

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

(Mark One)

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

For the quarterly period ending September 30, 1997

OR

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

For the transition period from _____ to _____

Commission file number 1-6686

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

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

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

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

Indicate by check mark whether the registrant (1) has filed all
reports required to be filed by Section 13 or 15(d) of the
Securities Exchange Act of 1934 during the preceding 12 months
(or for such shorter period that the registrant was required to
file such reports), and (2) has been subject to such filing
requirements for the past 90 days.

Yes ☒ No ☐

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

Common Stock outstanding at October 31, 1997: 125,953,776
shares.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES

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PART I - FINANCIAL INFORMATION

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES CONSOLIDATED BALANCE SHEET

(Dollars in Thousands)
ASSETS

	SEPTEMBER 30, 1997	DECEMBER 31, 1996
Current Assets:		
Cash and cash equivalents (includes certificates of deposit: 1997-\$124,247; 1996-\$83,680)	\$ 451,595	\$ 468,526
Marketable securities, at cost which approximates market	39,635	35,408
Receivables (less allowance for doubtful accounts: 1997-\$39,645; 1996-\$33,301)	2,684,633	2,646,259
Expenditures billable to clients	230,297	130,185
Prepaid expenses and other current assets	83,488	73,081
Total current assets	3,489,648	3,353,459
Other Assets:		
Investment in unconsolidated affiliates	104,200	102,711
Deferred taxes on income	65,610	79,371
Other investments and miscellaneous assets	189,223	173,308
Total other assets	359,033	355,390
Fixed Assets, at cost:		
Land and buildings	81,722	82,332
Furniture and equipment	463,098	413,029
	544,820	495,361
Less accumulated depreciation	310,215	276,448
	234,605	218,913
Unamortized leasehold improvements	92,366	88,045
Total fixed assets	326,971	306,958
Intangible Assets (less accumulated amortization: 1997-\$212,772; 1996-\$186,189)	906,083	749,323

Total assets	\$5,081,735	\$4,765,130
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See accompanying notes to consolidated financial statements.

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THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(Dollars in Thousands Except Per Share Data)
LIABILITIES AND STOCKHOLDERS' EQUITY

	SEPTEMBER 30, 1997	DECEMBER 31, 1996*
Current Liabilities:		
Payable to banks	\$ 146,536	\$ 121,655
Accounts payable	2,701,526	2,626,695
Accrued expenses	279,577	317,157
Accrued income taxes	127,521	133,522
Total current liabilities	3,255,160	3,199,029
Noncurrent Liabilities:		
Long-term debt	262,737	231,760
Convertible subordinated debentures	315,459	115,192
Deferred compensation and reserve for termination liabilities	211,992	210,670
Accrued postretirement benefits	47,146	46,726
Other noncurrent liabilities	50,218	66,457
Minority interests in consolidated subsidiaries	27,462	23,281
Total noncurrent liabilities	915,014	694,086
Stockholders' Equity:		
Preferred Stock, no par value shares authorized: 20,000,000 shares issued: none		
Common Stock, \$.10 par value shares authorized: 225,000,000 shares issued:		
1997 -138,923,546		
1996 -136,410,542	13,892	13,641
Additional paid-in capital	482,749	465,945
Retained earnings	963,417	855,113
Adjustment for minimum pension liability	(12,979)	(12,979)
Cumulative translation adjustments	(136,994)	(82,978)
	1,310,085	1,238,742
Less:		
Treasury stock, at cost:		
1997 - 12,714,304 shares		
1996 - 14,712,143 shares	339,172	319,377
Unamortized expense of restricted stock grants	59,352	47,350
Total stockholders' equity	911,561	872,015
Total liabilities and stockholders' equity	\$5,081,735	\$4,765,130

See accompanying notes to consolidated financial statements.

* Restated to reflect 3 for 2 stock split paid on July 15, 1997.

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THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT
THREE MONTHS ENDED SEPTEMBER 30

(Dollars in Thousands Except Per Share Data)

	1997	1996*
Revenue	\$ 701,303	\$ 554,981
Other income	22,195	12,737
Gross income	723,498	567,718
Costs and expenses:		
Operating expenses	645,757	509,036
Interest	14,014	10,304

Total costs and expenses	659,771	519,340
Income before provision for income taxes	63,727	48,378
Provision for income taxes:		
United States - federal	17,350	12,410
- state and local	6,554	4,253
Foreign	3,380	3,864
Total provision for income taxes	27,284	20,527
Income of consolidated companies	36,443	27,851
Income applicable to minority interests	(3,611)	(2,495)
Equity in net income of unconsolidated affiliates	2,460	2,115
Net income	\$ 35,292	\$ 27,471
Weighted average number of common shares	126,262,224	121,573,781
Earnings per common and common equivalent share	\$.28	\$.23
Cash dividends per common share	\$.13	\$.113

See accompanying notes to consolidated financial statements.

* Restated to reflect 3 for 2 stock split paid on July 15, 1997.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT
NINE MONTHS ENDED SEPTEMBER 30

(Dollars in Thousands Except Per Share Data)

	1997	1996*
Revenue	\$ 2,073,321	\$ 1,678,774
Other income	59,728	70,448
Gross income	2,133,049	1,749,222
Costs and expenses:		
Operating expenses	1,827,874	1,496,713
Interest	35,497	29,494
Total costs and expenses	1,863,371	1,526,207
Income before provision for income taxes	269,678	223,015
Provision for income taxes:		
United States - federal	56,959	46,799
- state and local	17,700	12,051
Foreign	39,169	36,051
Total provision for income taxes	113,828	94,901
Income of consolidated companies	155,850	128,114
Income applicable to minority interests	(14,184)	(7,340)
Equity in net income of unconsolidated affiliates	5,425	7,456
Net income	\$ 147,091	\$ 128,230
Weighted average number of common shares	123,987,002	120,080,223

Earning per common and common equivalent share	\$	1.19	\$	1.07
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Cash dividends per common share	\$.37	\$.33
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See accompanying notes to consolidated financial statements.

* Restated to reflect 3 for 2 stock split paid on July 15, 1997.

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THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30
(Dollars in Thousands)

CASH FLOWS FROM OPERATING ACTIVITIES:	1997	1996
Net income	\$147,091	\$128,230
Adjustments to reconcile net income to		
Provided by/(used in) operating activities:		
Depreciation and amortization of fixed assets	52,334	44,354
Amortization of intangible assets	26,583	21,366
Amortization of restricted stock awards	11,883	10,688
Equity in net income of unconsolidated affiliates	(5,425)	(7,456)
Income applicable to minority interests	14,184	7,340
Translation losses	743	2,131
Net gain from sale of investments	0	(8,100)
Other	(8,967)	(3,592)
Changes in assets and liabilities, net of acquisitions:		
Receivables	53,971	148,687
Expenditures billable to clients	(66,907)	(39,412)
Prepaid expenses and other assets	(2,548)	85
Accounts payable and other liabilities	(150,709)	(178,981)
Accrued income taxes	(27,698)	(4,487)
Deferred income taxes	4,171	(6,497)
Deferred compensation and reserve for termination liabilities	(5,513)	(1,187)
Net cash provided by operating activities	43,193	113,169
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisitions	(72,291)	(64,653)
Proceeds from sale of assets	542	38,100
Capital expenditures	(68,907)	(49,673)
Net purchases of marketable securities	(8,188)	(5,649)
Other investments and miscellaneous assets	(7,043)	(20,634)
Investments in unconsolidated affiliates	(5,742)	(6,878)
Net cash used in investing activities	(161,629)	(109,387)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase in short-term borrowings	11,958	76,100
Proceeds from long-term debt	252,913	33,687
Payments of long-term debt	(18,820)	(18,459)
Treasury stock acquired	(105,787)	(62,489)
Issuance of common stock	31,589	14,715
Cash dividends	(44,932)	(37,575)
Net cash provided by financing activities	126,921	5,979
Effect of exchange rates on cash and cash equivalents	(25,416)	(3,377)
(Decrease)/increase in cash and cash equivalents	(16,931)	6,384
Cash and cash equivalents at beginning of year	468,526	418,448
Cash and cash equivalents at end of period	\$451,595	\$424,832

See accompanying notes to consolidated financial statements.

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

1. Consolidated Financial Statements

- (a) In the opinion of management, the consolidated balance sheet as of September 30, 1997, the consolidated income statements for the three months and nine months ended September 30, 1997 and 1996 and the consolidated statement of cash flows for the nine months ended September 30, 1997 and 1996, contain all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows at September 30, 1997 and for all periods presented.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been omitted. It is suggested that these consolidated financial statements be read in conjunction with the consolidated financial statements and notes thereto included in The Interpublic Group of Companies, Inc.'s (the "Company's") December 31, 1996 annual report to stockholders.

- (b) Statement of Financial Accounting Standards (SFAS) No. 95 "Statement of Cash Flows" requires disclosures of specific cash payments and noncash investing and financing activities. The Company considers all highly liquid investments with a maturity of three months or less to be cash equivalents. Income tax cash payments were approximately \$86.1 million and \$70 million in the first nine months of 1997 and 1996, respectively. Interest payments during the first nine months of 1997 were approximately \$21.3 million. Interest payments during the comparable period of 1996 were approximately \$18.0 million.

In July 1997, a three-for-two stock split was effected by payment of a stock dividend. This split has been reflected in the accompanying consolidated financial statements.

- (d) On September 16, 1997, the Company issued \$250 million face amount of Convertible Subordinated Notes due 2004 ("2004 Notes") with a coupon rate of 1.80%. The Notes were issued at an original price of 80% of the face amount, generating proceeds of approximately \$200 million. The Notes are convertible into common stock of the Company at a conversion rate of 13.386 shares per \$1,000 face amount.

- (e) Subsequent event

On November 14, 1997, the Company announced the redemption of its outstanding 3-3/4% Convertible Subordinated Debentures with a scheduled maturity in 2002. The redemption of the Debentures will be on December 15, 1997 at \$889 per \$1,000 principal amount plus accrued interest. The Debentures are convertible into common stock of the Company at a rate of 33.36 shares for each \$1,000 principal amount of Debentures. The right to convert the Debentures into common stock will terminate at the close of business on December 15, 1997.

Exhibit 11

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
COMPUTATION OF EARNINGS PER SHARE

(Dollars in Thousands Except Per Share Data)

Primary	Three Months Ended September 30	
	1997	1996*
Net income	\$ 35,292	\$ 27,471
Add:		
Dividends paid net of related income tax applicable to restricted stock	112	90
Net income, as adjusted	\$ 35,404	\$ 27,561
Weighted average number of common shares outstanding	121,604,548	118,024,329
Weighted average number of incremental shares in connection with restricted stock and assumed exercise of stock options	4,657,676	3,549,452
Total	126,262,224	121,573,781
Earnings per common and common equivalent share	.28	\$.23
Fully Diluted	Three Months Ended September 30	
	1997	1996*
Net income	\$ 35,292	\$ 27,471
Add:		
Dividends paid net of related income tax applicable to restricted stock	125	98
Net income, as adjusted	\$ 35,417	\$ 27,569
Weighted average number of common shares outstanding	121,604,548	118,024,329
Weighted average number of incremental shares in connection with restricted stock and assumed exercise of stock options	5,103,420	3,766,035

Total	126,707,968	121,790,364
Earnings per common and common equivalent share	\$.28	\$.23

* Restated to reflect 3 for 2 stock split paid on July 15, 1997.

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Exhibit 11

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

Primary	Nine Months Ended September 30	
	1997	1996*
Net income	\$ 147,091	\$ 128,230
Add:		
Dividends paid net of related income tax applicable to restricted stock	294	265
Net income, as adjusted	\$ 147,385	\$ 128,495
Weighted average number of common shares outstanding	119,911,616	116,479,685
Weighted average number of incremental shares in connection with restricted stock and assumed exercise of stock options	4,075,386	3,600,538
Total	123,987,002	120,080,223
Earnings per common and common equivalent share	\$ 1.19	\$ 1.07
Fully Diluted	Nine Months Ended September 30	
	1997	1996*
Net income	\$ 147,091	\$ 128,230
Add:		
After tax interest savings on assumed conversion of subordinated debentures	4,839	4,766
Dividends paid net of related income tax applicable to restricted stock	331	287
Net income, as adjusted	\$ 152,261	\$ 133,283
Weighted average number of common shares outstanding	119,911,616	116,479,685
Weighted average number of incremental shares in connection with restricted stock and assumed exercise of stock options	4,486,147	3,861,012
Assumed conversion of subordinated debentures	4,436,207	4,503,195
Total	128,833,970	124,843,892
Earning per common and common equivalent share	\$ 1.18	\$ 1.07

* Restated to reflect 3 for 2 stock split paid on July 15, 1997.

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

LIQUIDITY AND CAPITAL RESOURCES

Working capital at September 30, 1997 was \$234.5 million, an increase of \$80.1 million from December 31, 1996. The ratio of current assets to current liabilities was approximately 1.1 to 1 at September 30, 1997.

Historically, cash flow from operations has been the primary source of working capital and management believes that it will continue to be in the future. The principal use of the Company's working capital is to provide for the operating needs of its advertising agencies, which include payments for space or time purchased from various media on behalf of its clients. The Company's practice is to bill and collect from its clients in sufficient time to pay the amounts due media. Other uses of working capital include the payment of cash dividends, acquisitions, capital expenditures and the reduction of long-term debt. In addition, during the first nine months of 1997, the Company acquired 2,122,669 shares of its own stock for approximately \$105.8 million for the purpose of fulfilling the Company's obligations under its various compensation plans.

The proceeds received from the 2004 Notes, as described in Note (d) to the consolidated financial statements, will be used for general corporate purposes including retirement of indebtedness.

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RESULTS OF OPERATIONS

Three Months Ended September 30, 1997 Compared to Three Months Ended September 30, 1996

Total revenue for the three months ended September 30, 1997 increased \$146.3 million, or 26.4%, to \$701.3 million compared to the same period in 1996. Domestic revenue increased \$104.5 million or 43.8% from 1996 levels. Foreign revenue increased \$41.8 million or 13.2% during the third quarter of 1997 compared to 1996. Other income increased by \$9.5 million during the third quarter of 1997 compared to the same period in 1996.

Operating expenses increased \$136.7 million or 26.9% during the three months ended September 30, 1997 compared to the same period in 1996. Interest expense increased 36.0% as compared to the same period in 1996.

Pretax income increased \$15.3 million or 31.7% during the three months ended September 30, 1997 compared to the same period in 1996.

The increase in total revenue, operating expenses, and pretax income is primarily due to acquired companies, results of operations and contributions from new business gains.

Net losses from exchange and translation of foreign currencies for the three months ended September 30, 1997 were approximately \$3.1 million versus \$1.1 million for the same period in 1996.

The effective tax rate for the three months ended September 30, 1997 was 42.8%, as compared to 42.4% in 1996.

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

Nine Months Ended September 30, 1997 Compared to Nine Months Ended September 30, 1996

Total revenue for the nine months ended September 30, 1997 increased \$394.5 million, or 23.5%, to \$2,073.3 million compared to the same period in 1996. Domestic revenue increased \$283.4 million or 40.7% from 1996 levels. Foreign revenue increased \$111.1 million or 11.3% during the first nine months of 1997 compared to 1996. Other income has decreased by \$10.7 million in the first nine months of 1997 compared to the same period in 1996. The decrease in other income is primarily from the proceeds resulting from the sale in 1996, of a portion of the Company's interest in the CKS Group, Inc. The net gain was approximately \$8.1 million or \$.07 per share.

Operating expenses increased \$331.2 million or 22.1% during the nine months ended September 30, 1997 compared to the same period in 1996. Interest expense increased 20.4% during the nine months ended September 30, 1997 as compared to the same nine month period in 1996. The increase in interest expense is attributable to the repurchasing of shares and acquisitions.

Pretax income increased \$46.7 million or 20.9% during the nine months ended September 30, 1997 compared to the same period in 1996.

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The increase in total revenue, operating expenses, and pretax income is primarily due to acquired companies' results of operations and contributions from new business gains.

Net losses from exchange and translation of foreign currencies for the nine months ended September 30, 1997 were approximately \$4.5 million versus \$1.9 million for the same period in 1996.

The effective tax rate for the nine months ended September 30, 1997 was 42.2%, as compared to 42.6% in 1996.

PART II - OTHER INFORMATION

Item 2. Changes In Securities

(C)Recent Sales In Unregistered Securities

(1) On July 2, 1997, the Registrant acquired a small company in consideration for which it issued a total of 265,582 shares of Common Stock, par value \$.10 per share (the "Common Stock"), to the company's former shareholders. The shares of Common Stock had a market value of \$10,900,000 on the date of issuance.

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

(2) On August 22, 1997, the Registrant acquired a small company in consideration for which it issued a total of 370,664 shares of Common Stock to the company's former shareholders. The shares of Common Stock had a market value of \$17,500,000 on the date of issuance.

The shares of Common Stock were issued by the Registrant without registration in reliance on Rule 506 of Regulation D under the Act based on the accredited investor status or sophistication of the former shareholders of the company.

(3) On September 8, 1997, the Registrant acquired the assets of a large promotion company in consideration for which it issued a total of 327,689 shares of Common Stock to the company. The shares of Common Stock had a market value of approximately \$15,073,000 on the date of issuance.

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

(4) On September 16, 1997 the Company issued \$250,000,000

principal amount at maturity of 1.80% Convertible Subordinated Notes with a scheduled maturity in 2004 (the "2004 Notes"). The issue price of the 2004 Notes was 80.007% of the principal amount at maturity. The 2004 Notes are convertible into Common Stock of the Registrant at any time following 90 days after the latest date of original issuance thereof through maturity, unless previously redeemed or otherwise purchased by the Registrant, at a conversion rate of 13.386 shares per \$1,000 principal amount at maturity of the 2004 Notes, subject to adjustment in certain events. The 2004 Note holders have the right to require the Registrant to redeem the 2004 Notes upon the occurrence of a Fundamental Change, as defined in the 2004 Notes, as a whole or in part, at a price initially equal to \$800.70 per \$1,000 principal amount and increasing thereafter in increments to \$876.944 per \$1,000 on September 16, 2000 and thereafter at the redemption price at which the Registrant may redeem the 2004 Notes. The Registrant may redeem the 2004 Notes, in whole or in part, at any time after September 20, 2000 initially at \$877.285 per \$1,000 principal amount and at increasing prices thereafter to \$1,000 per \$1,000 principal amount on September 16, 2004. Unless the 2004 Notes are redeemed, repaid or converted prior thereto, the 2004 Notes will mature on September 16, 2004 at their principal amount. The proceeds of this issuance are to be used for general corporate purposes, which may include the retirement of indebtedness.

Morgan Stanley & Co. Incorporated, a Delaware corporation ("Morgan Stanley") acted as lead Initial Purchaser for the 2004 Notes. Of the total principal amount, (i) \$247,880,000 in principal amount 2004 Notes were distributed to "Qualified Institutional Buyers" (as defined in Rule 144A under the Act) in compliance with Rule 144A and (ii) \$2,120,000 principal amount of 2004 Notes were distributed to a limited number of other institutional "Accredited Investors" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Act that, prior to their purchase of the 2004 Notes, delivered to the Registrant and Morgan Stanley a letter containing certain representations and agreements. The 2004 Notes and the shares of the Registrant's Common Stock into which the 2004 Notes may be converted were not registered under the Act, but the Registrant is under an obligation to file a registration statement for the 2004 Notes and such shares of Common Stock under the Act.

The 2004 Notes were issued by the Registrant without registration in reliance upon Section 4(2) of the Act.

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(5) On September 17, 1997, the Registrant acquired a small company in consideration for which it issued a total of 60,961 shares of Common Stock to the company's former shareholders. The shares of Common Stock had a market value of \$3,000,000 on the date of issuance.

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

(6) During the three-month period ended September 30, 1997, the Registrant issued a total of 83,885 shares of Common Stock to holders of the Registrant's outstanding 3-3/4% Convertible Subordinated Debentures with a scheduled maturity in 2002 (the 3-3/4% "Debentures"). The shares of Common Stock were issued upon conversion of the 3-3/4% Debentures in reliance upon Section 3(a)(9) of the Act. Each principal amount of \$1,000 of the 3-3/4% Debentures is convertible into 33.36 shares of the Registrant's Common Stock.

Item 5 Other Information

On November 14, 1997, the Company announced the redemption of the

3-3/4% Debentures. The redemption of the 3 3/4% Debentures will be on December 15, 1997 (the "Redemption Date"), at a redemption price equal to \$889.00 per \$1,000 principal amount plus accrued interest to the Redemption Date. Each principal amount of \$1,000 of the 3-3/4% Debentures is convertible into 33.36 shares of the Registrant's Common Stock. The right to convert the 3-3/4% Debentures into Common Stock will terminate at the close of business on the Redemption Date.

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits

Exhibit 4(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 not included as an Exhibit to this Report, but will be furnished to the Securities and Exchange Commission (the "Commission") upon its request.

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Exhibit 4(b) Indenture, dated as of September 16, 1997, between Interpublic and The Bank of New York is not included as an Exhibit to this Report, but will be furnished to the Commission upon its request.

Exhibit 10(a) Note Purchase Agreement, dated as of August 19, 1997, between Interpublic and The Prudential Insurance Company of America ("Prudential").

Exhibit 10(b) Note of Interpublic, dated August 19, 1997 in favor of Prudential in the principal amount of \$50,000,000.

Exhibit 10 Amendment No. 6, dated as of August 28, 1997, to a Credit Agreement dated as of September 30, 1992 and effective as of December 23, 1992 between Interpublic and Chemical Bank.

Exhibit 10(d) Amendment No. 2, dated as of August 28, 1997, to a Credit Agreement dated as of September 30, 1994 and effective as of December 1, 1994 between Interpublic and Bank of America NT and SA.

Exhibit 10(e) Amendment No. 6, dated as of August 28, 1997, to a Credit Agreement dated as of September 30, 1992 and effective as of December 22, 1992 between Interpublic and Citibank, N.A.

Exhibit 10(f) Amendment No. 1, dated as of August 28, 1997, to a Credit Agreement dated July 3, 1995 between Interpublic and Lloyds Bank.

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Exhibit 10(g) Amendment No. 6, dated as of August 28, 1997, to a Credit Agreement dated as of September 30,

1992 and effective as of December 18, 1992
between Interpublic and Swiss Bank Corporation.

Exhibit 10(h) Amendment No. 6, dated as of August 28, 1997 to
a Credit Agreement dated as of September 30,
1992 and effective as of December 30, 1992
between Interpublic and Trust Company Bank.

Exhibit 10(I) Master Note of Interpublic, dated June 26, 1997
in favor of Comerica Bank in the principal
amount of \$10,000,000.

Exhibit 10(j) Supplemental Agreement, made as of September 1,
1997, between Interpublic and Eugene P. Beard.

Exhibit 10(k) Supplemental Agreement, dated as of September
1, 1997, between Interpublic and John J.
Dooner.

Exhibit 10(l) Supplemental Agreement, made as of September 1,
1997, among Interpublic, Ammirati and Puris
Inc. (now Ammirati Puris Lintas Inc.) and
Martin F. Puris.

Exhibit 11 Computation of Earnings Per Share.

Exhibit 27 Financial Data Schedule.

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(b) Reports on Form 8-K

The following reports on Form 8-K were filed without
financial statements during the quarter ended September 30,
1997:

- (1) Item 9 - Sale of Equity Securities Pursuant to
Regulation S, dated August 29, 1997.
- (2) Item 9 - Sale of Equity Securities Pursuant to
Regulation S, dated August 29, 1997.
- (3) Item 9 - Sale of Equity Securities Pursuant to
Regulation S, dated August 29, 1997.
- (4) Item 9 - Sale of Equity Securities Pursuant to
Regulation S, dated August 30, 1997.
- (5) Item 9 - Sale of Equity Securities Pursuant to
Regulation S, dated September 8, 1997.
- (6) Item 9 - Sale of Equity Securities Pursuant to
Regulation S, dated September 17, 1997.

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SIGNATURES

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

THE INTERPUBLIC GROUP OF COMPANIES, INC.
(Registrant)

Date: November 14, 1997 By /S/ Philip H. Geier, Jr.
Philip H. Geier, Jr.
Chairman of the Board
President and Chief Executive Officer

Date: November 14, 1997 By /S/ Eugene P. Beard
Eugene P. Beard
Vice Chairman -
Finance and Operations

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INDEX TO EXHIBITS

Exhibit No.	Description
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Exhibit 4(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 not included as an Exhibit to this Report, but will be furnished to the Securities and Exchange Commission (the "Commission") upon its request.
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Exhibit 4(b)	Indenture, dated as of September 16, 1997, between Interpublic and The Bank of New York is not included as an Exhibit to this Report, but will be furnished to the Commission upon its request.
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Exhibit 10(a)	Note Purchase Agreement, dated as of August 19, 1997, between The Interpublic Group of Companies, Inc. ("Interpublic") and The Prudential Insurance Company of America ("Prudential").
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Exhibit 10(b)	Note of Interpublic, dated August 19, 1997 in favor of Prudential in the principal amount of \$50,000,000.
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Exhibit 10	Amendment No. 6, dated as of August 28, 1997, to a Credit Agreement dated as of September 30, 1992 and effective as of December 23, 1992 between Interpublic and Chemical Bank.
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Exhibit 10(d)	Amendment No. 2, dated as of August 28, 1997, to a Credit Agreement dated as of September 30, 1994 and effective as of December 1, 1994 between Interpublic and Bank of America NT and SA.
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Exhibit 10(e)	Amendment No. 6, dated as of August 28, 1997, to a Credit Agreement dated as of September 30, 1992 and effective as of December 22, 1992 between Interpublic and Citibank, N.A.
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Exhibit 10(f)	Amendment No. 1, dated as of August 28, 1997, to a Credit Agreement dated July 3, 1995 between Interpublic and Lloyds Bank.
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Exhibit 10(g)	Amendment No. 6, dated as of August 28, 1997 to a Credit Agreement dated as of September 30, 1992 and effective as of December 18, 1992 between Interpublic and Swiss Bank Corporation.
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Exhibit 10(h)	Amendment No. 6, dated as of August 28, 1997 to a Credit Agreement dated as of September 30, 1992 and effective as of December 30, 1992 between Interpublic and Trust Company Bank.
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Exhibit 10(I)	Master Note of Interpublic, dated June 26, 1997 in favor of Comerica Bank in the principal amount of \$10,000,000.
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Exhibit 10(j)	Supplemental Agreement, made as of September 1, 1997, between Interpublic and Eugene P. Beard.
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Exhibit 10(k)	Supplemental Agreement, dated as of September
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1, 1997, between Interpublic and John J. Dooner.

Exhibit 10(1) Supplemental Agreement, made as of September 1, 1997, among Interpublic, Ammirati and Puris Inc. (now Ammirati Puris Lintas Inc. and Martin F. Puris.

Exhibit 11 Computation of Earnings Per Share.

Exhibit 27 Financial Data Schedule.

EXHIBIT 10(a)

THE INTERPUBLIC GROUP OF COMPANIES, INC.

NOTE PURCHASE AGREEMENT

6.99% Senior Notes due 2007
(\$50,000,000)

Dated as of August 19, 1997

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(Not Part of Agreement)

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PURCHASER SCHEDULE

- EXHIBIT A -- FORM OF COMPANY NOTE
- EXHIBIT B -- FORM OF OPINION OF COMPANY'S GENERAL COUNSEL

THE INTERPUBLIC GROUP OF COMPANIES, INC.
 1271 Avenue of the Americas
 Rockefeller Center
 New York, New York 10020

as of August 19, 1997

The Prudential Insurance Company
 of America
 c/o Prudential Capital Group
 One Gateway Center, 11th Floor
 Newark, NJ 07102

Ladies and Gentlemen:

The undersigned, The Interpublic Group of Companies, Inc., a Delaware corporation (herein called the "Company"), hereby agrees with you as follows:

1. AUTHORIZATION OF ISSUE OF NOTES. The Company will authorize the issue and delivery of its senior promissory notes (herein, together with any such notes which may be issued pursuant to any provision of this Agreement, and any such notes which may be issued hereunder in substitution or exchange therefor, collectively called the "Notes" and individually called a "Note") in the aggregate principal amount of \$50,000,000, to be dated the date of issue thereof, to mature August 19, 2007, to bear interest on the unpaid balance thereof (payable semi-annually on the 19th of February and August in each year) from the date thereof until the principal thereof shall have become due and payable at the rate of 6.99% per annum and on overdue principal, premium and interest at the rate specified therein, and to be substantially in the form of Exhibit A attached hereto.

2. PURCHASE AND SALE OF NOTES. Subject to the terms and conditions herein set forth, the Company hereby agrees to sell to you and you agree to purchase from the Company the Notes in the aggregate principal amount set forth opposite your name in the Purchaser Schedule attached hereto at 100% of such aggregate principal amount. The Company will deliver to you, at the Company's offices at 1271 Avenue of the Americas, Rockefeller Center, New York, New York 10020, one or more Notes registered in your name, evidencing the aggregate principal amount of Notes to be purchased by you and in the denomination or denominations

specified with respect to you in the Purchaser Schedule attached hereto, against payment of the purchase price thereof by transfer of immediately available funds for credit to the Company's account #143-46-358 at Morgan Guaranty Trust Company of New York, 60 Wall Street, New York, New York, ABA #021000238, on the date of closing, which shall be August 19, 1997 or any other date upon which the Company and you may mutually agree (herein called the "closing" or the "date of closing").

3. CONDITIONS OF CLOSING. Your obligation to purchase and

pay for the Notes to be purchased by you hereunder is subject to the satisfaction, on or before the date of closing, of the following conditions:

3A. Opinion of Purchaser's Counsel. You shall have received from Robert S.M. Lawrence, Assistant General Counsel of The Prudential Insurance Company of America ("Prudential"), who is acting as counsel for you in connection with this transaction, a favorable opinion reasonably satisfactory to you as to such matters incident to the matters herein contemplated as you may reasonably request.

3B. Opinion of the Company's Counsel. You shall have received from either the Vice President, General Counsel or the Vice President, Assistant General Counsel of the Company, a favorable opinion reasonably satisfactory to you and substantially in the form of Exhibit B attached hereto.

3C. Representations and Warranties; No Default. The representations and warranties contained in paragraph 8 shall be true on and as of the date of closing, except to the extent of changes caused by the transactions herein contemplated; there shall exist on the date of closing no Event of Default or Default; and the Company shall have delivered to you an Officer's Certificate, dated the date of closing, to both such effects.

3D. Purchase Permitted by Applicable Laws. The purchase of and payment for the Notes to be purchased by you on the date of closing on the terms and conditions herein provided (including the use of the proceeds of such Notes by the Company) shall not violate any applicable law or governmental regulation (including, without limitation, section 5 of the Securities Act or Regulation G, T or X of the Board of Governors of the Federal Reserve System) and shall not subject you to any tax, penalty or liability under or pursuant to any applicable law or governmental regulation relating to the extension of credit or the making of investments, and you shall have received such certificates or other evidence as you may reasonably request to establish compliance with this condition.

3E. Proceedings. All corporate and other proceedings taken or to be taken in connection with the transactions contemplated hereby and all documents incident thereto shall be reasonably satisfactory in substance and form to you, and you shall have received all such counterpart originals or certified or other copies of such documents as you may reasonably request.

3F. Payment of Fees. Prudential shall have received in immediately available funds a \$10,000 structuring fee.

4. PREPAYMENTS. The Notes shall be subject to prepayment only with respect to the optional prepayments permitted by paragraph 4A.

4A. Optional Prepayment with Yield-Maintenance Premium. The Notes shall be subject to prepayment, in whole at any time or from time to time in part (in multiples of \$500,000), at the option of the Company at 100% of the principal amount so prepaid plus interest thereon to the prepayment date and the Yield Maintenance Premium, if any, with respect to each such Note.

4B. Notice of Optional Prepayment. The Company shall give each holder of such Notes irrevocable written notice of any prepayment pursuant to paragraph 4A not less than 10 Business Days prior to the prepayment date, specifying such prepayment date and the principal amount of the Notes, and of the Notes held by such holder, to be prepaid on such date and stating that such prepayment is to be made pursuant to paragraph 4A. Notice of prepayment having been given as aforesaid, the principal amount of the Notes specified in such notice, together with interest thereon to the prepayment date and together with the premium, if any, herein provided, shall become due and payable on such prepayment date.

4C. Partial Payments Pro Rata. Upon any partial prepayment of the Notes pursuant to paragraph 4A, the principal amount so prepaid of the Notes shall be allocated among the Notes at the time outstanding (including, for the purpose of this paragraph 4C only, all Notes prepaid or otherwise retired or purchased or otherwise acquired by the Company or any of its Subsidiaries or Affiliates other than by prepayment pursuant to paragraph 4A) in proportion to the respective outstanding principal amounts thereof.

4D. Retirement of Notes. The Company shall not, and shall not permit any of its Subsidiaries or Affiliates to, prepay or otherwise retire in whole or in part prior to their stated final maturity (other than by prepayment pursuant to paragraph 4A or upon acceleration of such final maturity pursuant to paragraph 7A), or purchase or otherwise acquire, directly or indirectly, Notes held by any holder unless the Company, such Subsidiary or such Affiliate shall have offered to prepay or otherwise retire or purchase or otherwise acquire, as the case may be, the same proportion of the aggregate principal amount of Notes held by each other holder of Notes at the time outstanding upon the same terms and conditions. Any Notes so prepaid or otherwise retired or purchased or otherwise acquired by the Company or any of its Subsidiaries or Affiliates shall not be deemed to be outstanding for any purpose under this Agreement, except as provided in paragraph 4C.

5. AFFIRMATIVE COVENANTS.

5A. Financial Statements. The Company covenants that it will deliver to each holder of a Note:

(i) as soon as practicable and in any event within 50 days after the end of each quarterly period (other than the last quarterly period) in each fiscal year, an unaudited consolidated statement of income and retained earnings and statement of cash flows of the Company and its Consolidated Subsidiaries for the period from the beginning of the current fiscal year to the end of such quarterly period, and an unaudited consolidated balance sheet of the Company and its Consolidated Subsidiaries as at the end of such quarterly period, setting forth in each case in comparative form figures for the corresponding period in the preceding fiscal year, all in reasonable detail and certified, subject to changes resulting from year-end adjustments, as to fairness of presentation, generally accepted accounting principles (other than as to footnotes) and consistency by the chief financial officer or chief accounting officer of the Company (except to the extent of any change described therein and permitted by generally accepted accounting principles);

(ii) as soon as practicable and in any event within 95 days after the end of each fiscal year, a consolidated statement of income and retained earnings and statement of cash flows of the Company and its Consolidated Subsidiaries

for such year, and a consolidated balance sheet of the Company and its Consolidated Subsidiaries as at the end of such year, setting forth in each case in comparative form corresponding consolidated figures from the preceding annual audit, and all reported on by Price Waterhouse or other independent public accountants of recognized standing selected by the Company whose report shall state that such audit shall have been conducted by them in accordance with generally accepted auditing standards;

(iii) promptly upon distribution thereof to shareholders of the Company, copies of all such financial statements, proxy statements, notices and reports so distributed, and promptly upon filing thereof, copies of all registration statements (other than exhibits or any

registration statement on Form S-8, or other equivalent substitute form, under the Securities Act) and all reports which it files with the Securities and Exchange Commission (or any governmental body or agency succeeding to the functions of the Securities and Exchange Commission);

(iv) with reasonable promptness, such other information with respect to the business and consolidated financial position of the Company and its Consolidated Subsidiaries as such holder may reasonably request;

(v) within five (5) days of the chief executive officer, chief operating officer, principal financial officer or principal accounting officer of the Company obtaining knowledge of any condition or event known by such person to constitute a continuing Default, an Officer's Certificate specifying the nature thereof and, within five (5) days thereafter, an Officer's Certificate specifying what action the Company proposes to take with respect thereto; and

(vi) promptly following the chief executive officer, chief operating officer, principal financial officer or principal accounting officer of the Company obtaining knowledge that any member of the Controlled Group (a) has given or is required to give notice to the PBGC of any "reportable event" (as defined in Section 4043 of ERISA) with respect to any Plan which might constitute grounds for a termination of such Plan under Title IV of ERISA, or that the plan administrator of any Plan has given or is required to give notice of any such reportable event, a copy of the notice of such reportable event given or required to be

given to the PBGC, (b) has received notice of complete or partial withdrawal liability under Title IV of ERISA, a copy of such notice, or (c) has received notice from the PBGC under Title IV of ERISA of an intent to terminate or appoint a trustee to administer any Plan, a copy of such notice;

provided, however, that the Company shall be deemed to have satisfied its obligations under clauses (i) and (ii) above if and to the extent that the Company has provided to each holder of a Note pursuant to clause (iii) periodic reports (on Forms 10-Q and 10-K) required to be filed by the Company with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934 for the quarterly and annual periods described in such clauses (i) and (ii).

Together with each delivery of financial statements required by clauses (i) and (ii) above, the Company will deliver an Officer's Certificate with computations in reasonable detail to establish whether the Company was in compliance on the date of such financial statements with the provisions of paragraphs 6A through 6C and stating whether, to the knowledge of the individual signing such Certificate after having exercised reasonable diligence to ascertain the relevant facts, there exists a continuing Default, and, if any Default exists, specifying the nature thereof and what action the Company proposes to take with respect thereto.

5B. Books and Records; Inspection of Property.

(i) The Company will maintain or cause to be maintained the books of record and account of the Company and each Consolidated Subsidiary, in good order in accordance with sound business practice so as to permit its financial statements to be prepared in accordance with generally accepted accounting principles.

(ii) The Company will permit any Person designated by any holder of Notes in writing, at such holder's expense, to visit and inspect any of the properties of and to examine the corporate books and financial records of the Company and make copies

thereof or extracts therefrom and to discuss the affairs, finances and accounts of the Company with its principal officers and its independent public accountants, all at such reasonable times and as often as such holder may reasonably request.

(iii) With the consent of the Company (which consent will not be unreasonably withheld) or, if an Event of Default has occurred and is continuing, without the requirement of any such consent, the Company will permit any Person designated by any holder of Notes in writing, at such holder's expense, to visit and inspect any of the properties of and to examine the corporate books and financial records of any Consolidated Subsidiary and make copies thereof or extracts therefrom and to discuss the affairs, finances and accounts of such Consolidated Subsidiary with its and the Company's principal officers and the Company's independent public accountants, all at such reasonable times and as often as such holder may reasonably request.

5C. Maintenance of Property; Insurance. The Company will maintain or cause to be maintained in good repair, working order and condition all properties used and useful in the business of the Company and each Consolidated Subsidiary and from time to time will make or cause to be made all appropriate repairs, renewals and replacement thereof, except where the failure to do so would not have a material adverse effect on the Company and its Consolidated Subsidiaries taken as a whole.

The Company will maintain or cause to be maintained, for itself and its Consolidated Subsidiaries, all to the extent material to the Company and its Consolidated Subsidiaries taken as a whole, physical damage insurance on all real and personal property on an all risks basis, covering the repair and replacement cost of all such property and consequential loss coverage for business interruption and extra expense, public liability insurance in an amount not less than \$10,000,000 and such other insurance of the kinds customarily insured against by corporations of established reputation engaged in the same or similar business and similarly situated, of such type and in such amounts as are customarily carried under similar circumstances.

5D. Conduct of Business and Maintenance of Existence. The Company and its Consolidated Subsidiaries will continue to be predominantly engaged in business of the same general type as is now conducted by the Company and its Consolidated Subsidiaries. Except as otherwise permitted by paragraph 6E, the Company will at all times preserve and keep in full force and effect its corporate existence, and rights and franchises material to its business, and (to the extent material to the Company and its Consolidated Subsidiaries taken as a whole) those of each of its Consolidated Subsidiaries, and will qualify, and cause each

Consolidated Subsidiary to qualify, to do business in any jurisdiction where the failure to do so would have a material adverse effect on the Company and its Consolidated Subsidiaries taken as a whole.

5E. Compliance with Laws. The Company will comply, and cause each Consolidated Subsidiary to comply, in all material respects, with the requirements of all applicable laws, ordinances, rules, regulations, and requirements of any governmental authority (including, without limitation, ERISA and the rules and regulations thereunder), except where the necessity of compliance therewith is contested in good faith by appropriate proceedings or where the failure to comply would not have a material adverse effect upon the Company and its Consolidated Subsidiaries taken as a whole.

5F. Information Required by Rule 144A. The Company covenants that it will, upon the request of the holder of any Note, provide such holder, and any qualified institutional buyer designated by such holder, such financial and other information

as such holder may reasonably determine to be necessary in order to permit compliance with the information requirements of Rule 144A under the Securities Act in connection with the resale of Notes, except at such times as the Company is subject to the reporting requirements of section 13 or 15(d) of the Exchange Act. For the purpose of this paragraph 5F, the term "qualified institutional buyer" shall have the meaning specified in Rule 144A under the Securities Act.

5G. Rank of Notes. The Company agrees that its obligations under this Agreement and the Notes shall rank at least pari passu with all other unsecured senior obligations of the Company now or hereafter existing.

6. NEGATIVE COVENANTS.

6A. Cash Flow to Total Borrowed Funds. The Company will not permit the ratio of Cash Flow to Total Borrowed Funds to be less than 0.25 for any consecutive four quarters, such ratio to be calculated at the end of each fiscal quarter, on a trailing four quarter basis.

6B. Total Borrowed Funds to Consolidated Net Worth. The Company will not permit Total Borrowed Funds to exceed 85% of Consolidated Net Worth at the end of any quarter.

6C. Minimum Consolidated Net Worth. The Company will not permit Consolidated Net Worth at any time to be less than the sum of (i) \$550,000,000 and (ii) 25% of the consolidated net income of the Company for all fiscal quarters ending on or after December 31, 1994 in which consolidated net income is a positive number.

6D. Negative Pledge. The Company covenants that neither it nor any Consolidated Subsidiary will create, assume or suffer to exist any Lien upon any of its property or assets, whether now owned or hereafter acquired; provided, however, that the foregoing restriction and limitation shall not apply to the following Liens:

(i) Liens existing on the date hereof;

(ii) any Lien existing on any asset of any corporation at the time such corporation becomes a Consolidated Subsidiary and not created in contemplation of such event;

(iii) any Lien on any asset securing Debt incurred or assumed for the purpose of financing all or any part of the cost of acquiring such asset, provided that such Lien attached to such asset concurrently with or within 90 days after the acquisition thereof;

(iv) any Lien on any asset of any corporation existing at the time such corporation is merged or consolidated with the Company or a Consolidated Subsidiary and not created in contemplation of such event;

(v) any Lien existing on any asset prior to the acquisition thereof by the Company or a Consolidated Subsidiary and not created in contemplation of such acquisition;

(vi) Liens created in connection with Capitalized Lease Obligations, but only to the extent that such Liens encumber property financed by such Capitalized Lease Obligation and the principal component of such Capitalized Lease Obligation is not increased;

(vii) Liens arising in the ordinary course of its business which (i) do not secure Debt and (ii) do not in the aggregate materially impair the operation of the

business of the Company and its Consolidated Subsidiaries taken as a whole;

(viii) any Lien arising out of the refinancing, extension, renewal or refunding of any Debt secured by any Lien permitted by any of the foregoing clauses of this Section, provided that such Debt is not increased and is not secured by any additional assets;

(ix) Liens securing taxes, assessments, fees or other governmental charges or levies, Liens securing the claims of materialmen, mechanics, carriers, landlords, warehousemen and similar Persons, Liens incurred in the ordinary course of business in connection with workmen's compensation, unemployment insurance and other similar laws, Liens to secure surety, appeal and performance bonds and other similar obligations not incurred in connection with the borrowing of money, and attachment, judgment and other similar Liens arising in connection with court proceedings so long as the enforcement of such Liens is effectively stayed and the claims secured thereby are being contested in good faith by appropriate proceedings;

(x) any Lien on property arising in connection with, and which is the subject of, a securities repurchase transaction;

(xi) any Lien(s) on any asset of Quest & Associates, Inc., a Subsidiary of the Company, created in connection with the August 1995 investment by Quest & Associates, Inc., in a portfolio of computer equipment leases; and

(xii) Liens not otherwise permitted by the foregoing clauses of this paragraph 6D securing Debt in an aggregate principal amount at any time outstanding not to exceed 10% of Consolidated Net Worth.

6E. Consolidations, Mergers and Sales of Assets. The Company covenants that it will not, and will not permit any Consolidated Subsidiary to, be a party to any merger or consolidate with any other corporation or sell, lease or transfer or otherwise dispose of all or substantially all of its assets except that

(i) any Consolidated Subsidiary may merge or consolidate with, or sell, lease, transfer or otherwise dispose of all or substantially all of its assets to, any other Consolidated Subsidiary; and

(ii) any Consolidated Subsidiary may merge or consolidate with, or sell, lease, transfer or otherwise dispose of all or substantially all of its assets to, the Company; and

(iii) the Company and any Consolidated Subsidiary may merge or consolidate with or sell, lease, transfer or otherwise dispose of all or substantially all of its assets to, any other Person (a "Transaction"); provided, however, that (a) in the case of a Transaction involving the Company, either (x) the Company shall be the continuing or surviving corporation or (y) the continuing or surviving corporation or the transferee of such assets shall be a corporation organized under the laws of the United States or Canada and such continuing or surviving corporation or transferee shall expressly assume in a writing (in a form reasonably satisfactory to the Required Holder(s)) all of the Company's obligations under this Agreement and the Notes, and (b) immediately after such merger, consolidation or transfer no Default or Event of Default shall exist.

7. EVENTS OF DEFAULT.

7A. Acceleration. If any of the following events shall occur and be continuing for any reason whatsoever (and whether such occurrence shall be voluntary or involuntary or come about or be effected by operation of law or otherwise):

- (i) the Company defaults in the payment of any principal of or premium on any Note when the same shall become due, either by the terms thereof or otherwise as herein provided; or
- (ii) the Company defaults in the payment of any interest on any Note for more than five (5) days after the date due; or
- (iii) the Company or any Significant Subsidiary or Significant Group of Subsidiaries defaults in any payment of principal of or interest on any other obligation for

money borrowed (or any Capitalized Lease Obligation, any obligation under a purchase money mortgage, conditional sale or other title retention agreement or any obligation under notes payable or drafts accepted representing extensions of credit) beyond any period of grace provided with respect thereto, or the Company or any Significant Subsidiary or Significant Group of Subsidiaries fails to perform or observe any other agreement, term or condition contained in any agreement under which any such obligation is created (or if any other event thereunder or under any such agreement shall occur and be continuing), and the effect of such payment default, failure or other event is to cause, or to permit the holder or holders of such obligation (or a trustee on behalf of such holder or holders) to cause, such obligation to become due or to require the purchase thereof prior to any stated maturity, provided that the aggregate amount of all obligations as to which such a payment default shall occur and be continuing or such a failure or other event causing or permitting acceleration shall occur and be continuing exceeds \$10,000,000; or

(iv) any representation or warranty made by the Company herein or in any certificate furnished pursuant to this Agreement shall be false in any material respect on the date as of which made; or

(v) the Company fails to perform or observe any agreement contained in paragraph 6A, 6B, 6C or 6E; or

(vi) the Company fails to perform or observe any other agreement, term or condition contained herein and such failure shall not be remedied within 30 days after the Company shall have received notice thereof; or

(vii) the Company or any Significant Subsidiary or Significant Group of Subsidiaries makes a general assignment for the benefit of creditors or is generally not paying its debts as such debts become due; or

(viii) the Company or any Significant Subsidiary or Significant Group of Subsidiaries shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment

of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it; or

(ix) an involuntary case or other proceeding shall be commenced against the Company or any Significant Subsidiary or Significant Group of Subsidiaries seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 60 days; or

(x) an order for relief shall be entered against the Company or any Significant Subsidiary or Significant Group of Subsidiaries under the federal bankruptcy laws as now or hereafter in effect; or

(xi) any order, judgment or decree is entered in any proceedings against the Company in a court of competent jurisdiction of the United States (or a State or other jurisdiction thereof) or Canada (or a Province or other jurisdiction thereof) decreeing the dissolution of the Company and such order, judgment or decree remains unstayed and in effect for more than 60 days; or

(xii) the Company or any other member of the Controlled Group shall fail to pay when due any amount or amounts aggregating in excess of \$1,000,000 which it shall have become liable to pay to the PBGC or to a Plan under Title IV of ERISA (except where such liability is contested in good faith by appropriate proceedings as permitted under paragraph 5E); or notice of intent to terminate a Plan or Plans (other than any multi-employer plan or multiple employer plan, within the meaning of Section 4001(a)(3) or 4063, respectively, of ERISA) having unfunded benefit liabilities (within the meaning of Section 4001(a)(18) of ERISA) in excess of \$25,000,000 shall be filed under Title IV of ERISA by any member of the Controlled Group, any plan administrator or any combination of the foregoing; or the

PBGC shall institute proceedings under Title IV of ERISA to terminate or to cause a trustee to be appointed to administer any such Plan; or

(xiii) final judgment in an amount in excess of \$10,000,000 is rendered against the Company or any Significant Subsidiary or Significant Group of Subsidiaries and, within 90 days after entry thereof, such judgment is not discharged or satisfied or execution thereof stayed pending appeal, or within 90 days after the expiration of any such stay, such judgment is not discharged or satisfied;

then (a) if such event is an Event of Default specified in clause (viii), (ix) or (x) of this paragraph 7A with respect to the Company, all of the Notes at the time outstanding shall automatically become immediately due and payable at par together with interest accrued thereon, without presentment, demand, protest or notice of any kind, all of which are hereby waived by the Company and (b) if such event is any other Event of Default, the Required Holder(s) may at its or their option, by notice in writing to the Company, declare all of the Notes to be, and all of the Notes shall thereupon be and become, immediately due and payable together with interest accrued thereon and together with the Yield-Maintenance Premium, if any, with respect to each Note without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Company; provided that the Yield-Maintenance Premium, if any, with respect to each such Note shall be due and payable upon such declaration only if (x) such event is an Event of Default specified in any of clauses (i) to (vi), inclusive, or clause (xii) or (xiii) of this paragraph 7A, (y) the Required Holders shall have given to the Company at least 10 Business Days before such declaration written notice stating

their intention so to declare such Notes to be due and payable and identifying one or more such Events of Default the occurrence of which on or before the date of such notice permits such declaration and (z) one or more of the Events of Default so identified shall be continuing at the time of such declaration.

It is agreed that Repurchase Transactions are not deemed to create obligations which may give rise to an Event of Default under clause (iii) of this paragraph 7A, provided that the aggregate face amount of all Treasury securities involved in all such Repurchase Transactions at no time exceeds 15% of the Company's consolidated total assets (as reported on the audited

statement of financial condition of the Company most recently filed with the Securities and Exchange Commission by the Company prior to the inception of such a Repurchase Transaction) after giving effect to such proposed Repurchase Transaction.

7B. Other Remedies. If any Event of Default or Default shall occur and be continuing, the holder of any Note may proceed to protect and enforce its rights under this Agreement and such Note by exercising such remedies as are available to such holder in respect thereof under applicable law, either by suit in equity or by action at law, or both, whether for specific performance of any covenant or other agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement. No remedy conferred in this Agreement upon the holder of any Note is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy conferred herein or now or hereafter existing at law or in equity or by statute or otherwise.

7C. Rescission of Acceleration. At any time after any declaration of acceleration of any of the Notes shall have been made pursuant to paragraph 7A by any holder or holders of such Notes, and before a judgment or decree for the payment of money due has been obtained by such holder or holders, the Required Holder(s) may, by written notice to the Company and to the other holders of such Notes, rescind and annul such declaration and its consequences, provided that (i) the principal of and interest on the Notes which shall have become due otherwise than by such declaration of acceleration shall have been duly paid, and (ii) all Events of Default other than the nonpayment of principal of and interest on the Notes which have become due solely by such declaration of acceleration, shall have been cured or waived by the Required Holder(s). No rescission or annulment referred to above shall affect any subsequent Default or any right, power or remedy arising out of such subsequent Default.

8. REPRESENTATIONS, COVENANTS AND WARRANTIES. The Company represents, covenants and warrants:

8A. Organization. The Company is a corporation duly organized and existing in good standing under the laws of the State of Delaware, and has the corporate power and all material governmental licenses, authorizations, consents and approvals required to own its property and to carry on its business as now being conducted.

8B. Corporate Authorization; Governmental Authorization; Contravention. (i) The Company has the corporate power and authority to execute, deliver and perform this Agreement and has taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement. The Company has the corporate authority to issue and sell the Notes and has taken all necessary corporate action to authorize the issuance of and sale of the Notes on the terms and conditions of this Agreement.

(ii) None of the offering, issuance, sale and delivery of the Notes, and fulfillment of or compliance with the terms and provisions hereof or of the Notes, by the Company requires any

authorization, consent, approval, exemption or other action by or notice to or filing with any court or administrative or governmental body (other than routine filings after the date of closing with the Securities and Exchange Commission and/or state Blue Sky authorities).

(iii) Neither the execution, delivery or performance of this Agreement and the Notes nor the offering, issuance and sale of the Notes, nor fulfillment or any compliance with the terms and provisions hereof and thereof, will conflict with, or result in a breach of the terms, conditions or provisions of, or constitute a default under, or result in any violation of, or result in the creation of any Lien upon any of the properties or assets of the Company or any Consolidated Subsidiary pursuant to, the charter or by-laws of the Company or any Consolidated Subsidiary, any award of any arbitrator or any material agreement (including any agreement with stockholders), instrument, order, judgment, decree, statute, law, rule or regulation to which the Company or any Consolidated Subsidiary is subject.

8C. Binding Effect. Each of the Agreement and the Notes constitutes, or when executed and delivered will constitute, a legal, valid and binding obligation of the Company in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and subject to general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law).

8D. Business; Financial Statements. The Company has furnished you with the following documents and financial statements:

(i) The following financial statements of the Company: the audited consolidated balance sheets of the Company and its Consolidated Subsidiaries as of December 31, 1996, 1995 and 1994 and the related consolidated statements of earnings and retained earnings and statement of cash flows for the three year period ended December 31, 1996, reported on by Price Waterhouse. The financial statements referred to in this subparagraph (i) are herein collectively referred to as the "Historical Financial Statements."

(ii) The Company's Annual Report on Form 10-K for the years ended December 31, 1996, 1995 and 1994, in each case as filed with the Securities and Exchange Commission. The reports referred to in this subparagraph (ii) are herein collectively referred to as the "Public Documents."

The Historical Financial Statements (including any related schedules and/or notes) fairly present the consolidated financial position and the consolidated results of operations and consolidated cash flows of the corporations described therein at the dates and for the periods shown, all in conformity with generally accepted accounting principles applied on a consistent basis (except as otherwise therein or in the notes thereto stated) throughout the periods involved. There has been no material adverse change in the business, condition (financial or otherwise) or operations of the Company and its Consolidated Subsidiaries taken as a whole since December 31, 1996. The Public Documents have been prepared in all material respects in conformity with the rules and regulations of the Securities and Exchange Commission applicable thereto and set forth an accurate description in all material respects of the business conducted by the Company and its Consolidated Subsidiaries and the properties owned and operated in connection therewith.

8E. Actions Pending. There is no action, suit or proceeding pending or, to the knowledge of the Company, threatened against the Company or any of its Consolidated Subsidiaries by or before any court, arbitrator or administrative

or governmental body in which there is a significant probability of an adverse decision which, if adversely decided, would result in any material adverse change in the business, condition (financial or otherwise) or operations of the Company and its Consolidated Subsidiaries taken as a whole or which in any manner draws into question the validity of this Agreement or any Note.

8F. Compliance with ERISA. Each member of the Controlled Group has fulfilled its obligations under the minimum funding standards of ERISA and the Code with respect to each Plan and is in compliance in all material respects with the presently applicable provisions of ERISA and the Code except where the failure to comply would not have a material adverse effect on the Company and its Consolidated Subsidiaries taken as a whole, and has not incurred any unsatisfied material liability to the PBGC or a Plan under Title IV of ERISA other than a liability to the PBGC for premiums under Section 4007 of ERISA.

8G. Taxes. United States Federal income tax returns of the Company and its Consolidated Subsidiaries have been examined and closed through the fiscal year ended December 31, 1990. The Company has and each of its Consolidated Subsidiaries has filed all Federal and other material income tax returns which, to the best knowledge of the officers of the Company, are required to be filed, and each has paid all taxes as shown on such returns and on all assessments received by it to the extent that such taxes have become due except for those which are being contested in good faith by the Company or the Consolidated Subsidiary, as the case may be. The charges and accruals and reserves on the books of the Company and its Consolidated Subsidiaries in respect of taxes or other governmental charges are, in the opinion of the Company, adequate.

8H. Subsidiaries; Qualifications. Each of the Company's Consolidated Subsidiaries is a corporation duly organized and existing in good standing under the laws of its jurisdiction of incorporation, and the Company and its Consolidated Subsidiaries have such corporate powers and all such governmental licenses, authorizations, consents and approvals required to own their respective properties and to carry on their respective business as now being conducted, all to the extent material to the Company and its Consolidated Subsidiaries taken as a whole.

8I. Offering of Notes. Neither the Company nor any agent authorized to act on its behalf has, directly or indirectly, offered the Notes, or any similar security of the Company for sale to, or solicited any offers to buy the Notes or any similar security of the Company from, or otherwise approached or negotiated with respect thereto with, any Person other than not more than 10 institutional investors, and neither the Company nor

any agent authorized to act on its behalf has taken or will take any action which would subject the issuance or sale of the Notes to the provisions of section 5 of the Securities Act or to the provisions of any securities or Blue Sky law of any applicable jurisdiction.

8J. Regulation G, etc. The proceeds of sale of the Notes will be used to refinance a portion of the Company's short-term borrowings. None of such proceeds will be used, directly or indirectly, for the purpose, whether immediate, incidental or ultimate, of purchasing or carrying any "margin stock" as defined in Regulation G (12 CFR Part 207) of the Board of Governors of the Federal Reserve System (herein called "margin stock") or for the purpose of maintaining, reducing or retiring any indebtedness which was originally incurred to purchase or carry any stock that is then currently a margin stock or for any other purpose which might constitute this transaction a "purpose credit" within the

meaning of such Regulation G. Neither the Company nor any agent acting on its behalf has taken or will take any action which might cause this Agreement or the Notes to violate Regulation G, Regulation T or any other regulation of the Board of Governors of the Federal Reserve System or to violate the Securities Exchange Act of 1934, as amended, in each case as in effect now or as the same may hereafter be in effect.

8K. Disclosure. The Historical Financial Statements and the Public Documents (as of the respective dates thereof and when taken as a whole) do not contain any untrue statement of a material fact and do not omit to state a material fact necessary in order to make the statements contained therein not misleading.

8L. Title to Properties. The Company has and each of its Consolidated Subsidiaries has good and marketable title to its respective real properties (other than properties which it leases) and good title to all of its other respective properties and assets, except where the failure to have such title would not have a material adverse effect on the Company and its Consolidated Subsidiaries taken as a whole, subject to no Lien of any kind except Liens permitted by paragraph 6D. All leases necessary in any material respect for the conduct of the respective businesses of the Company and its Consolidated Subsidiaries are valid and subsisting and are in full force and effect, except where the failure to be so in effect would not have a material adverse effect on the Company and its Consolidated Subsidiaries taken as a whole.

9. REPRESENTATIONS OF THE PURCHASER. By acceptance of the Notes, you hereby acknowledge that the Notes have not been registered under the Securities Act and may not be sold, offered for sale or otherwise transferred except pursuant to an exemption from such registration requirements. You represent, and in making this sale to you it is specifically understood and agreed, that you are not acquiring the Notes to be purchased by you hereunder with a view to or for sale in connection with any distribution thereof within the meaning of the Securities Act, provided that the disposition of your property shall at all times be and remain within your control. You further acknowledge that you are a "qualified institutional buyer" as that term is defined in Rule 144A under the Securities Act. You also represent that the source of all of the funds being used by you to pay the purchase price of the Notes being purchased by you hereunder constitutes assets allocated to your "insurance company general account" (as such term is defined under Section V of the United States Department of Labor's Prohibited Transaction Class Exemption ("PTCE") 95-60), and that as of the date of the purchase of the Notes you satisfy all of the applicable requirements for relief under Sections I and IV of PTCE 95-60.

10. DEFINITIONS. The following terms shall have the meanings specified with respect thereto below:

10A. Yield-Maintenance Terms.

"Called Principal" shall mean, with respect to any Note, the principal of such Note that is to be prepaid pursuant to paragraph 4B (any partial prepayment being applied in satisfaction of required payments of principal in inverse order of their scheduled due dates) or is declared to be immediately due and payable pursuant to paragraph 7A, as the context requires.

"Discounted Value" shall mean, with respect to the Called Principal of any Note, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on a semiannual basis) equal to the Reinvestment Yield with respect to such Called Principal.

"Reinvestment Yield" shall mean, with respect to the Called Principal of any Note, the yield to maturity implied by (i) the yields reported, as of 10:00 A.M. (New York City time) on the Business Day next preceding the Settlement Date with respect to such Called Principal, on the display designated as "Page 678" on the Telerate Service (or such other display as may replace Page 678 on the Telerate Service) for actively traded U.S. Treasury securities having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date, or if such yields shall not be reported as of such time or the yields reported as of such time shall not be ascertainable, (ii) the Treasury Constant Maturity Series yields reported, for the latest day for which such yields shall have been so reported as of the Business Day next preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release H.15 (519) (or any comparable successor publication) for actively traded U.S. Treasury securities having a constant maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date. Such implied yield shall be determined, if necessary, by (a) converting U.S. Treasury bill quotations to bond-equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between reported yields.

"Remaining Average Life" shall mean, with respect to the Called Principal of any Note, the number of years (calculated to the nearest one-twelfth year) obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) each Remaining Scheduled Payment of such Called Principal (but not of interest thereon) by (b) the number of years (calculated to the nearest one-twelfth year) which will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment.

"Remaining Scheduled Payments" shall mean, with respect to the Called Principal of any Note, all payments of such Called Principal and interest thereon that would be due on or after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date.

"Settlement Date" shall mean, with respect to the Called Principal of any Note, the date on which such Called Principal is to be prepaid pursuant to paragraph 4B or is declared to be immediately due and payable pursuant to paragraph 7A, as the context requires.

"Yield-Maintenance Premium" shall mean, with respect to any Note, a premium equal to the excess, if any, of the Discounted Value of the Called Principal of such Note over the sum of (i) such Called Principal plus (ii) interest accrued thereon as of (including interest due on) the Settlement Date with respect to such Called Principal. The Yield-Maintenance Premium shall in no event be less than zero.

10B. Other Terms.

"Affiliate" shall mean any Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, the Company, except a Subsidiary. A Person shall be deemed to control a corporation if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such corporation, whether through the ownership of voting securities, by contract or otherwise.

"Business Day" shall mean any day other than a Saturday, a Sunday or a day on which commercial banks in New York City are required or authorized to be closed.

"Capitalized Lease Obligation" shall mean, as to any

Person, any rental obligation which, under generally accepted accounting principles, is or will be required to be capitalized on the books of such Person, taken at the amount thereof accounted for as indebtedness (net of interest expense) in accordance with such principles.

"Cash Flow" shall mean the sum of net income (plus any amount by which net income has been reduced by reason of the recognition of post-retirement and post-employment benefit costs prior to the period in which such benefits are paid), depreciation expenses, amortization costs and changes in deferred taxes, provided that such sum shall not be adjusted for any increase or decrease in deferred taxes resulting from Quest & Associates, Inc., a Subsidiary of the Company, investing in a portfolio of computer equipment leases (it being further understood that such increase or decrease in deferred taxes relating to lease investment transactions shall not exceed \$25,000,000).

"Code" shall mean the Internal Revenue Code of 1986, as amended, and any successor statute thereto.

"Company" shall have the meaning specified in the introductory paragraph.

"Consolidated Net Worth" shall mean, at any date, the consolidated stockholders' equity of the Company and its Consolidated Subsidiaries as such appear on the financial statements of the Company determined in accordance with generally accepted accounting principles ((i) plus any amount by which retained earnings has been reduced by reason of the recognition of post-retirement and post-employment benefit costs prior to the period in which such benefits are paid and (ii) without taking into account the effect of cumulative translation adjustments).

"Consolidated Subsidiary" shall mean at any date any Subsidiary or other entity the accounts of which would be consolidated with those of the Company in its consolidated financial statements as of such date.

"Controlled Group" shall mean all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the Company, are treated as a single employer under Section 414(b) or 414(c) of the Code.

"Debt" shall mean, as to any Person, without duplication, (i) all obligations of such Person for borrowed money, including reimbursement obligations for letters of credit, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (iv) all Capitalized Lease Obligations of such Person, (v) all Debt of others secured by a Lien on any asset of such Person, whether or not such Debt is assumed by such Person and (vi) all Debt of others Guaranteed by such Person; provided, however, that the obligations specified in (i) through (vi) shall not include obligations arising in connection with securities repurchase transactions.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"Event of Default" shall mean any of the events specified in paragraph 7A, provided that there has been satisfied any requirement in connection with such event for the giving of notice, or the lapse of time, or both, and "Default" shall mean any of such events, whether or not any such requirement has been

satisfied.

"Guarantee" shall mean, as to any Person, any obligation, contingent or otherwise, of such Person directly or indirectly guaranteeing any Debt or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation (whether arising by virtue of partnership arrangements, by agreement to keep-well, take-or-pay, to maintain financial statement conditions or otherwise) or (ii) entered into for the purpose of assuring in any other manner the obligee of such Debt or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part), provided that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb shall have a corresponding meaning.

"Historical Financial Statements" shall have the meaning specified in clause (i) of paragraph 8D.

"Lien" shall mean, with respect to any asset, any mortgage, pledge, security interest, encumbrance, lien or charge of any kind in respect of such asset (including as a result of any conditional sale or other title retention agreement and any lease in the nature thereof).

"Note(s)" shall have the meaning specified in paragraph 1.

"Officer's Certificate" shall mean a certificate signed in the name of the Company by its President, one of its Vice Presidents or its Treasurer.

"PBGC" shall mean the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"Person" shall mean and include an individual, a partnership, a joint venture, a corporation, a trust, an unincorporated organization and a government or any department or agency thereof.

"Plan" shall mean, at a particular time, any defined benefit pension plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code and is either (i) maintained by a member of the Controlled Group for employees of a member of the Controlled Group or (ii) maintained pursuant to a collective bargaining agreement or any other arrangement under which more than one employer makes contributions and to which a member of the Controlled Group is then making or accruing an obligation to make contributions or has within the preceding five plan years made contributions.

"Public Documents" shall have the meaning specified in clause (ii) of paragraph 8D.

"Repurchase Transaction" shall mean one or more transactions in which the Company purchases United States Treasury securities with a remaining term to maturity of 90 days or less and simultaneously enters into a repurchase transaction with respect to such securities with a securities broker/dealer, where (a) all or substantially all of the initial purchase price for the Treasury securities is paid directly from the proceeds of the repurchase transaction and (b) the Treasury securities would not be included in a balance sheet of the Company prepared in accordance with generally accepted accounting principles.

"Required Holder(s)" shall mean the holder or holders of at least 66-2/3% of the aggregate principal amount of the Notes from time to time outstanding.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Significant Subsidiary or Significant Group of Subsidiaries" at any time of determination means any Consolidated Subsidiary or group of Consolidated Subsidiaries which, individually or in the aggregate, together with its or their Subsidiaries, accounts or account for more than 10% of the consolidated gross revenues of the Company and its Consolidated Subsidiaries for the most recently ended fiscal year or for more

than 10% of the total assets of the Company and its Consolidated Subsidiaries as of the end of such fiscal year; provided that in connection with any determination under (x) paragraph 7A(iii) there shall be a payment default, failure or other event (of the type specified in that paragraph) with respect to an obligation (of the type specified in that paragraph but without regard to the principal amount of such obligation) of each Consolidated Subsidiary included in such group, (y) paragraph 7A (vii), (viii), (ix) or (x) the condition or event described therein shall exist with respect to each Consolidated Subsidiary included in such group or (z) paragraph 7A(xiii) there shall be a final judgment (of the type specified in that paragraph but without regard to the amount of such judgment) rendered against each Consolidated Subsidiary included in such group.

"Subsidiary" shall mean any corporation or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions is at the time directly or indirectly owned by the Company.

"Total Borrowed Funds" shall mean at any date, without duplication, (i) all outstanding obligations of the Company and its Consolidated Subsidiaries for borrowed money, (ii) all outstanding obligations of the Company and its Consolidated Subsidiaries evidenced by bonds, debentures, notes or similar instruments and (iii) any outstanding obligations of the type set forth in (i) or (ii) of any other Person Guaranteed by the Company or a Consolidated Subsidiary; provided, however, that Total Borrowed Funds shall not include any obligation to repurchase securities under a securities repurchase transaction.

"Transferee" shall mean any direct or indirect transferee of all or any part of any Note purchased by you under this Agreement.

10C. Accounting Terms And Determinations. All references in this Agreement to "generally accepted accounting principles" shall mean generally accepted accounting principles in effect in the United States of America at the time of application thereof. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all determinations with respect to accounting matters hereunder shall be made, and all financial statements and certificates and reports as to financial matters required to be furnished hereunder shall be prepared, in

accordance with generally accepted accounting principles, applied on a basis consistent (except for changes concurred in by the Company's independent public accountants) with the most recent audited consolidated financial statements of the Company and its Consolidated Subsidiaries delivered pursuant to paragraph 5A(ii).

11. MISCELLANEOUS.

11A. Note Payments. The Company agrees that, so long as you shall hold any Note, it will make payments of principal thereof and premium, if any, and interest thereon, which comply with the terms of this Agreement, by wire transfer of immediately

available funds for credit to your account or accounts as specified in the Purchaser Schedule attached hereto, or such other account or accounts in the United States as you may designate in writing not less than 5 Business Days prior to any payment date, notwithstanding any contrary provision herein or in any Note with respect to the place of payment. Any payment under this Agreement or any Note due on a day that is not a Business Day may be made on the next succeeding day which is a Business Day without penalty or additional interest. You agree that, before disposing of any Note, you will make a notation thereon (or on a schedule attached thereto) of all principal payments previously made thereon and of the date to which interest thereon has been paid. The Company agrees to afford the benefits of this paragraph 11A to any Transferee which shall have made the same agreement as you have made in this paragraph 11A.

11B. Expenses. The Company agrees to pay, and save you and any Transferee harmless against liability for the payment of, all out-of-pocket expenses arising in connection with (i) all document production and duplication charges and the fees and expenses of one special counsel (and any local counsel) engaged in connection with any subsequent proposed modification of, or proposed consent under, this Agreement or the Notes, whether or not such proposed modification shall be effected or proposed consent granted (but in either event only if requested by the Company), and (ii) the costs and expenses, including attorneys' fees, incurred by you or any Transferee in enforcing any rights under this Agreement or the Notes. In addition, with respect to you only, the Company agrees to pay, and save you harmless against liability for the payment of, all out-of-pocket expenses incurred by you in connection with your responding to any subpoena or other legal process or informal investigative demand issued in connection with and arising pursuant to this Agreement

or the transactions contemplated hereby or by reason of your having acquired any Note (but not including any general investigation or proceeding involving your investments or activities generally), including without limitation costs and expenses incurred in any bankruptcy case. The obligations of the Company under this paragraph 11B shall survive the transfer of any Note or portion thereof or interest therein and the payment of any Note.

11C. Consent to Amendments. This Agreement may be amended, and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, if the Company shall obtain the written consent to such amendment, action or omission to act, of the Required Holder(s), except that, without the written consent of the holder or holders of all the Notes at the time outstanding, no amendment to this Agreement shall change the maturity of any Note, or change the principal of, or the rate or time of payment of interest or any premium payable with respect to any Note, or affect the time, amount or allocation of any required prepayments, or reduce the proportion of the principal amount of the Notes required with respect to any consent, amendment or waiver or to accelerate the Notes. Each holder of any Note at the time or thereafter outstanding shall be bound by any consent authorized by this paragraph 11C, whether or not such Note shall have been marked to indicate such consent, but any such Notes issued thereafter may bear a notation referring to any such consent. The Company will not, directly or indirectly, pay or cause to be paid any remuneration, whether by way of supplemental or additional interest, fee or otherwise, to any holder of Notes as consideration for or as an inducement to the entering into by such holder of Notes of any waiver or amendment of, or giving a consent in respect of, any of the terms and provisions of this Agreement or any Note unless such remuneration is concurrently paid, on the same terms, ratably to all holders of Notes. The Company will give prompt written notice of the receipt and effect of each such waiver, amendment or consent to all holders of the Notes. No course of dealing between the Company and the holder of any Note, nor any delay in exercising any rights hereunder or

under any Note, shall operate as a waiver of any rights of any holder of any Note. As used herein and in the Notes, the term "this Agreement" and references thereto shall mean this Agreement as it may from time to time be amended or supplemented.

11D. Form, Registration, Transfer and Exchange of Notes; Lost Notes. The Notes are issuable as registered notes without coupons in denominations of at least \$5,000,000, except in connection with the transfer of Notes issued by the Company in smaller denominations in which case and with respect to those Notes only, the minimum denomination will be such smaller amount. The Company shall keep at its principal office a register in which the Company shall provide for the registration of Notes and of transfers of Notes. Upon surrender for registration of transfer of any Note at the principal office of the Company, the Company shall, at its expense, execute and deliver one or more new Notes of like tenor and of a like aggregate principal amount, registered in the name of such transferee or transferees. At the option of the holder of any Note, such Note may be exchanged for other Notes of like tenor and of any authorized denominations, of a like aggregate principal amount, upon surrender of the Note to be exchanged at the principal office of the Company. Whenever any Notes are so surrendered for exchange, the Company shall, at its expense, execute and deliver the Notes which the holder making the exchange is entitled to receive. Every Note surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer duly executed, by the holder of such Note or such holder's attorney duly authorized in writing. Any Note or Notes issued in exchange for any Note or upon transfer thereof shall carry the rights to unpaid interest and interest to accrue which were carried by the Note so exchanged or transferred, so that neither gain nor loss of interest shall result from any such transfer or exchange. Upon receipt of written notice from the holder of any Note of the loss, theft, destruction or mutilation of such Note and, in the case of any such loss, theft or destruction, upon receipt of such holder's unsecured indemnity agreement (satisfactory in form and substance to the Company), or in the case of any such mutilation upon surrender and cancellation of such Note, the Company will make and deliver a new Note, of like tenor, in lieu of the lost, stolen, destroyed or mutilated Note.

11E. Persons Deemed Owners. Prior to due presentment for registration of transfer, the Company may treat the Person in whose name any Note is registered as the owner and holder of such Note for the purpose of receiving payment of principal of and premium, if any, and interest on such Note and for all other purposes whatsoever, whether or not such Note shall be overdue, and the Company shall not be affected by notice to the contrary.

11F. Survival of Representations and Warranties; Entire Agreement. All representations and warranties contained herein or made in writing by or on behalf of the Company in connection herewith shall survive the execution and delivery of this Agreement and the Notes, the transfer by you of any Note or portion thereof or interest therein and the payment of any Note, and may be relied upon by any Transferee, regardless of any investigation made at any time by or on behalf of you or any Transferee. Subject to the preceding sentence, this Agreement and the Notes embody the entire agreement and understanding between you and the Company and supersede all prior agreements and understandings relating to the subject matter hereof.

11G. Successors and Assigns. All covenants and other agreements in this Agreement contained by or on behalf of any of the parties hereto shall bind and inure to the benefit of the respective successors and assigns of the parties hereto (including, without limitation, any Transferee) whether so

expressed or not.

11H. Disclosure to Other Persons. You agree to use your best efforts (and each other holder of a Note, by availing itself of the benefits of paragraph 5A(iv) or 5B, similarly agrees) to hold in confidence and not disclose any information (other than information (i) which was publicly known or otherwise known to you, at the time of disclosure (except pursuant to disclosure in connection with this Agreement), (ii) which subsequently becomes publicly known through no act or omission by you, or (iii) which otherwise becomes known to you, other than through disclosure by the Company or any of its Subsidiaries) delivered or made available by or on behalf of the Company or any of its Subsidiaries to you which is proprietary in nature, provided that nothing herein shall prevent the holder of any Note from delivering copies of any financial statements and other documents delivered to such holder, and disclosing any other information disclosed to such holder, by or on behalf of the Company or any Subsidiary in connection with or pursuant to this Agreement to (i) such holder's directors, officers, employees, agents and professional consultants (which Persons shall be bound by the provisions hereof), (ii) any other holder of any Note, (iii) any Person to which such holder offers to sell such Note or any part thereof (which Person agrees to be bound by the provisions of this paragraph 11H), (iv) any federal or state regulatory authority having jurisdiction over such holder, (v) the National Association of Insurance Commissioners or any similar

organization or (vi) any other Person to which such delivery or disclosure may be necessary or appropriate (a) in compliance with any law, rule, regulation or order applicable to such holder, (b) in response to any subpoena or other legal process or informal investigative demand, (c) in connection with any litigation to which such holder is a party or (d) in order to protect such holder's investment in such Note.

11I. Notices. All written communications provided for hereunder shall be sent by first class mail or nationwide overnight delivery service (with charges prepaid) and (i) if to you, addressed to you at the address specified for such communications in the Purchaser Schedule attached hereto, or at such other address as you shall have specified to the Company in writing, (ii) if to any other holder of any Note, addressed to such other holder at such address as such other holder shall have specified to the Company in writing or, if any such other holder shall not have so specified an address to the Company, then addressed to such other holder in care of the last holder of such Note which shall have so specified an address to the Company, and (iii) if to the Company addressed to it at 1271 Avenue of the Americas, New York, New York 10020, Attention: Senior Vice President - Financial Operations (together with a copy similarly addressed but marked Attention: General Counsel), or at such other address as the Company shall have specified to the holder of each Note in writing; provided, however, that any such communication to the Company may also, at the option of the holder of any Note, be delivered by any other reasonable means to the Company at its address specified above.

11J. Descriptive Headings. The descriptive headings of the several paragraphs of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

11K. Satisfaction Requirement. If any agreement, certificate or other writing, or any action taken or to be taken, is by the terms of this Agreement required to be satisfactory to you or to the Required Holder(s), the determination of such satisfaction shall be made by you or the Required Holder(s), as the case may be, in the sole and exclusive judgment (exercised in good faith) of the Person or Persons making such determination.

11L. Governing Law. This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York applicable to

agreements to be performed wholly therein.

11M. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

[Signatures appear on the next page.]

If you are in agreement with the foregoing, please sign the form of acceptance on the enclosed counterpart of this letter and return the same to the Company, whereupon this letter shall become a binding agreement among you and the Company.

Very truly yours,

THE INTERPUBLIC GROUP OF COMPANIES,
INC.

By: Alan M. Forster
Vice President and Treasurer

The foregoing Agreement is
hereby accepted as of the
date first above written.

THE PRUDENTIAL INSURANCE COMPANY
OF AMERICA

Kevin J. Kraska
By: Vice President

PURCHASER SCHEDULE

	Aggregate Principal Amount of Notes to be Purchased	Note Denom- ination(s)
THE PRUDENTIAL INSURANCE COMPANY OF AMERICA	\$50,000,000	\$50,000,000

- (1) All payments on account of Notes held by such purchaser shall be made by wire transfer of immediately available funds for credit to:

Account No. 890-0304-391, Prudential
Managed Account
Bank Of New York
New York, New York
(ABA No.: 021-000-018)

Each such wire transfer shall set forth the name of the Company, a reference to "6.99% Senior Notes due August 19, 2007, Security No. !_____!", and the due date and application (as among principal,

interest and Yield-Maintenance Premium)
of the payment being made.

(2) Address for all notices relating to
payments:

The Prudential Insurance Company of America
Three Gateway Center
100 Mulberry Street
Newark, New Jersey 07102-4077

Attention: Manager, Investment Operations
Group (Privates)

Telephone: (973) 802-5260
Fax: (973) 802-8055

(3) Address for all other communications and notices:

The Prudential Insurance Company of America
c/o Prudential Capital Group
One Gateway Center, 11th Floor
Newark, New Jersey 07102-5311

Attention: Managing Director

Telephone: (973) 802-9182
Fax: (973) 802-3200

(4) Recipient of telephonic prepayment notices:

Manager, Investment Structure and Pricing

Telephone: (973) 802-6660
Fax: (973) 802-9425

(5) Tax Identification No.: 22-1211670

EXHIBIT A

[FORM OF NOTE]

THE INTERPUBLIC GROUP OF COMPANIES, INC.

6.99% SENIOR NOTE DUE AUGUST 19, 2007

No. R-1
\$50,000,000

August 19, 1997

FOR VALUE RECEIVED, the undersigned, The Interpublic Group of Companies, Inc. (herein called the "Company"), a corporation organized and existing under the laws of the State of Delaware, hereby promises to pay to The Prudential Insurance Company of America, or registered assigns, the principal sum of FIFTY MILLION DOLLARS on August 19, 2007 with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 6.99% per annum from the date hereof, payable semi-annually on the 19th day of February and August in each year, commencing with the first such date next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) on any overdue payment (including any overdue prepayment) of principal and premium and, to the extent permitted by applicable law, each overdue payment of interest, payable semi-annually as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum equal to 8.99%.

Payments of both principal and interest are to be made at the office of Bank of New York, New York, New York, or at such other place as the holder hereof shall designate to the Company in writing, in lawful money of the United States of America.

This Note is one of a series of Senior Notes (herein called the "Notes") issued pursuant to a Note Purchase Agreement, dated as of August 19, 1997 (herein called the "Agreement"), between the Company and The Prudential Insurance Company of America and is entitled to the benefits thereof.

The Notes are issuable only as registered Notes. This Note is a registered Note and, as provided in the Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company shall not be affected by any notice to the contrary.

This Note is subject to optional prepayment, as specified in the Agreement.

In case an Event of Default, as defined in the Agreement, shall occur and be continuing, the principal of this Note may be declared or otherwise become due and payable in the manner and with the effect provided in the Agreement.

This Note is intended to be performed in the State of New York and shall be construed and enforced in accordance with the law of such State.

THE INTERPUBLIC GROUP OF
COMPANIES, INC.

By Vice President and Treasurer

EXHIBIT B

August 19, 1997

The Prudential Insurance Company
of America
c/o Prudential Capital Group

One Gateway Center, 11th Floor
Newark, New Jersey 07102-5311

Dear Sirs:

I am General Counsel of The Interpublic Group of Companies, Inc., a Delaware corporation (the "Company"), and as such am familiar with the Note Purchase Agreement, dated as of August 19, 1997 (the "Agreement"), between the Company and you, providing for the issuance and sale by the Company of its Senior Note due August 19, 2007 in the principal amount of Fifty Million Dollars (\$50,000,000) (the "Note"). Unless otherwise defined herein, capitalized terms shall have the meanings ascribed to them in the Agreement. This letter is furnished pursuant to Paragraph 3B of the Agreement.

In arriving at the opinions expressed below, I have examined and relied on the following documents:

- (a) The final copy of the Agreement; and
- (b) The Note being issued and sold on the date hereof.

In addition, I have examined originals or copies, certified or otherwise identified to my satisfaction, of such documents, corporate records and other instruments as I have deemed necessary for the purpose of this opinion. In rendering the opinions expressed below, I have assumed that the Agreement has been duly authorized, executed and delivered by you and constitutes a legal, valid, binding and enforceable obligation of yours.

Based on the foregoing, I am of the opinion that:

(a) The Company is a corporation duly organized and validly existing in good standing under the laws of Delaware. The Company has the corporate power to carry on its business as now being conducted.

(b) The execution and delivery of the Agreement have been duly authorized by all necessary corporate action of the Company, the Agreement has been duly executed and delivered by the Company and the Agreement constitutes the legal, valid, binding and enforceable obligation of the Company, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(c) The execution and delivery of the Note has been duly authorized by all necessary corporate action of the Company, the Note being issued and sold on the date hereof has been duly executed and delivered by the Company and the Note is the legal, valid, binding and enforceable obligation of the Company, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(d) The execution and delivery by the Company of the Agreement and the Note, the issuance and sale of the Note pursuant to the Agreement and the compliance by the Company with provisions of the Agreement and the Note do not require any consent, approval, authorization, exemption or other action by or notice to any Court, administrative body or governmental authority (other than routine filings after the date hereof with the Securities and Exchange Commission and/or state Blue Sky authorities). The execution and delivery by the Company of the Agreement and the Note, the issuance and sale of the Note pursuant to the Agreement and the compliance by the Company with the provisions of the Agreement and the Note do not conflict with or result in a breach or violation of any of the terms and provisions of, or constitute a default under, or result in the creation of any Lien upon any of the properties or assets of the

Company and its Consolidated Subsidiaries pursuant to, any material agreement or instrument known to me and to which the Company or any Consolidated Subsidiary is a party or by which any is bound, or the Company's Restated Certificate of Incorporation as amended or Bylaws or any material order, judgment, decree,

statute, rule or regulation known to me to be applicable to the Company or any Consolidated Subsidiary of any court or of any federal or state regulatory body or administrative agency, or other governmental body or arbitrator, having jurisdiction over the Company or any Consolidated Subsidiary.

(e) Under the circumstances contemplated by the Agreement, it is not necessary, in connection with the offer and sale on the date hereof of the Note to you, to register the Note under the Securities Act of 1933, as amended, or to qualify an indenture with respect thereto under the Trust Indenture Act of 1939, as amended. I express no opinion as to when or under what circumstances you may offer or resell the Note.

(f) The issuance, sale and purchase of the Note being purchased by you under the circumstances contemplated by the Agreement, and any arranging thereof, do not violate Regulation G (12 CFR 207), Regulation T (12 CFR 220) or Regulation X (12 CFR 224) of the Board of Governors of the Federal Reserve System.

In giving the foregoing opinions, I express no opinion other than as to the federal law of the United States of America, the law of the State of New York and the corporation law of the State of Delaware.

I am furnishing this letter to you solely for your benefit and only you are authorized to rely on this letter in connection with your purchase of the Note pursuant to the Agreement.

Very truly yours,

Name: Nicholas J. Camera
Title: Vice President, General Counsel
and Secretary

EXHIBIT 10(b)
THE INTERPUBLIC GROUP OF COMPANIES, INC.

6.99% SENIOR NOTE DUE AUGUST 19, 2007

No. R-1
\$50,000,000

August 19, 1997

FOR VALUE RECEIVED, the undersigned, The Interpublic Group of Companies, Inc. (herein called the "Company"), a corporation organized and existing under the laws of the State of Delaware, hereby promises to pay to The Prudential Insurance Company of America, or registered assigns, the principal sum of FIFTY MILLION DOLLARS on August 19, 2007 with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 6.99% per annum from the date hereof, payable semi-annually on the 19th day of February and August in each year, commencing with the first such date next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) on any overdue payment (including any overdue prepayment) of principal and premium and, to the extent permitted by applicable law, each overdue payment of interest, payable semi-annually as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum equal to 8.99%.

Payments of both principal and interest are to be made at the office of Bank of New York, New York, New York, or at such other place as the holder hereof shall designate to the Company in writing, in lawful money of the United States of America.

This Note is one of a series of Senior Notes (herein called the "Notes") issued pursuant to a Note Purchase Agreement, dated as of August 19, 1997 (herein called the "Agreement"), between the Company and The Prudential Insurance Company of America and is entitled to the benefits thereof.

The Notes are issuable only as registered Notes. This Note is a registered Note and, as provided in the Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name

of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company shall not be affected by any notice to the contrary.

This Note is subject to optional prepayment, as specified in the Agreement.

In case an Event of Default, as defined in the Agreement, shall occur and be continuing, the principal of this Note may be declared or otherwise become due and payable in the manner and with the effect provided in the Agreement.

This Note is intended to be performed in the State of New York and shall be construed and enforced in accordance with the law of such State.

THE INTERPUBLIC GROUP OF
COMPANIES, INC.

By: Alan M. Forster
Vice President and Treasurer

EXHIBIT 10(c)

AMENDMENT NO. 6 TO CREDIT AGREEMENT

AMENDMENT NO. 6, dated as of August 28, 1997, to the Credit Agreement dated as of September 30, 1992 and effective as of December 23, 1992, as amended on April 30, 1993, October 5, 1993, August 15, 1994, December 1, 1994, and August 3, 1995 (the "Agreement"), between The Interpublic Group of Companies, Inc. (the "Borrower") and CHEMICAL BANK (the "Bank").

SECTION 1. Amendments. (a) Section 2.1 of the Credit Agreement is hereby amended by deleting the figure "\$20,000,000" on the fifth line therein and substituting for such figure the figure "\$25,000,000".

(b) Exhibit A to the Credit Agreement and the corresponding Note delivered to the Bank thereunder are hereby amended by deleting the figure "\$20,000,000" on the top left corner therein and substituting for such figure the figure "\$25,000,000".

(c) Upon the effectiveness of this Amendment pursuant to Section 4 hereof the Bank shall be authorized to endorse on the Note issued to it the following legend: "The Commitment of the Bank reflected on the top left corner of this Note has been increased to \$25,000,000 pursuant to an Amendment dated as of August 20, 1997 to the Credit Agreement referred to in this Note" or a legend of similar effect.

SECTION 2. Representations and Warranties. The Borrower hereby represents and warrants to the Bank that: (a) the representations and warranties set forth in Section 5 of the Credit Agreement are true and correct on and as of the date hereof as if made on and as of said date; (b) no Event of Default specified in Section 7 of the Credit Agreement and no event, which with the giving of notice or lapse of time or both, would become such an Event of Default has occurred and is continuing; (c) the execution, delivery and performance by the Borrower of this Amendment are within the Borrower's corporate powers, have been duly authorized by all necessary corporate action, and do not contravene (i)

the Borrower's charter of by-laws, or (ii) law or any contractual restriction binding on or affecting the Borrower; (d) no order, consent, authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body, or any other person, firm, corporation or other legal entity, is required for the due execution, delivery and performance of this Amendment by the Borrower; and (e) this Amendment is the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms.

SECTION 3. Miscellaneous. (a) Unless otherwise specifically defined herein, each term used herein which is a defined term shall have the meaning as defined in the Credit Agreement; (b) each reference to "hereof", "hereunder", "herein" and "hereby" and each other similar reference, and each reference to "this Agreement" and each other similar reference

contained in the Credit Agreement shall from and after the date hereof refer to the Credit Agreement as amended hereby; and (c) except as specifically amended above, the Credit Agreement shall remain in full force and effect and is hereby ratified and confirmed.

SECTION 4. Counterparts; Effectiveness. This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Amendment shall become effective as of the date hereof when the Bank shall have received duly executed counterparts hereof signed by the parties hereto. This Amendment shall be governed by and construed in accordance with the law of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By Alan M. Forster
Name: Alan M. Forster
Title: Vice President and Treasurer

CHEMICAL BANK

By Ann B. Kerns
Name: Ann B. Kerns
Title: Vice President

AMENDMENT NO. 2 TO CREDIT AGREEMENT

AMENDMENT NO. 2, dated as of August 28, 1997, to the Credit Agreement dated as of September 30, 1992 and effective as of December 1, 1994, as amended on August 3, 1995 (the "Agreement"), between The Interpublic Group of Companies, Inc. (the "Borrower") and BANK OF AMERICA NT & SA (the "Bank").

SECTION 1. Amendments. (a) Section 2.1 of the Credit Agreement is hereby amended by deleting the figure "\$15,000,000" on the fifth line therein and substituting for such figure the figure "\$20,000,000".

(b) Exhibit A to the Credit Agreement and the corresponding Note delivered to the Bank thereunder are hereby amended by deleting the figure "\$15,000,000" on the top left corner therein and substituting for such figure the figure "\$20,000,000".

(c) Upon the effectiveness of this Amendment pursuant to Section 4 hereof the Bank shall be authorized to endorse on the Note issued to it the following legend: "The Commitment of the Bank reflected on the top left corner of this Note has been increased to \$20,000,000 pursuant to an Amendment dated as of August 20, 1997 to the Credit Agreement referred to in this Note" or a legend of similar effect.

SECTION 2. Representations and Warranties. The Borrower hereby represents and warrants to the Bank that: (a) the representations and warranties set forth in Section 5 of the Credit Agreement are true and correct on and as of the date hereof as if made on and as of said date; (b) no Event of Default specified in Section 7 of the Credit Agreement and no event, which with the giving of notice or lapse of time or both, would become such an Event of Default has occurred and is continuing; (c) the execution, delivery and performance by the Borrower of this Amendment

are within the Borrower's corporate powers, have been duly authorized by all necessary corporate action, and do not contravene (i) the Borrower's charter of by-laws, or (ii) law or any contractual restriction binding on or affecting the Borrower; (d) no order, consent, authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body, or any other person, firm, corporation or other legal entity, is required for the due execution, delivery and performance of this Amendment by the Borrower; and (e) this Amendment is the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms.

SECTION 3. Miscellaneous. (a) Unless otherwise specifically defined herein, each term used herein which is a defined term shall have the meaning as defined in the Credit Agreement; (b) each reference to "hereof", "hereunder", "herein" and "hereby" and each other similar

reference, and each reference to "this Agreement" and each other similar reference contained in the Credit Agreement shall from and after the date hereof refer to the Credit Agreement as amended hereby; and (c) except as specifically amended above, the Credit Agreement shall remain in full force and effect and is hereby ratified and confirmed.

SECTION 4. Counterparts; Effectiveness. This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Amendment shall become effective as of the date hereof when the Bank shall have received duly executed counterparts hereof signed by the parties hereto. This Amendment shall be governed by and construed in accordance with the law of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By Alan M. Forster
Name: Alan M. Forster
Title: Vice President and Treasurer

BANK OF AMERICA NT & SA

By Carl F. Salas
Name: Carl F. Salas
Title: Vice President

AMENDMENT NO. 6 TO CREDIT AGREEMENT

AMENDMENT NO. 6, dated as of August 28, 1997, to the Credit Agreement dated as of September 30, 1992 and effective as of December 22, 1992, as amended on April 30, 1993, October 5, 1993, August 15, 1994, December 1, 1994, and August 3, 1995 (the "Agreement"), between The Interpublic Group of Companies, Inc. (the "Borrower") and CITIBANK, N.A. (the "Bank").

SECTION 1. Amendments. (a) Section 2.1 of the Credit Agreement is hereby amended by deleting the figure "\$20,000,000" on the fifth line therein and substituting for such figure the figure "\$25,000,000".

(b) Exhibit A to the Credit Agreement and the corresponding Note delivered to the Bank thereunder are hereby amended by deleting the figure "\$20,000,000" on the top left corner therein and substituting for such figure the figure "\$25,000,000".

(c) Upon the effectiveness of this Amendment pursuant to Section 4 hereof the Bank shall be authorized to endorse on the Note issued to it the following legend: "The Commitment of the Bank reflected on the top left corner of this Note has been increased to \$25,000,000 pursuant to an Amendment dated as of August 20, 1997 to the Credit Agreement referred to in this Note" or a legend of similar effect.

SECTION 2. Representations and Warranties. The Borrower hereby represents and warrants to the Bank that: (a) the representations and warranties set forth in Section 5 of the Credit Agreement are true and correct on and as of the date hereof as if made on and as of said date; (b) no Event of Default specified in Section 7 of the Credit Agreement and no event, which with the giving of notice or lapse of time or both, would become such an Event of Default has occurred and is continuing; (c) the execution, delivery and performance by the Borrower of this Amendment are within the Borrower's corporate powers, have been duly authorized by all necessary corporate action, and do not contravene (i)

the Borrower's charter of by-laws, or (ii) law or any contractual restriction binding on or affecting the Borrower; (d) no order, consent, authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body, or any other person, firm, corporation or other legal entity, is required for the due execution, delivery and performance of this Amendment by the Borrower; and (e) this Amendment is the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms.

SECTION 3. Miscellaneous. (a) Unless otherwise specifically defined herein, each term used herein which is a defined term shall have the meaning as defined in the Credit Agreement; (b) each reference to "hereof", "hereunder", "herein" and "hereby" and each other similar reference, and each reference to "this Agreement" and each other similar reference

contained in the Credit Agreement shall from and after the date hereof refer to the Credit Agreement as amended hereby; and (c) except as specifically amended above, the Credit Agreement shall remain in full force and effect and is hereby ratified and confirmed.

SECTION 4. Counterparts; Effectiveness. This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Amendment shall become effective as of the date hereof when the Bank shall have received duly executed counterparts hereof signed by the parties hereto. This Amendment shall be governed by and construed in accordance with the law of the State of New York.

PAGE

AMENDMENT NO. 6 TO CREDIT AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By Alan M. Forster
Name: Alan M. Forster
Title: Vice President and Treasurer

CITIBANK, N.A.

By Eric Huttner
Name: Eric Huttner
Title: Managing Director

AMENDMENT NO. 1 TO CREDIT AGREEMENT

AMENDMENT NO. 1, dated as of August 28, 1997, to the Credit Agreement dated July 3, 1995, (the "Agreement"), between The Interpublic Group of Companies, Inc. (the "Borrower") and LLOYDS BANK (the "Bank").

- SECTION 1. Amendment. Section 2.1 of the Credit Agreement is hereby amended by deleting the figure "\$15,000,000" on the fourth line therein and substituting for such figure the figure "\$20,000,000".
- SECTION 2. Representations and Warranties. The Borrower hereby represents and warrants to the Bank that: (a) the representations and warranties set forth in Section 5 of the Credit Agreement are true and correct on and as of the date hereof as if made on and as of said date; (b) no Event of Default specified in Section 7 of the Credit Agreement and no event, which with the giving of notice or lapse of time or both, would become such an Event of Default has occurred and is continuing; (c) the execution, delivery and performance by the Borrower of this Amendment are within the Borrower's corporate powers, have been duly authorized by all necessary corporate action, and do not contravene (i) the Borrower's charter of by-laws, or (ii) law or any contractual restriction binding on or affecting the Borrower; (d) no order, consent, authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body, or any other person, firm, corporation or other legal entity, is required for the due execution, delivery and performance of this Amendment by the Borrower; and (e) this Amendment is the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms.
- SECTION 3. Miscellaneous. (a) Unless otherwise specifically defined herein, each term used herein which is a defined term shall have the meaning as defined in the Credit Agreement;
- (b) each reference to "hereof", "hereunder", "herein" and "hereby" and each other similar reference, and each reference to "this Agreement" and each other similar reference contained in the Credit Agreement shall from and after the date hereof refer to the Credit Agreement as amended hereby; and (c) except as specifically amended above, the Credit Agreement shall remain in full force and effect and is hereby ratified and confirmed.
- SECTION 4. Counterparts; Effectiveness. This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Amendment shall become effective as of the date hereof when the Bank shall have received duly executed counterparts hereof signed by the parties hereto. This Amendment shall be governed by and construed in accordance with the law of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By Alan M. Forster
Name: Alan M. Forster
Title: Vice President and Treasurer

LLOYDS BANK

By Theodore R. Walser
Name: Theodore R. Walser
Title: Senior Vice President

By David C. Rodway
Name: David C. Rodway
Title: Assistant Vice President

AMENDMENT NO. 6 TO CREDIT AGREEMENT

AMENDMENT NO. 6, dated as of August 28, 1997, to the Credit Agreement dated as of September 30, 1992 and effective as of December 18, 1992, as amended on April 30, 1993, October 5, 1993, August 15, 1994, December 1, 1994, and August 3, 1995 (the "Agreement"), between The Interpublic Group of Companies, Inc. (the "Borrower") and SWISS BANK CORPORATION (the "Bank").

SECTION 1. Amendments. (a) Section 2.1 of the Credit Agreement is hereby amended by deleting the figure "\$15,000,000" on the fifth line therein and substituting for such figure the figure "\$20,000,000".

(b) Exhibit A to the Credit Agreement and the corresponding Note delivered to the Bank thereunder are hereby amended by deleting the figure "\$15,000,000" on the top left corner therein and substituting for such figure the figure "\$20,000,000".

(c) Upon the effectiveness of this Amendment pursuant to Section 4 hereof the Bank shall be authorized to endorse on the Note issued to it the following legend: "The Commitment of the Bank reflected on the top left corner of this Note has been increased to \$20,000,000 pursuant to an Amendment dated as of August 20, 1997 to the Credit Agreement referred to in this Note" or a legend of similar effect.

SECTION 2. Representations and Warranties. The Borrower hereby represents and warrants to the Bank that: (a) the representations and warranties set forth in Section 5 of the Credit Agreement are true and correct on and as of the date hereof as if made on and as of said date; (b) no Event of Default specified in Section 7 of the Credit Agreement and no event, which with the giving of notice or lapse of time or both, would become such an Event of Default has occurred and is continuing; (c) the execution, delivery and performance by the Borrower of this Amendment are within the Borrower's corporate powers, have been duly authorized by all necessary

corporate action, and do not contravene (i) the Borrower's charter of by-laws, or (ii) law or any contractual restriction binding on or affecting the Borrower; (d) no order, consent, authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body, or any other person, firm, corporation or other legal entity, is required for the due execution, delivery and performance of this Amendment by the Borrower; and (e) this Amendment is the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms.

SECTION 3. Miscellaneous. (a) Unless otherwise specifically defined herein, each term used herein which is a defined term shall have the meaning as defined in the Credit Agreement; (b) each reference to "hereof", "hereunder", "herein" and "hereby" and each other similar reference, and each reference to "this

Agreement" and each other similar reference contained in the Credit Agreement shall from and after the date hereof refer to the Credit Agreement as amended hereby; and (c) except as specifically amended above, the Credit Agreement shall remain in full force and effect and is hereby ratified and confirmed.

SECTION 4. Counterparts; Effectiveness. This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Amendment shall become effective as of the date hereof when the Bank shall have received duly executed counterparts hereof signed by the parties hereto. This Amendment shall be governed by and construed in accordance with the law of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By Alan M. Forster
Name: Alan M. Forster
Title: Vice President and Treasurer

SWISS BANK CORPORATION

By Sabina Wu
Name: Sabina Wu
Title: Director

By Dorothy L. McKinley
Name: Dorothy L. McKinley
Title: Associate Director

AMENDMENT NO. 6 TO CREDIT AGREEMENT

AMENDMENT NO. 6, dated as of August 28, 1997, to the Credit Agreement dated as of September 30, 1992 and effective as of December 30, 1992, as amended on April 30, 1993, October 5, 1993, August 15, 1994, December 1, 1994, and August 3, 1995 (the "Agreement"), between The Interpublic Group of Companies, Inc. (the "Borrower") and TRUST COMPANY BANK (the "Bank").

SECTION 1. Amendments. (a) Section 2.1 of the Credit Agreement is hereby amended by deleting the figure "\$15,000,000" on the fifth line therein and substituting for such figure the figure "\$20,000,000".

(b) Exhibit A to the Credit Agreement and the corresponding Note delivered to the Bank thereunder are hereby amended by deleting the figure "\$15,000,000" on the top left corner therein and substituting for such figure the figure "\$20,000,000".

(c) Upon the effectiveness of this Amendment pursuant to Section 4 hereof the Bank shall be authorized to endorse on the Note issued to it the following legend: "The Commitment of the Bank reflected on the top left corner of this Note has been increased to \$20,000,000 pursuant to an Amendment dated as of August 20, 1997 to the Credit Agreement referred to in this Note" or a legend of similar effect.

SECTION 2. Representations and Warranties. The Borrower hereby represents and warrants to the Bank that: (a) the representations and warranties set forth in Section 5 of the Credit Agreement are true and correct on and as of the date hereof as if made on and as of said date; (b) no Event of Default specified in Section 7 of the Credit Agreement and no event, which with the giving of notice or lapse of time or both, would become such an Event of Default has occurred and is continuing; (c) the execution, delivery and performance by the Borrower of this Amendment are within the Borrower's corporate powers, have been duly authorized by all necessary

corporate action, and do not contravene (i) the Borrower's charter of by-laws, or (ii) law or any contractual restriction binding on or affecting the Borrower; (d) no order, consent, authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body, or any other person, firm, corporation or other legal entity, is required for the due execution, delivery and performance of this Amendment by the Borrower; and (e) this Amendment is the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms.

SECTION 3. Miscellaneous. (a) Unless otherwise specifically defined herein, each term used herein which is a defined term shall have the meaning as defined in the Credit Agreement; (b) each reference to "hereof", "hereunder", "herein" and "hereby" and each other similar reference, and each reference to "this

Agreement" and each other similar reference contained in the Credit Agreement shall from and after the date hereof refer to the Credit Agreement as amended hereby; and (c) except as specifically amended above, the Credit Agreement shall remain in full force and effect and is hereby ratified and confirmed.

SECTION 4. Counterparts; Effectiveness. This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Amendment shall become effective as of the date hereof when the Bank shall have received duly executed counterparts hereof signed by the parties hereto. This Amendment shall be governed by and construed in accordance with the law of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By Alan M. Forster
Name: Alan M. Forster
Title: Vice President and Treasurer

TRUST COMPANY BANK

By Lara L. McGinty
Name: Lara L. McGinty
Title: Banking Officer

By Maria C. Mamilovich
Name: Maria C. Mamilovich
Title: Vice President

MASTER NOTE

Date: June 26, 1997

Tax I.D. #13-1024020

On or before June 25, 1998, For Value Received, the undersigned (hereinafter called the "Borrower"), hereby promises to pay three (3) business days following receipt of demand, to the order of Comerica Bank (hereinafter called the "Lender"), at its office where borrowed, the principal sum of \$10,000,000 (Ten Million U.S. Dollars) or the aggregate unpaid principal sum of all advances which the Lender actually makes hereunder to the Borrower, whichever amount is less, together with interest in arrears payable on each Interest Due Date (as hereinafter defined) at a rate computed on the basis of a 360 day year for the actual number of days in each interest period, determined as herein set forth.

Lender, at its sole discretion, is hereby authorized to make advances under this Note upon telephonic or written communication of a borrowing request from a duly authorized officer or representative of Borrower. At the time of each advance hereunder, the Borrower and the Lender shall agree on the maturity date for the payment of the principal amount of such advance (in absence of earlier demand), the interest rate for such advance and the dates interest on such advance shall be payable (the "Interest Due Dates"). The Lender or other holder shall be and is hereby authorized by the Borrower to set forth on the reverse side of this Note, or on an attachment hereto: (1) the amount and date of each advance made hereunder; (2) the maturity date of each such advance (absent earlier demand); (3) the interest rate for each such advance; (4) the Interest Due Dates for each such advance; and (5) each payment of principal received thereon and the date of such payment; provided, however, any such notation or the failure to make any such notation shall not limit or otherwise affect the obligation of the Borrower with respect to the repayment of all advances actually made hereunder. In the event of a good faith dispute among the parties to this Note as to rate, the rate shall be the Prime Rate.

After this Note or any advance of this Note shall become due, whether on demand or otherwise, the unpaid principal of this Note shall bear interest at a rate per annum equal to 150% of the Prime Rate not to exceed the maximum rate permitted by applicable law. As used herein, "Prime Rate" refers to that interest rate so denominated and set by the Lender from time to time as an interest rate basis for borrowings. The Prime Rate is one of several interest rate bases used by the Lender. The Lender lends at rates above and below the Prime Rate. Changes in the Prime Rate shall be effective as of the day of each such change.

All payments of any advance hereunder shall be applied first to accrued interest and then to principal.

The Borrower may prepay any advance hereunder prior to the maturity date specified for such advance only with the consent or upon the demand of the Lender.

No waiver by the Lender of any provision of this Note shall be effective unless in writing. Other than as set forth herein, all parties to this Note, including makers, endorsers, sureties and guarantors, whether bound by this or by separate instrument or agreement, shall be jointly and severally liable for the indebtedness evidenced by this Note and hereby (1) waive presentment for payment, demand, protest, notice of nonpayment or dishonor and of protest and any and all other notices and demands whatsoever; (2) consent that at any time, or from time to time, payment of any sum payable under this Note may be extended without notice, whether for a definite or indefinite time; and (3) agree to remain liable until the indebtedness evidenced hereby is paid in full irrespective of any extension, modification or renewal. No conduct of the holder shall be deemed a waiver or release of such liability, unless the holder expressly releases such party in writing. In the event the

indebtedness evidenced hereby is collected by or through an attorney, the holder shall be entitled to recover reasonable attorneys' fees and all other costs and expenses of collection. Time is of the essence.

This Note shall evidence all advances and payments of principal made hereunder until it is surrendered to the Borrower by the Lender, and it shall continue to be used even though there may be periods prior to such surrender when no amount of principal or interest is owing hereunder.

This Note, and the rights and obligations of the parties hereunder, shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF the Borrower has executed this Note under seal the day and year set forth above.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

Attest:

Nicholas J. Camera

By:

Alan M. Forster

Title: Secretary

Title:

Vice President and Treasurer

(Corporate Seal)

SUPPLEMENTAL AGREEMENT

SUPPLEMENTAL AGREEMENT made as of September 1, 1997, by and between THE INTERPUBLIC GROUP OF COMPANIES, INC., a corporation of the State of Delaware (hereinafter referred to as the "Corporation"), and EUGENE P. BEARD (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 July 1, 1995, as amended by a Supplemental Agreement dated as of March 12, 1997 (hereinafter referred to collectively as the "Employment Agreement"); and

WHEREAS, the Corporation and Executive desire to amend the Employment 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. Paragraph 3.02 of the Employment Agreement is amended, effective September 1, 1997, by deleting "\$600,000" therefrom and substituting "\$700,000" therefor.
2. Except as hereinabove amended, the Employment Agreement shall continue in full force and effect.
3. This Supplemental Agreement shall be governed by the laws of the State of New York.

THE INTERPUBLIC GROUP OF COMPANIES, INC.
By: C. Kent Kroeber

Eugene P. Beard

SUPPLEMENTAL AGREEMENT

SUPPLEMENTAL AGREEMENT dated as of September 1, 1997, by and between THE INTERPUBLIC GROUP OF COMPANIES, INC., a corporation of the State of Delaware (hereinafter referred to as the "Corporation"), and JOHN J. DOONER (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, 1994 as amended by a Supplemental Agreement made as of July 1, 1995 (hereinafter referred to collectively as the "Employment Agreement"); and

WHEREAS, the Corporation and Executive desire to amend the Employment 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. Paragraph 3.01 of the Employment Agreement is hereby amended, effective September 1, 1997, so as to delete "\$750,000" and to substitute therefor "\$850,000".

2. Except as hereinabove amended, the Employment Agreement shall continue in full force and effect.

3. This Supplemental Agreement shall be governed by the laws of the State of New York.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By C. Kent Kroeber

John J. Dooner

SUPPLEMENTAL AGREEMENT

SUPPLEMENTAL AGREEMENT made as of September 1, 1997, by and between THE INTERPUBLIC GROUP OF COMPANIES, INC., a corporation of the State of Delaware (hereinafter referred to as the "Corporation"), AMMIRATI & PURIS INC., now AMMIRATI PURIS LINTAS INC , a corporation of the State of New York ("APL") and MARTIN F. PURIS (hereinafter referred to as "Executive"):

W I T N E S S E T H

WHEREAS, Interpublic, APL and Executive are parties to an Employment Agreement made as of August 11, 1994 as amended by a Supplemental Agreement made as of May 10, 1995 (hereinafter referred to collectively as the "Employment Agreement"); and

WHEREAS, the Corporation and Executive desire to amend the Employment 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. Paragraph 3.01 of the Employment Agreement is hereby amended, effective June 1, 1997, so as to delete "\$750,000" and to substitute therefor "\$850,000."

2. Except as hereinabove amended, the Employment Agreement shall continue in full force and effect.

3. This Supplemental Agreement shall be governed by the laws of the State of New York.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By: C. Kent Kroeber

AMMIRATI PURIS LINTAS INC.

By: Martin F. Puris

<ARTICLE> 5

<LEGEND>

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE BALANCE SHEET AND THE INCOME STATEMENT AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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