwide Sdn. Bhd.	Malaysia	100	DraftWorldwide, Inc.
Foot Cone & Belding Sdn. Bhd.	Malaysia	100	TN Holdings (Asia/Pacific), Inc.
Grant Advertising Sdn Bhd	Malaysia	100	FCB Asia (Holding) Ltd.
Initiative Media (M) Sdn. Bhd.	Malaysia	100	Low Lintas & Partners (Malaysia) Sdn. Bhd.
Low Lintas & Partners			
(M) SDN, BHD	Malaysia	71	IPG
Market Behaviour (Malaysia) Sdn. Bhd	Malaysia	100	NFO Asia-Pacific Limited
McCann-Erickson (Malaysia) Sdn. Bhd.	Malaysia	100	Registrant
Mutiara-McCann (Malaysia) Sdn. Bhd.	Malaysia	96.10	Registrant
Shandwick International Sdn. Bhd.	Malaysia	100	Shandwick Investments Limited (50%); Briefscope Limited (50%)
Universal Communication Sdn. Bhd.	Malaysia	100	McCann-Erickson (Malaysia) Sdn. Bhd.
Adcom	Mauritius	100	TN Holdings (Asia/Pacific), Inc.
Low Lintas Limited	Mauritius	100	Low Lintas Group Holdings Inc.
Ammirati Puris Lintas S.A. de C.V.	Mexico	100	Interpublic Holding Co. SA de CV
Artest S.A. de C.V.	Mexico	100	FCB Worldwide S.A. de C.V.
Business Strategic Consultants, S.C.	Mexico	60	Interpublic Holding Co. SA de CV
Corporacion Interpublic			
Mexicana, S.A. de C.V.	Mexico	100	Interpublic Holding Co. SA de CV
FCB Worldwide S.A. de C.V.	Spain	100	TN Holdings (Latin America), Inc.
Initiative Media, S.a. de C.V.	Mexico	100	Interpublic Holding Co. SA de CV
Initiative Media Mexico	Mexico	100	Interpublic Holding Co. SA de CV
Interimagen	Mexico	100	FCB Worldwide S.A. de C.V.
Interpublic Holding Company			
S.A. De C.V.	Mexico	100	IPG
Inversionistas			
Asociados, S.A. De C.V.	Mexico	100	Interpublic Holding Co. SA de CV
Low Lintas & Partners/SMS			
De Mexico, S.A.	Mexico	100	Interpublic Holding Co. SA de CV
McCann-Erickson Mexico Sa de cv	Mexico	100	Interpublic Holding Co. SA de CV

Name	Jurisdiction Under Which Organized	Percentage Of Voting Securities Owned By Immediate Parent (%)	Immediate Parent
Foreign:			
FutureBrand Mexico, SA de CV	Mexico	100	Interpublic Holding Co. SA de CV
Pedrote	Mexico	60	Interpublic Holding Co. SA de CV
Poppe Tyson	Mexico	100	FCB Worldwide S.A. de C.V.
Pedrote Momentum Promociones, S.A. De C.V.	Mexico	60	Interpublic Holding Co. SA de CV
Publicidad Nortena, S. De R.L. De C.V.	Mexico	100	Interpublic Holding Co. SA de CV
TN Tiempo y Espacio	Mexico	100	FCB Worldwide S.A. de C.V.
Vierka	Mexico	100	Interpublic Holding Co. SA de CV
Zimat Consultores, SA de CV	Mexico	100	Zimat Golin/Harris SA (owned by Interpublic SA de CV)
Octogan CSI International SAM	Monaco	100	Communication Services Int'l (Holdings) S.A.
Partnership in Advertising	Namibia	65.01	Admark Trust
Ammirati Puris Lintas Direct B.V.	Netherlands	80	Ammirati Puris Lintas Nederland BV
Anderson & Lembke Europe B.V.	Netherlands	100	Anderson & Lembke, Inc.
BMG Worldwide, BV	Netherlands	100	True North Holdings (Netherlands) B.V.
Borus Groep BV	Netherlands	100	IPG Nederland BV
Brand Connection BV	Netherlands	100	Overall Media Administration BV
Coleman Millford BV	Netherlands	71	IPG Nederland B.V.
Consouteur BV	Netherlands	100	IpG Nederland BV
Data Beheer BV	Netherlands	100	Data Holding B.V.
Data Holding BV	Netherlands	100	IPG Nederland B.V.
Draftworldwide-Borreman Ruseler	Netherlands	100	Borus Groep BV
FCB BK & PBV	Netherlands	100	True North Holdings (Netherlands) B.V.
Gold Reclame En Marketing			
Advisers BV	Netherlands	100	IPG Nederland B.V.
Initiative Media BV	Netherlands	100	Ammirati & Puris Lintas B.V.
IPG Nederland BV .	Netherlands	100	Registrant (62%); Poundhold (37.6%)
ISOGROUP Europe BV	Netherlands	100	Registrant
Lowe Direct BV	Netherlands	60	Lowe Lintas BV
Lowe Digital BV	Netherlands	90	Lowe Direct BV (22.5%), Lowe Lintas BV (67.5%)
L'eau	Netherlands	60	Lowe Lintas BV
Lowe Holland BV	Netherlands	100	Lowe Worldwide Holdings BV
Lowe Lintas BV	Netherlands	100	Lowe Worldwide Holdings BV
Lowe Worldwide Holdings BV	Netherlands	100	Interpublic Netherlands
McCann-Erickson (Nederland) BV	Netherlands	100	IPG Nederland BV
Millford-Van Den Berg			
Corporate Desgin BV	Netherlands	100	Coleman Millford BV
Millford - Van Den Berg			
Packaging Design BV	Netherlands	100	Coleman Millford BV
Packaging Design BV	Netherlands	100	Coleman Millford BV
NFO Trendbox B.V.	Netherlands	75	Infratest Burke International GmbH Holdings
Octagon BV	Netherlands	100	Advantage Int'l Holdings Inc.
Octagon CSI International BV	Netherlands	100	Octagon CSI International NV
Octagon Worldwide Holdings BV	Netherlands	100	Octagon Worldwide Inc.
Overall Media Administration BV	Netherlands	100	IPG Nederland B.V.
Pacific Investments Trust BV	Netherlands	100	SBK Superbike Int'l Limited

<u>Name</u>	<u>Jurisdiction Under Which Organized</u>	<u>Percentage Of Voting Securities Owned By Immediate Parent (%)</u>	<u>Immediate Parent</u>
Foreign:			
Pluspoint B.V.	Netherlands	100	Pluspoint Holding B.V.
Pluspoint Holding B.V.	Netherlands	100	IPG Nederland B.V.
Programming Media International BV	Netherlands	100	Registrant
Reclame-Adviesbureau Via BV	Netherlands	100	IPG Nederland BV
Roomijsfabriek "De Hoop" BV	Netherlands	100	Lowe Worldwide Holdings BV
Shandwick BV	Netherlands	100	Shandwick Investments Limited
Shandwick New Zealand Limited	Netherlands	100	Shandwick Investments Limited
True North (Netherlands) BV	Netherlands	100	True North Communications Inc.
True North Holding Netherlands BV	Netherlands	100	True North Communications Inc.
Universal Media BV	Netherlands	100	IPG Nederland B.V.
VDBJ Communicatiegroep BV	Netherlands	60	IPG Nederland B.V.
Walbouw Haerlem BV	Netherlands	100	IPG Nederland BV
Western International Media Holdings BV	Netherlands	100	Lowe Group Holdings, Inc. (52%), Ammirati Puris Lintas (38%), Western Media (10%)
Wilkens Group BV	Netherlands	100	TN Holdings (Europe), Inc.
Wilkens Group Netherlands BV	Netherlands	100	Wilkens Group BV
Zet Zet BV	Netherlands	100	Data Gold B.V.
Octagon CSI International NV	Netherlands Antilles	100	Octagon CSI International BV
Ammirati Puris Lintas (NZ) Ltd.	New Zealand	51	Registrant
Fact Finders Online Limited	New Zealand	100	NFO CM Research New Zealand
FCB Ltd.	New Zealand	100	True North Holdings (Asia/Pacific), Inc.
Information Opportunities Limited	New Zealand	100	NFO CM Research Group Limited
Initiative Media (NZ) Limited	New Zealand	99	Ammirati Puris Lintas (NZ) Ltd.
McCann-Erickson Limited	New Zealand	100	Registrant
NFO CM Research Group Limited	New Zealand	100	NFO New Zealand Limited
NFO CM Research International Limited	New Zealand	100	NFO CM Research Group Limited
NFO CM Research New Zealand Ltd	New Zealand	100	NFO CM Research Group Limited
NFO New Zealand Limited	New Zealand	100	NFO WorldGroup Inc.
Pritchard Wood-Quadrant Ltd.	New Zealand	100	Registrant
Shandwick New Zealand Limited	New Zealand	100	IPR Investment Limited (UK)
Universal Media Limited	New Zealand	100	McCann-Erickson Limited
Digit A/S	Norway	100	JBR/McCann/A/S
Infratest Burke AS	Norway	100	Infratest Burke AB
JBR Film A/S	Norway	100	JBR Reklamebyra A/S
JBR McCann A/S	Norway	100	McCann-Erickson A/S
JBR McCann Production A/S	Norway	100	McCann-Erickson A/S
JBR Purkveien A/S	Norway	100	McCann-Erickson A/S
JBR Reklamebyra SA	Norway	100	McCann-Erickson A/S
Lowe Norway A/S	Norway	100	Lowe Sweden AB
Lowe & Partners Norway A/S	Norway	66.6	Lowe Norway A/S
McCann-Erickson A/S	Norway	100	McCann-Erickson Marketing
Scandinavian Design Group AS	Norway	75	McCann-Erickson AS
Showproduksjon AS	Norway	100	McCann-Erickson AS
Initiative Universal Media A/S	Norway	100	McCann-Erickson AS (Norway)
McCann Propaganda	Norway	100	McCann-Erickson AS (Norway)
McCann Show Productions AS Norway	Norway	100	McCann-Erickson AS (Norway)

<u>Name</u>	<u>Jurisdiction Under Which Organized</u>	<u>Percentage Of Voting Securities Owned By Immediate Parent (%)</u>	<u>Immediate Parent</u>
Foreign:			
Thunderhouse McCann-Erickson Worldgroup	Norway	100	McCann-Erickson AS (Norway)
Panama	Panama	100	Epoca McCann S.A. (Panama)
Epoca McCann S.A.	Panama	100	Registrant
Mayo/FCB SA	Peru	60	TN Holdings (Latin America), Inc.
McCann-Erickson Corporacion			
Publicidad, S.A.	Peru	100	IPG
Park Advertising	Peru	60	TN Holdings (Latin America), Inc.
Ammirati Puris Lintas Manila	Philippines	58	Registrant
Bozell Worldwide	Philippines	51	FCB Asia (Holding) Ltd. (30%) TN Assets (21%)
Fasttrack Intergrated Marketing			
Communications, Inc.	Philippines	100	Lowe Lintas & Partnes (Phillippines)
Harrison Communications, Inc.	Philippines	100	McCann-Erickson (Philippines) Inc.
Lowe Lintas & Partners	Philippines	70	McCann-Erickson
McCann-Erickson (Philippines), Inc.	Philippines	58	Registrant (30%), Business Science Research Corp. (28%)
McCann Group of Companies, Inc.	Philippines	100	Registrant
NFO Trends, Inc.	Philippines	100	NFO Asia-Pacific Limited
Paradgim Production & Design Inc	Philippines	100	Lowe Lintas & Partners (Phillippines)
TN Assets	Philippines	100	FCB Asia (Holding) Ltd.
Ad Fabrika FCB Sp. z.o.o.	Poland	51	Wilkens Group BV & (Netherlands)
Ammirati Puris Lintas Sp. z.o.o.	Poland	100	Ammirati Puris Lintas Deut. GmbH
Brand Connection SP.Z.O.O	Poland	100	Initiative Media Warszawa ZP ZOO
FCB Warsaw	Poland	100	True North Communications Inc.
GGK Direct Warszawa Sp. z.o.o.	Poland	100	Lowe Lintas GGK Holding AG (80%); Lowe Lintas GGK (Warsaw) (20%)
GGK Public Relations Sp. z.o.o.	Poland	95	Lowe Lintas GGK Holding AG (95%); Andrzej Halicki (5%)
IM Warsaw	Poland	100	Ammirati Puris Lintas Warsaw
Lowe GGK Warszawa Sp. Z.O.O.	Poland	100	Lowe Lintas GGK Holding AG
McCann Erickson Worldgroup			
Poland SPO Z.O.O.	Poland	100	Registrant
McCann-Erickson Polska	Poland	100	McCann-Erickson Int'l GmbH
Panmedia Western SP. Z.O.O.	Poland	95	Lowe Lintas GGK Holding AG
Universal McCann SP Z.O.O.	Poland	100	McCann-Erickson Polska
Ammirati Puris Lintas, Lda.	Portugal	100	Interpublic SGPS/Lda.
Edson/FCB Publicidade Lda.	Portugal	80	True North Holdings (Netherlands), Inc.
Iniciativas De Meios-Actividades			
Publicitarias, Limitada	Portugal	98	Ammirati Puris Lintas, Ltda.
Interpublic SGPS/LDA	Portugal	95	Registrant
Markimage 2, Publicidade LDA	Portugal	100	Interpublic SGPS, LDA
McCann-Erickson/			
Portugal Limitada	Portugal	100	Interpublic SGPS/Ltda.
McCann-Erickson SGPS SA	Portugal	100	Interpublic SGPS, LDA
MKM Markimage,			
Marketing E Imagem, S.A.	Portugal	100	McCann-Erickson Portugal Publicidade Ltda.
Universal Media			

Publicidade, Limitada	Portugal	100	McCann-Erickson/Portugal Ltda.
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Name	<u>Jurisdiction Under Which Organized</u>	<u>Percentage Of Voting Securities Owned By Immediate Parent (%)</u>	<u>Immediate Parent</u>
Foreign:			
FCB WW Inc.	Puerto Rico	100	TN Holdings (Latin America),Inc.
Marketing Drive	Puerto Rico	100	TN Holdings (Latin America),Inc.
McCann-Erickson, Dublin Limited	Republic of Ireland	100	Registrant
B.V. McCann-Erickson	RomaniaRomania	75	Registrant
Lowe Lintas GGK S.A.	Romania	61	Lowe Lintas GGK Holdings AG
McCann-Erickson Moscow	Russia	100	McCann-Erickson Int'l GmbH
Merac Arabia Co. Ltd.	Saudi Arabia	49	
Boroughloch	Scotland	100	DraftWorldwide, Inc.
GJW Scotland Limited	Scotland	100	GJW Government Relations Ltd.
Ammirati Puris Lintas			
(Singapore) Pte. Ltd.	Singapore	100	Registrant
DraftWorldwide Pte. Ltd.	Singapore	100	DraftWorldwide, Inc.
FCB Singapore Pte. Ltd.	Singapore	100	FCB Asia (Holding) Ltd.
Golin/Harris International			
Pte Limited	Singapore	100	Golin Harris International Limited
Initiative Media Singapore			
Pte Ltd	Singapore	100	Ammirati Puris Lintas (Singapore) Pte. Ltd
Lowe Lintas & Partners			
Singapore Pte. Ltd.	Singapore	100	Lowe Group Holdings Inc.
McCann-Erickson (Singapore)	Singapore	100	Registrant
NFO Singapore PTE Ltd	Singapore	100	NFO Asia-Pacific Limited
Octagon CSI Pte Limited	Singapore	100	Octagon CSI International Holdings SA
PSI Global Research and			
Consulting Service PTE Ltd.	Singapore	100	NFO Asia-Pacific Limited
Scotchbrook/BSMG Worldwide			
(Singapore Ltd.)	Singapore	100	TN Holdings (Asia/Pacific), Inc.
Shandwick Pte Limited	Singapore	100	Shandwick Investments Limited
Weber Shandwick Worldwide			
(Singapore) Pte Ltd.	Singapore	100	IPR Investments Ltd.
CPM Slovakia SRO	Slovak Rep.	50	Panmedia Werbeplanung GmbH
FCB Slovakia	Slovak Rep.	100	True North Holdings (Netherlands) BV
Lowe GGK Bratislava Sro	Slovak Rep.	92	Lowe Lintas GGK Holdings AG
McCann-Erickson Bratislava	Slovak Rep.	100	McCann-Erickson Prague Spol. srl
Panmedia s.r.o.	Slovak Rep.	91	Lowe Lintas GGK Holdings AG
Adlines (Pty) Ltd.	South Africa	100	McCann-Erickson South Africa (Proprietary) Ltd.
Admark Trust	South Africa	65.01	FCB South Africa Holdings (Pty.) Ltd.
Adsearch Proprietary Limited	South Africa	100	Registrant
Advantage Sponsorship Pty Ltd.	South Africa	74	Octagon Marketing Pty Ltd
Ammirati Puris Lintas			
(Proprietary) Limited	South Africa	100	Lowe Worldwide Holdings BV (76%) Registrant (24%)
Column Communications CC	South Africa	100	Ammirati Puris Lintas (Prop.) Ltd.
Court Road Properties (Pty.) Ltd.	South Africa	65.01	FCB South Africa Properties (Pty.) Ltd.

Electric Ocean (Pty.) Ltd.	South Africa	65.01	FCB South Africa Holdings (Pty.) Ltd.
ESPM	South Africa	86	Octagon Sports Marketing Ltd.
FCB Active	South Africa	65.01	FCB South Africa Holdings (Pty.) Ltd.
FCB Africa (Pty) Ltd.	South Africa	65.01	FCB South Africa Holdings (Pty.) Ltd.
FCB Cape Town (Pty.) Ltd.	South Africa	65.01	FCB South Africa Holdings (Pty.) Ltd.

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Name	Jurisdiction Under Which Organized	Percentage Of Voting Securities Owned By Immediate Parent (%)	Immediate Parent
Foreign:			
FCB Global Media Pty. Ltd.	South Africa	65.01	FCB South Africa Holdings (Pty.) Ltd.
FCB Hold Pty. Ltd.	South Africa	100	TN Holdings (Asia/Pacific), Inc.
FCB Impact Pty.	South Africa	65.01	FCB South Africa Holdings (Pty.) Ltd.
FCB Johssons	South Africa	65.01	FCB South Africa Holdings (Pty.) Ltd.
FCB Plato Healthcare Promotions (Pty.) Ltd.	South Africa	65.01	FCB South Africa Holdings (Pty.) Ltd.
FCB Shoptalk	South Africa	65.01	FCB South Africa Holdings (Pty.) Ltd.
FCB South Africa Holdings (Pty) Ltd.	South Africa	65.01	FCB Hold Pty. Ltd. (44.84%) Hanks International (20.17%)
FCB South Africa Properties (Pty.) Ltd.	South Africa	65.01	FCB South Africa Holdings (Pty.) Ltd.
FCB South Africa (Pty.) Ltd.	South Africa	65.01	FCB South Africa Holdings (Pty.) Ltd.
Fibre Design Communication (Proprietary) Ltd.	South Africa	100	Registrant
Finest (Pty.) Ltd.	South Africa	65.01	FCB South Africa Holdings (Pty.) Ltd.
Fullfledge Investments (Pty.) Ltd.	South Africa	65.01	FCB South Africa Holdings (Pty.) Ltd.
Galaxy Media (Pty.) Ltd.	South Africa	65.01	The Media Shop (Pty.) Ltd.
Herdbuoys McCann-Erickson Holding (Pty) Ltd.	South Africa	74	McCann-Erickson South Africa (Proprietary) Ltd.
Herdbuoys McCann-Erickson South Africa (PTY) Ltd	South Africa	100	Herdbuoys McCann-Erickson Holding (Pty)
Lexshell 205 Investment Holdings (Pty.) Ltd.	South Africa	65.01	FCB South Africa Holdings (Pty.) Ltd.
Lexshell 262 Investment Holdings (Pty.) Ltd.	South Africa	65.01	Admark Trust
Lindsay Smithers Bond Pty. Limited	South Africa	65.01	FCB South Africa Holdings (Pty.) Ltd.
Lindsay Smithers Design			

Pty. Limited	South Africa	65.01	FCB South Africa Holdings (Pty.) Ltd.
Lindsay Smithers FCB Distributors (Pty.) Ltd.	South Africa	65.01	FCB South Africa Holdings (Pty.) Ltd.
LS Design Pty.	South Africa	65.01	FCB South Africa Holdings (Pty.) Ltd.
LS Grp. Mgmt.Svc.	South Africa	65.01	FCB South Africa Holdings (Pty.) Ltd.
LS Staff Investments	South Africa	65.01	FCB South Africa Holdings (Pty.) Ltd.
LS/FCB Cape Pty. Ltd.	South Africa	65.01	FCB South Africa Holdings (Pty.) Ltd.
LS/FCB Pty. Ltd.	South Africa	65.01	FCB South Africa Holdings (Pty.) Ltd.
McCann Cape Town (Proprietary) Limited	South Africa	100	McCann Group
McCann Durban (Proprietary) Limited	South Africa	100	McCann Group
McCann-Erickson Promotions (Proprietary) Ltd.	South Africa	100	McCann-Erickson South Africa (Proprietary) Ltd.
McCann-Erickson South Africa (Pty.) Ltd. ("McCann Group")	South Africa	100	Registrant

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Name	Jurisdiction Under Which Organized	Percentage Of Voting Securities Owned By Immediate Parent (%)	Immediate Parent
Foreign:			
McCann International (Proprietary) Limited	South Africa	100	McCann-Erickson South Africa (Proprietary) Ltd.
McCann South Africa Proprietary Limited	South Africa	100	McCann-Erickson Johannesburg (Proprietary) Limited
McCann-Erickson Johannesburg (Proprietary) Limited	South Africa	100	McCann-Erickson South Africa (Proprietary) Limited
McCannix Proprietary Limited (Proprietary) Limited	South Africa	100	Herbuoys McCann-Erickson South Africa (Pty) Ltd.
Media Initiative (Proprietary) Limited	South Africa	100	Ammirati Puris Lintas (Prop.) Ltd.
Meintjies Parker Advertising (Pty.) Ltd.	South Africa	65.01	Lexshell 205 Investment Holdings (Pty.) Ltd.
Octagon Marketing Pty Ltd.	South Africa	67	Octagon Sports Marketing Limited
Park Adv. Inv. Hold. Pty. Ltd.	South Africa	100	FCB South Africa Holdings (Pty.) Ltd.
Sky Stream Air Charters (Pty.) Ltd.	South Africa	65.01	FCB South Africa Holdings (Pty.) Ltd.

Sprigg Abbott Eighty (Pty.) Ltd.	South Africa	65.01	FCB South Africa Properties (Pty.) Ltd.
Telerox Investments (Proprietary) Limited	South Africa	100	Octagon Sports Marketing Ltd.
The Media Shop (Pty.) Ltd.	South Africa	65.01	Park Adv. Inv. Hold. (Pty.) Ltd.
UAN (Pty.) Ltd.	South Africa	65.01	FCB South Africa Holdings (Pty.) Ltd.
Universal Media (Proprietary) Limited	South Africa	100	Herbuoys McCann-Erickson South Africa (Pty) Ltd.
Upstream Productions (Pty.) Ltd.	South Africa	65.01	Lexshell 262 Investment Holdings (Pty. Ltd.)
FCB Hahnin Inc.	South Korea	80	TN Holdings (Asia/Pacific), Inc.
Lintas Korea, Inc.	South Korea	100	Registrant
Alpha Grupo de Comunicacion Cientifica, S.L.	Spain	60	Shandwick Iberica S.A.
Cachagua S.A.	Spain	100	The Interpublic Group of Companies de Espana S.A.
CICM SA	Spain	100	True North Bozell Espana SL
Cathedral The Creative Center	Spain	100	McCann-Erickson S.A.
Clouseau	Spain	80	DraftWorldwide S.A.
Coleman Schmidlin & Partners, AS	Spain	71	Coleman Group Worldwide
Design House 2000 Spain SA	Spain	100	Interpublic de Espana S.A.
Directing MRM S.A.	Spain	99.99	The Interpublic Group of Companies de Espana S.A.
DraftWorldwide S.A.	Spain	100	Draft Group Holdings Limited
FCB Direct Global SA	Spain	64	True North Bozell Espana SL
FCB Tapsa	Spain	100	True North Bozell Espana SL
FCB Tapsa Augusta SA	Spain	100	FCB Tapsa, SA
FCB Tapsa SA	Spain	100	True North Bozell Espana SL
FCB Tapsa TFM, SA	Spain	51	FCB Tapsa, SA
Iniciativas de Medios, S.A.	Spain	100	Lowe Lintas & Partners, S.A.

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Name	Jurisdiction Under Which Organized	Percentage Of Voting Securities Owned By Immediate Parent (%)	Immediate Parent
Foreign:			
Infomark, S.A.	Spain	70	McCann-Erickson S.A.
Infratest Burke S.L.	Spain	50	Infratest Burke International GmbH Holdings
Lowe FMRG	Spain	81	Lowe W.W. Holdings BV
Lowe Lintas & Partners SA	Spain	100	Interpublic Group of Companies de Espana SA
Marketing y Comunicacion Integral, S.A.	Spain	75	McCann-Erickson S.A.
McCann-Erickson S.A.	Spain	100	The Interpublic Group of Companies de Espana S.A.
McCann-Erickson Barcelona S.A.	Spain	100	The Interpublic Group of Companies de Espana S.A.
Momentum Barcelona SA	Spain	100	McCann-Erickson SA
Momentum Comunicacion Madrid S.A.	Spain	75	McCann-Erickson S.A.
Momentum Servicios Promocionales SA	Spain	750	McCann-Erickson S.A.

Momentum Task Force S.A. MRM Cano & Martinez Direct, S.A.	Spain	75	McCann-Erickson S.A.
MRM Common Sense, S.A.	Spain	80	McCann-Erickson, S.A.
Pool Media International S.A.	Spain	100	McCann-Erickson S.A.
Reporter, S.A.	Spain	75	The Interpublic Group of Companies de Espana S.A.
Shandwick Iberica, S.A.	Spain	100	M/E Spain
TFM/Tapsa SA	Spain	51	Shandwick Investments Limited
The Interpublic Group of Companies de Espana	Spain	100	True North Communications Inc.
Think for Sale Communication Integral S.L.	Spain	100	Registrant
True North Bozell Espana SL	Spain	100	DraftWorldwide S.A.
Universal Bus Interface Corporation S.L.	Spain	80	TN Holdings (Europe), Inc.
Universal Media S.A.	Spain	100	DraftWorldwide S.A.
Western Int'l Media SA	Spain	100	McCann-Erickson S.A.
Market Behaviour Lanka (PVT) Limited	Sri Lanka	100	Western Int'l Media Holdings BV
Anderson & Lembke AB	Sweden	100	NFO MBL India Pvt. Ltd.
Draft Promotion AB	Sweden	100	Anderson & Lembke, Inc.
DraftWorldwide Sweden AB	Sweden	100	DraftWorldwide Trampolin AB
DraftWorldwide Trampolin AB	Sweden	100	DraftWorldwide Trampolin AB
Exp Creator Momentum AB	Sweden	51	Inter P Group Sweden AB
Fastbridge AB	Sweden	100	McCann-Erickson
Infratest Burke AB	Sweden	75	Message Plus Media AB-50% PMI-50%
Infratest Burke International AB	Sweden	100	Infratest Burke International GmbH Holdings
Infratest Burke Core Co AB	Sweden	50.80	Infratest Burke AB
Inter P Group Sweden AB	Sweden	100	Infratest Burke AB
			Interpublic Group Denmark Holdings APS

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Name	Jurisdiction Under Which Organized	Percentage Of Voting Securities Owned By Immediate Parent (%)	Immediate Parent
Foreign:			
Large Medium AB	Sweden	50	Lowe Brindfors AB
Lowe Sweden AB	Sweden	100	Lowe Worldwide Holdings BV
Lowe Brindfors Annonbyra AB	Sweden	100	Lowe & Partners Sweden AB
Lowe Forever Annonbyra AB	Sweden	100	Lowe Brindfors Annonbyra AB
Lowe Lintas AB	Sweden	100	Lowe Worldwide Holdings BV
McCann Annonbyra AB	Sweden	100	McCann-Erickson AB
McCann Annonbyra I Malmoe AB	Sweden	100	McCann-Erickson AB
McCann-Erickson AB	Sweden	100	Registrant
Message Plus Digital AB	Sweden	100	Lowe & Partners Sweden AB
Message Plus Media AB	Sweden	100	Lowe & Partners Sweden AB
Nomina Prospectering AB	Sweden	66.70	Infratest Burke AB
PMI Initiative Universal Media AB	Sweden	100	Ammirati Puris Lintas AB (50%) McCann-Erickson AB (50%)
R/GA Media Group AB	Sweden	100	True North Holdings (Netherlands), Inc.
Ronnberg & McCann A.B.	Sweden	100	McCann-Erickson AB

Storakers	Sweden	50	Ronnberg & McCann A.B.
Trigge R. AKTiebolag	Sweden	80	McCann Sweden
Bozell Leutengger Krull	Switzerland	100	True North Holdings (Switzerland), Inc.
Fisch, Meier, Direkt AG	Switzerland	52	Ammirati Puris Lintas Deut. Gmbh
Futurebrand AG	Switzerland	71	Coleman Group Worldwide LLC
Get Neue Gestaltungstechnik AG	Switzerland	100	Bosch & Butz Werbeagentur AG
I+G Infratest GfK Gesundheitsforschung (Suisse) GmbH)	Switzerland	85	I+G Geshundheitsforschung GmbH & Co.
Initiative Media Western AG	Switzerland	100	Western Int'l Media Holdings BV
Integrated Public Relatlions Sarl	Switzerland	95	IPG
Lowe Bosch & Butz Werbeagentur AG	Switzerland	100	Lowe Worldwide Holdings BV
Lowe GgK AG Bassel	Switzerland	82	Lowe Int'l Holdings BV
McCann-Erickson S.A.	Switzerland	100	Registrant
McCann-Erickson Services S.A.	Switzerland	100	Registrant
Octagon (Switzerland) AG	Switzerland	100	Octagon Holdings ApS
Octagon Worldwide AG	Switzerland	100	Advantage Int'l Holdings, Inc.
Octagon Worldwide Limited	Switzerland	100	Octagon WW Inc.
P.C.M. Marketing AG	Switzerland	100	Ammirati Puris Lintas Deut. GmbH
Pool Media-PMI S.A.	Switzerland	100	Registrant
Target Group AG	Switzerland	51	McCann-Erickson
True North Holdings (Switzerland) AG	Switzerland	100	True North Holdings (Netherlands) BV
Type Art	Switzerland	100	Switzerland
Unimedia S.A.	Switzerland	100	Registrant
FCB Taiwan	Taiwan	80	FCB Asia (Holding) Ltd. (35%) TN Holdings (Asia/Pacific), Inc. (45%)
Lowe Lintas & Partners Taiwan Ltd.	Taiwan	100	Registrant
Market Behaviour (International) Limited, Taiwan Branch	Taiwan	100	Market Behaviour (International) Limited

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Name	Jurisdiction Under Which Organized	Percentage Of Voting Securities Owned By Immediate Parent (%)	Immediate Parent
Foreign:			
McCann-Erickson Communications Group Co. Ltd.	Taiwan	100	Registrant
Weber Shandwick Taiwan Ltd.	Taiwan	100	Shandwick Asia Pacific Limited
Bozell Thailand	Thailand	100	FCB Asia (Holding) Ltd.
BTL (Thailand) Ltd.	Thailand	100	Presko Shandwick Ltd.
Lowe Lintas & Partners (Thailand) Ltd.	Thailand	100	Registrant
McCann-Erickson (Thailand) Ltd.	Thailand	100	Registrant
MNC/FCB Ltd.	Thailand	100	TN Holdings (Asia/Pacific), Inc.
NFO (Thailand) Ltd.	Thailand	51	NFO Asia-Pacific Limited
Shandwick Holdings Limited	Thailand	100	Shandwick Investments Limited
Shandwick International (Thailand) Ltd.	Thailand	100	Shandwick Holdings Ltd. (51%); Orvieto Ltd. (49%)
McCann-Erickson (Trinidad) Limited	Trinidad	100	Registrant
BEC	Turkey	100	Pars/McCann

Beyaz	Turkey	100	Pars/McCann
FCB Reklam Hizmetleri, AS	Turkey	51	True North Holdings (Netherlands) BV
Grafika Lintas Reklamcilik AS	Turkey	100	IPG
Initiative Media Istanbul	Turkey	70	Registrant
IPG Tanitim ve Halkla Iliskiler AS	Turkey	51	Registrant
Link Ajans Limited Sirketi	Turkey	100	Registrant
Lowe Lintas Tanitim Hizmetleri AS	Turkey	86	Lowe Worldwide Holdings B.V.
McCann-Direct Reklam Tanitama Servisleri A.S.	Turkey	100	Registrant
PARS McCann-Erickson Reklamcilik A.S.("PARS")	Turkey	100	Registrant
Plus Remark Arastirma Vedanismanlik A.S.	Turkey	55	Infratest Burke International GmbH Holdings
Universal Media Planlama Ve Dagitim	Turkey	100	Registrant
Horizon FCB (LLC)	U.A.E.	100	Horizon Holdings Limited
Linea 12 McCann-Erickson	Ukraine	51	IPG
Addition Communications Limited	United Kingdom	100	SP Group Limited
Addition Marketing Group Limited	United Kingdom	100	SP Group Limited
Advantage Sponsorship Canada Limited	United Kingdom	100	Octagon Sports Marketing Ltd.
Advantage Sports Media Limited	United Kingdom	100	Octagon Sports Marketing Ltd.
Adware Systems Limited	United Kingdom	100	Orkestra Limited
Advantage Television Limited	United Kingdom	100	Octagon Sports Marketing Ltd.
Ammirati Puris Lintas Limited	United Kingdom	100	Interpublic Limited
Ammirati Puris Lintas International Limited	United Kingdom	100	Interpublic Limited
Ammirati Puris Lintas Russia Ltd.	United Kingdom	100	Interpublic Limited
Analytic I Limited	United Kingdom	100	True North Holdings (UK), Ltd.
API	United Kingdom	100	Octagon Sports Marketing Ltd.
API Soccer Limited	United Kingdom	100	Octagon Sports Marketing Ltd.
APL Group Ltd.	United Kingdom	100	Interpublic Limited

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Name	Jurisdiction Under Which Organized	Percentage Of Voting Securities Owned By Immediate Parent (%)	Immediate Parent
Foreign:			
Applied Research and Communications Limited	United Kingdom	100	City Research Group plc
Artel Studios Limited	United Kingdom	100	Stowe, Bowden, Wilson Limited
Bahbout and Stratton Limited	United Kingdom	100	Registrant
Banks, Hoggins O'Shea/FCB Exp. Momentum Ltd.	United Kingdom	100	True North Holdings (UK), Ltd.
BJM Research and Consulting Limited	United Kingdom	100	Interpublic Limited
BJM Research and Consulting Limited	United Kingdom	87.50	MBL Group plc
Bozell UK Ltd.	United Kingdom	88	MBL Group Plc
Brand Matters Limited	United Kingdom	100	True North Holdings (UK), Ltd.
Brands Hatch Investments Limited	United Kingdom	100	Registrant
Brands Hatch Leisure Limited	United Kingdom	100	Brands Hatch Leisure Plc
Brands Hatch Leisure Limited	United Kingdom	100	Interpublic Inc.

Brands Hatch Limited	United Kingdom	100	Brands Hatch Leisure Limited
Briefcope Limited	United Kingdom	100	IPR Limited
Brilliant Pictures Limited	United Kingdom	100	Still Price Court Twivy D'Souza Lintas Group Limited
British Motorsports Promoters Limited	United Kingdom	50	Octagon Motorsports Limited
Broadway Communications Group (Holdings) Limited	United Kingdom	100	Newtonvale Limited
Brompton Advertising Ltd.	United Kingdom	100	The Brompton Group Ltd.
Brompton Promotions Ltd.	United Kingdom	100	The Brompton Group Ltd.
BSMG Health & Medical & Comm.	United Kingdom	100	True North Holdings (UK), Ltd.
BSMG Worldwide (Europe) Ltd.	United Kingdom	100	True North Holdings (UK), Ltd.
Bureau of Commercial Research Limited	United Kingdom	100	Registrant
Business Geographics	United Kingdom	70	Int'l Poster Management Ltd.
Business Opinions Ltd.	United Kingdom	100	Charles Barker BSMG plc
Caudex Medical Limited	United Kingdom	100	Registrant
Causeway Communications Ltd.	United Kingdom	100	IPR Limited
Charles Barker BSMG plc	United Kingdom	100	True North Holdings (UK), Ltd.
Charles Barker ESOP Trustee Ltd.	United Kingdom	100	Charles Barker BSMG plc
Charles Barker Healthcare	United Kingdom	100	Charles Barker BSMG plc
Charles Barker Publishing Ltd.	United Kingdom	85	Charles Barker BSMG plc
City Research Associates Limited	United Kingdom	100	City Research Group plc
City Research Group plc	United Kingdom	100	NFO WorldGroup Inc.
Creation Communications Limited	United Kingdom	100	Interpublic Ltd.
Cyclope Productions Ltd.	United Kingdom	100	True North Holdings (UK) Ltd.
CM Lintas International Ltd.	United Kingdom	100	Interpublic Limited
Coachouse Ltd.	United Kingdom	100	McCann-Erickson Manchester Ltd.
Colourwatch Group Limited	United Kingdom	100	Lowe International Limited
Complete Congress Services Limited	United Kingdom	67	Complete Medical Group Ltd.
Complete Exhibition Services Ltd.	United Kingdom	80	Complete Medical Group Ltd.
Complete Healthcare Training Limited	United Kingdom	75	Complete Medical Group Ltd.
Complete Market Research Limited	United Kingdom	75	Complete Medical Group Ltd.

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Name	Jurisdiction Under Which Organized	Percentage Of Voting Securities Owned By Immediate Parent (%)	Immediate Parent
Foreign:			
Complete Medical Communications Int'l Ltd.	United Kingdom	85	Complete Medical Group Ltd.
Complete Medical Communications (UK) Ltd.	United Kingdom	80	Complete Medical Group Ltd.
Complete Medical Group Ltd.	United Kingdom	100	Interpublic Limited
Creata Promotion Limited	United Kingdom	100	Marketing Drive Group Limited
Creation Communications Design Ltd	United Kingdom	100	Interpublic Limited
Creative Drive Limited	United Kingdom	100	Marketing Drive Group Limited
Davies Day Limited	United Kingdom	100	Octagon Sports Mktg. Ltd.
Daytona Raceway Limited	United Kingdom	100	Brands Hatch Leisure Group Limited
DCMA Ltd.	United Kingdom	50	True North Holdings (UK) Ltd.
Decifer Limited	United Kingdom	100	Lowe International Limited
Delaney Fetcher Delaney	United Kingdom	100	True North Holdings (UK) Ltd.
Diagnosis Limited CMC house	United Kingdom	80	Complete Medical Group Limited

DraftWorldwide Limited	United Kingdom	100	Draft Group Holdings Limited
Draft Group Holdings Limited	United Kingdom	100	Interpublic Limited
DRS Advertising Limited	United Kingdom	100	Draft Group Holdings Limited
English and Pockett Limited	United Kingdom	75	Registrant
Epic (Events & Programming Int'l Consultancy) Ltd.	United Kingdom	100	Interpublic Limited
EXP Momentum	United Kingdom	100	Interpublic Limited
Expert Media Limited	United Kingdom	100	Genus Media Limited
FCB Advertising Ltd.	United Kingdom	100	True North Holdings (UK) Ltd.
FCB (Futurebrand Consumer) Limited	United Kingdom	78	Registrant
FCB (Futurebrand) Limited	United Kingdom	100	Interpublic Limited
Fieldplan Ltd.	United Kingdom	100	Interpublic Limited
Firstsale 2 Limited	United Kingdom	100	Shandwick Marketing Service Ltd.
Firstsale 4 Ltd.	United Kingdom	100	IPR Limited
Firstsale 5 Ltd.	United Kingdom	100	Int'l Public Relations Ltd.
Fleet Financial Comm. Ltd.	United Kingdom	100	Square Mile Holdings Ltd.
Fleet PR Limited	United Kingdom	100	Shandwick Public Relations Ltd.
Genus Media Limited	United Kingdom	100	True North Holdings (UK) Ltd.
GJW Europe Ltd.	United Kingdom	100	GJW Holdings Limited
GJW Government Relations Ltd.	United Kingdom	100	GJW Holdings Limited
GJW Holdings Limited	United Kingdom	100	BSMG Worldwide (Europe) Ltd.
GJW International Limited	United Kingdom	100	GJW Holdings Limited
Globespan Marketing Services	United Kingdom	100	Marketing Drive Group Limited
Gotham Limited	United Kingdom	100	Interpublic Limited
Gresham Financial Marketing Ltd.	United Kingdom	100	Shandwick Consultants Ltd.
Grand Slam Millennium Television Ltd.	United Kingdom	100	Octagon Sports Marketing Ltd.
Grand Slam Sports Limited	United Kingdom	100	Octagon Sports Marketing Ltd.
GSD Momentum Limited	United Kingdom	100	Registrant
GSD (Scotland) Ltd.	United Kingdom	100	GSD Momentum Limited
GSD Field Marketing Group Ltd.	United Kingdom	100	GSD Momentum Limited
Harrison Advertising (International) Ltd.	United Kingdom	100	Interpublic Limited
High Technology Marketing			

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Name	Jurisdiction Under Which Organized	Percentage Of Voting Securities Owned By Immediate Parent (%)	Immediate Parent
Foreign:			
Systems Limited	United Kingdom	100	Marketing Drive Group Limited
H.K. McCann Limited	United Kingdom	100	McCann Erickson Advertising Ltd.
Hopkins & Bailey Ltd.	United Kingdom	100	Radclyffe Comm. Group Ltd.
HPI 1999 Limited	United Kingdom	100	Draft Group Holdings Limited
HPI International Limited	United Kingdom	100	Draft Group Holdings Limited
HPI Research Group Limited	United Kingdom	100	Draft Group Holdings Limited
Infratest Burke Asia Pacific Ltd	United Kingdom	100	Infratest Burke International GmbH Holdings
Infratest Burke Group Ltd	United Kingdom	100	Infratest Burke International GmbH Holdings
Infratest Burke International Services	United Kingdom	100	Infratest Burke International GmbH Holdings
Infratest Burke Ltd	United Kingdom	100	Infratest Burke Group Ltd.
Infratest Burke Core Company	United Kingdom	100	Public Attitude Surveys Limited

Limited			
Initiative Media Limited	United Kingdom	100	Interpublic Limited
Initiative Media London Limited	United Kingdom	99.5	Still Price Court Twivy D'Souza Lintas Group Limited
International Poster Management Ltd.	United Kingdom	100	Interpublic Limited
International Public Relations Ltd.	United Kingdom	100	Interpublic Limited
Interpublic Limited	United Kingdom	100	Registrant
Interpublic Pension Fund Trustee Co. Ltd.	United Kingdom	100	Interpublic Limited
IPR Communications Ltd.	United Kingdom	100	IPR Limited
Isogroup Limited	United Kingdom	100	Isogroup B.V.
Jack Morton Europe Limited	United Kingdom	100	Jack Morton
Jack Morton UK Limited	United Kingdom	100	Jack Morton Europe Limited
Jack Morton Worldwide Limited	United Kingdom	100	Jack Morton UK Limited
J V Knightsbridge Travel Limited	United Kingdom	50	Lowe International limited
Keith Littlewood Associates	United Kingdom	100	True North Holdings (UK) Ltd.
Kumquat Limited	United Kingdom	100	Draft Group Holdings Limited
Lewis Gace Bozell	United Kingdom	100	True North Holdings (UK) Ltd.
LHSB Management Services Ltd.	United Kingdom	100	Lowe International Limited
Lintas W.A. Limited	United Kingdom	100	Interpublic Limited
Lowe Azure Limited	United Kingdom	100	Lowe International limited
Lowe Broadway Limited	United Kingdom	100	Broadway Communications Group (Holdings) Limited
Lowe Digital Limited	United Kingdom	100	Lowe International Limited
Lowe Live Limited	United Kingdom	75	Lowe International Limited
Lowe Fusion Healthcare Limited	United Kingdom	100	Lowe International limited
Lowe & Howard-Spink Media Limited	United Kingdom	100	Lowe International Limited
Lowe International Limited	United Kingdom	100	Interpublic Limited
Lowe Lintas Ltd.	United Kingdom	100	Lowe International Limited
Lowe & Partners Financial Limited	United Kingdom	100	Lowe International Limited
Lowe & Partners UK Limited	United Kingdom	100	Lowe International Limited

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Name	Jurisdiction Under Which Organized	Percentage Of Voting Securities Owned By Immediate Parent (%)	Immediate Parent
FOREIGN:			
Lowe Lintas & Partners Worldwide Limited	United Kingdom	100	Interpublic Limited
Lowe Plus Limited	United Kingdom	100	Lowe International limited
Ludgate Communications Limited	United Kingdom	100	Ludgate Group Limited
Ludgate Design Limited	United Kingdom	100	Ludgate Group Limited
Ludgate Group Limited	United Kingdom	100	Interpublic Limited
Ludgate Laud Limited	United Kingdom	100	Ludgate Group Limited
Luxon/Carra	United Kingdom	100	True North Holdings (UK) Ltd.
Marketing Communications Technologies (EMEA) Ltd.	United Kingdom	100	Interpublic Ltd.
Marketing Drive Group Limited	United Kingdom	100	True North Holdings (UK) Ltd.
Marketing Drive International Limited	United Kingdom	100	Marketing Drive Group Limited
Market Behaviour Limited	United Kingdom	100	MBL Group plc
Marketing Blueprint	United Kingdom	100	MBL Group plc

Marketing Drive Ltd. Matter of Fact Communications Limited	United Kingdom	100	Marketing Drive Group Limited
MBS Media Limited	United Kingdom	100	McCann-Erickson Bristol Ltd. Genus Media Limited
McCann Communications Limited	United Kingdom	100	McCann-Erickson Advertising Limited Interpublic Limited
McCann Direct Limited McCann-Erickson Advertising Limited	United Kingdom	100	Interpublic Limited
McCann-Erickson Belfast Limited	United Kingdom	100	McCann-Erickson Network Limited
McCann-Erickson Bristol Limited	United Kingdom	100	McCann-Erickson Network Limited
McCann-Erickson Central Limited	United Kingdom	100	McCann-Erickson Network Limited
McCann-Erickson EMEA Ltd. McCann-Erickson Healthcare UK Limited	United Kingdom	100	Interpublic Limited Registrant
McCann-Erickson Manchester Limited	United Kingdom	100	McCann-Erickson Network Limited
McCann-Erickson Payne, Golley Ltd.	United Kingdom	100	McCann-Erickson Network Limited
McCann-Erickson Scotland Limited	United Kingdom	100	McCann-Erickson Network Limited
McCann-Erickson Network Limited	United Kingdom	100	McCann-Erickson UK Group Limited
McCann-Erickson Payne Golley Limited	United Kingdom	100	McCann-Erickson Network Limited
McCann-Erickson Scotland Limited	United Kingdom	100	McCann-Erickson Network Limited
McCann-Erickson Wales	United Kingdom	100	McCann-Erickson Payne Golley
McCann-Erickson UK Group Ltd	United Kingdom	100	Interpublic Ltd.
McCann-Erickson Windsor Limited	United Kingdom	100	McCann-Erickson Network Limited
McCann Properties Limited	United Kingdom	100	McCann-Erickson Network Limited
McCann Weber Public Relations Limited	United Kingdom	100	McCann-Erickson Bristol
MD (Manchester)	United Kingdom	100	Marketing Drive Group Group Limited
MDGS Ltd.	United Kingdom	100	Marketing Drive Group Limited
Miller/Shandwick Technologies Inc.	United Kingdom	100	Weber Shandwick International Limited
Miller Starr Limited	United Kingdom	60	Registrant
MBL Group PLC	United Kingdom	100	NFO Research Inc.

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Name	Jurisdiction Under Which Organized	Percentage Of Voting Securities Owned By Immediate Parent (%)	Immediate Parent
Foreign:			
MLS Soccer Limited	United Kingdom	100	Octagon Sports Marketing Limited
Momentum On The Move Ltd.	United Kingdom	100	Exp Momentum Ltd.
Motive Public Relations Ltd.	United Kingdom	100	Opus Holdings International Limited
Movie and Media Sports (Holdings) Limited	United Kingdom	100	Registrant (48%); Octagon Worldwide Ltd. (31%); Octagon Worldwide Inc. (26%)
Movie and Media Sports Limited	United Kingdom	100	Movie & Media Sports (Holdings) Ltd.
MSW Management Limited	United Kingdom	100	Octagon Sports Marketing Limited
Nationwide Public Relations Ltd.	United Kingdom	100	IPR Limited
NDI Display Group	United Kingdom	100	Interpublic Limited
Neva Europe Limited	United Kingdom	100	Registrant
Newtonvale Limited	United Kingdom	51	Lowe International Limited

(25.5%); Registrant (25.5%)

NFO European Access Panel Ltd.	United Kingdom	100	Infratest Burke International Gmb Holdings
NFO Worldwide Ltd	United Kingdom	100	NFO UK, Inc.
Octagon Athlete Representation Limited	United Kingdom	100	Octagon Sports Marketing Ltd.
Octagon CSI Limited	United Kingdom	100	Third Dimension Limited
Octagon Event Marketing Limited	United Kingdom	100	Interpublic Limited
Octagon Sponsorship Consulting Limited	United Kingdom	100	Octagon Sports Marketing Ltd.
Octagon Mktg. Services Limited	United Kingdom	100	Octagon Sports Marketing Ltd.
Octagon Motorsports Limited	United Kingdom	100	Newtonvale Limited
Octagon Motorsports Marketing Limited.	United Kingdom	100	Octagon Worldwide Limited
Octagon SC Limited	United Kingdom	100	Octagon Sponsorship Consulting Ltd.
Octagon Sponsorship Europe Limited	United Kingdom	100	Octagon Sports Marketing Ltd.
Octagon Sponsorship Limited	United Kingdom	100	Octagon Sponsorship Consulting Ltd.
Octagon Sports Marketing Limited	United Kingdom	100	Octagon Worldwide Limited
Octagon Worldwide Limited	United Kingdom	100	Interpublic Limited
Opus Group International Ltd.	United Kingdom	100	True North Holdings (UK) Ltd.
Opus Holdings International Ltd.	United Kingdom	100	Opus Group International Ltd.
Orbit International (1990) Ltd.	United Kingdom	100	Low International Limited
Origination Production Services Limited	United Kingdom	100	Marketing Drive Group Limited
Orchestra Ltd.	United Kingdom	100	Interpublic Limited
Packaging Brands Limited	United Kingdom	100	Registrant
Golin/Harris International Ltd.	United Kingdom	100	Int'l Public Relations Ltd.
Packaging Matters Limited	United Kingdom	100	Registrant
PCMC Services Ltd.	United Kingdom	100	Opus Holdings International Ltd.
Perception Creative Mktg. Ltd.	United Kingdom	100	Opus Holdings International Ltd.
Planet Packaging Consultants, Ltd.	United Kingdom	71	The Coleman Group Worldwide LLC
Poundhold Ltd.	United Kingdom	100	Low International Limited
PR Consultants Scotland Limited	United Kingdom	100	Int'l Public Relations Ltd.
Prime Communications Limited	United Kingdom	100	Shandwick Public Relations Ltd.
Acclaro International	United Kingdom	100	Interpublic Ltd.
Prognostics Ltd	United Kingdom	100	Prognostics Corporation

Exhibit 21

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March 15, 2002

Name	Jurisdiction Under Which Organized	Percentage Of Voting Securities Owned By Immediate Parent (%)	Immediate Parent
Foreign:			
Public Attitude Surveys Holdings Limited	United Kingdom	100	Infratest Burke Group Limited
Public Attitude Surveys Limited	United Kingdom	100	Public Attitude Surveys Holdings Limited
Radclyffe Communications Group Ltd.	United Kingdom	100	Shandwick Europe Ltd.
Rebel Enterprises Limited	United Kingdom	100	Brands Hatch Leisure Group Limited
Research Matters Limited	United Kingdom	100	Registrant
Revelation Research	United Kingdom	100	Opus Holdings International Ltd.
Rogers & Cowan Brand Placement Ltd.	United Kingdom	100	Shandwick UK Limited

Rogers & Cowan			
International Ltd.	United Kingdom	100	Shandwick Europe Ltd.
Salesdesk Limited	United Kingdom	100	Orkestra Ltd.
Screen & Music Travel Limited	United Kingdom	100	Jack Morton
SCW Bozell (Holdings) Ltd.	United Kingdom	100	True North Holdings (UK) Ltd.
Firstsale 6 Ltd.	United Kingdom	100	Weber Shandwick International Limited
Shandwick Design Limited	United Kingdom	100	Weber Shandwick International Limited
Shandwick Interactive Limited	United Kingdom	100	Weber Shandwick International Limited
IPR Investments Limited	United Kingdom	100	Int'l Public Relations Ltd.
Shandwick North Limited	United Kingdom	100	Weber Shandwick International Limited
Shandwick Northern Ireland Limited	United Kingdom	100	IPR Limited
Shandwick Public Affairs Limited	United Kingdom	100	Weber Shandwick International Limited
Shandwick Public			
Relations Limited	United Kingdom	100	IPR Limited
Shandwick Scotland Limited	United Kingdom	100	PR Consultants Scotland Limited
Weber Shandwick UK Limited	United Kingdom	100	Weber Shandwick International
Silverstone Haymarket Limited	United Kingdom	100	Octagon Motorsports Limited
SLAM Ltd.	United Kingdom	100	Charles Barker BSMG plc
Smithfield Lease Limited	United Kingdom	100	Lowe International Limited
Sports Management Limited	United Kingdom	100	Octagon Sports Mrktg. Limited
Springpoint Limited	United Kingdom	100	Registrant
Square Mile Communications Ltd.	United Kingdom	100	Square Mile Holdings Limited
Square Mile Holdings Limited	United Kingdom	100	BSMG Worldwide (Europe) Ltd.
Still Price Court Twivy			
D'Souza Ltd.	United Kingdom	100	SP Lintas Group Limited
Stowe, Bowden, Wilson Limited	United Kingdom	100	McCann-Erickson Network Limited
Strategic Marketing Consultancy Limited	United Kingdom	100	City Research Group plc
Symphony Direct			
Communications Ltd.	United Kingdom	100	Draft Group Holdings Limited
System Three (Scotland) Limited	United Kingdom	100	Public Attitude Surveys Limited
Tavistock Advertising Limited	United Kingdom	100	Lowe International Limited
The Arbor Group plc	United Kingdom	100	Registrant
The Below the Line Agency Limited	United Kingdom	100	Interpublic Limited
The Boroughloch			
Consultancy Limited	United Kingdom	100	Draft Group Holdings Limited
The Brompton Group Ltd.	United Kingdom	100	Lowe Int'l Limited
The Business in Marketing & Communications Ltd.	United Kingdom	100	Shandwick Public Relations Ltd.

Exhibit 21

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March 15, 2002

Name	Jurisdiction Under Which Organized	Percentage Of Voting Securities Owned By Immediate Parent (%)	Immediate Parent
Foreign:			
The Championship Group Limited	United Kingdom	100	Octagon Sports Marketing Limited
The Howland Street Studio Ltd.	United Kingdom	100	Interpublic Limited
The Internet Factory Limited	United Kingdom	100	Business Geographics Limited
The Line Limited	United Kingdom	100	SP Group Limited
The Lowe Group Limited	United Kingdom	100	Lowe International Limited
The Production Department Partnership (London)	United Kingdom	100	The Arbor Group PLC
The PR Centre Limited	United Kingdom	100	PR Consultants Scotland Limited

The Quay Advertising and Marketing Limited	United Kingdom	100	Bahbout and Stratton Limited
The Really Big Promotions Co. Ltd.	United Kingdom	100	Interpublic Limited
Tinker and Partners Limited	United Kingdom	100	Interpublic Limited
TMG Healthcare Communication Ltd.	United Kingdom	60	Complete Medical Group Ltd.
Toca Limited	United Kingdom	100	Octagon Motorsports Limited
TPS Public Relations Limited	United Kingdom	100	Shandwick Public Relations Ltd.
True North Holdings (UK) Ltd.	United Kingdom	100	TN Holdings (Europe) Inc.
Tweak Limited	United Kingdom	100	SP Lintas Group Limited
Two Six Seven Limited	United Kingdom	100	Lowe International limited
Universal Advertising Limited	United Kingdom	100	Interpublic Limited
Universal Communications Worldwide Limited	United Kingdom	100	Interpublic Limited
Virtual Reality Sports Limited	United Kingdom	100	Octagon Sports Marketing Limited
Washington Soccer Limited	United Kingdom	100	Octagon Sports Marketing Limited
Weber Europe Limited	United Kingdom	100	Interpublic Limited
Weber Shandwick Broadcast Ltd	United Kingdom	100	Weber Shandwick International Limited
Weber Shandwick Consultancy Ltd.	United Kingdom	100	Weber Shandwick International Limited
Weber Shandwick Consultants Limited	United Kingdom	100	Weber Shandwick International Limited
Weber Shandwick Consumer Limited	United Kingdom	100	Widestrong Limited
Weber Shandwick International Limited	United Kingdom	100	Shandwick Investments Limited
Weber Shandwick Investor Relations Limited	United Kingdom	100	Shandwick UK Limited
Weber Shandwick Marketing Services Limited	United Kingdom	100	Int'l Public Relations Ltd.
Weber Shandwick PR Company Limited	United Kingdom	100	Weber Shandwick International Limited
Weber Shandwick Trustees Limited	United Kingdom	100	Int'l Public Relations Ltd.
Weber Shandwick UK Limited	United Kingdom	100	Weber Shandwick International
Western International Media Limited.	United Kingdom	100	Lowe International Limited (52%) WIMC (UK) Limited (48%)
Western International Media Europe Limited.	United Kingdom	100	Western Int'l Media Limited
Widestrong Limited	United Kingdom	100	PR Consultants Scotland Limited
WIMC UK Limited	United Kingdom	100	Interpublic Limited
Zentropy Partners UK Limited	United Kingdom	100	IPG
Aderal S.A.	Uruguay	90	Grupo Nueva Comunicacion S.A.
Lingfield S.A. (S.A.F.I.)	Uruguay	100	Registrant

Exhibit 21

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March 15, 2002

Name	Jurisdiction Under Which Organized	Percentage Of Voting Securities Owned By Immediate Parent (%)	Immediate Parent
Foreign:			
Lowe & Partners South America Holdings, S.A.	Uruguay	100	Lowe Group Holdings, Inc.
McCann-Erickson Latin America, S.A.	Uruguay	100	Registrant

Paradiser SA	Uruguay	60	TN Holdings (Latin America), Inc.
Rockdone Corporation			
S.A. (S.A.F.I.)	Uruguay	100	Universal Publicidade SA (safi)
Lintas Uruguay	Uruguay	100	Ammirati Puris Lintas Brazil
Universal Publicidad			
S.A. (S.A.F.I.)	Uruguay	100	McCann-Erickson Publicidade Ltda.
McCann Uzbekistan	Uzbekistan	100	Registrant
AJL Park Publicidade	Venezuela	60	TN Holdings (Latin America), Inc.
FCB Publicidad	Venezuela	100	Foote, Cone & Boeding Publicidad
Foote, Cone & Boeding Publicidad	Venezuela	100	TN Holdings (Latin America), Inc.
McCann-Erickson Publicidad			
De Venezuela, S.A.	Venezuela	100	Registrant
Optimedia Publicidad, C.A.	Venezuela	99.5	Foote Cone & Belding Publicidad
Publicis Publicidad, C.A.	Venezuela	99.5	Foote Cone & Belding Publicidad
TN Medios CA	Venezuela	100	TN Holdings (Latin America), Inc.
Octagon CSI SA	Virgin Islands	100	Communications Services
International Holdings SA			
Octagon CSI International			
Holdings SA	Virgin Islands	100	Octagon CSI SA
Octagon Motorsports Limited	Virgin Islands	67	Octagon WW
SBK Superbike International Ltd	Virgin Islands	75	Octagon Motorsports Limited
NFO Vietnam	Vietnam	100	NFO Asia-Pacific Limited
Afamal Advertising (Rhodesia)			
Private Ltd.	Zimbabwe	100	Registrant
Lintas (Private) Limited	Zimbabwe	80	Fieldplan Ltd.

A number of inactive subsidiaries and other subsidiaries, all of which considered in the aggregate as a single subsidiary would not constitute a significant subsidiary, are omitted from the above list. These subsidiaries normally do business under their official corporate names. International Business Services, Inc. does business in Michigan under the name "McCann-I.B.S., Inc." and in New York under the name "McCann International Business Services". Ammirati Puris Lintas, Inc. conducts business through its Ammirati Puris Lintas New York division. McCann-Erickson conducts some of its business in the states of Kentucky and Michigan under the name "McGraphics". McCann-Erickson USA, Inc. does business in Michigan under the name SAS and does business in Indiana, Michigan, New York, Pennsylvania and Wisconsin under the name of McCann-Erickson Universal Group.

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the following Registration Statements of The Interpublic Group of Companies, Inc. (the "Company"), of our report dated February 28, 2002, which appears in the 2001 Annual Report to Stockholders which is incorporated in this Annual Report on Form 10-K: Registration Statements on Form S-8 No. 2-79071; No. 2-43811; No. 2-56269; No. 2-61346; No. 2-64338; No. 2-67560; No. 2-72093; No. 2-88165; No. 2-90878; No. 2-97440; and No. 33-28143, relating to the Stock Option Plan (1971), the Stock Option Plan (1981), the Stock Option Plan (1988) and the Achievement Stock Award Plan of the Company; Registration Statements on Form S-8 No. 2-53544; No. 2-91564; No. 2-98324; No. 33-22008; No. 33-64062; and No. 33-61371, relating to the Employee Stock Purchase Plan (1975), the Employee Stock Purchase Plan (1985) and the Employee Stock Purchase Plan of the Company (1995); Registration Statements on Form S-8 No. 33-20291 and No. 33-2830 relating to the Management Incentive Compensation Plan of the Company; Registration Statements on Form S-8 No. 33-5352; No. 33-21605; No. 333-4747; and No. 333-23603 relating to the 1986 Stock Incentive Plan, the 1986 United Kingdom Stock Option Plan and the 1996 Stock Incentive Plan of the Company; Registration Statements on Form S-8 No. 33-10087 and No. 33-25555 relating to the Long-Term Performance Incentive Plan of the Company; Registration Statement on Form S-8 No. 333-28029 relating to The Interpublic Outside Directors' Stock Incentive Plan of the Company; Registration Statement on Form S-8 No. 33-42675 relating to the 1997 Performance Incentive Plan of the Company; Amendment No. 1 on Form S-8 to Registration Statement on Form S-4 No. 333-59254 relating to the True North Communications Inc. Stock Option Plan and the Bozell, Jacobs, Kenyon & Eckhardt, Inc. Stock Option Plan and Registration Statement on Form S-3 No. 333-53592 related to the public offering of shares of the Company. We also consent to the incorporation by reference of our report dated February 28, 2002 relating to the financial statement schedule, which appears in this Form 10-K.

PricewaterhouseCoopers LLP
New York, New York
March 26, 2002

CONSENT OF INDEPENDENT ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in the Registration Statements on Form 10-K of The Interpublic Group of Companies, Inc. (the "Company"), of our report dated March 20, 2001, with respect to the consolidated financial statements of True North Communications Inc. and Subsidiaries as of December 31, 2000, and for each of the years in the two-year period ended December 31, 2000, which appears in this Annual Report on Form 10-K and with respect to the following: Registration Statements on Form S-8 No. 2-79071; No. 2-43811; No. 2-56269; No. 2-61346; No. 2-64338; No. 2-67560; No. 2-72093; No. 2-88165; No. 2-90878; No. 2-97440; and No. 33-28143, relating to the Stock Option Plan (1971), the Stock Option Plan (1981), the Stock Option Plan (1988) and the Achievement Stock Award Plan of the Company; Registration Statements on Form S-8 No. 2-53544; No. 2-91564; No. 2-98324; No. 33-22008; No. 33-64062; and No. 33-61371, relating to the Employee Stock Purchase Plan (1975), the Employee Stock Purchase Plan (1985) and the Employee Stock Purchase Plan of the Company (1995); Registration Statements on Form S-8 No. 33-20291 and No. 33-2830 relating to the Management Incentive Compensation Plan of the Company; Registration Statements on Form S-8 No. 33-5352; No. 33-21605; No. 333-4747; and No. 333-23603 relating to the 1986 Stock Incentive Plan, the 1986 United Kingdom Stock Option Plan and the 1996 Stock Incentive Plan of the Company; Registration Statements on Form S-8 No. 33-10087 and No. 33-25555 relating to the Long-Term Performance Incentive Plan of the Company; Registration Statement on Form S-8 No. 333-28029 relating to The Interpublic Outside Directors' Stock Incentive Plan of the Company; Registration Statement on Form S-8 No. 33-42675 relating to the 1997 Performance Incentive Plan of the Company. We also consent to the incorporation by reference in the Registration Statement on Form S-3 No. 333-53592 related to the public offering of shares of the Company, of our report dated March 20, 2001, which appears in this Report on Form 10-K. It should be noted that we have not audited any financial statements of True North Communications Inc. and Subsidiaries subsequent to December 31, 2000 or performed any audit procedures subsequent to the date of our report.

Arthur Andersen LLP
Chicago, Illinois
March 26, 2002

CONSENT OF INDEPENDENT ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in the Registration Statements on Form S-8 of The Interpublic Group of Companies, Inc. (the "Company"), of our report dated February 25, 2000, with respect to the consolidated financial statements of NFO Worldwide, Inc. and subsidiaries for the year ended December 31, 1999, which appears in this Annual Report on Form 10-K: Registration Statements on Form S-8 No. 2-79071; No. 2-43811; No. 2-56269; No. 2-61346; No. 2-64338; No. 2-67560; No. 2-72093; No. 2-88165; No. 2-90878; No. 2-97440; and No. 33-28143, relating to the Stock Option Plan (1971), the Stock Option Plan (1981), the Stock Option Plan (1988) and the Achievement Stock Award Plan of the Company; Registration Statements on Form S-8 No. 2-53544; No. 2-91564; No. 2-98324; No. 33-22008; No. 33-64062; and No. 33-61371, relating to the Employee Stock Purchase Plan (1975), the Employee Stock Purchase Plan (1985) and the Employee Stock Purchase Plan of the Company (1995); Registration Statements on Form S-8 No. 33-20291 and No. 33-2830 relating to the Management

Incentive Compensation Plan of the Company; Registration Statements on Form S-8 No. 33-5352; No. 33-21605; No. 333-4747; and No. 333-23603 relating to the 1986 Stock Incentive Plan, the 1986 United Kingdom Stock Option Plan and the 1996 Stock Incentive Plan of the Company; Registration Statements on Form S-8 No. 33-10087 and No. 33-25555 relating to the Long-Term Performance Incentive Plan of the Company; Registration Statement on Form S-8 No. 333-28029 relating to The Interpublic Outside Directors' Stock Incentive Plan of the Company; Registration Statement on Form S-8 No. 33-42675 relating to the 1997 Performance Incentive Plan of the Company. We also consent to the incorporation by reference in the Registration Statement on Form S-3 No. 333-53592 related to the public offering of shares of the Company, of our report dated February 25, 2000, which appears in this Annual Report on Form 10-K. It should be noted that we have not audited any financial statements of NFO Worldwide, Inc. subsequent to December 31, 1999 or performed any audit procedures subsequent to the date of our report.

Arthur Andersen LLP
New York, New York

March 26, 2002

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the Registration Statements on Form S-8 of The Interpublic Group of Companies, Inc. (the "Company"), of our report dated February 13, 2001, with respect to the consolidated financial statements of Deutsch, Inc. and Subsidiary and Affiliates as of December 31, 2000 and 1999, which appears in this Annual Report on Form 10-K: Registration Statements on Form S-8 No. 2-79071; No. 2-43811; No. 2-56269; No. 2-61346; No. 2-64338; No. 2-67560; No. 2-72093; No. 2-88165; No. 2-90878; No. 2-97440; and No. 33-28143, relating to the Stock Option Plan (1971), the Stock Option Plan (1981), the Stock Option Plan (1988) and the Achievement Stock Award Plan of the Company; Registration Statements on Form S-8 No. 2-53544; No. 2-91564; No. 2-98324; No. 33-22008; No. 33-64062; and No. 33-61371, relating to the Employee Stock Purchase Plan (1975), the Employee Stock Purchase Plan (1985) and the Employee Stock Purchase Plan of the Company (1995); Registration Statements on Form S-8 No. 33-20291 and No. 33-2830 relating to the Management Incentive Compensation Plan of the Company; Registration Statements on Form S-8 No. 33-5352; No. 33-21605; No. 333-4747; and No. 333-23603 relating to the 1986 Stock Incentive Plan, the 1986 United Kingdom Stock Option Plan and the 1996 Stock Incentive Plan of the Company; Registration Statements on Form S-8 No. 33-10087 and No. 33-25555 relating to the Long-Term Performance Incentive Plan of the Company; Registration Statement on Form S-8 No. 333-28029 relating to The Interpublic Outside Directors' Stock Incentive Plan of the Company; Registration Statement on Form S-8 No. 33-42675 relating to the 1997 Performance Incentive Plan of the Company. We also consent to the incorporation by reference in the Registration Statement on Form S-3 No. 333-53592 related to the public offering of shares of the Company, of our report dated February 13, 2001, which appears in this Report on Form 10-K. It should be noted that we have not audited any financial statements of Deutsch, Inc. and Subsidiary and Affiliates subsequent to December 31, 2000 or performed any audit procedures subsequent to the date of our report.

J.H. Cohn LLP
Roseland, New Jersey
March 26, 2002

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each individual whose signature appears below constitutes and appoints JOHN J. DOONER, JR., SEAN F. ORR, RICHARD P. SNEEDER, JR. and NICHOLAS J. CAMERA, and each of them, as true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution, for him, and in his name, place and stead, in any and all capacities, to sign the Report on Form 10-K for the year ended December 31, 2001, for The Interpublic Group of Companies, Inc., S.E.C. File No. 1-6686, and any and all amendments and supplements thereto and all other instruments necessary or desirable in connection therewith, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission and the New York Stock Exchange, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requested and necessary to be done in and about the premises as fully to all intents and purposes as he might do or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Dated: March 28, 2002

JOHN J. DOONER, JR.
JOHN J. DOONER, JR.

Richard A. Goldstein
Richard A. Goldstein

SEAN F. ORR
SEAN F. ORR

H. JOHN GREENIAUS
H. JOHN GREENIAUS

FRANK J. BORELLI
FRANK J. BORELLI

MICHAEL I. ROTH
MICHAEL I. ROTH

REGINALD K. BRACK
REGINALD K. BRACK

J. PHILLIP SAMPER
J. PHILLIP SAMPER

JILL M. CONSIDINE
JILL M. CONSIDINE

RICHARD P. SNEEDER, JR.
RICHARD P. SNEEDER, JR.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

Certified Resolutions

I, Nicholas J. Camera, Secretary of The Interpublic Group of Companies, Inc. (the "Corporation"), hereby certify that the resolutions attached hereto were duly adopted on March 28, 2002 by the Board of Directors of the Corporation and that such resolutions have not been amended or revoked.

WITNESS my hand and the seal of the Corporation this 28th day of March, 2002.

/s/ NICHOLAS J. CAMERA
NICHOLAS J. CAMERA

THE INTERPUBLIC GROUP OF COMPANIES, INC.

MEETING OF THE BOARD OF DIRECTORS

Resolutions re Form 10-K

RESOLVED, that the Chairman of the Board and the Executive Vice President and Chief Financial Officer of the Corporation be, and each of them hereby is, authorized to execute and deliver on behalf of the Corporation an annual report on Form 10-K for the year ended December 31, 2001, in the form presented to this meeting with such changes therein as either of them with the advice of the General Counsel shall approve; and further

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

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

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

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

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

RESOLVED, that the officers of the Corporation be, and each of them hereby is, authorized to take such actions and to execute such other documents, agreements or instruments as may be necessary or desirable in connection with the foregoing.