Interpublic Group

FIRST QUARTER 2014 EARNINGS CONFERENCE CALL

April 22, 2014

Overview – First Quarter 2014

- Revenue increased 6.1% from Q1-13, 6.6% on an organic basis
  - U.S. organic growth was 4.8%
  - International organic growth was 9.1%
- Seasonal Q1 operating loss of $12 million, improved from loss of $42 million a year ago
- Operating margin was (0.7)%, an improvement of 200 basis points
- EPS was a loss of $0.05, compared with a loss of $0.14 a year ago

See reconciliation of organic revenue change on page 15.

Operating Performance

	Three Months Ended March 31,			
	2014		2013	
Revenue	$	1,637.5	$	1,543.0
Salaries and Related Expenses		1,188.6		1,132.1
Office and General Expenses		460.6		453.3
Operating Loss		(11.7)		(42.4)
Interest Expense		(20.2)		(36.8)
Interest Income		6.2		6.4
Other Income, net		1.7		1.8
Loss Before Income Taxes		(24.0)		(71.0)
Benefit of Income Taxes		(1.7)		(12.4)
Equity in Net (Loss) Income of Unconsolidated Affiliates		(0.1)		0.1
Net Loss		(22.4)		(58.5)
Net Loss Attributable to Noncontrolling Interests		1.5		2.2
Net Loss Attributable to IPG		(20.9)		(56.3)
Dividends on Preferred Stock		-		(2.9)
Net Loss Available to IPG Common Stockholders	$	(20.9)	$	(59.2)
Loss per Share Available to IPG Common Stockholders - Basic and Diluted	$	(0.05)	$	(0.14)
Weighted-Average Number of Common Shares Outstanding - Basic and Diluted		422.8		414.2
Dividends Declared per Common Share	$	0.095	$	0.075

(Amounts in Millions, except per share amounts)

Revenue

	Three Months Ended	
	$	% Change
March 31, 2013	**$ 1,543.0**	
Total change	94.5	6.1%
Foreign currency	(21.7)	(1.4%)
Net acquisitions/(divestitures)	14.2	0.9%
Organic	102.0	6.6%
March 31, 2014	**$ 1,637.5**	

	Three Months Ended March 31,			
			Change	
	2014	2013	Total	Organic
IAN	$ 1,315.7	$ 1,241.1	6.0%	6.8%
CMG	$ 321.8	$ 301.9	6.6%	5.7%

Integrated Agency Networks ("IAN"): McCann Worldgroup, FCB (Foote, Cone & Belding), Lowe & Partners, IPG Mediabrands, our digital specialist agencies and our domestic integrated agencies
Constituency Management Group ("CMG"): Weber Shandwick, GolinHarris, Jack Morton, FutureBrand, Octagon and our other marketing service specialists

See reconciliation of segment organic revenue change on page 15.

($ in Millions)

Geographic Revenue Change

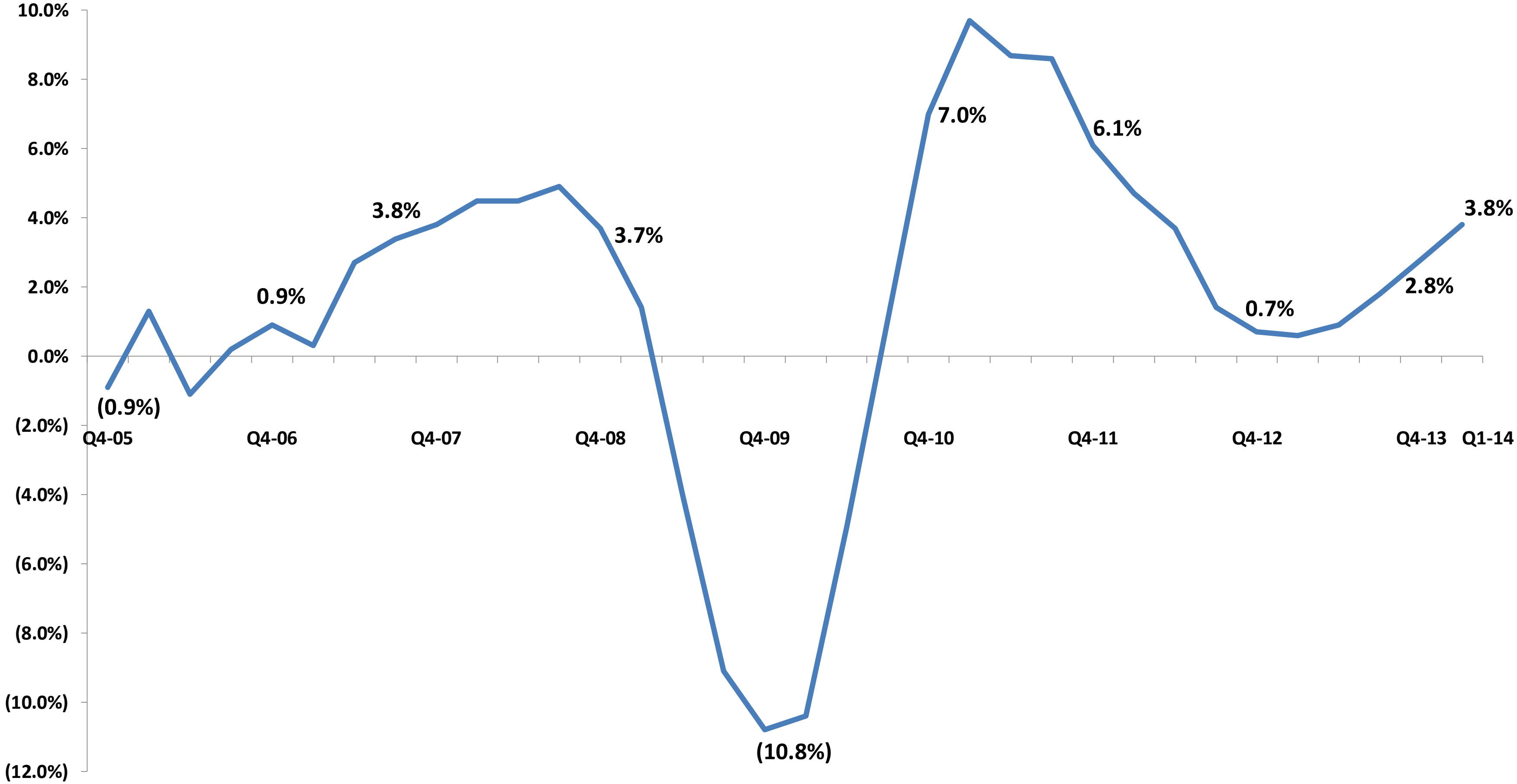
	Three Months Ended March 31, 2014	
	Total	Organic
United States	5.0%	4.8%
International	7.7%	9.1%
United Kingdom	21.1%	10.7%
Continental Europe	5.1%	3.8%
Asia Pacific	7.2%	11.9%
Latin America	5.0%	18.3%
All Other Markets	(5.1%)	1.4%
Worldwide	**6.1%**	**6.6%**

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

See reconciliation of organic revenue change on page 15.

Organic Revenue Growth

Trailing Twelve Months



See reconciliation on page 16.

Expenses

Salaries & Related

		2014		2013	Change $		Change Total	Change Organic
Three Months Ended March 31,	$	1,188.6	$	1,132.1	$	56.5	5.0%	5.5%
% of Revenue		*72.6%*		*73.4%*				
Three months severance	$	20.4	$	26.1	$	(5.7)	(21.8%)	
% of Revenue		*1.2%*		*1.7%*				

Office & General

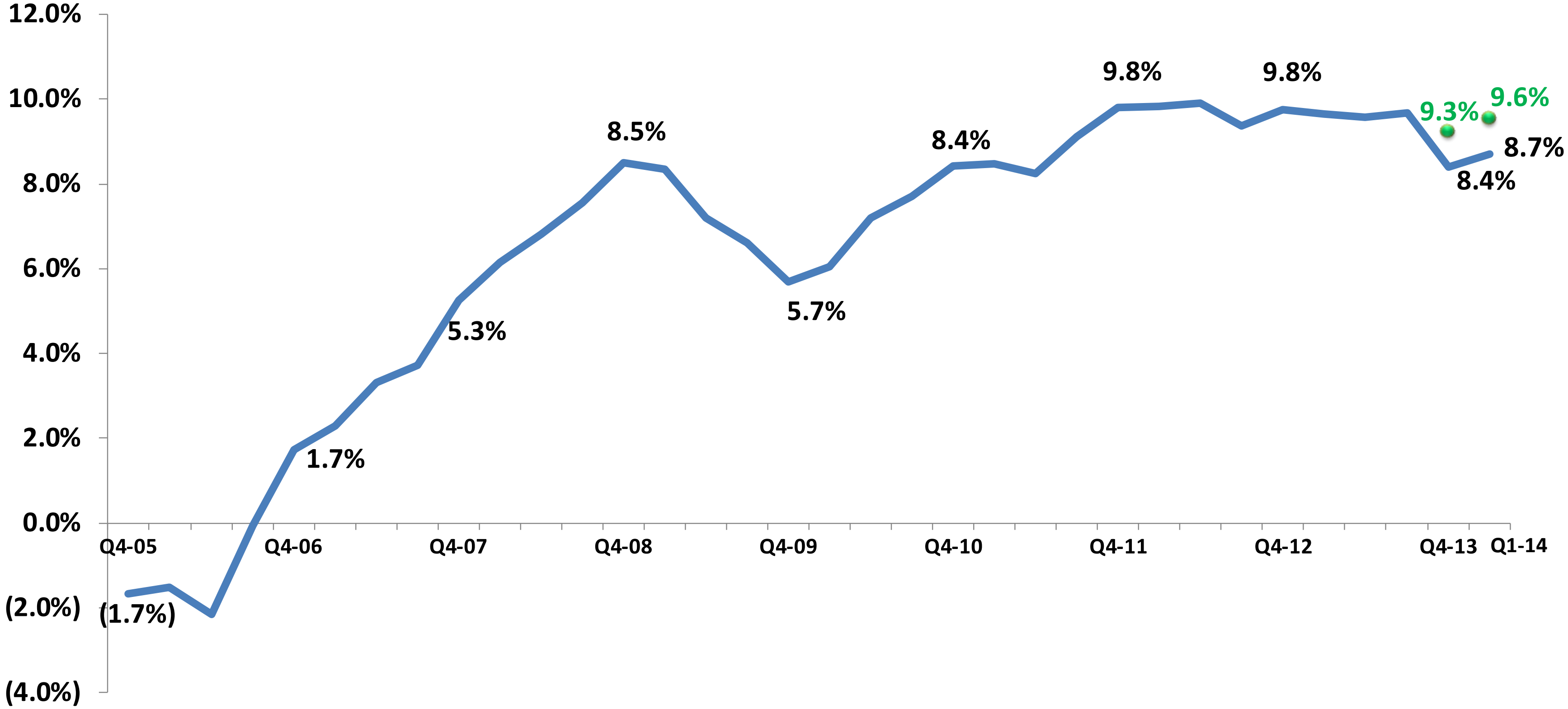
		2014		2013	Change $		Change Total	Change Organic
Three Months Ended March 31,	$	460.6	$	453.3	$	7.3	1.6%	2.3%
% of Revenue		*28.1%*		*29.4%*				
Three months occupancy expense (ex-D&A)	$	127.2	$	122.6	$	4.6	3.8%	
% of Revenue		*7.8%*		*7.9%*				

See reconciliation of organic measures on page 15.

($ in Millions)

Operating Margin

Trailing Twelve Months



Adjusted operating margin before our Q4 2013 restructuring charge that differs from reported operating margin is represented in green.

See reconciliation of adjusted operating margin on page 17.

Balance Sheet – Current Portion

	March 31, 2014	December 31, 2013	March 31, 2013
CURRENT ASSETS:			
Cash and cash equivalents	$ 771.0	$ 1,636.8	$ 1,645.7
Marketable securities	5.6	5.3	5.4
Accounts receivable, net	4,013.4	4,565.4	3,885.7
Expenditures billable to clients	1,692.7	1,536.4	1,511.4
Other current assets	399.2	340.1	400.0
Total current assets	**$ 6,881.9**	**$ 8,084.0**	**$ 7,448.2**
CURRENT LIABILITIES:			
Accounts payable	$ 6,048.5	$ 6,914.2	$ 5,650.2
Accrued liabilities	587.4	718.4	596.4
Short-term borrowings	171.1	179.1	159.7
Current portion of long-term debt	353.2	353.6	1.9
Total current liabilities	**$ 7,160.2**	**$ 8,165.3**	**$ 6,408.2**

($ in Millions)

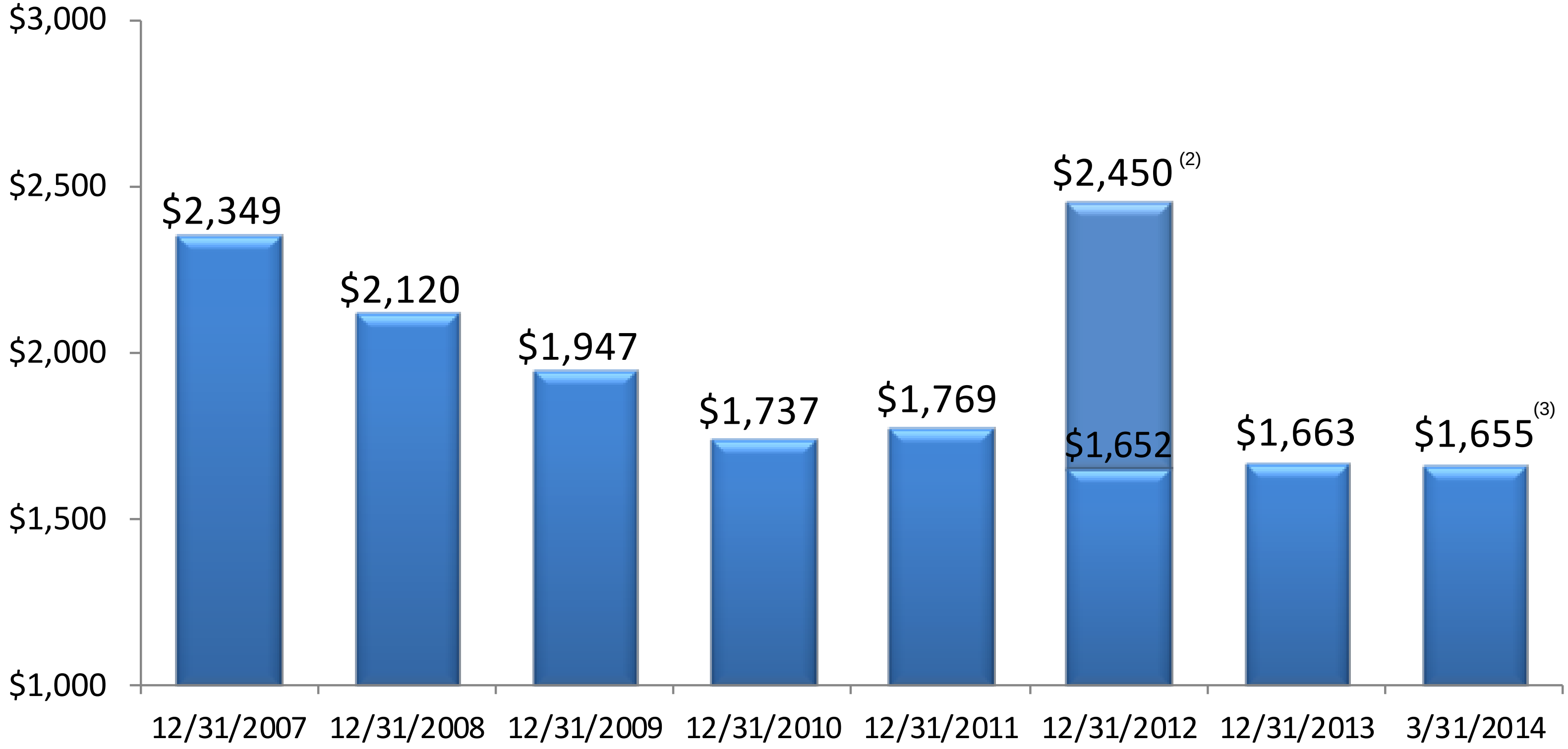
Cash Flow

	Three Months Ended March 31, 2014	Three Months Ended March 31, 2013
NET LOSS	$ (22)	$ (59)
OPERATING ACTIVITIES		
Depreciation & amortization	57	55
Deferred taxes	(23)	(50)
Other non-cash items	7	5
Change in working capital, net	(723)	(722)
Other non-current assets & liabilities	(22)	(4)
Net cash used in Operating Activities	**(726)**	**(775)**
INVESTING ACTIVITIES		
Capital expenditures	(27)	(18)
Acquisitions & deferred payments, net	(22)	(35)
Business & investment purchases/sales, net	2	2
Net cash used in Investing Activities [1]	**(47)**	**(51)**
FINANCING ACTIVITIES		
Repurchase of common stock	(45)	(76)
Common stock dividends	(40)	(31)
Net decrease in short-term bank borrowings	(7)	(11)
Distributions to noncontrolling interests	(6)	(1)
Exercise of stock options	6	18
Preferred stock dividends	-	(3)
Other financing activities	1	-
Net cash used in Financing Activities	**(91)**	**(104)**
Currency Effect	(2)	(10)
Decrease in Cash & S/T Marketable Securities	**$ (866)**	**$ (940)**

[1] Excludes the net purchase, sale and maturities of short-term marketable securities. See reconciliation on page 18.

($ in Millions)

Total Debt (1)



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

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

(3) In April 2014 we issued debt of $500 aggregate principal amount of 4.20% Senior Notes due 2024 and exercised our option to redeem $350 aggregate principal amount of 6.25% Senior Unsecured Notes due 2014.

($ in Millions)

Summary

- Q1 a solid start on FY-14 performance objectives
- Traction from key strategic drivers
  - Quality of our agency offerings
  - Strength in high-growth disciplines/regions
  - New business
  - Cost alignment actions in Q4-13
- 2014 focus is on margin improvement
- Financial strength continues to be a source of value creation
  - Lower cost of debt
  - Raised dividend and authorized new share repurchase program

Appendix

Depreciation and Amortization

	2014				
	Q1				YTD 2014
Depreciation and amortization of fixed assets and intangible assets	$ 40.5				$ 40.5
Amortization of restricted stock and other non-cash compensation	15.1				15.1
Net amortization of bond discounts and deferred financing costs	1.0				1.0

	2013				
	Q1	Q2	Q3	Q4	FY 2013
Depreciation and amortization of fixed assets and intangible assets	$ 38.2	$ 39.2	$ 40.5	$ 39.5	$ 157.4
Amortization of restricted stock and other non-cash compensation	15.5	9.4	8.0	10.2	43.1
Net amortization of bond discounts and deferred financing costs	1.4	2.6	1.4	3.2	8.6

($ in Millions)

Reconciliation of Organic Measures

	Three Months Ended March 31, 2013	Components of Change: Foreign Currency	Components of Change: Net Acquisitions / (Divestitures)	Components of Change: Organic	Three Months Ended March 31, 2014	Change: Organic	Change: Total
Segment Revenue							
IAN	$ 1,241.1	$ (21.5)	$ 11.4	$ 84.7	$ 1,315.7	6.8%	6.0%
CMG	301.9	(0.2)	2.8	17.3	321.8	5.7%	6.6%
Total	**$ 1,543.0**	**$ (21.7)**	**$ 14.2**	**$ 102.0**	**$ 1,637.5**	**6.6%**	**6.1%**
Geographic							
United States	**$ 894.4**	**$ -**	**$ 1.3**	**$ 43.3**	**$ 939.0**	**4.8%**	**5.0%**
International	**648.6**	**(21.7)**	**12.9**	**58.7**	**698.5**	**9.1%**	**7.7%**
United Kingdom	138.4	8.3	6.1	14.8	167.6	10.7%	21.1%
Continental Europe	159.5	2.9	(0.7)	6.0	167.7	3.8%	5.1%
Asia Pacific	175.9	(14.7)	6.5	20.9	188.6	11.9%	7.2%
Latin America	86.3	(12.5)	1.0	15.8	90.6	18.3%	5.0%
All Other Markets	88.5	(5.7)	-	1.2	84.0	1.4%	(5.1%)
Worldwide	**$ 1,543.0**	**$ (21.7)**	**$ 14.2**	**$ 102.0**	**$ 1,637.5**	**6.6%**	**6.1%**
Expenses							
Salaries & Related	$ 1,132.1	$ (13.2)	$ 7.7	$ 62.0	$ 1,188.6	5.5%	5.0%
Office & General	453.3	(7.0)	3.8	10.5	460.6	2.3%	1.6%
Total	**$ 1,585.4**	**$ (20.2)**	**$ 11.5**	**$ 72.5**	**$ 1,649.2**	**4.6%**	**4.0%**

($ in Millions)

Reconciliation of Organic Revenue Growth

Last Twelve Months Ending	Beginning of Period Revenue	Components of Change During the Period: Foreign Currency	Net Acquisitions / (Divestitures)	Organic	End of Period Revenue
12/31/05	$ 6,387.0	$ 40.4	$ (107.4)	$ (56.2)	$ 6,263.8
3/31/06	6,323.8	(10.9)	(132.6)	81.5	6,261.8
6/30/06	6,418.4	(8.8)	(157.5)	(68.5)	6,183.6
9/30/06	6,335.9	(13.9)	(140.4)	15.6	6,197.2
12/31/06	6,263.8	20.7	(165.5)	57.8	6,176.8
3/31/07	6,261.8	78.4	(147.2)	16.0	6,209.0
6/30/07	6,183.6	102.4	(124.7)	166.6	6,327.9
9/30/07	6,197.2	137.3	(110.9)	209.2	6,432.8
12/31/07	6,176.8	197.5	(70.7)	233.1	6,536.7
3/31/08	6,209.0	217.8	(45.9)	280.6	6,661.5
6/30/08	6,327.9	244.8	(12.6)	282.4	6,842.5
9/30/08	6,432.8	237.4	32.8	317.2	7,020.2
12/31/08	6,536.7	71.5	87.6	243.0	6,938.8
3/31/09	6,661.5	(88.3)	114.7	91.9	6,779.8
6/30/09	6,842.5	(286.2)	139.2	(275.3)	6,420.2
9/30/09	7,020.2	(390.1)	115.2	(636.4)	6,108.9
12/31/09	6,938.8	(251.6)	69.1	(748.9)	6,007.4
3/31/10	6,779.8	(88.2)	36.0	(705.4)	6,022.2
6/30/10	6,420.2	59.1	2.0	(316.9)	6,164.4
9/30/10	6,108.9	117.7	9.6	60.1	6,296.3
12/31/10	6,007.4	63.3	17.0	419.6	6,507.3
3/31/11	6,022.2	21.0	18.2	583.7	6,645.1
6/30/11	6,164.4	61.5	12.4	535.8	6,774.1
9/30/11	6,296.3	119.1	(7.7)	539.5	6,947.2
12/31/11	6,507.3	122.2	(8.6)	393.7	7,014.6
3/31/12	6,645.1	92.9	(1.4)	310.0	7,046.6
6/30/12	6,774.1	(14.3)	14.5	247.3	7,021.6
9/30/12	6,947.2	(117.2)	39.7	95.8	6,965.5
12/31/12	7,014.6	(147.6)	41.8	47.4	6,956.2
3/31/13	7,046.6	(143.7)	48.2	41.3	6,992.4
6/30/13	7,021.6	(111.4)	56.9	65.8	7,032.9
9/30/13	6,965.5	(80.3)	49.5	128.2	7,062.9
12/31/13	6,956.2	(80.4)	50.3	196.2	7,122.3
3/31/14	6,992.4	(89.9)	51.2	263.1	7,216.8

($ in Millions)

Reconciliation of Adjusted Operating Margin

Last Twelve Months Ending	Operating Income	Q4 2013 Restructuring Charge	Adjusted Operating Income
12/31/13	$ 598.3	$ 60.6	$ 658.9
3/31/14	629.0	60.6	689.6

($ in Millions)

Reconciliation of Investing Cash Flow

	Three Months Ended March 31,			
	2014		2013	
INVESTING ACTIVITIES				
Cash used in Investing Activities per presentation	**$**	**(47)**	**$**	**(51)**
Purchase, sale and maturities of short-term marketable securities, net		-		11
Cash used in Investing Activities as reported	**$**	**(47)**	**$**	**(40)**

($ in Millions)

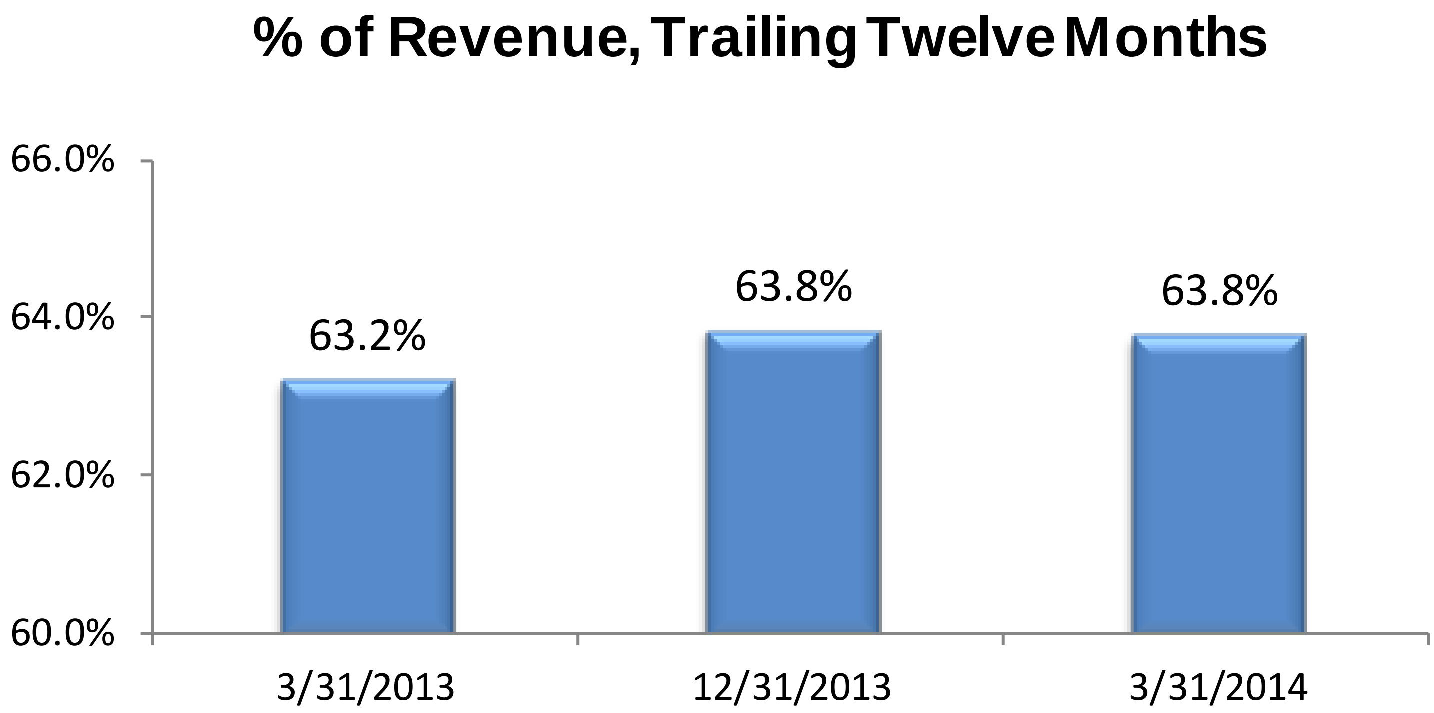
Interpublic Group

Metrics Update

Metrics Update

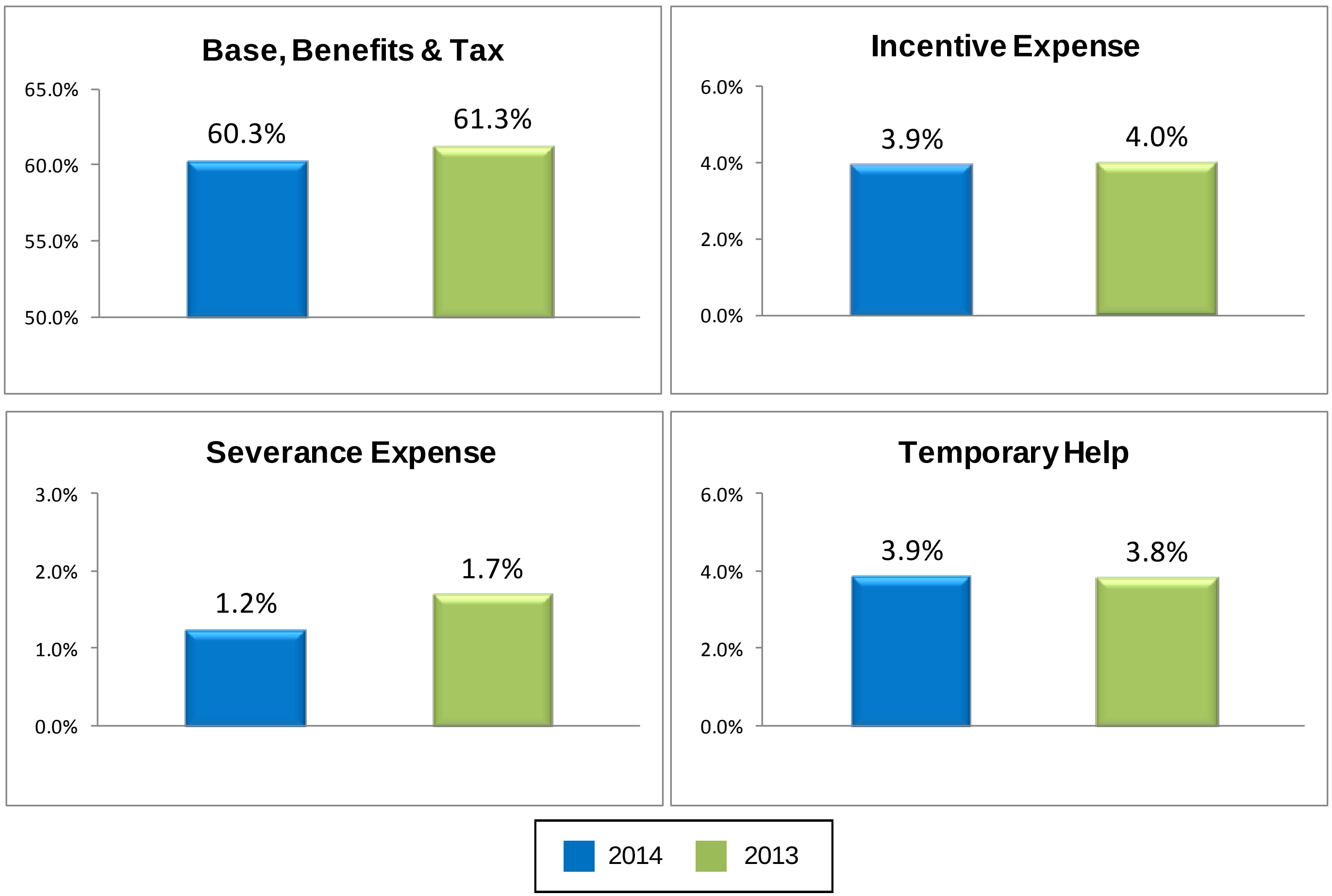
Category	Metric
SALARIES & RELATED	Trailing Twelve Months
(% of revenue)	Base, Benefits & Tax
	Incentive Expense
	Severance Expense
	Temporary Help
OFFICE & GENERAL	Trailing Twelve Months
(% of revenue)	Professional Fees
	Occupancy Expense (ex-D&A)
	T&E, Office Supplies & Telecom
	All Other O&G
FINANCIAL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

Salaries & Related Expenses



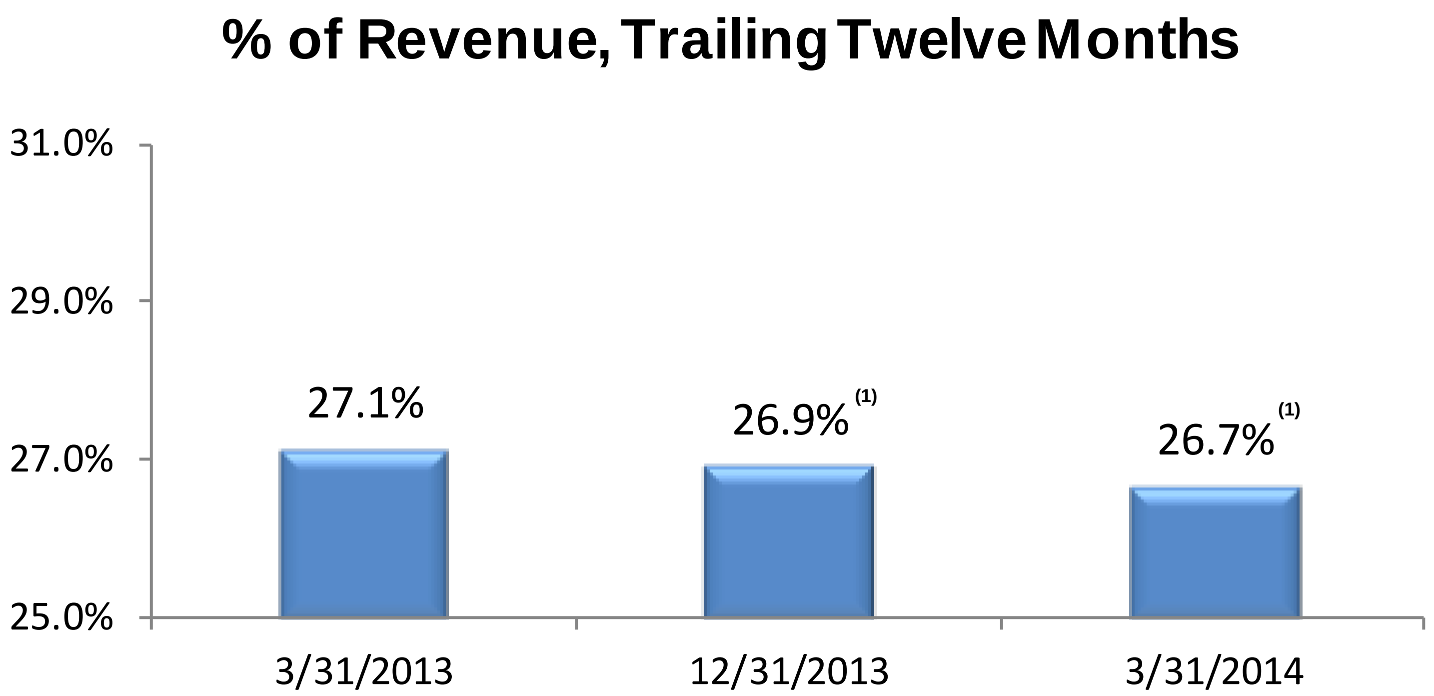
Salaries & Related Expenses (% of Revenue)

Three Months Ended March 31



"All Other Salaries & Related," not shown, was 3.3% and 2.6% for the three months ended March 31, 2014 and 2013, respectively.

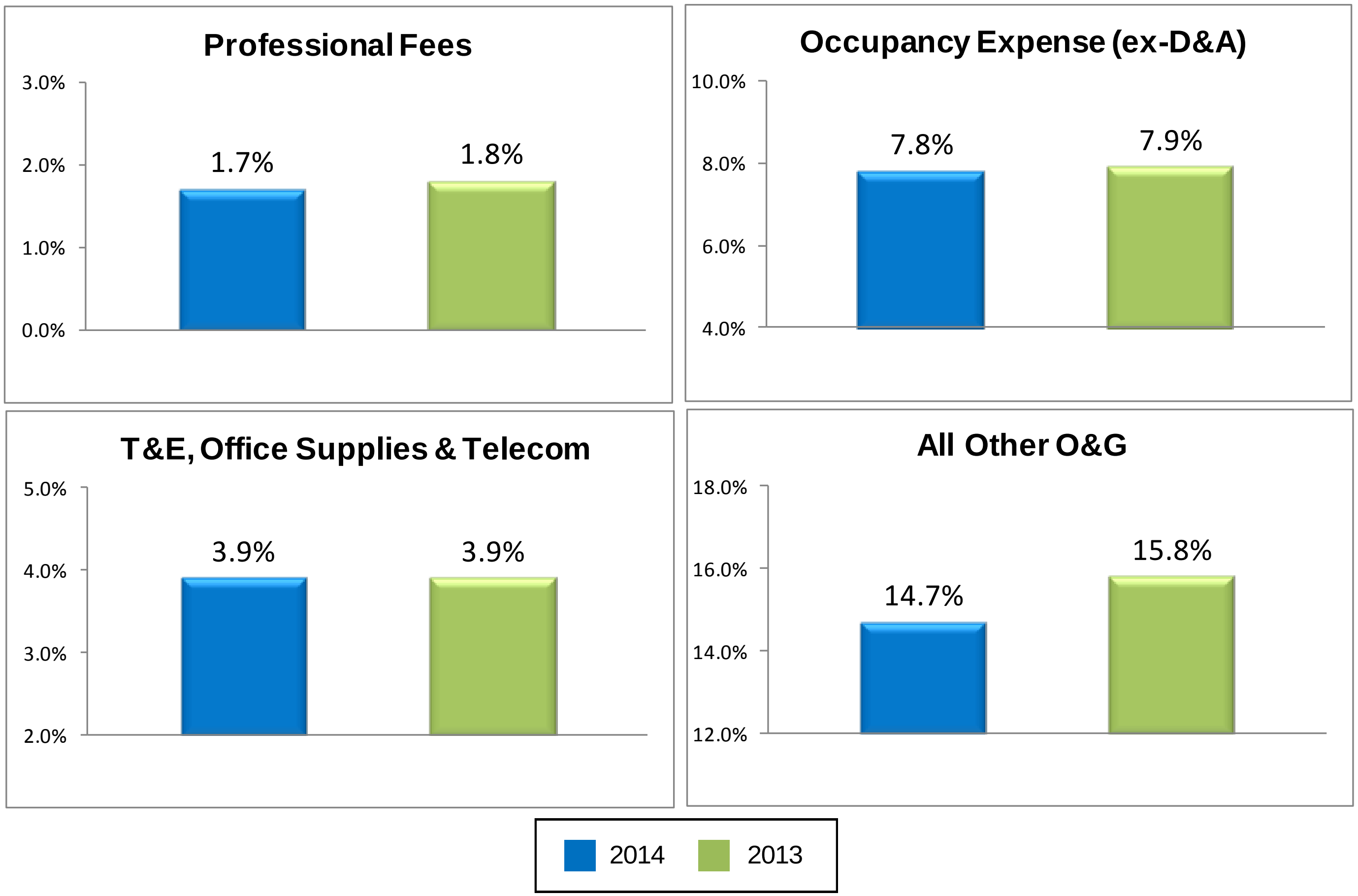
Office & General Expenses



(1) Office & general expenses excludes our Q4 2013 restructuring charge, which was recorded as a separate line item in our income statement.

Office & General Expenses (% of Revenue)

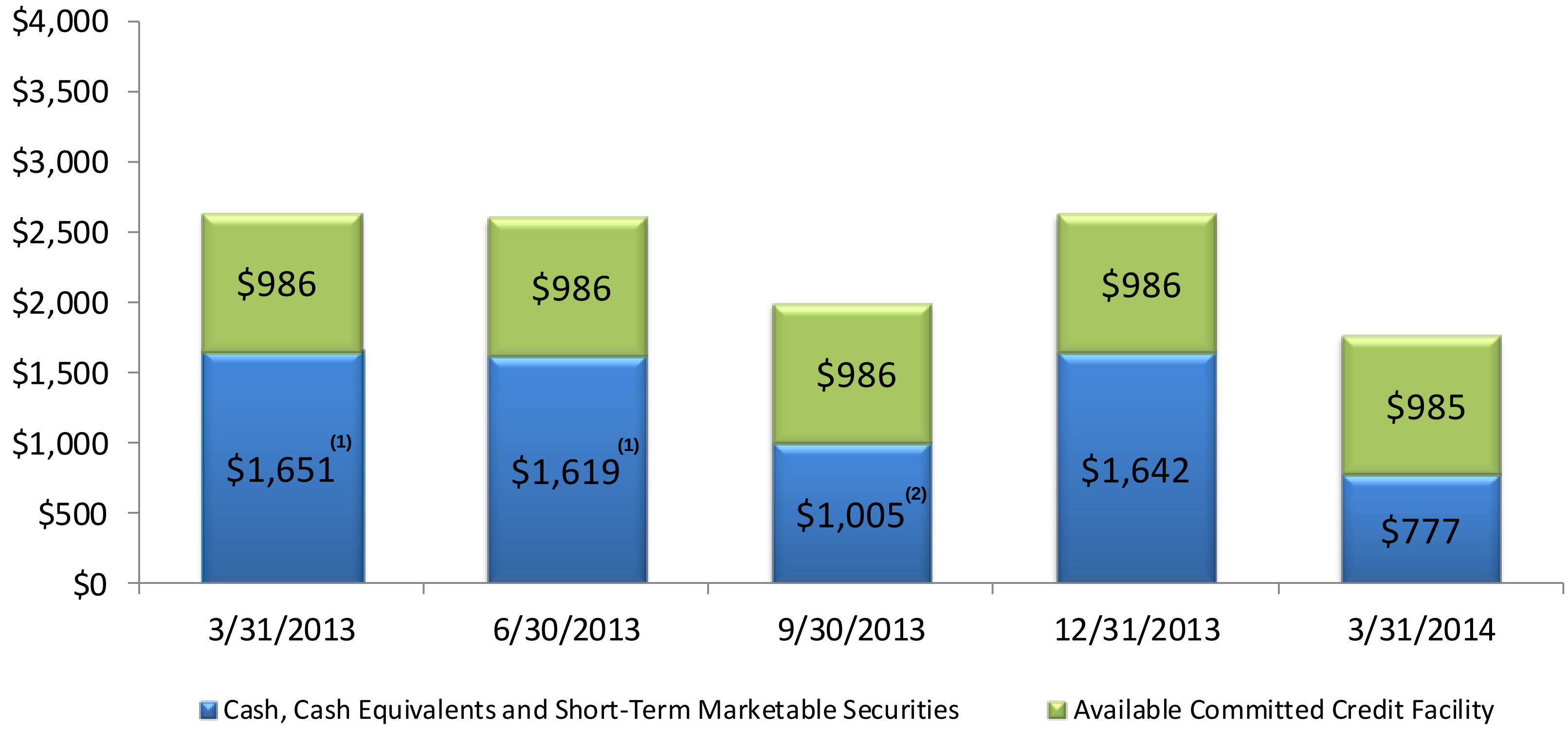
Three Months Ended March 31



"All Other O&G" includes production expenses, depreciation and amortization, bad debt expense, adjustments for contingent acquisition obligations, foreign currency gains (losses), restructuring and other reorganization-related charges (reversals), long-lived asset impairments and other expenses.

Available Liquidity

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



(1) Includes net proceeds from our November 2012 debt issuances of $800 aggregate principal amount of Senior Notes, which pre-funded our plan to address our capital structure in 2013.

(2) In July 2013, we used $630 to redeem $600 aggregate principal amount of our 10.00% Notes at 105%.

($ in Millions)

$1.0 Billion 5-Year Credit Facility Covenants

Covenants	Last Twelve Months Ending March 31, 2014
I. Interest Coverage Ratio (not less than):	5.00x
Actual Interest Coverage Ratio:	10.34x
II. Leverage Ratio (not greater than):	3.25x
Actual Leverage Ratio:	1.99x

Interest Coverage Ratio - Interest Expense Reconciliation	Last Twelve Months Ending March 31, 2014
Interest Expense:	$106.0
- Interest income	24.5
- Other	6.8
+ Preferred stock dividends	5.8
Net interest expense as defined:	$80.5

EBITDA Reconciliation	Last Twelve Months Ending March 31, 2014
Operating Income:	$629.0
+ Depreciation and amortization	202.4
+ Other non-cash charges	1.2
EBITDA as defined:	$832.6

($ in Millions)

Cautionary Statement

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

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

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

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