

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K
Annual Report Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

For the fiscal year ended December 31, 1994 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 incorporation or organization) (I.R.S. Employer Identification No.)

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

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

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

Title of each class	Name of each exchange on which registered
Common Stock	New York Stock Exchange

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

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

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

The aggregate market value of the registrant's voting stock (exclusive of shares beneficially owned by persons referred to in response to Item 12 hereof) was \$2,418,268,527 as of March 21, 1995.

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

Common Stock outstanding at March 21, 1995: 77,925,241 shares.
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DOCUMENTS INCORPORATED BY REFERENCE

1. Portions of the Annual Report to Stockholders for the year ended December 31, 1994 are incorporated by reference in Parts I and II.
2. Portions of the Proxy Statement for the 1995 Annual Meeting of Stockholders are incorporated by reference in Parts I and III.

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PART I

Item 1. Business

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

The advertising agency business is the primary business of the Company. This business is carried on throughout the world through three advertising agency systems, McCann-Erickson Worldwide, Lintas Worldwide and The Lowe Group. The Company also offers advertising agency services through association arrangements with local agencies in various parts of the world. Other activities conducted by the Company within the area of "marketing communications" include market research, sales promotion, product development, direct marketing, telemarketing and other related services.

The principal functions of an advertising agency are to plan and create advertising programs for its clients and to place advertising in various media such as television, cable, radio, magazines, newspapers, transit, direct response media and outdoor. The planning function involves analysis of the market for the particular product or service, evaluation of alternative methods of distribution and choice of the appropriate media to reach the desired market most efficiently. The advertising agency then creates an advertising program, within the limits imposed by the client's advertising budget, and places orders for space or time with the media that have been selected.

The principal advertising agency subsidiaries of Interpublic operating within the United States directly or through subsidiaries and the locations of their respective corporate headquarters are:

McCann-Erickson USA, Inc.....	New York, New York
Lintas Campbell-Ewald Company.....	Detroit (Warren), Michigan
Lintas, Inc.....	New York, New York
Dailey & Associates.....	Los Angeles, California
Lowe & Partners Inc.....	New York, New York
Ammirati & Puris, Inc.....	New York, New York

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

EUROPE, AFRICA AND THE MIDDLE EAST

Austria	Germany	Namibia	South Africa
Belgium	Greece	Netherlands	Spain
Croatia	Hungary	Norway	Sweden
Czech Republic	Ireland	Poland	Switzerland
Denmark	Italy	Portugal	Turkey
Finland	Ivory Coast	Romania	United Arab Emirates
France	Kenya	Russia	United Kingdom
		Slovakia	Zimbabwe
		Slovenia	

LATIN AMERICA AND THE CARIBBEAN

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

ASIA AND THE PACIFIC

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

Operations in the foregoing countries are carried on by one or more operating companies, at least one of which is either wholly owned by Interpublic or a subsidiary or is a company in which Interpublic or a subsidiary owns a 51% interest or more, except in India and Nepal, where Interpublic or a subsidiary holds a minority interest.

The Company also offers advertising agency services in Aruba, the Bahamas, Bahrain, Belize, Bolivia, Cambodia, Cameroon, Egypt, Gabon, Ghana, Grand Cayman, Guadeloupe, Guyana, Haiti, Reunion, Indonesia, Iran, Israel, Ivory Coast, Kuwait, Lebanon, Martinique, Mauritius, Morocco, Nicaragua, Nigeria, Oman, Pakistan, Paraguay, Saudi Arabia, Senegal, Slovakia, Slovenia, Sri Lanka, Surinam, Tunisia, Uganda, United Arab Emirates (Dubai), Venezuela, VietNam and Zaire through association arrangements with local agencies operating in those countries.

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For information concerning revenues, operating profits and identifiable assets on a geographical basis for each of the last three years, reference is made to Note 13: Geographic Areas of the Notes to the Consolidated Financial Statements in the Company's Annual Report to Stockholders for the year ended December 31, 1994, which Note is hereby incorporated by reference.

Developments in 1994

The Company completed several acquisitions and divestitures within the United States and abroad in 1994.

Effective as of August 11, 1994, Ammirati & Puris Holdings, Inc., a holding company, and its subsidiaries, Ammirati & Puris, Inc. and Ammirati & Puris, Ltd. were acquired. Ammirati & Puris, Inc. is an advertising agency with headquarters in New York City, while Ammirati & Puris, Ltd. is based in Canada.

As of November 28, 1994, the Company acquired Western International Media Corporation ("Western") and approximately eighteen affiliated sub-chapter S corporations. Western is in the business of media buying and placement, and is based in Los Angeles.

Income from Commissions, Fees and Publications

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

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Normally, the Company, like other advertising agencies, is primarily responsible for paying the media with respect to firm contracts for advertising time or space. This is a problem only if the client is unable to pay the Company because of insolvency or bankruptcy. The Company makes serious efforts to reduce the risk from a client's insolvency, including (1) carrying out credit clearances, (2) requiring in some cases payment of media in advance, or (3) agreeing with the media that the Company will be solely liable to pay the media only after the client has paid the Company for the media charges.

The Company also receives commissions from clients for planning and supervising work done by outside contractors in the physical preparation of finished print advertisements and the production of television and radio commercials and infomercials. This commission is customarily 17.65% of the outside contractor's net charge, which is the same as 15% of the outside contractor's total charges including commission. With the spread of negotiated fees, the terms on which outstanding contractors' charges are billed are subject to wide variations and even include in some instances the elimination of commissions entirely provided that there are adequate negotiated fees.

The Company derives income in many other ways, including the planning and placement in media of advertising produced by unrelated advertising agencies; the maintenance of specialized media placement facilities; the creation and publication of brochures, billboards, point of sale materials and direct marketing pieces for clients; the planning and carrying out of specialized marketing research; managing special events at which clients' products are featured; and designing and carrying out interactive programs for special uses.

The five clients of the Company that made the largest contribution in 1994 to income from commissions and fees accounted individually for 2% to 10% of such income and in the aggregate accounted for over 31% of such income. Twenty clients of the Company accounted for approximately 44% of such income. Based on income from commissions and fees, the three largest clients of the Company are General Motors Corporation, Unilever and The Coca-Cola Company. General Motors Corporation first became a client of one of the Company's agencies in 1916 in the United States. Predecessors of several of the Lintas agencies have supplied advertising services to Unilever since 1893. The client relationship with The Coca-Cola Company began in 1942 in Brazil and in 1955 in the United States. While the loss of the entire business of one of the Company's three largest clients might have a material adverse effect upon the business of the Company, the Company believes that it is very unlikely that the entire business of any of these clients would be lost at the same time, because it represents several different brands or divisions of each of these clients in a number of geographical markets - in each case through more than one of the Company's agency systems.

Representation of a client rarely means that the Company handles advertising for all brands or product lines of the client in all geographical locations. Any client may transfer its business from an advertising agency within the Company to a competing agency, and a client may reduce its advertising budget at any time. The Company's advertising agencies in many instances have written contracts with their clients.

As is customary in the industry, these contracts provide for termination by either party on relatively short notice, usually 90 days but sometimes shorter or longer. In 1994, however, [43%] of income from commissions and fees was derived from clients that had been associated with one or more of the Company's agencies or their predecessors for 20 or more years.

Personnel

As of January 1, 1995, the Company employed approximately 18,200 persons, of whom approximately 5,400 were employed in the United States. Because of the personal service character of the marketing communications business, the quality of personnel is of crucial importance to continuing success. There is keen competition for qualified employees. Interpublic considers its employee relations to be satisfactory.

The Company has an active program for training personnel. The program includes meetings and seminars throughout the world. It also involves training personnel in its offices in New York and in its larger offices worldwide.

Competition and Other Factors

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

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Moreover, increasing size brings limitations to an agency's potential for securing new business, because many clients prefer not to be represented by an agency that represents a competitor. Also, clients frequently wish to have different products represented by different agencies. The fact that the Company owns three separate worldwide agency systems and interests in other advertising agencies gives it additional competitive opportunities.

The advertising business is subject to government regulation, both domestic and foreign. There has been an increasing tendency in the United States on the part of advertisers to resort to the courts to challenge comparative advertising on the grounds that the advertising is false and deceptive. Through the years, there has been a continuing expansion of specific rules, prohibitions, media restrictions, labeling disclosures and warning requirements with respect to the advertising for certain products. Representatives within state governments and the federal government as well as foreign governments continue to initiate proposals to ban the advertising of specific products and to impose taxes on or deny deductions for advertising which, if successful, may have an adverse effect on advertising expenditures.

Some countries are relaxing commercial restrictions as part of their efforts to attract foreign investment. However, with respect to other nations, the international operations of the Company still remain exposed to certain risks which affect foreign operations of all kinds, such as local legislation, monetary devaluation, exchange control restrictions and unstable political conditions. In addition, international advertising agencies are from time to time exposed to the threat of forced divestment in favor of local investors because they are considered an integral factor in the communications process. A provision of the present constitution in the Philippines is an example.

Item 2. Properties

Most of the advertising operations of the Company are carried on in leased premises, and its physical property consists primarily of leasehold improvements, furniture, fixtures and equipment. These facilities are located in various cities in which the Company does business throughout the world. However, subsidiaries of the Company own office buildings in Louisville, Kentucky; Warren, Michigan; Frankfurt, Germany; Sao Paulo, Brazil; Lima, Peru; and Brussels, Belgium and own office condominiums in Buenos Aires, Argentina; Bogota, Colombia; Manila, the Philippines; in England, subsidiaries of the Company own office buildings in London, Manchester, Birmingham and Stoke-on-Trent.

The office building located in Warren, Michigan is held by the Company subject to a mortgage which will terminate in April, 2000. The Company's ownership of the office building in Frankfurt is subject to three mortgages which became effective on or about February 1993. These mortgages terminate at different dates, with the last to expire in February 2003. Reference is made to Note 14 - Commitments and Contingent Liabilities - of the Notes to the Consolidated Financial Statements in the Company's Annual Report to Stockholders for the year ended December 31, 1994, which Note is hereby incorporated by reference.

Item 3. Legal Proceedings

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

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

Not applicable.

Executive Officers of the Registrant

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

Name	Age	Office
Philip H. Geier, Jr. (1)	60	Chairman of the Board, President and Chief Executive Officer
Eugene P. Beard (1)	59	Executive Vice President-Finance and Operations and Chief Financial Officer
Frank B. Lowe (1)	53	Chairman of The Lowe Group
Kenneth L. Robbins (1)(2)	59	Chairman of the Board and Chief Executive Officer of Lintas Worldwide
C. Kent Kroeber	56	Senior Vice President-Human Resources
Christopher Rudge	57	Senior Vice President, General Counsel and Secretary
Thomas J. Volpe	59	Senior Vice President-Financial Operations
Joseph M. Studley	42	Vice President and Controller

(1) Also a Director

(2) Through July 1, 1995

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

The employment histories for the past five years of Messrs. Geier, Beard and Lowe are incorporated by reference to the Proxy Statement for Interpublic's 1995 Annual Meeting of Stockholders.

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

Mr. Robbins has been a director of Interpublic since 1991. He directed the international operations of Lintas:Worldwide as Chairman of Lintas International from 1985 and became Chairman of the Board and Chief Executive Officer of Lintas:Worldwide on September 1, 1991.

Mr. Rudge has been associated with Interpublic since January 1, 1973, when he joined it as an Attorney in its Law Department. He was elected Vice President and Assistant General Counsel on May 15, 1984 and was elected to the additional office of Assistant Secretary on May 20, 1986. Effective January 1, 1989, he was elected General Counsel and Secretary. On May 15, 1990, Mr. Rudge was elected a Senior Vice President of Interpublic.

Mr. Volpe joined Interpublic on March 3, 1986. He was appointed Senior Vice President-Financial Operations on March 18, 1986. He served as Treasurer from January 1, 1987 through May 17, 1988 and the Treasurer's office continues to report to him. He was Vice President and Treasurer of Colgate-Palmolive Company from February 1981 to February 1986 and Assistant Corporate Controller prior thereto.

Mr. Studley, who has been elected as Vice President and Controller of Interpublic effective as of April 1, 1994, had been Senior Vice President and Chief Financial Officer of E.C. Television, a division of Interpublic, since January 1, 1990. He was a Vice President of Lintas New York, a division of one of Interpublic's subsidiaries, from August 1, 1987 until December 31, 1989.

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PART II

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

The response to this Item is incorporated by reference to the Registrant's Annual Report to Stockholders for the year ended December 31, 1994. See Note 12: Results by Quarter (Unaudited), of the Notes to the Consolidated Financial Statements and information under the heading Transfer Agent and Registrar for Common Stock.

Item 6. Selected Financial Data

The response to this Item is incorporated by reference to the Registrant's Annual Report to Stockholders for the year ended December 31, 1994 under the heading Selected Financial Data for Five Years.

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

The response to this Item is incorporated by reference to the Registrant's Annual Report to Stockholders for the year ended December 31, 1994 under the heading Management's Discussion and Analysis of Financial Condition and Results of Operations.

Item 8. Financial Statements and Supplementary Data

The response to this Item is incorporated in part by reference to the Registrant's Annual Report to Stockholders for the year ended December 31, 1994 under the headings Financial Statements and Notes to the Consolidated Financial Statements. Reference is also made to the Financial Statement Schedules listed under Item 14(a) of this Report on Form 10-K.

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

Not applicable.

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PART III

Item 10. Directors and Executive Officers of the Registrant

The information required by this Item is incorporated by reference to the Registrant's Proxy Statement for its 1995 Annual Meeting of Stockholders (the "Proxy Statement"), to be filed not later than 120 days after the end of the 1994 calendar year, except for the description of Interpublic's Executive Officers which appears in Part I of this Report on Form 10-K under the heading Executive Officers of the Registrant.

Item 11. Executive Compensation

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

Item 12. Security Ownership of Certain Beneficial Owners and Management

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

Item 13. Certain Relationships and Related Transactions

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

PART IV

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

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

1. Financial Statements:

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

2. Financial Statement Schedules:

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

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3. Exhibits:

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

Exhibit No. Description

- 3 (i) The Restated Certificate of Incorporation of the Registrant, as amended is incorporated by reference to its Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.
- (ii) The By-Laws of the Registrant, amended as of February 19, 1991, are incorporated by reference to its Report on Form 10-K for the year ended December 31, 1990. See Commission file number 1-6686.
- 4 Instruments Defining the Rights of Security Holders.
- Indenture, dated as of April 1, 1992, between Interpublic and Morgan Guaranty Trust Company of New York is not included as an Exhibit to this Report but will be furnished to the Commission upon its request.
- 10 Material Contracts.
- (a) Underwriting Agreement, dated March 30, 1992, by and between Interpublic and Goldman Sachs International Limited is incorporated by reference to Registrant's Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.
- (b) Employment, Consultancy and other Compensatory Arrangements with Management.
- Employment and Consultancy Agreements and any amendments or supplements thereto and other compensatory arrangements filed with the Registrant's Reports on Form 10-K for the years ended December 31, 1980 through December 31, 1993, inclusive, are incorporated by reference in this Report on Form 10-K. See Commission file number 1-6686. Listed below are agreements or amendments to agreements between the Registrant and its executive officers which remain in effect on and after the date hereof or were executed during the year ended December 31, 1994 and thereafter, which are filed as exhibits to this Report on Form 10-K.

(i) Eugene P. Beard

Supplemental Agreement made as of January 1, 1995 to an Employment Agreement made as of January 1, 1983.

(c) Executive Compensation Plans.

(i) Trust Agreement, dated as of June 1, 1990 between The Interpublic Group of Companies, Inc., Lintas Campbell-Ewald Company, McCann-Erickson USA, Inc., McCann-Erickson Marketing, Inc., Lintas, Inc. and Manufacturers Hanover Trust Company, as Trustee, is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1990. See Commission file number 1-6686.

(ii) The Stock Option Plan (1988) and the Achievement Stock Award Plan of the Registrant are incorporated by reference to Appendices C and D of the Prospectus dated May 4, 1989 forming part of its Registration Statement on Form S-8 (No. 33-28143).

(iii) The Management Incentive Compensation Plan of the Registrant is incorporated by reference to the Appendix of the Prospectus dated March 21, 1988 forming part of its Registration Statement on Form S-8 (No. 33-20291).

(iv) The 1986 Stock Incentive Plan of the Registrant is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1993. See Commission file number 1-6686.

(v) The 1986 United Kingdom Stock Option Plan of the Registrant is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.

(vi) The Employee Stock Purchase Plan (1985) of the Registrant, as amended, is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1993. See Commission file number 1-6686.

(vii) The Long-Term Performance Incentive Plan of the Registrant is incorporated by reference to Appendix A of the Prospectus dated December 12, 1988 forming part of its Registration Statement on Form S-8 (No. 33-25555).

- (viii) Resolution of the Board of Directors adopted on February 16, 1993, amending the Long-Term Performance Incentive Plan is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.
 - (ix) Resolution of the Board of Directors adopted on May 16, 1989 amending the Long-Term Performance Incentive Plan is incorporated by reference to Registrant's Report on Form 10-K for the year ended December 31, 1989. See Commission file number 1-6686.
- (d) Loan Agreements.
- (i) Amendment, No. 4, dated as of December 1, 1994 to the Credit Agreement, dated as of September 30, 1992, and effective as of December 30, 1992, between Interpublic and Citibank.
 - (ii) Amendment, No. 4, dated as of December 1, 1994 to the Credit Agreement, dated as of September 30, 1992, and effective as of December 23, 1992, between Interpublic and NBD.
 - (iii) Amendment, No. 4, dated as of December 1, 1994 to the Credit Agreement, dated as of September 30, 1992, and effective as of December 30, 1992, between Interpublic and Trust Company Bank.
 - (iv) Amendment, No. 4, dated as of December 1, 1994 to the Credit Agreement, dated as of September 30, 1992, and effective as of December 30, 1992, between Interpublic and Swiss Bank.
 - (v) Amendment, No. 4, dated as of December 2, 1994 to a Guarantee, dated as of December 17, 1991, between Interpublic and Lloyds Bank.
 - (vi) Amendment, No. 4, dated as of December 1, 1994 to the Credit Agreement, dated as of September 30, 1992, and effective as of December 30, 1992, between Interpublic and Fuji Bank.
 - (vii) Amendment, No. 4, dated as of December 1, 1994 to the Credit Agreement, dated as of September 30, 1992 and effective as of December 30, 1992, between Interpublic and Chemical.
 - (viii) Amendment, No. 4, dated as of December 1, 1994 to the Credit Agreement, dated as of September 30, 1992 and effective as of December 30, 1992, between Interpublic and UBS.

- (ix) Credit Agreement, dated as of December 1, 1994 between Interpublic and Bank of America National Trust and Savings Association.
- (x) Other Loan and Guaranty Agreements filed with the Registrant's Annual Report on Form 10-K for the years ended December 31, 1988 and December 31, 1986 are incorporated by reference in this Report on Form 10-K. Other Credit Agreements, amendments to various Credit Agreements, Termination Agreements, Loan Agreements, a Note Purchase Agreement, dated August 20, 1991, Guarantee, dated December 17, 1991, Notification dated March 14, 1991 by Registrant and Intercreditor Agreements filed with the Registrant's Report on Form 10-K for the years ended December 31, 1989 through December 31, 1993, inclusive and filed with Registrant's Reports on Form 10-Q for the periods ended March 31, 1994 and June 30, 1994 are incorporated by reference into this Report on Form 10-K. See Commission file number 1-6686.

(e) Leases.

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

(f) Acquisition Agreement for Purchase of Real Estate.

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

(g) Mortgage Agreements and Encumbrances.

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

11 Computation of Earnings Per Share.

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- 13 This Exhibit includes: (a) those portions of the Annual Report to Stockholders for the year ended December 31, 1994 which are included therein under the following headings: Financial Highlights; Management's Discussion and Analysis of Financial Condition and Results Of Operations; Consolidated Balance Sheet; Consolidated Statement of Income; Consolidated Statement of Cash Flows; Consolidated Statement of Stockholders' Equity; Notes to Consolidated Financial Statements (the aforementioned consolidated financial statements together with the Notes to Consolidated Financial Statements hereinafter shall be referred to as the "Consolidated Financial Statements"); Report of Independent Accountants; Selected Financial Data For Five Years; Report of Management; and Stockholders' Information; and (b) Appendix to Exhibit 13.
- 21 Subsidiaries of the Registrant.
- 23 Consent of Independent Accountants.
- 24 Power of Attorney to sign Form 10-K and resolution of Board of Directors re Power of Attorney.
- 29 (a) Supplemental Agreements filed with Registrant's Annual Report on Form 10-K for the year ended December 31, 1990 are incorporated by reference into this Report on Form 10-K. See Commission file number 1-6686.
- (b) The Preferred Share Purchase Rights Plan as adopted on July 18, 1989 is incorporated by reference to Registrant's Registration Statement on Form 8-A dated August 1, 1989 (No. 00017904) and, as amended, by reference to Registrant's Registration Statement on Form 8 dated October 3, 1989 (No. 00106686).

SIGNATURES

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

THE INTERPUBLIC GROUP OF COMPANIES, INC.
(Registrant)

March 28, 1995

BY: Philip H. Geier, Jr.
Philip H. Geier, Jr.,
Chairman of the Board,
President and Chief
Executive Officer

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

Name	Title	Date
Philip H. Geier, Jr. Philip H. Geier, Jr.	Chairman of the Board, President and Chief Executive Officer (Principal Executive Officer) and Director	March 28, 1995
Eugene P. Beard Eugene P. Beard	Executive Vice President -Finance and Operations (Principal Financial Officer) and Director	March 28, 1995
*Lynne V. Cheney Lynne V. Cheney	Director	March 28, 1995
*Frank B. Lowe Frank B. Lowe	Director	March 28, 1995

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*Kenneth L. Robbins Kenneth L. Robbins	Director	March 28, 1995
*Leif H. Olsen Leif H. Olsen	Director	March 28, 1995
*J. Phillip Samper J. Phillip Samper	Director	March 28, 1995
*Joseph J. Sisco Joseph J. Sisco	Director	March 28, 1995
*Frank Stanton Frank Stanton	Director	March 28, 1995
Joseph M. Studley Joseph M. Studley	Vice President and Controller (Principal Accounting Officer)	March 28, 1995
*Jacqueline G. Wexler Jacqueline G. Wexler	Director	March 28, 1995
*By Philip H. Geier, Jr. Philip H. Geier, Jr. Attorney-in-fact		

INDEX TO FINANCIAL STATEMENTS

The Financial statements appearing under the headings: Financial Highlights, Management Discussion and Analysis of Financial Condition and Results of Operations, Consolidated Financial Statements, Notes to Consolidated Financial Statements, Report of Independent Accountants, Selected Financial Data for Five Years and Report of Management accompanying Annual Report to Stockholders for the year ended December 31, 1994, together with the report thereon of Price Waterhouse dated February 13, 1995 appearing on page 35 thereof, are incorporated by reference in this report on Form 10-K. With the exception of the aforementioned information and the information incorporated in Items 5, 6 and 7, no other data appearing in the Annual Report to Stockholders for the year ended December 31, 1994 is deemed to be filed as part of this report on Form 10-K.

The following financial statements schedules should be read in conjunction with the financial statements in such Annual Report to Stockholders for the year ended December 31, 1994. Financial statement schedules not included in this report on Form 10-K have been omitted because they are not applicable or the required information is shown in the financial statements or the notes thereto.

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

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Financial Statement Schedules Required to be Filed by Item 8 of this form:	
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REPORT OF INDEPENDENT ACCOUNTANTS
ON FINANCIAL STATEMENT SCHEDULES

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

Our audits of the consolidated financial statements referred to in our report dated February 13, 1995 appearing in the 1994 Annual Report to Stockholders of The Interpublic Group of Companies, Inc. (which report and consolidated financial statements are incorporated by reference in this Annual Report on Form 10-K) also included an audit of the Financial Statement Schedules listed in Item 14 (a) of this Form 10-K. In our opinion, these Financial Statement Schedules present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

PRICE WATERHOUSE, LLP
New York, New York
February 13, 1995

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 of The Interpublic Group of Companies, Inc. (the "Company"), of our report dated February 13, 1995, appearing in the 1994 Annual Report to Stockholders which is incorporated in this Annual Report on Form 10-K: Registration Statements No. 2-79071; No. 2-43811; No. 2-56269; No. 2-61346; No. 2-64338; No. 2-67560; No. 2-72093; No. 2-88165; No. 2-90878, No. 2-97440 and No. 33-28143, relating variously to the Stock Option Plan (1971), the Stock Option Plan (1981), the Stock Option Plan (1988) and the Achievement Stock Award Plan of the Company; Registration Statements No. 2-53544; No. 2-91564, No. 2-98324, No. 33-22008 and No. 33-64062, relating variously to the Employee Stock Purchase Plan (1975) and the Employee Stock Purchase Plan (1985) of the Company; Registration Statements No. 33-20291 and No. 33-2830 relating to the Management Incentive Compensation Plan of the Company; Registration Statement No. 33-5352 and No. 33-21605 relating to the 1986 Stock Incentive Plan and 1986 United Kingdom Stock Option Plan of the Company; and Registration Statement No. 33-10087 and No. 33-25555 relating to the Long-Term Performance Incentive Plan of the Company. We also consent to the incorporation by reference of our report on the Financial Statement Schedules, which appears on this Form of the 10-K. We hereby consent to the incorporation by reference in the Prospectus constituting part of the Registration Statement on Form S-3 (No. 33-37346) of the Interpublic Group of Companies, Inc. of our report dated February 13, 1995, appearing in the 1994 Annual Report to Stockholders which is incorporated in this Annual Report on Form 10-K. We also consent to the incorporation by reference of our report on the Financial Statement Schedules, which appears above.

PRICE WATERHOUSE, LLP
New York, New York
March 24, 1995

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SCHEDULE II

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
 AMOUNTS RECEIVABLE FROM RELATED PARTIES AND UNDERWRITERS,
 PROMOTERS, AND EMPLOYEES OTHER THAN RELATED PARTIES.

For the Years Ended December 31, 1994, 1993 and 1992

(Dollars in Thousands)

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F
Name of Debtor	Balance at Beginning of Period	Additions	Deductions - Amounts Collected	Other	Balance at End of Period
1994:					
A. Gomes	\$ 68	\$ 0	\$ 68	\$ 0	\$ 0
D. Holt	12,000	700	100	0	12,600
1993:					
A. Gomes	\$ 137	\$ 0	\$ (45)	\$ (24)	\$ 68
G. Bowen	300	0	(300)	0	0
1992:					
A. Gomes	\$ 0	\$ 137	\$ 0	\$ 0	\$ 137
G. Bowen	0	300	0	0	300

[FN]

Effect of currency translation.

Resulting from 1994 acquisitions.

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SCHEDULE VIII

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS

For the Years Ended December 31, 1994, 1993 and 1992

(Dollars in Thousands)

COLUMN A	COLUMN B	COLUMN C		COLUMN D	COLUMN E
Description	Balance at Beginning of Period	Additions		Deductions- Describe	Balance at End of Period
		(1) Charged to Costs & Expenses	(2) Charged to Other Accounts- Describe		
Allowance for Doubtful Accounts - deducted from Receivables in the Consolidated Balance Sheet:					
1994	\$16,834	\$6,522	\$4,097 699 613	\$6,109	\$22,656
1993	\$15,559	\$5,600	\$ 764 898 196	\$3,823 2,360	\$16,834
1992	\$18,553	\$4,320	\$ 449	\$5,497 2,266	\$15,559

[FN]

Allowance for doubtful accounts of acquired and newly consolidated companies.
Foreign currency translation adjustment.
Principally amounts written off.
Reversal of previously written off accounts.
Miscellaneous.

SCHEDULE IX
 THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
 SHORT-TERM BORROWINGS

For the Years Ended December 31, 1994, 1993 and 1992

(Dollars in Thousands)

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F
	At End of Period				
Category of Aggregate Short-Term Borrowings	Balance at End of Period	Weighted Average Interest Rate	Maximum Amount Outstanding During the Period	Average Amount Outstanding During the Period	Weighted Average Interest Rate During the Period
Payable to Banks:					
1994:	\$113,630	9.7%	\$170,032	\$139,589	6.4%
1993:	\$130,457	6.6%	\$130,457	\$110,972	7.2%
1992	\$ 80,617	9.7%	\$159,648	\$120,482	7.4%

Generally are lines of credit and overdraft facilities bearing interest at prevailing rates.
 Does not include interest on short or long-term borrowings, or current portion of long-term borrowings.
 Computed principally on the basis of average monthly/quarterly amounts.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
SUPPLEMENTARY INCOME STATEMENT INFORMATION

For the Years Ended December 31, 1994, 1993 and 1992

(Dollars in Thousands)

COLUMN A Item	COLUMN B Charged to Costs and Expenses		
	1994	1993	1992
Maintenance and repairs	\$20,822	\$20,127	\$22,196
Amortization of Intangible Assets	\$18,335	\$18,730	\$19,573
Taxes Other Than Payroll and Income Taxes	\$19,128	\$16,561	\$18,519

INDEX TO DOCUMENTS

Exhibit No. Description

- 3 (i) The Restated Certificate of Incorporation of the Registrant, as amended is incorporated by reference to its Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.
- (ii) The By-Laws of the Registrant, amended as of February 19, 1991, are incorporated by reference to its Report on Form 10-K for the year ended December 31, 1990. See Commission file number 1-6686.
- 4 Instruments Defining the Rights of Security Holders.
- Indenture, dated as of April 1, 1992, between Interpublic and Morgan Guaranty Trust Company of New York is not included as an Exhibit to this Report but will be furnished to the Commission upon its request.
- 10 Material Contracts.
- (a) Underwriting Agreement, dated March 30, 1992, by and between Interpublic and Goldman Sachs International Limited is incorporated by reference to Registrant's Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.
- (b) Employment, Consultancy and other Compensatory Arrangements with Management.
- Employment and Consultancy Agreements and any amendments or supplements thereto and other compensatory arrangements filed with the Registrant's Reports on Form 10-K for the years ended December 31, 1980 through December 31, 1993, inclusive, are incorporated by reference in this Report on Form 10-K. See Commission file number 1-6686. Listed below are agreements or amendments to agreements between the Registrant and its executive officers which remain in effect on and after the date hereof or were executed during the year ended December 31, 1994 and thereafter, which are filed as exhibits to this Report on Form 10-K.
- (i) Eugene P. Beard
- Supplemental Agreement made as of January 1, 1995 to an Employment Agreement made as of January 1, 1983.

(c) Executive Compensation Plans.

- (i) Trust Agreement, dated as of June 1, 1990 between The Interpublic Group of Companies, Inc., Lintas Campbell-Ewald Company, McCann-Erickson USA, Inc., McCann-Erickson Marketing, Inc., Lintas, Inc. and Manufacturers Hanover Trust Company, as Trustee, is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1990. See Commission file number 1-6686.
- (ii) The Stock Option Plan (1988) and the Achievement Stock Award Plan of the Registrant are incorporated by reference to Appendices C and D of the Prospectus dated May 4, 1989 forming part of its Registration Statement on Form S-8 (No. 33-28143).
- (iii) The Management Incentive Compensation Plan of the Registrant is incorporated by reference to the Appendix of the Prospectus dated March 21, 1988 forming part of its Registration Statement on Form S-8 (No. 33-20291).
- (iv) The 1986 Stock Incentive Plan of the Registrant is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1993. See Commission file number 1-6686.
- (v) The 1986 United Kingdom Stock Option Plan of the Registrant is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.
- (vi) The Employee Stock Purchase Plan (1985) of the Registrant, as amended, is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1993. See Commission file number 1-6686.

- (vii) The Long-Term Performance Incentive Plan of the Registrant is incorporated by reference to Appendix A of the Prospectus dated December 12, 1988 forming part of its Registration Statement on Form S-8 (No. 33-25555).
 - (viii) Resolution of the Board of Directors adopted on February 16, 1993, amending the Long-Term Performance Incentive Plan is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.
 - (ix) Resolution of the Board of Directors adopted on May 16, 1989 amending the Long-Term Performance Incentive Plan is incorporated by reference to Registrant's Report on Form 10-K for the year ended December 31, 1989. See Commission file number 1-6686.
- (d) Loan Agreements.
- (i) Amendment, No. 4, dated as of December 1, 1994 to the Credit Agreement, dated as of September 30, 1992, and effective as of December 30, 1992, between Interpublic and Citibank.
 - (ii) Amendment, No. 4, dated as of December 1, 1994 to the Credit Agreement, dated as of September 30, 1992, and effective as of December 23, 1992, between Interpublic and NBD.
 - (iii) Amendment, No. 4, dated as of December 1, 1994 to the Credit Agreement, dated as of September 30, 1992, and effective as of December 30, 1992, between Interpublic and Trust Company Bank.
 - (iv) Amendment, No. 4, dated as of December 1, 1994 to the Credit Agreement, dated as of September 30, 1992, and effective as of December 30, 1992, between Interpublic and Swiss Bank.
 - (v) Amendment, No. 4, dated as of December 2, 1994 to a Guarantee, dated as of December 17, 1991, between Interpublic and Lloyds Bank.
 - (vi) Amendment, No. 4, dated as of December 1, 1994 to the Credit Agreement, dated as of September 30, 1992, and effective as of December 30, 1992, between Interpublic and Fuji Bank.
 - (vii) Amendment, No. 4, dated as of December 1, 1994 to the Credit Agreement, dated as of September 30, 1992 and effective as of December 30, 1992, between Interpublic and Chemical.

- (viii) Amendment, No. 4, dated as of December 1, 1994 to the Credit Agreement, dated as of September 30, 1992 and effective as of December 30, 1992, between Interpublic and UBS.
- (ix) Credit Agreement, dated as of December 1, 1994 between Interpublic and Bank of America National Trust and Savings Association.
- (x) Other Loan and Guaranty Agreements filed with the Registrant's Annual Report on Form 10-K for the years ended December 31, 1988 and December 31, 1986 are incorporated by reference in this Report on Form 10-K. Other Credit Agreements, amendments to various Credit Agreements, Termination Agreements, Loan Agreements, a Note Purchase Agreement, dated August 20, 1991, Guarantee, dated December 17, 1991, Notification dated March 14, 1991 by Registrant and Intercreditor Agreements filed with the Registrant's Report on Form 10-K for the years ended December 31, 1989 through December 31, 1993, inclusive and filed with Registrant's Reports on Form 10-Q for the periods ended March 31, 1994 and June 30, 1994 are incorporated by reference into this Report on Form 10-K. See Commission file number 1-6686.
- (e) Leases.

Material leases of premises are incorporated by reference to the Registrant's Annual Report on Form 10-K for the years ended December 31, 1980 and December 31, 1988. See Commission file number 1-6686.
- (f) Acquisition Agreement for Purchase of Real Estate.
 - (i) Acquisition Agreement (in German) between Treuhandsgesellschaft Aktiengesellschaft & Co. Grundbesitz OHG and McCann-Erickson Deutschland GmbH & Co. Management Property KG ("McCann-Erickson Deutschland") and the English translation of the Acquisition Agreement are incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.

(g) Mortgage Agreements and Encumbrances.

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

11 Computation of Earnings Per Share.

13 This Exhibit includes: (a) those portions of the Annual Report to Stockholders for the year ended December 31, 1994 which are included therein under the following headings: Financial Highlights; Management's Discussion and Analysis of Financial Condition and Results Of Operations; Consolidated Balance Sheet; Consolidated Statement of Income; Consolidated Statement of Cash Flows; Consolidated Statement of Stockholders' Equity; Notes to Consolidated Financial Statements (the aforementioned consolidated financial statements together

with the Notes to Consolidated Financial Statements hereinafter shall be referred to as the "Consolidated Financial Statements"); Report of Independent Accountants; Selected Financial Data For Five Years; Report of Management; and Stockholders' Information; and (b) Appendix to Exhibit 13.

- 21 Subsidiaries of the Registrant.
- 23 Consent of Independent Accountants.
- 24 Power of Attorney to sign Form 10-K and resolution of Board of Directors re Power of Attorney.
- 29 (a) Supplemental Agreements filed with Registrant's Annual Report on Form 10-K for the year ended December 31, 1990 are incorporated by reference into this Report on Form 10-K. See Commission file number 1-6686.
- (b) The Preferred Share Purchase Rights Plan as adopted on July 18, 1989 is incorporated by reference to Registrant's Registration Statement on Form 8-A dated August 1, 1989 (No. 00017904) and, as amended, by reference to Registrant's Registration Statement on Form 8 dated October 3, 1989 (No. 00106686).

SUPPLEMENTAL AGREEMENT

SUPPLEMENTAL AGREEMENT made as of January 1, 1995, 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 January 1, 1983, as amended by Supplemental Agreements dated as of February 19, 1985, September 24, 1985, March 1, 1986, January 4, 1988, January 1, 1990, May 15, 1990, March 1, 1991, October 1, 1991, January 1, 1994, January 5, 1994 and June 1, 1994 (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 January 1, 1995, by deleting "\$175,000" therefrom and substituting "\$100,000" therefor.

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2. Section 3.02 of the Employment Agreement is hereby amended effective January 1, 1995 by deleting "\$400,000" therefrom and substituting "\$475,000" therefor
3. Except as hereinabove amended, the Employment Agreement shall continue in full force and effect.
4. This Supplemental Agreement shall be governed by the laws of the State of New York.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By C. KENT KROEBER

SS: EUGENE P. BEARD

AMENDMENT, dated as of December 1, 1994 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, and August 15, 1994 (the "Agreement") between THE INTERPUBLIC GROUP OF COMPANIES, INC. (the "Borrower") and CITIBANK, N.A. (the "Bank").

The parties hereto desire to amend the Agreement subject to the terms and conditions of this Amendment, as hereinafter provided. Accordingly, the parties hereto agree as follows:

1. DEFINITIONS. Unless otherwise specifically defined herein, each term used herein which is defined in the Agreement shall have the meaning assigned to such term in the Agreement. 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 Agreement and in each of the documents relating to the Agreement shall from and after the date hereof refer to the Agreement as amended hereby.

2. AMENDMENTS.

A. The definition of "Termination Date" set forth in Section 1.1 of the Agreement is hereby amended to read in its entirety as follows:

"Termination Date" means December 1, 1997 or such later date to which the Commitment is extended in accordance with Section 2.13 hereof.

B. Section 2.1 of the Agreement is hereby amended by replacing the number "\$15,000,000" with the number "\$20,000,000".

C. The definition of "CD Margin" set forth in Section 2.5(B) of the Agreement is hereby amended to read in its entirety as follows:

The "CD Margin" means on any date from and after December 1, 1994 (i) .425%, if at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .40 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .50 to 1; or (ii) .525%, if (a) the conditions of clause (i) have not been satisfied and (b) at the end of each of the two most recently completed fiscal quarters the Borrower's

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ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .70 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .35 to 1; or (iii) 5/8 of 1%, if the conditions set forth in both clauses (i) and (ii) are not satisfied.

D. The definition of "Euro-Dollar Margin" set forth in Section 2.5(C) of the Agreement is hereby amended to read in its entirety as follows:

The "Euro-Dollar Margin" means on any date from and after December 1, 1994 (i) 3/10 of 1%, if at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .40 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .50 to 1; or (ii) 4/10 of 1%, if (a) the conditions of clause (i) have not been satisfied and (b) at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .70 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .35 to 1; or (iii) 1/2 of 1%, if the conditions set forth in both clauses (i) and (ii) are not satisfied.

E. Section 2.6 of the Agreement is hereby amended to read in its entirety as follows:

2.6 Fees. The Borrower shall pay to the Bank a commitment fee on the unused portion of the Commitment. The per annum commitment fee shall be on any date from and after December 1, 1994 (i) 1/8 of 1% of the unused portion of the Commitment, if at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .40 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .50 to 1; or (ii) .15% of the unused portion of the Commitment, if (a) the conditions of clause (i) have not been satisfied and (b) at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .70 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed

Funds was equal to or greater than .35 to 1 or (iii) .18% of the unused portion of the Commitment, if the conditions set forth in both clauses (i) and (ii) are not satisfied. Such fees shall accrue from December 1, 1994 to and including the Termination Date and shall be payable quarterly in arrears on the last day of each December, March, June, and September and on any date on which the Commitment is terminated or otherwise reduced.

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3. AGREEMENT AS AMENDED. Except as expressly amended hereby, the Agreement shall continue in full force and effect in accordance with the terms thereof.

4. GOVERNING LAW. This Amendment, and the Agreement as amended hereby, shall be construed in accordance with and governed by the laws of the State of New York.

5. SEVERABILITY. In case any one or more of the provisions contained in this Amendment should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

6. COUNTERPARTS. This Amendment may be executed in any number of counterparts, each of which shall constitute an original but all of which when taken together shall constitute one and the same instrument.

7. EFFECTIVENESS. This Amendment shall become effective as of the date first above written upon receipt by the Bank of counterparts hereof executed by each of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their duly authorized officers as of the day and year first above written.

THE INTERPUBLIC GROUP OF
COMPANIES, INC.

By: ALAN M. FORSTER
ALAN M. FORSTER
VICE PRESIDENT & TREASURER

CITIBANK, N.A.

By: ERIC HUTTNER
ERIC HUTTNER
VICE PRESIDENT

AMENDMENT, dated as of December 1, 1994 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, and August 15, 1994 (the "Agreement") between THE INTERPUBLIC GROUP OF COMPANIES, INC. (the "Borrower") and NBD BANK, N.A. (the "Bank").

The parties hereto desire to amend the Agreement subject to the terms and conditions of this Amendment, as hereinafter provided. Accordingly, the parties hereto agree as follows:

1. DEFINITIONS. Unless otherwise specifically defined herein, each term used herein which is defined in the Agreement shall have the meaning assigned to such term in the Agreement. 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 Agreement and in each of the documents relating to the Agreement shall from and after the date hereof refer to the Agreement as amended hereby.

2. AMENDMENTS.

A. The definition of "Termination Date" set forth in Section 1.1 of the Agreement is hereby amended to read in its entirety as follows:

"Termination Date" means December 1, 1997 or such later date to which the Commitment is extended in accordance with Section 2.13 hereof.

B. The definition of "CD Margin" set forth in Section 2.5(B) of the Agreement is hereby amended to read in its entirety as follows:

The "CD Margin" means on any date from and after December 1, 1994 (i) .425%, if at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .40 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .50 to 1; or (ii) .525%, if (a) the conditions of clause (i) have not been satisfied and (b) at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .70 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .35 to 1; or (iii) 5/8 of 1%, if the conditions set forth in both clauses (i) and (ii) are not satisfied.

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C. The definition of "Euro-Dollar Margin" set forth in Section 2.5(C) of the Agreement is hereby amended to read in its entirety as follows:

The "Euro-Dollar Margin" means on any date from and after December 1, 1994 (i) 3/10 of 1%, if at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .40 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .50 to 1; or (ii) 4/10 of 1%, if (a) the conditions of clause (i) have not been satisfied and (b) at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .70 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .35 to 1; or (iii) 1/2 of 1%, if the conditions set forth in both clauses (i) and (ii) are not satisfied.

D. Section 2.6 of the Agreement is hereby amended to read in its entirety as follows:

2.6 FEES. The Borrower shall pay to the Bank a commitment fee on the unused portion of the Commitment. The per annum commitment fee shall be on any date from and after December 1, 1994 (i) 1/8 of 1% of the unused portion of the Commitment, if at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .40 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .50 to 1; or (ii) .15% of the unused portion of the Commitment, if (a) the conditions of clause (i) have not been satisfied and (b) at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .70 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .35 to 1 or (iii) .18% of the unused portion of the Commitment, if the conditions set forth in both clauses (i) and (ii) are not satisfied. Such fees shall accrue from December 1, 1994 to and including the Termination Date and shall be payable quarterly in arrears

on the last day of each December, March, June, and September and on any date on which the Commitment is terminated or otherwise reduced.

3. AGREEMENT AS AMENDED. Except as expressly amended hereby, the Agreement shall continue in full force and effect in accordance with the terms thereof.

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4. GOVERNING LAW. This Amendment, and the Agreement as amended hereby, shall be construed in accordance with and governed by the laws of the State of New York.

5. SEVERABILITY. In case any one or more of the provisions contained in this Amendment should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

6. COUNTERPARTS. This Amendment may be executed in any number of counterparts, each of which shall constitute an original but all of which when taken together shall constitute one and the same instrument.

7. EFFECTIVENESS. This Amendment shall become effective as of the date first above written upon receipt by the Bank of counterparts hereof executed by each of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their duly authorized officers as of the day and year first above written.

THE INTERPUBLIC GROUP OF
COMPANIES, INC.

By: ALAN M. FORSTER
ALAN M. FORSTER
VICE PRESIDENT & TREASURER

NBD BANK, N.A.

By: CAROLYN PARKS
CAROLYN PARKS
VICE PRESIDENT

AMENDMENT, dated as of December 1, 1994 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, and August 15, 1994 (the "Agreement") between THE INTERPUBLIC GROUP OF COMPANIES, INC. (the "Borrower") and TRUST COMPANY BANK (the "Bank").

The parties hereto desire to amend the Agreement subject to the terms and conditions of this Amendment, as hereinafter provided. Accordingly, the parties hereto agree as follows:

1. DEFINITIONS. Unless otherwise specifically defined herein, each term used herein which is defined in the Agreement shall have the meaning assigned to such term in the Agreement. 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 Agreement and in each of the documents relating to the Agreement shall from and after the date hereof refer to the Agreement as amended hereby.

2. AMENDMENTS.

A. The definition of "Termination Date" set forth in Section 1.1 of the Agreement is hereby amended to read in its entirety as follows:

"Termination Date" means December 1, 1997 or such later date to which the Commitment is extended in accordance with Section 2.13 hereof.

B. The definition of "CD Margin" set forth in Section 2.5(B) of the Agreement is hereby amended to read in its entirety as follows:

The "CD Margin" means on any date from and after December 1, 1994 (i) .425%, if at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .40 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .50 to 1; or (ii) .525%, if (a) the conditions of clause (i) have not been satisfied and (b) at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .70 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .35 to 1; or (iii) 5/8 of 1%, if the conditions set forth in both clauses (i) and (ii) are not satisfied.

PAGE

C. The definition of "Euro-Dollar Margin" set forth in Section 2.5(C) of the Agreement is hereby amended to read in its entirety as follows:

The "Euro-Dollar Margin" means on any date from and after December 1, 1994 (i) 3/10 of 1%, if at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .40 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .50 to 1; or (ii) 4/10 of 1%, if (a) the conditions of clause (i) have not been satisfied and (b) at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .70 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .35 to 1; or (iii) 1/2 of 1%, if the conditions set forth in both clauses (i) and (ii) are not satisfied.

D. Section 2.6 of the Agreement is hereby amended to read in its entirety as follows:

2.6 FEES. The Borrower shall pay to the Bank a commitment fee on the unused portion of the Commitment. The per annum commitment fee shall be on any date from and after December 1, 1994 (i) 1/8 of 1% of the unused portion of the Commitment, if at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .40 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .50 to 1; or (ii) .15% of the unused portion of the Commitment, if (a) the conditions of clause (i) have not been satisfied and (b) at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .70 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .35 to 1 or (iii) .18% of the unused portion of the Commitment, if the conditions set forth in both clauses (i) and (ii) are not satisfied. Such fees shall accrue from December 1, 1994 to and including the Termination Date and shall be payable quarterly in arrears

on the last day of each December, March, June, and September and on any date on which the Commitment is terminated or otherwise reduced.

3. AGREEMENT AS AMENDED. Except as expressly amended hereby, the Agreement shall continue in full force and effect in accordance with the terms thereof.

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4. GOVERNING LAW. This Amendment, and the Agreement as amended hereby, shall be construed in accordance with and governed by the laws of the State of New York.

5. SEVERABILITY. In case any one or more of the provisions contained in this Amendment should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

6. COUNTERPARTS. This Amendment may be executed in any number of counterparts, each of which shall constitute an original but all of which when taken together shall constitute one and the same instrument.

7. EFFECTIVENESS. This Amendment shall become effective as of the date first above written upon receipt by the Bank of counterparts hereof executed by each of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their duly authorized officers as of the day and year first above written.

THE INTERPUBLIC GROUP OF
COMPANIES, INC.

By: ALAN M. FORSTER
ALAN M. FORSTER
VICE PRESIDENT & TREASURER

TRUST COMPANY BANK

By: ALLISON LEWIS VELLA
ALLISON LEWIS VELLA
ASSISTANT VICE PRESIDENT

AMENDMENT, dated as of December 1, 1994 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, and August 15, 1994 (the "Agreement") between THE INTERPUBLIC GROUP OF COMPANIES, INC. (the "Borrower") and SWISS BANK CORPORATION (the "Bank").

The parties hereto desire to amend the Agreement subject to the terms and conditions of this Amendment, as hereinafter provided. Accordingly, the parties hereto agree as follows:

1. DEFINITIONS. Unless otherwise specifically defined herein, each term used herein which is defined in the Agreement shall have the meaning assigned to such term in the Agreement. 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 Agreement and in each of the documents relating to the Agreement shall from and after the date hereof refer to the Agreement as amended hereby.

2. AMENDMENTS.

A. The definition of "Termination Date" set forth in Section 1.1 of the Agreement is hereby amended to read in its entirety as follows:

"Termination Date" means December 1, 1997 or such later date to which the Commitment is extended in accordance with Section 2.13 hereof.

B. The definition of "CD Margin" set forth in Section 2.5(B) of the Agreement is hereby amended to read in its entirety as follows:

The "CD Margin" means on any date from and after December 1, 1994 (i) .425%, if at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .40 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .50 to 1; or (ii) .525%, if (a) the conditions of clause (i) have not been satisfied and (b) at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .70 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .35 to 1; or (iii) 5/8 of 1%, if the conditions set forth in both clauses (i) and (ii) are not satisfied.

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C. The definition of "Euro-Dollar Margin" set forth in Section 2.5(C) of the Agreement is hereby amended to read in its entirety as follows:

The "Euro-Dollar Margin" means on any date from and after December 1, 1994 (i) 3/10 of 1%, if at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .40 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .50 to 1; or (ii) 4/10 of 1%, if (a) the conditions of clause (i) have not been satisfied and (b) at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .70 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .35 to 1; or (iii) 1/2 of 1%, if the conditions set forth in both clauses (i) and (ii) are not satisfied.

D. Section 2.6 of the Agreement is hereby amended to read in its entirety as follows:

2.6 FEES. The Borrower shall pay to the Bank a commitment fee on the unused portion of the Commitment. The per annum commitment fee shall be on any date from and after December 1, 1994 (i) 1/8 of 1% of the unused portion of the Commitment, if at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .40 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .50 to 1; or (ii) .15% of the unused portion of the Commitment, if (a) the conditions of clause (i) have not been satisfied and (b) at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .70 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .35 to 1 or (iii) .18% of the unused portion of the Commitment, if the conditions set forth in both clauses (i) and (ii) are not satisfied. Such fees shall accrue from December 1, 1994 to and including the Termination Date and shall be payable quarterly in arrears

on the last day of each December, March, June, and September and on any date on which the Commitment is terminated or otherwise reduced.

3. AGREEMENT AS AMENDED. Except as expressly amended hereby, the Agreement shall continue in full force and effect in accordance with the terms thereof.

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4. GOVERNING LAW. This Amendment, and the Agreement as amended hereby, shall be construed in accordance with and governed by the laws of the State of New York.

5. SEVERABILITY. In case any one or more of the provisions contained in this Amendment should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

6. COUNTERPARTS. This Amendment may be executed in any number of counterparts, each of which shall constitute an original but all of which when taken together shall constitute one and the same instrument.

7. EFFECTIVENESS. This Amendment shall become effective as of the date first above written upon receipt by the Bank of counterparts hereof executed by each of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their duly authorized officers as of the day and year first above written.

THE INTERPUBLIC GROUP OF
COMPANIES, INC.

By: ALAN M. FORSTER
VICE PRESIDENT & TREASURER

SWISS BANK CORPORATION

By: JANE A. MAJESKI
JANE A. MAJESKI
DIRECTOR

AMENDMENT NO. 4 TO
GUARANTEE BETWEEN THE INTERPUBLIC
GROUP OF COMPANIES, INC. AND
LLOYDS BANK PLC

AMENDMENT No. 4, dated as of December 2, 1994 to a Guarantee dated December 17, 1991 between The Interpublic Group of Companies, Inc. (the "Guarantor") and Lloyds Bank Plc (the "Agent"), as previously amended by Amendments No. 1 through 3 dated, respectively, December 18, 1992, June 30, 1993 and October 27, 1993 (The "Guarantee").

Section 1. AMENDMENTS

(a) From the date hereof, Section 4.1 (ii) of the Guarantee is hereby amended by deleting it in its entirety and replacing it with the following provision:

"(ii) save as provided in Clause 4.2, as soon as practicable and in any event within 50 days after the end of each of the first three quarters of each fiscal year of the Guarantor, a consolidated balance sheet of the Guarantor and its Consolidated Subsidiaries as at the end of such quarter and the related consolidated statements of income and retained earnings and statement of cash flows of the Guarantor and its Consolidated Subsidiaries for such quarter and for the portion of the Guarantor's fiscal year ended at the end of such quarter setting forth in each case in comparative form the figures for the corresponding quarter and the corresponding portion of the Guarantor's previous fiscal year, all certified (subject to normal year-end adjustments) as to fairness of presentation, generally accepted accounting principles (other than as to footnotes) and consistency (except to the extent of any change described therein and permitted by generally accepted accounting principles) by the chief financial officer or the chief accounting officer of the Guarantor;"

(b) From the date hereof, Sections 5.1 (ii) and 5.1 (iii) of the Guarantee are hereby amended by deleting them in their entirety and replacing them with the following provisions:

"(ii) Total Borrowed Funds do not exceed 85% of Consolidated Net Worth at the end of any quarter; and

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(iii) The ratio of Cash Flow to Total Borrowed Funds is not less than 0.30:1.00 for any consecutive four quarters, such ratio to be calculated at the end of each fiscal quarter on a trailing four quarter basis."

(c) Section 5.2(i) of the Guarantee is hereby amended by deleting it in its entirety and replacing it with the following provision:

"(i) "Cash flow" means 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 charges, amortization costs and changes in deferred taxes;"

(d) Section 5.2(ii) of the Guarantee is hereby amended by deleting it in its entirety and replacing it with the following provision:

"(ii) "Consolidated Net Worth" means at any date the consolidated stockholders' equity of the Guarantor and its Consolidated Subsidiaries as such appear on the financial statements of the Guarantor determined in accordance with generally accepted accounting principles in the United States of America, plus any amount by which retained earnings have 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, but in each case without taking into account the effect of cumulative translation adjustments."

Section 2. Miscellaneous. Except as specifically amended as set forth above, the Guarantee shall remain in full force and effect.

Section 3. Governing Law. This agreement shall be governed by, and construed in accordance with, the law of the State of New York.

Section 4. Counterparts. 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.

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

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By: ALAN M. FORSTER
ALAN M. FORSTER
VICE PRESIDENT & TREASURER

THE ARRANGER/AGENT:
LLOYDS BANK PLC

By: M.J.E. DUTFIELD
M.J.E. DUTFIELD
CAPITAL MARKETS GROUP

AMENDMENT, dated as of December 1, 1994 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, and August 15, 1994 (the "Agreement") between THE INTERPUBLIC GROUP OF COMPANIES, INC. (the "Borrower") and THE FUJI BANK, LIMITED (the "Bank").

The parties hereto desire to amend the Agreement subject to the terms and conditions of this Amendment, as hereinafter provided. Accordingly, the parties hereto agree as follows:

1. Definitions. Unless otherwise specifically defined herein, each term used herein which is defined in the Agreement shall have the meaning assigned to such term in the Agreement. 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 Agreement and in each of the documents relating to the Agreement shall from and after the date hereof refer to the Agreement as amended hereby.

2. Amendments.

A. The definition of "Termination Date" set forth in Section 1.1 of the Agreement is hereby amended to read in its entirety as follows:

"Termination Date" means December 1, 1997 or such later date to which the Commitment is extended in accordance with Section 2.13 hereof.

B. The definition of "CD Margin" set forth in Section 2.5(B) of the Agreement is hereby amended to read in its entirety as follows:

The "CD Margin" means on any date from and after December 1, 1994 (i) .425%, if at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .40 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .50 to 1; or (ii) .525%, if (a) the conditions of clause (i) have not been satisfied and (b) at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .70 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .35 to 1; or (iii) 5/8 of 1%, if the conditions set forth in both clauses (i) and (ii) are not satisfied.

C. The definition of "Euro-Dollar Margin" set forth in Section 2.5(C) of the Agreement is hereby amended to read in its entirety as follows:

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The "Euro-Dollar Margin" means on any date from and after December 1, 1994 (i) 3/10 of 1%, if at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .40 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .50 to 1; or (ii) 4/10 of 1%, if (a) the conditions of clause (i) have not been satisfied and (b) at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .70 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .35 to 1; or (iii) 1/2 of 1%, if the conditions set forth in both clauses (i) and (ii) are not satisfied.

D. Section 2.6 of the Agreement is hereby amended to read in its entirety as follows:

2.6 Fees. The Borrower shall pay to the Bank a commitment fee on the unused portion of the Commitment. The per annum commitment fee shall be on any date from and after December 1, 1994 (i) 1/8 of 1% of the unused portion of the Commitment, if at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .40 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .50 to 1; or (ii) .15% of the unused portion of the Commitment, if (a) the conditions of clause (i) have not been satisfied and (b) at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .70 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .35 to 1 or (iii) .18% of the unused portion of the Commitment, if the conditions set forth in both clauses (i) and (ii) are not satisfied. Such fees shall accrue from December 1, 1994 to and including the Termination Date and shall be payable quarterly in arrears on the last day of each December, March, June, and September and on any date on which the Commitment is terminated or

otherwise reduced.

3. Agreement as Amended. Except as expressly amended hereby, the Agreement shall continue in full force and effect in accordance with the terms thereof.

4. Governing Law. This Amendment, and the Agreement as amended hereby, shall be construed in accordance with and governed by the laws of the State of New York.

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5. Severability. In case any one or more of the provisions contained in this Amendment should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

6. Counterparts. This Amendment may be executed in any number of counterparts, each of which shall constitute an original but all of which when taken together shall constitute one and the same instrument.

7. Effectiveness. This Amendment shall become effective as of the date first above written upon receipt by the Bank of counterparts hereof executed by each of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their duly authorized officers as of the day and year first above written.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By: Alan M. Forster
Title: Vice President & Treasurer

THE FUJI BANK, LIMITED

By: Michael Imperiale
Title: Vice President

AMENDMENT, dated as of December 1, 1994 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, and August 15, 1994 (the "Agreement") between THE INTERPUBLIC GROUP OF COMPANIES, INC. (the "Borrower") and CHEMICAL BANK (the "Bank").

The parties hereto desire to amend the Agreement subject to the terms and conditions of this Amendment, as hereinafter provided. Accordingly, the parties hereto agree as follows:

1. DEFINITIONS. Unless otherwise specifically defined herein, each term used herein which is defined in the Agreement shall have the meaning assigned to such term in the Agreement. 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 Agreement and in each of the documents relating to the Agreement shall from and after the date hereof refer to the Agreement as amended hereby.

2. AMENDMENTS.

A. The definition of "Termination Date" set forth in Section 1.1 of the Agreement is hereby amended to read in its entirety as follows:

"Termination Date" means December 1, 1997 or such later date to which the Commitment is extended in accordance with Section 2.13 hereof.

B. Section 2.1 of the Agreement is hereby amended by replacing the number "\$15,000,000" with the number "\$20,000,000".

C. The definition of "CD Margin" set forth in Section 2.5(B) of the Agreement is hereby amended to read in its entirety as follows:

The "CD Margin" means on any date from and after December 1, 1994 (i) .425%, if at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .40 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .50 to 1; or (ii) .525%, if (a) the conditions of clause (i) have not been satisfied and (b) at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was

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equal to or less than .70 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .35 to 1; or (iii) 5/8 of 1%, if the conditions set forth in both clauses (i) and (ii) are not satisfied.

D. The definition of "Euro-Dollar Margin" set forth in Section 2.5(C) of the Agreement is hereby amended to read in its entirety as follows:

The "Euro-Dollar Margin" means on any date from and after December 1, 1994 (i) 3/10 of 1%, if at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .40 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .50 to 1; or (ii) 4/10 of 1%, if (a) the conditions of clause (i) have not been satisfied and (b) at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .70 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .35 to 1; or (iii) 1/2 of 1%, if the conditions set forth in both clauses (i) and (ii) are not satisfied.

E. Section 2.6 of the Agreement is hereby amended to read in its entirety as follows:

2.6 FEES. The Borrower shall pay to the Bank a commitment fee on the unused portion of the Commitment. The per annum commitment fee shall be on any date from and after December 1, 1994 (i) 1/8 of 1% of the unused portion of the Commitment, if at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .40 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .50 to 1; or (ii) .15% of the unused portion of the Commitment, if (a) the conditions of clause (i) have not been satisfied and (b) at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .70 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed

Funds was equal to or greater than .35 to 1 or (iii) .18% of the unused portion of the Commitment, if the conditions set forth in both clauses (i) and (ii) are not satisfied. Such fees shall accrue from December 1, 1994 to and including the Termination Date and shall be payable quarterly in arrears on the last day of each December, March, June, and September and on any date on which the Commitment is terminated or otherwise reduced.

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3. AGREEMENT AS AMENDED. Except as expressly amended hereby, the Agreement shall continue in full force and effect in accordance with the terms thereof.

4. GOVERNING LAW. This Amendment, and the Agreement as amended hereby, shall be construed in accordance with and governed by the laws of the State of New York.

5. SEVERABILITY. In case any one or more of the provisions contained in this Amendment should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

6. COUNTERPARTS. This Amendment may be executed in any number of counterparts, each of which shall constitute an original but all of which when taken together shall constitute one and the same instrument.

7. EFFECTIVENESS. This Amendment shall become effective as of the date first above written upon receipt by the Bank of counterparts hereof executed by each of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their duly authorized officers as of the day and year first above written.

THE INTERPUBLIC GROUP OF
COMPANIES, INC.

By: ALAN M. FORSTER
ALAN M. FORSTER
Vice President & Treasurer

CHEMICAL BANK

By: ROBERT K. GAYNOR
ROBERT K. GAYNOR
Vice President

AMENDMENT, dated as of December 1, 1994 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, and August 15, 1994 (the "Agreement") between THE INTERPUBLIC GROUP OF COMPANIES, INC. (the "Borrower") and UNION BANK OF SWITZERLAND (the "Bank").

The parties hereto desire to amend the Agreement subject to the terms and conditions of this Amendment, as hereinafter provided. Accordingly, the parties hereto agree as follows:

1. DEFINITIONS. Unless otherwise specifically defined herein, each term used herein which is defined in the Agreement shall have the meaning assigned to such term in the Agreement. 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 Agreement and in each of the documents relating to the Agreement shall from and after the date hereof refer to the Agreement as amended hereby.

2. AMENDMENTS.

A. The definition of "Termination Date" set forth in Section 1.1 of the Agreement is hereby amended to read in its entirety as follows:

"Termination Date" means December 1, 1997 or such later date to which the Commitment is extended in accordance with Section 2.13 hereof.

B. The definition of "CD Margin" set forth in Section 2.5(B) of the Agreement is hereby amended to read in its entirety as follows:

The "CD Margin" means on any date from and after December 1, 1994 (i) .425%, if at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .40 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .50 to 1; or (ii) .525%, if (a) the conditions of clause (i) have not been satisfied and (b) at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .70 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .35 to 1; or (iii) 5/8 of 1%, if the conditions set forth in both clauses (i) and (ii) are not satisfied.

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C. The definition of "Euro-Dollar Margin" set forth in Section 2.5(C) of the Agreement is hereby amended to read in its entirety as follows:

The "Euro-Dollar Margin" means on any date from and after December 1, 1994 (i) 3/10 of 1%, if at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .40 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .50 to 1; or (ii) 4/10 of 1%, if (a) the conditions of clause (i) have not been satisfied and (b) at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .70 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .35 to 1; or (iii) 1/2 of 1%, if the conditions set forth in both clauses (i) and (ii) are not satisfied.

D. Section 2.6 of the Agreement is hereby amended to read in its entirety as follows:

2.6 Fees. The Borrower shall pay to the Bank a commitment fee on the unused portion of the Commitment. The per annum commitment fee shall be on any date from and after December 1, 1994 (i) 1/8 of 1% of the unused portion of the Commitment, if at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .40 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .50 to 1; or (ii) .15% of the unused portion of the Commitment, if (a) the conditions of clause (i) have not been satisfied and (b) at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .70 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .35 to 1 or (iii) .18% of the unused portion of the Commitment, if the conditions set forth in both clauses (i) and (ii) are not satisfied. Such fees shall accrue from December 1, 1994 to and including the Termination Date and shall be payable quarterly in arrears

on the last day of each December, March, June, and September and on any date on which the Commitment is terminated or otherwise reduced.

3. AGREEMENT AS AMENDED. Except as expressly amended hereby, the Agreement shall continue in full force and effect in accordance with the terms thereof.

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4. GOVERNING LAW. This Amendment, and the Agreement as amended hereby, shall be construed in accordance with and governed by the laws of the State of New York.

5. SEVERABILITY. In case any one or more of the provisions contained in this Amendment should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

6. COUNTERPARTS. This Amendment may be executed in any number of counterparts, each of which shall constitute an original but all of which when taken together shall constitute one and the same instrument.

7. EFFECTIVENESS. This Amendment shall become effective as of the date first above written upon receipt by the Bank of counterparts hereof executed by each of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their duly authorized officers as of the day and year first above written.

THE INTERPUBLIC GROUP OF
COMPANIES, INC.

By: ALAN M. FORSTER
ALAN M. FORSTER
Vice President & Treasurer

UNION BANK OF SWITZERLAND

By: ROBERT W. CASEY, JR.
ROBERT W. CASEY, JR.
Vice President

By: LAURENT CHAIX
LAURENT CHAIX
Assistant Vice President

CREDIT AGREEMENT
BETWEEN
INTERPUBLIC GROUP OF COMPANIES, INC.

AND

BANK OF AMERICA NATIONAL TRUST
AND SAVINGS ASSOCIATION

US\$15,000,000

Dated as of December 1, 1994

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CREDIT AGREEMENT

AGREEMENT dated as of December 1, 1994 between THE INTERPUBLIC GROUP OF COMPANIES, INC., a Delaware corporation (the "BORROWER"), and BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, a national banking institution (the "BANK").

SECTION 1
INTERPRETATIONS AND DEFINITIONS

1.1 DEFINITIONS. The following terms, as used herein, shall have the following respective meanings:

"ADJUSTED CD RATE" has the meaning set forth in Section 2.5(b) hereof.

"ADJUSTED LONDON INTERBANK OFFERED RATE" has the meaning set forth in Section 2.5(C) hereof.

"APPLICABLE LENDING OFFICE" means, with respect to the Bank, (i) in the case of Domestic Loans, its Domestic Lending Office and (ii) in the case of Eurodollar Loans, its Euro-Dollar Lending Office.

"ASSESSMENT RATE" has the meaning set forth in Section 2.5(b) hereof.

"BASE RATE" means, for any day, a rate per annum equal to the higher of (i) the rate of interest announced publicly by the Bank in San Francisco, California, from time to time, as the Bank's reference rate and (ii) the Federal Funds Rate for such day plus 1%.

"BASE RATE LOAN" means a Loan which the Borrower specifies pursuant to Section 2.2 hereof shall be a Base Rate Loan.

"BENEFIT ARRANGEMENT" means, at any time, an employee benefit plan within the meaning of Section 3(3) of ERISA which is not a Plan or a Multiemployer Plan and which is maintained or otherwise contributed to by any member of the ERISA Group.

"CASH FLOW" means the sum of net income of the Borrower and its Consolidated Subsidiaries (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.

"CD BASE RATE" has the meaning set forth in Section 2.5(b) hereof.

"CD LOAN" means a Loan which the Borrower specifies pursuant to Section 2.2 hereof shall be a CD Loan.

"CD MARGIN" has the meaning set forth in Section 2.5(b) hereof.

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

"COMMITMENT" means the obligation of the Bank to lend the amount set forth in Section 2.1 hereof, as such amount may be reduced from time to time pursuant to Section 2.7 hereof.

"CONSOLIDATED SUBSIDIARY" means at any date any Subsidiary or other entity the accounts of which would be consolidated with those of the Borrower in its consolidated financial statements as of such date.

"CONSOLIDATED NET WORTH" means at any date the consolidated stockholders' equity of the Borrower and its Consolidated Subsidiaries as such appear on the financial statements of the Borrower determined in accordance with generally accepted accounting principles (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 without taking into account the effect of cumulative currency translation adjustments).

"DEBT" of any Person means at any date, 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 obligations of such Person as lessee under capital leases, (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, but in each case specified in (i) through (vi) excludes obligations arising in connection with securities repurchase transactions.

"DEFAULT" means any condition or event which constitutes an Event of Default or which with the giving of notice or lapse of time, or both, would become an Event of Default.

"DOLLARS" and the sign "\$" mean lawful money of the United States of America.

"DOMESTIC BUSINESS DAY" means any day except a Saturday, Sunday or other day on which commercial banks in San Francisco, California are authorized by law to close.

"DOMESTIC LENDING OFFICE" means the principal office of the Bank located at 1850 Gateway Boulevard, Concord, CA 94520, or such other branch or affiliate) located within the United States as the Bank may hereafter designate as its Domestic Lending Office.

"DOMESTIC LOANS" means CD Loans or Base Rate Loans or both.

"DOMESTIC RESERVE PERCENTAGE" has the meaning set forth in Section 2.5(b) hereof.

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

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

"EURODOLLAR BUSINESS DAY" means any Domestic Business Day on which commercial Banks in London are open for international business (including dealings in Dollar deposits).

"EURODOLLAR LENDING OFFICE" means the office of the Bank located at 1850 Gateway Boulevard, Concord, California 94520, or such other branch (or affiliate) of the Bank as it may hereafter designate as its Eurodollar Lending Office.

"EURODOLLAR LOAN" means a Loan which the Borrower specifies pursuant to Section 2.2 hereof shall be a Eurodollar Loan.

"EURODOLLAR MARGIN" has the meaning set forth in Section 2.5(C) hereof.

"EURODOLLAR RESERVE PERCENTAGE" has the meaning set forth in Section 2.5(C) hereof.

"EVENT OF DEFAULT" has the meaning set forth in Section 7 hereof.

"FEDERAL FUNDS RATE" means, for any day, the rate per annum (rounded upwards, if necessary, to the nearest 1/100th of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Domestic Business Day next succeeding such day, provided that (i) if such day is not a Domestic Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Domestic Business Day as so published on the next succeeding Domestic Business Day, and (ii) if no such rate is so published on such next succeeding Domestic Business Day, the Federal Funds Rate for such day shall be the average rate quoted to the Bank on such day on such transactions as determined by the Bank in a reasonable manner.

"FIXED CD RATE" has the meaning set forth in Section 2.5(b) hereof.

"FIXED RATE LOANS" means CD Loans, Eurodollar Loans or Money Market Rate Loans.

"GUARANTEE" by any Person means 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, to purchase assets, goods, securities or services, to 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 has a corresponding meaning.

"INTEREST PERIOD" means: (1) with respect to each CD Loan, at the Borrower's option, the period commencing on the date of such Loan and ending 30, 60, 90 or 180 days thereafter, (2) with respect to each Eurodollar Loan, at the Borrower's option, the period commencing on the date of such Loan and ending one, two, three or six months thereafter and (3) with respect to each Base Rate Loan the period commencing on the date of such Loan and ending 30 days thereafter PROVIDED, that:

(a) any Interest Period which would otherwise end on a day which is not a Eurodollar Business Day shall be extended to the next succeeding Eurodollar Business Day unless with respect to a Eurodollar Loan such Eurodollar Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Eurodollar Business Day;

(b) with respect to a Eurodollar Loan, any Interest Period which begins on the last Eurodollar Business Day of the calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall, subject to clause (c) below, end on the last Eurodollar Business Day of a calendar month; and

(c) any Interest Period which would otherwise end after the Termination Date shall end on the Termination Date;

PROVIDED FURTHER, however, that if any such Interest Period shall be less than 30 days, the Loan for such Interest Period shall be a Base Rate Loan.

"LIEN" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or other encumbrance of any kind in respect of such asset. For purposes of this Agreement, the Borrower or any Subsidiary shall be deemed to own subject to a Lien any asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

"LOAN" and "LOANS" means a Domestic Loan, a Eurodollar Loan, or a Money Market Rate Loan, as the context may require.

"LONDON INTERBANK OFFERED RATE" has the meaning set forth in Section 2.5(C) hereof.

"MATERIAL PLAN" means at any time a Plan or Plans having aggregate unfunded benefit liabilities (within the meaning of Section 4001(a)(18) of ERISA) in excess of \$25,000,000.

"MONEY MARKET RATE LOAN" means a Loan made by the Bank to the Borrower pursuant to Section 2.5(D) hereof.

"MULTIEMPLOYER PLAN" means at any time an employee pension benefit plan that is a "multiemployer plan" within the meaning of Section 4001(a)(3) of ERISA to which any member of the ERISA Group is then making or accruing an obligation to make contributions or has within the preceding five plan years made contributions, including for these purposes any Person which ceased to be a member of the ERISA Group during such five year period.

"NOTE OR NOTES" means the promissory note of the Borrower, substantially in the form of Exhibits A and B hereto evidencing the obligation of the Borrower to repay the Loans.

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

"PARTICIPANT" has the meaning set forth in Section 8.3.

"PERSON" means an individual, a corporation, a partnership, an association, a business trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"PLAN" means at any time a defined benefit pension plan (other than a Multiemployer Plan) which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code and either (i) is maintained, or contributed to, by any member of the ERISA Group for employees of any member of the ERISA Group or (ii) has at any time within the preceding five years been maintained, or contributed to, by any Person which was at such time a member of the ERISA Group for employees of any Person which was at such time a member of the ERISA Group.

"REGULATION U" means Regulation U of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"SIGNIFICANT SUBSIDIARY" or "Significant Group of Subsidiaries" at any time of determination means any Consolidated Subsidiary or group of Consolidated Subsidiaries, respectively, 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 Borrower and its Consolidated Subsidiaries for the most recently ended fiscal year or for more than 10% of the total assets of the Borrower and its Consolidated Subsidiaries as of the end of such fiscal year; PROVIDED that in connection with any determination with respect to a Significant Group of Subsidiaries under (x) Section 7(e), there shall be a payment default, failure or other event (of the type described therein but without regard to the principal amount of such obligation) of each Consolidated Subsidiary included in such group, (y) Sections 7(f) and (g) and the last sentence of Section 6.10, the condition or event described therein shall exist with respect to each Consolidated Subsidiary included in such group or (z) Section 7(i), there shall be a final judgment (of the type specified therein but without regard to the amount of such judgment) rendered against each Consolidated Subsidiary included in such group.

"SUBSIDIARY" means 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 Borrower.

"TERMINATION DATE" means December 1, 1997 or such later date to which the Commitment is extended in accordance with Section 2.13 hereof.

"TOTAL BORROWED FUNDS" means at any date, without duplication, (i) all outstanding obligations of the Borrower and its Consolidated Subsidiaries for borrowed money, (ii) all outstanding obligations of the Borrower 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 Borrower and its Consolidated Subsidiaries, it being understood that the obligation to repurchase securities transferred pursuant to a securities repurchase agreement shall not be deemed to give rise to any amount of Total Borrowed Funds pursuant to this definition.

1.2 ACCOUNTING TERMS AND DETERMINATIONS. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder, shall be prepared in accordance with generally accepted accounting principles as in effect from time to time, applied on a basis consistent (except for changes concurred in by the Borrower's independent public accountants) with the most recent audited consolidated financial statements of the Borrower and its Consolidated Subsidiaries delivered to the Bank.

SECTION 2
THE LOANS

2.1 COMMITMENT. At any time prior to the Termination Date the Bank agrees, on the terms and conditions set forth in this Agreement, to lend to the Borrower from time to time amounts not exceeding in the aggregate at any one time outstanding the principal amount of \$15,000,000 (the "Commitment"). Each Loan under this Section 2.1 shall be in the principal amount of \$1,000,000 (except that any such Loan may be in the amount of the unused Commitment) or any larger multiple thereof. During such period and within the foregoing limits, the Borrower may borrow under this Section 2.1, repay or to the extent permitted by Section 2.9 hereof prepay Loans and reborrow under this Section 2.1.

2.2 METHOD OF BORROWING.

(a) With respect to each Loan made pursuant to Section 2.1 hereof, the Borrower shall give the Bank notice prior to 11:00 a.m. on the drawdown date in the case of a Base Rate Loan, at least one Domestic Business Day's notice in the case of a CD Loan, or at least three Eurodollar Business Days' notice in the case of a Eurodollar Loan, specifying:

(i) the date of such Loan, which shall be a Domestic Business Day in the case of a Domestic Loan and a EuroDollar Business Day in the case of a Eurodollar Loan;

(ii) the principal amount of such Loan;

(iii) whether the Loan is to be a Base Rate Loan, a CD Loan or a Eurodollar Loan; and

(iv) in the case of a Fixed Rate Loan, the duration of the Interest Period applicable thereto, subject to the definition of Interest Period.

(b) On the date of each Loan the Bank will make the proceeds thereof available to the Borrower at the Domestic Lending Office.

(c) If the Bank makes a new Loan hereunder on a day which the Borrower is to repay all or any part of an outstanding Loan, the Bank shall apply the proceeds of its new Loan to make such repayment and only an amount equal to the difference (if any) between the amount being borrowed and the amount being repaid shall be made available by the Bank to the Borrower as provided in subsection (b) of this Section or remitted by the Borrower to the Bank as provided in Section 2.10 hereof, as the case may be.

2.3 THE NOTE.

(a) The Loans shall be evidenced by a single Note payable to the order of the Bank for the account of its Applicable Lending Office in an amount equal to the aggregate unpaid principal amount of the Loans. The Money Market Rate Loans shall be evidenced by the Money Market Rate Note, a form of which is attached hereto as Exhibit B.

(b) The Bank shall record and prior to any transfer, if permitted, of its Note, shall endorse on the schedule forming a part thereof appropriate notations evidencing the date, the type, the amount and the maturity of each Loan to be evidenced by the Note and the date and amount of each payment of principal made by the Borrower with respect thereto; provided that the failure of the Bank to make any such recordation or endorsement shall not affect the obligations of the Borrower hereunder or under the Note and, further provided, the Bank shall make such additions and deletions as the Borrower may request in order to correct any mistakes. The Bank is hereby irrevocably authorized by the Borrower so to endorse the Note and to attach to and make a part of the Note a continuation of any such schedule as and when required.

2.4 MATURITY OF LOANS. Each Loan shall mature, and the principal amount thereof shall be due and payable, on the last day of the Interest Period applicable to such Loan. Each Money Market Rate Loan shall mature at such time as may be agreed to by the Bank and the Borrower.

PAGE

2.5 INTEREST RATES.

(a) Each Base Rate Loan shall bear interest on the outstanding principal amount thereof, for each day from the date such Loan is made until it becomes due, at a rate per annum equal to the Base Rate. Such interest shall be payable for each Interest Period on the last day thereof. Any overdue principal of and, to the extent permitted by law, overdue interest on the Base Rate Loans shall bear interest during such overdue period for each day until paid at a rate per annum equal to the sum of 1% plus the otherwise applicable rate for such day, payable on demand of the Bank.

(b) Each CD Loan shall bear interest on the outstanding principal amount thereof, for each Interest Period applicable thereto, at a rate per annum equal to the applicable Fixed CD Rate; provided that if any CD Loan or any portion thereof shall, as a result of clause (c) of the definition of Interest Period, have an Interest Period of less than 30 days, such portion shall bear interest during such Interest Period at the rate applicable to Base Rate Loans during such Period. Such interest shall be payable for each Interest Period on the last day thereof and, if such Interest Period is longer than 90 days, at intervals of 90 days after the first day thereof. Any overdue principal of and, to the extent permitted by law, overdue interest on the CD Loans shall bear interest during such overdue period for each day until paid at a rate per annum equal to the sum of 1% plus the higher of (i) the Fixed CD Rate applicable to such Loan and (ii) the rate applicable to Base Rate Loans for such day, payable on demand of the Bank.

The "FIXED CD RATE" applicable to any CD Loan for any Interest Period means a rate per annum equal to the sum of the CD Margin plus the applicable Adjusted CD Rate.

The "CD MARGIN" means (i) .4250%, if at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .40 to 1 and the Borrower's ratio to Cash Flow to Total Borrowed Funds was equal to or greater than .50 to 1; or (ii) .5250%, if (a) the conditions of clause (i) have not been satisfied and (b) at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .70 to 1 and the Borrower's ratio

equal

of Cash Flow to Total Borrowed Funds was equal to or greater than .35 to 1; or (iii) .6250%, if the conditions set forth in both clauses (i) and (ii) are not satisfied.

The "ADJUSTED CD RATE" applicable to any Interest Period means a rate per annum determined pursuant to the following formula:

$$\text{ACDR} = \frac{[\text{CDBR}]}{[1 - \text{DRP}]} + \text{AR}$$

ACDR = Adjusted CD Rate for such Interest Period
CDBR = CD Base Rate for such Interest Period
AR = Assessment Rate
DRP = Domestic Reserve Percentage

The "CD BASE RATE" means for any Interest Period the prevailing per annum rate of interest as reasonably determined by the Bank (rounded upward, if necessary, to the next higher 1/100 of 1%) bid at 11:00 a.m. (New York time) (or as soon thereafter as practicable) on the first day of such Interest Period by two or more certificate of deposit dealers of recognized standing selected by the Bank for the purchase at face value of US dollar certificates of deposit issued by major New York banks in an amount comparable to the principal amount of the CD Loan to which such Interest Period applies and with a maturity comparable to such Interest Period.

The "DOMESTIC RESERVE PERCENTAGE" means for any day, that percentage (expressed as a decimal) which is in effect on such day, as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any basic, supplemental or emergency reserves) for a member bank of the Federal Reserve System with deposits exceeding five billion Dollars in respect of new non-personal time deposits in Dollars having a maturity comparable to the related Interest Period and in an amount of \$100,000 or more. The Fixed CD Rate shall be adjusted automatically on and as of the effective date of any change in the Domestic Reserve Percentage.

*The amount in brackets being rounded upwards, if necessary, to the next higher 1/100 of 1%.
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"ASSESSMENT" means for any Interest Period the net annual assessment rate (rounded upwards, if necessary, to the next higher 1/100 of 1%) actually incurred by the Bank to the Federal Deposit Insurance Corporation (or any successor) for such Corporation's (or such successor's) insuring time deposits at offices of the Bank in the United States during the most recent period for which such rate has been determined prior to the commencement of such Interest Period.

(c) Each Eurodollar Loan shall bear interest on the unpaid principal amount thereof, for the Interest Period applicable thereto, at a rate per annum equal to the sum of the Eurodollar Margin plus the applicable Adjusted London Interbank Offered Rate. Such interest shall be payable for each Interest Period on the last day thereof and, if such Interest Period is longer than three months, at intervals of three months after the first day thereof. Any overdue principal of and, to the extent permitted by law, overdue interest on the Eurodollar Loans shall bear interest for each day until paid at a rate per annum equal to the sum of 1% plus the higher of (i) the rate of interest applicable to such Loan and (ii) the rate applicable to Base Rate Loans for such day, payable on demand of the Bank.

The "ADJUSTED LONDON INTERBANK OFFERED RATE" applicable to any Interest Period means a rate per annum equal to the quotient obtained (rounded upwards, if necessary, to the next higher 1/100 of 1%) by dividing (i) the applicable London Interbank Offered Rate by (ii) 1.00 MINUS the Eurodollar Reserve Percentage.

The "LONDON INTERBANK OFFERED RATE" applicable to any Interest Period means the rate per annum at which deposits in Dollars are offered to the Bank in the London interbank market at approximately 11:00 a.m. (London time) two Eurodollar Business Days prior to the first day of such Interest Period in an amount approximately equal to the principal amount of the Eurodollar Loan to which such Interest Period is to apply and for a period of time comparable to such Interest Period.

The "EURODOLLAR RESERVE PERCENTAGE" means for any day that percentage (expressed as a decimal) which is in effect on such day, as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement for a member bank of the Federal Reserve

System with deposits exceeding five billion dollars in respect of "Eurocurrency liabilities" (or in respect of any other category of liabilities which includes deposits by reference to which the interest rate on Eurodollar Loans is determined or any category of extensions of credit or other assets which includes loans by a non-United States office of the Bank to United States residents). The Adjusted London Interbank Offered Rate shall be adjusted automatically on and as of the effective date of any change in the Eurodollar Reserve Percentage.

The "EURODOLLAR MARGIN" means (i) .30%, if at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .40 to 1 and the Borrower's ratio of Cash flow to Total Borrowed Funds was equal to or greater than .50 to 1; or (ii) .40%, if (a) the conditions of clause (i) have not been satisfied and (b) at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .70 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .35 to 1; or (iii) .50%, if the conditions set forth in both clauses (i) and (ii) are not satisfied.

(d) Each Money Market Rate Loan shall be made by the Bank to the Borrower upon such terms and conditions and in such amounts as may be agreed upon from time to time by the Bank and the Borrower. Each Money Market Rate Loan shall be evidenced by a Note in the form of Exhibit B hereto.

2.6 FEES. The Borrower shall pay to the Bank a commitment fee computed on the unused portion of the Commitment. The per annum commitment fee shall be on any date from and after December 1, 1994; (i) .125% of the unused portion of the Commitment, if at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .40 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .50 to 1; or (ii) .15% of the unused portion of the Commitment, if (a) the conditions of clause (i) have not been satisfied and (b) at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .70 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .35 to 1; or (iii) .180% of the unused portion of the Commitment, if the

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conditions set forth in clauses (i) and (ii) are not satisfied. Such fees shall accrue from December 1, 1994 to and including the Termination Date and shall be payable quarterly in arrears on the last day of each June, September, December and March and on any date on which the Commitment is terminated or otherwise reduced.

2.7 OPTIONAL TERMINATION OR REDUCTION OF COMMITMENT. The Borrower may, upon at least three Domestic Business Days' notice to the Bank, terminate at any time, or reduce from time to time the unused portion of the Commitment. Any such reduction of the Commitment shall be in the amount of \$1,000,000 or any larger multiple thereof. If the Commitment is terminated in its entirety, the accrued commitment fee shall be payable on the effective date of such termination.

2.8 MANDATORY TERMINATION OR REDUCTION OF COMMITMENT. If not previously terminated by the Borrower pursuant to Section 2.7, the Commitment shall terminate on the Termination Date, and any Loans then outstanding (together with accrued interest thereon) shall be due and payable on such date.

2.9 OPTIONAL PREPAYMENTS.

(a) The Borrower may, upon at least one Domestic Business Day's notice to the Bank, prepay the Base Rate Loans without premium or penalty in whole at any time or from time to time in part in an amount equal to \$1,000,000 or any multiple of \$1,000,000 in excess thereof (or such lesser amount as applicable if less than \$1,000,000 is outstanding) by paying the principal amount being prepaid together with accrued interest thereon to the date of prepayment.

(b) Except as provided in Section 4.2 hereof, the Borrower may not prepay all or any portion of the principal amount of any Fixed Rate Loan prior to the maturity thereof.

2.10 GENERAL PROVISIONS AS TO PAYMENTS. The Borrower shall make each payment of principal of, and interest on, the Loans and of commitment fees hereunder not later than 11:00 a.m. (New York City time) on the date when due in funds immediately available at the office of the Bank in San Francisco, California for the account of (i) the Domestic Lending Office in the case of Domestic Loans and Money Market Rate Loans or (ii) the Eurodollar Lending Office in the case of Eurodollar Loans. Whenever any payment of principal of, or interest on, the Domestic Loans, the Money Market Rate Loans, the commitment fee or facility fee shall be due on a day which is not a Domestic Business Day, the date for payment thereof shall be extended to the next succeeding Domestic Business Day.

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Whenever any payment of principal of, or interest on, the Eurodollar Loans shall be due on a day which is not a Eurodollar Business Day, the date for payment thereof shall be extended to the next succeeding Eurodollar Business Day unless as a result thereof it would fall in the next calendar month, in which case it shall be advanced to the next preceding Eurodollar Business Day. If the date for any payment of principal is extended by operation of law or otherwise, interest shall be payable for such extended time.

2.11 COMPUTATION OF INTEREST AND FEES. Interest on the Loans bearing interest based on clause (i) of the definition of Base Rate shall be computed on the basis of a year of 365 or 366 days, as the case may be, and paid for actual days elapsed. Interest on Loans bearing interest based on clause (ii) of the definition of Base Rate, the CD Loans, the Eurodollar Loans and the calculation of the commitment fee and facility fee shall be computed on the basis of a year of 360 days and paid for actual days elapsed.

2.12 FUNDING LOSSES. If the Borrower makes any payment of principal with respect to any Fixed Rate Loan (pursuant to Section 4 or Section 7 or otherwise) on any day other than the last day of an Interest Period applicable to such Loan, or if the Borrower fails to borrow any Fixed Rate Loan after notice has been given to the Bank in accordance with Section 2.2 hereof, the Borrower shall reimburse the Bank on demand for any resulting loss or expense incurred by it (or by any existing or prospective Participant in the related Loan) including (without limitation) any loss incurred in obtaining, liquidating or employing deposits from third parties; PROVIDED that the Bank shall have delivered to the Borrower a certificate by a Bank officer as to the amount of such loss.

2.13 EXTENSION OF COMMITMENT. Not more than 60 nor less than 45 days prior to each date which is either the second or third anniversary of this Agreement, the Borrower may request in writing that the Bank extend the Commitment for an additional period of one year from the then current Termination Date. If the Bank, in its sole discretion, decides to grant such request, it shall so notify the Borrower not less than 30 days before the then current Termination Date in writing, whereupon the Commitment shall be extended for an additional period of one year from the then current Termination Date, and the term "Termination Date" shall thereafter refer to the date that the Commitment, as so extended, will terminate. If not extended as provided in this Section 2.13, the Commitment will automatically terminate on the then current Termination Date without further action by the Borrower or the Bank.

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SECTION 3
CONDITIONS OF LENDING

The obligation of the Bank to make each Loan hereunder is subject to the performance by the Borrower of all its obligations under this Agreement and to the satisfaction of the following further conditions:

3.1 ALL LOANS. In the case of each Loan hereunder, including the initial Loan:

(a) receipt by the Bank of the notice from the Borrower required by Section 2.2 hereof;

(b) the fact that immediately after the making of the Loan no Default with respect to Sections 6.1(d), 6.6, 6.7, 6.8, 6.9 or 6.10 or Event of Default shall have occurred and be continuing, except that in the case of any Loan which, after the application of proceeds thereof, results in no net increase in the outstanding principal amount of Loans made by the Bank, the fact that immediately after the making of the Loan, no Event of Default shall have occurred and be continuing;

(c) the fact that the representations and warranties contained in this Agreement shall be true on and as of the date of the Loan (except, in the case of any Loan which, after the application of the proceeds thereof, results in no net increase in the outstanding principal amount of Loans made by the Bank, the representations and warranties set forth in Sections 5.4(B) and 5.5 so long as the Borrower has disclosed to the Bank any matter which would cause any such representation to be untrue on the date of such Loan); and

(d) receipt by the Bank of such other documents, evidence, materials and information with respect to the matters contemplated hereby as the Bank may reasonably request.

Each borrowing hereunder shall be deemed to be a representation and warranty by the Borrower on the date of such Loan as to the facts specified in (b) and (c) of this Section.

3.2 INITIAL LOAN. In the case of the initial Loan:

(a) receipt by the Bank of a duly executed Note;

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(b) receipt by the Bank of an opinion of counsel to the Borrower as to the matters referred to in Sections 5.1, 5.2, 5.3, 5.5 and 5.8 hereof, and covering such other matters as the Bank may reasonably request, dated the date of such Loan, satisfactory in form and substance to the Bank;

(c) receipt by the Bank of certified copies of all corporate action taken by the Borrower to authorize the execution, delivery and performance of this Agreement and the Note, and the Loans hereunder and such other corporate documents and other papers as the Bank may reasonably request;

(d) receipt by the Bank of a certificate of a duly authorized officer of the Borrower as to the incumbency, and setting forth a specimen signature, of each of the persons (i) who has signed this Agreement on behalf of the Borrower; (ii) who will sign the Note on behalf of the Borrower; and (iii) who will, until replaced by other persons duly authorized for that purpose, act as the representatives of the Borrower for the purpose of signing documents in connection with this Agreement and the transactions contemplated hereby; and

(e) receipt by the Bank of a certificate of a duly authorized officer of the Borrower to the effect set forth in Sections 3.1(b) and 3.1(c) hereof.

SECTION 4 CHANGE IN CIRCUMSTANCES AFFECTING LOANS

4.1 Basis for Determining Interest Rate Inadequate. If on or prior to the first day of any Interest Period deposits in Dollars (in the applicable amounts) are not being offered to the Bank in the relevant market for such Interest Period, the Bank shall forthwith give notice thereof to the Borrower, whereupon the obligations of the Bank to make CD Loans or Eurodollar Loans, as the case may be, shall be suspended until the Bank notifies the Borrower that the circumstances giving rise to such suspension no longer exist. Unless the Borrower notifies the Bank at least two Domestic Business Days before the date of any Fixed Rate Loan for which a notice of borrowing has previously been given that it elects not to borrow on such date, such Loan shall instead be made as a Base Rate Loan or the notice of borrowing may be withdrawn.

4.2 ILLEGALITY. If, after the date of this Agreement, the adoption of any applicable law, rule or regulation, or any change therein, or any change in the interpretation or administration
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thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Bank (or its EuroDollar Lending Office) with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency shall make it unlawful or impossible for the Bank (or its Eurodollar Lending Office) to make, maintain or fund its Eurodollar Loans, the Bank shall forthwith so notify the Borrower, whereupon the Bank's obligation to make Eurodollar Loans shall be suspended. Before giving any notice to the Borrower pursuant to this Section 4.2, the Bank will designate a different Eurodollar Lending Office if such designation will avoid the need for giving such notice and will not, in the judgment of the Bank, be otherwise disadvantageous to the Bank. If the Bank shall determine that it may not lawfully continue to maintain and fund any of its outstanding Eurodollar Loans to maturity and shall so specify in such notice, the Borrower shall immediately prepay in full the then outstanding principal amount of each such Eurodollar Loan, together with accrued interest thereon.

4.3 INCREASED COSTS AND REDUCED RETURNS.

(a) If, after the date hereof, the adoption of any applicable law, rule or regulation, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof or compliance by the Bank (or its Applicable Lending Office) with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency:

(i) shall subject the Bank (or its Applicable Lending Office) to any tax, duty or other charge with respect to its obligation to make Fixed Rate Loans, its Fixed Rate Loans, or its Note, or shall change the basis of taxation of payments to the Bank (or its Applicable Lending Office) of the principal of or interest on its Fixed Rate Loans or in respect of any other amounts due under this Agreement, in respect of its Fixed Rate Loans or its obligation to make Fixed Rate Loans, (except for changes in the rate of tax on the overall net income of the Bank or its Applicable Lending Office imposed by the jurisdiction in which the Bank's principal executive office or Applicable Lending Office is located); or

(ii) shall impose, modify or deem applicable any reserve, special deposit or similar requirement (including, without limitation, any imposed by the Board

of Governors of the Federal Reserve System, but excluding (A) with respect to any CD Loan any such requirement included in an applicable Domestic Reserve Percentage and (B) with respect to any Eurodollar Loan any such requirement included in an applicable Eurodollar Reserve Percentage) against assets of, deposits with or for the account of, or credit extended by, the Bank (or its Applicable Lending Office) or shall impose on the Bank (or its Applicable Lending Office) or on the United States market for certificates of deposit or the London interbank market any other condition affecting its obligation to make Fixed Rate Loans, its Fixed Rate Loans or its Note;

and the result of any of the foregoing is to increase the cost to the Bank (or its Applicable Lending Office) of making or maintaining any Fixed Rate Loan, or to reduce the amount of any sum received or receivable by the Bank (or its Applicable Lending Office) under this Agreement or under its Note with respect thereto, by an amount deemed by the Bank to be material, then, within 15 days after demand by the Bank, the Borrower agrees to pay to the Bank such additional amount or amounts as will compensate the Bank for such increased cost or reduction.

(b) If the Bank shall have determined that the adoption, after the date hereof, of any applicable law, rule or regulation regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Bank (or its Applicable Lending Office) with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on the Bank's capital as a consequence of its obligations hereunder to a level below that which the Bank could have achieved but for such adoption, change or compliance (taking into consideration the Bank's policies with respect to capital adequacy) by an amount deemed by the Bank to be material, then from time to time, within 15 days after demand by the Bank, the Borrower shall pay to such Bank such additional amount or amounts as will compensate the Bank for such reduction.

(c) The Bank will promptly notify the Borrower of any event of which it has knowledge, occurring after the date hereof, which will entitle the Bank to compensation pursuant to this Section and will designate a different Applicable Lending Office if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the judgment of the Bank, be otherwise disadvantageous to the Bank. A certificate by an officer of the Bank claiming compensation under this Section and setting forth the additional amount or amounts to be paid to it hereunder shall, in the absence of manifest error, constitute PRIMA FACIE evidence of such amount. In determining such amount, the Bank may use any reasonable averaging and attribution methods.

SECTION 5
REPRESENTATIONS AND WARRANTIES

The Borrower hereby represents and warrants to the Bank that:

5.1 CORPORATE EXISTENCE AND POWER. The Borrower is a corporation duly organized, incorporated, validly existing and in good standing under the laws of the State of its incorporation, and has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted.

5.2 CORPORATE AND GOVERNMENTAL AUTHORIZATION: CONTRAVENTION. The execution, delivery and performance by the Borrower of this Agreement and the Note are within the Borrower's corporate powers, have been duly authorized by all necessary corporate action, require no action by or in respect of, or filing with, any governmental body, agency or official and do not contravene, or constitute a default under, any provision of applicable law or regulation or of the certificate of incorporation or by-laws of the Borrower or of any judgment, injunction, order, decree, material agreement or other instrument binding upon the Borrower or result in the creation or imposition of any Lien on any asset of the Borrower or any of its Consolidated Subsidiaries.

5.3 BINDING EFFECT. This Agreement constitutes a valid and binding agreement of the Borrower and the Notes, when executed and delivered in accordance with this Agreement, will constitute a valid and binding obligation of the Borrower.

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5.4 FINANCIAL INFORMATION.

(a) The consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as at December 31, 1993 and the related consolidated statements of income and retained earnings and cash flows of the Borrower and its Consolidated Subsidiaries for the fiscal year then ended, certified by Price Waterhouse, certified public accountants, and set forth in the Borrower's most recent Annual Report on Form 10-K, a copy of which has been delivered to the Bank, fairly present in conformity with generally accepted accounting principles, the consolidated financial position of the Borrower and its Consolidated Subsidiaries at such date and the consolidated results of operations for such fiscal year;

(b) Since December 31, 1993 there has been no material adverse change in the business, financial position or results of operations of the Borrower and its Consolidated Subsidiaries, considered as a whole, other than as a result of the recognition of post-employment costs prior to the period in which such benefits are paid.

5.5 LITIGATION. There is no action, suit or proceeding pending against, or to the knowledge of the Borrower threatened against, the Borrower or any of its Consolidated Subsidiaries before any court or arbitrator or any governmental body, agency or official in which there is a significant probability of an adverse decision which would materially adversely affect the business, consolidated financial position or consolidated results of operations of the Borrower and its Consolidated Subsidiaries taken as a whole or which in any manner draws into question the validity of this Agreement or the Notes.

5.6 COMPLIANCE WITH ERISA. Each member of the ERISA 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 Borrower and its Consolidated Subsidiaries taken as a whole. No member of the ERISA Group has 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.

5.7 TAXES. United States Federal income tax returns of the Borrower and its Consolidated Subsidiaries have been examined and closed through the fiscal year ended December 31, 1985. The Borrower and its Consolidated Subsidiaries have filed all United
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States Federal income tax returns and all other material tax returns which are required to be filed by them and have paid all taxes due reported on such returns or pursuant to any assessment received by the Borrower or any Consolidated Subsidiary, to the extent that such assessment has become due. The charges, accruals and reserves on the books of the Borrower and its Consolidated Subsidiaries in respect of taxes or other governmental charges are, in the opinion of the Borrower, adequate except for those which are being contested in good faith by the Borrower.

5.8 SUBSIDIARIES. Each of the Borrower's Consolidated Subsidiaries is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, and has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted, all to the extent material to the Borrower and its Subsidiaries taken as a whole.

SECTION 6 COVENANTS

So long as the Commitment shall be in effect or the Note is outstanding, the Borrower agrees that:

6.1 INFORMATION. The Borrower will deliver to the Bank:
(a) as soon as available and in any event within 95 days after the end of each fiscal year of the Borrower, a consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as at the end of such year, and consolidated statements of income and retained earnings and statement of cash flows of the Borrower and its Consolidated Subsidiaries for such year, setting forth in each case in comparative form the figures for the preceding fiscal year, all reported on by Price Waterhouse or other independent certified public accountants of nationally recognized standing;

(b) as soon as available and in any event within 50 days after the end of each of the first three quarters of each fiscal year of the Borrower, an unaudited consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as at the end of such quarter and the related unaudited consolidated statements of income and retained earnings and statement of cash flows of the Borrower and its Consolidated Subsidiaries for such quarter and for the portion of the Borrower's fiscal

year ended at the end of such quarter setting forth in each case in comparative form the figures for the corresponding quarter and the corresponding portion of the Borrower's previous fiscal year, all certified (subject to changes resulting from year-end adjustments) as to fairness of presentation, in conformity with generally accepted accounting principles (other than as to footnotes) and consistency (except to the extent of any changes described therein and permitted by generally accepted accounting principles) by the chief financial officer or the chief accounting officer of the Borrower;

(c) simultaneously with the delivery of each set of financial statements referred to in clauses (a) and (b) above, a certificate of the chief financial officer or the chief accounting officer of the Borrower (i) setting forth in reasonable detail the calculations required to establish whether the Borrower was in compliance with the requirements of Sections 6.6 to 6.8, inclusive, on the date of such financial statements and (ii) stating whether any Default has occurred and is continuing on the date of such certificate and, if any Default then has occurred and is continuing, setting forth the details thereof and the action which the Borrower is taking or proposes to take with respect thereto;

(d) within 10 days of the chief executive officer, chief operating officer, principal financial officer or principal accounting officer of the Borrower obtaining knowledge of any event or circumstance known by such person to constitute a Default, if such Default is then continuing, a certificate of the principal financial officer or the principal accounting officer of the Borrower setting forth the details thereof and within five days thereafter, a certificate of either of such officers setting forth the action which the Borrower is taking or proposes to take with respect thereto;

(e) promptly upon the mailing thereof to the shareholders of the Borrower generally, copies of all financial statements, reports and proxy statements so mailed;

(f) promptly upon the filing thereof, copies of all registration statements (other than the exhibits thereto and any registration statements on Form S-8 or its equivalent) and annual, quarterly or monthly reports which the Borrower shall have filed with the Securities and Exchange Commission;

(g) if and when the chief executive officer, chief operating officer, principal financial officer or principal accounting officer of the Borrower obtains knowledge that any member of the ERISA Group (i) 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 knows 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; (ii) has received notice of complete or partial withdrawal liability under Title IV of ERISA or notice that any Multiemployer Plan is in reorganization, is insolvent or has been terminated, a copy of such notice; or (iii) has received notice from the PBGC under Title IV of ERISA of an intent to terminate, impose liability (other than for premiums under Section 4007 of ERISA) in respect of, or appoint a trustee to administer any Plan, a copy of such notice;

(h) if at any time the value of all "margin stock" (as defined in Regulation U) owned by the Borrower and its Consolidated Subsidiaries exceeds (or would, following application of the proceeds of an intended Loan hereunder, exceed) 25% of the value of the total assets of the Borrower and its Consolidated Subsidiaries, in each case as reasonably determined by the Borrower, prompt notice of such fact; and

(i) from time to time such additional information regarding the financial position or business of the Borrower as the Bank may reasonably request;

PROVIDED, HOWEVER, that the Borrower shall be deemed to have satisfied its obligations under clauses (a) and (b) above if and to the extent that the Borrower has provided to the Bank pursuant to clause (f) the periodic reports on Forms 10-Q and 10-K required to be filed by the Borrower with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, for the quarterly and annual periods described in such clauses (a) and (b).

6.2 MAINTENANCE OF PROPERTY; INSURANCE.

(a) The Borrower will maintain or cause to be maintained in good repair, working order and condition all properties used and useful in the business of the Borrower 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 Borrower and its Consolidated Subsidiaries taken as a whole.

(b) The Borrower will maintain or cause to be maintained, for itself and its Consolidated Subsidiaries, all to the extent material to the Borrower 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.

6.3 CONDUCT OF BUSINESS AND MAINTENANCE OF EXISTENCE. The Borrower will continue, and will cause each Consolidated Subsidiary to continue, to engage predominantly in business of the same general type as now conducted by the Borrower and its Consolidated Subsidiaries, and, except as otherwise permitted by Section 6.10 hereof, will preserve, renew and keep in full force and effect, and will cause each Consolidated Subsidiary to preserve, renew and keep in full force and effect their respective corporate existence and their respective rights and franchises necessary in the normal conduct of business, all to the extent material to the Borrower and its Consolidated Subsidiaries taken as a whole.

6.4 COMPLIANCE WITH LAWS. The Borrower will comply, and cause each Consolidated Subsidiary to comply, in all material respects with all applicable laws, ordinances, rules, regulations, and requirements of governmental authorities (including, without limitation, ERISA and the rules and regulations thereunder and all federal, state and local statutes laws or regulations or other governmental restrictions relating to environmental protection, hazardous substances or the cleanup or other remediation thereof) 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 on the Borrower and its Consolidated Subsidiaries taken as a whole.

6.5 INSPECTION OF PROPERTY, BOOKS AND RECORDS.

(a) The Borrower will keep, and will cause each Consolidated Subsidiary to keep, proper books of record and account in accordance with sound business practice so as to permit its financial statements to be prepared in accordance with generally accepted accounting principles; and will permit representatives of the Bank at the Bank's expense to visit and inspect any of the Borrower's properties, to examine and make

abstracts from any of the Borrower's corporate books and financial records and to discuss the Borrower's affairs, finances and accounts with the principal officers of the Borrower and its independent public accountants, all at such reasonable times and as often as may reasonably be necessary to ensure compliance by the Borrower with its obligations hereunder.

(b) With the consent of the Borrower (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 Borrower will permit representatives of the Bank, at the Bank'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 Borrower's principal officers and the Borrower's independent public accountants, all at such reasonable times and as often as the Bank may reasonably request.

6.6 CASH FLOW TO TOTAL BORROWED FUNDS. The ratio of Cash Flow to Total Borrowed Funds shall not be less than .30 for any consecutive four quarters, such ratio to be calculated at the end of each quarter on a trailing four quarter basis.

6.7 TOTAL BORROWED FUNDS TO CONSOLIDATED NET WORTH. Total Borrowed Funds will not exceed 85% of Consolidated Net Worth at end of any quarter of any fiscal year.

6.8 MINIMUM CONSOLIDATED NET WORTH. Consolidated Net Worth will at no time be less than \$440,000,000 plus 25% of the consolidated net income of the Borrower at the end of each fiscal quarter for each fiscal year commencing after the fiscal year ending December 31, 1992.

6.9 NEGATIVE PLEDGE. Neither the Borrower nor any Consolidated Subsidiary will create, assume or suffer to exist any Lien on any asset now owned or hereafter acquired by it, except for:

(a) Liens existing on the date hereof;

(b) 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;

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(c) 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 attaches to such asset concurrently with or within 90 days after the acquisition thereof;

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

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

(f) any Lien created in connection with capitalized lease obligations, but only to the extent that such Lien encumbers property financed by such capital lease obligation and the principal component of such capitalized lease obligation is not increased;

(g) 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 Borrower and its Consolidated Subsidiaries, taken as a whole;

(h) 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;

(i) 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;

(j) Liens not otherwise permitted by the foregoing clauses of this Section securing Debt in an aggregate principal amount at any time outstanding not to exceed 10% of Consolidated Net Worth; and

(k) any Liens on property arising in connection with a securities repurchase transaction.

6.10 CONSOLIDATIONS, MERGERS AND SALES OF ASSETS. The Borrower will not (i) consolidate or merge with or into any other Person (other than a Subsidiary of the Borrower) unless the Borrower's shareholders immediately before the merger or consolidation are to own more than 70% of the combined voting power of the resulting entity's voting securities or (ii) sell, lease or otherwise transfer all or substantially all of the Borrower's business or assets to any other Person (other than a Subsidiary of the Borrower). The Borrower will not permit any Significant Subsidiary or (in a series of related transactions) any Significant Group of Subsidiaries to consolidate with, merge with or into or transfer all of any substantial part of its assets to any Person other than the Borrower or a Subsidiary of the Borrower.

6.11 USE OF PROCEEDS. The proceeds of the Loans will be used for general corporate purposes, including the making of acquisitions. No part of the proceeds of any Loan hereunder will be used, directly or indirectly, for the purpose, whether immediate, incidental or ultimate of buying or carrying any "margin stock" in violation of Regulation U. If requested by the Bank, the Borrower will furnish to the Bank in connection with any Loan hereunder a statement in conformity with the requirements of Federal Reserve Form U-1 referred to in Regulation U.

SECTION 7 EVENTS OF DEFAULT

7.1 EVENTS OF DEFAULT. If any one or more of the following events ("Events of Default") shall have occurred and be continuing:

(a) the Borrower shall fail to pay (i) any principal of any Loan when due or (ii) interest on any Loan or any commitment fee or facility fee within four days after the same has become due; or

(b) the Borrower shall fail to observe or perform any covenant contained in Section 6.1(d) or Sections 6.6 to 6.8 or 6.10 hereof; or

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(c) the Borrower shall fail to observe or perform any covenant or agreement contained in this Agreement (other than those covered by clause (a) or (b) above) for 30 days after written notice thereof has been given to the Borrower by the Bank; or

(d) any representation, warranty or certification made by the Borrower in this Agreement or in any certificate, financial statement or other document delivered pursuant to this Agreement shall prove to have been incorrect in any material respect upon the date when made or deemed made; or

(e) (1) the Borrower or any Significant Subsidiary or Significant Group of Subsidiaries defaults in any payment at any stated maturity 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 (2) the Borrower or any Significant Subsidiary or Significant Group of Subsidiaries defaults in any payment other than at any stated maturity 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 Borrower 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 default with respect to a payment other than at any stated maturity, 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 any such payment defaults (whether or not at stated maturity), failures or other events shall have occurred and be continuing exceeds \$10,000,000 and PROVIDED, FURTHER, that it is understood that the obligations referred to herein exclude those obligations arising in connection with securities repurchase transactions; or

(f) the Borrower 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 shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing; or

(g) an involuntary case or other proceeding shall be commenced against the Borrower 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 an order for relief shall be entered against the Borrower or any Significant Subsidiary or Significant Group of Subsidiaries under the federal bankruptcy laws as now or hereafter in effect; or

(h) any member of the ERISA 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 Section 6.4); or notice of intent to terminate a Material Plan (other than any multiple employer plan within the meaning of Section 4063 of ERISA) shall be filed under Title IV of ERISA by any member of the ERISA Group, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate, to impose liability (other than for premiums under Section 4007 of ERISA) in respect of, or to cause a trustee to be appointed to administer any such Material Plan; or

(i) judgments or orders for the payment of money in excess of \$10,000,000 in the aggregate shall be rendered against the Borrower or any Significant Subsidiary or Significant Group of Subsidiaries and such judgments or orders

shall continue unsatisfied and unstayed for a period of 60 days; or

(j) any person or group of persons (within the meaning of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the "1934 Act")), other than the Borrower or any of its Subsidiaries, becomes the beneficial owner (within the meaning of Rule 13d-3 under the 1934 Act) of 30% or more of the combined voting power of the Borrower's then outstanding voting securities; or a tender offer or exchange offer (other than an offer by the Borrower or a Subsidiary) pursuant to which 30% or more of the combined voting power of the Borrower's then outstanding voting securities was purchased, expires; or during any period of two consecutive years, individuals who, at the beginning of such period, constituted the Board of Directors of the Borrower cease for any reason to constitute at least a majority thereof, unless the election or the nomination for the election by the Borrower's stockholders of each new director was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of the period;

then, and in every such event, (1) in the case of any of the Events of Default specified in paragraphs (f) or (g) above, the Commitment shall thereupon automatically be terminated and the principal of and accrued interest on the Note shall automatically become due and payable without presentment, demand, protest or other notice or formality of any kind, all of which are hereby expressly waived and (2) in the case of any other Event of Default specified above, the Bank may, by notice in writing to the Borrower, terminate the Commitment hereunder, if still in existence, and it shall thereupon be terminated, and the Bank may, by notice in writing to the Borrower, declare the Note and all other sums payable under this Agreement to be, and the same shall thereupon forthwith become, due and payable without presentment, demand, protest or other notice or formality of any kind, all of which are hereby expressly waived.

SECTION 8 MISCELLANEOUS

8.1 NOTICES. Unless otherwise specified herein all notices, requests, demands or other communications to or from the parties hereto shall be sent by United States mail, certified, return receipt requested, telegram, telex or facsimile, and shall be deemed to have been duly given upon receipt thereof. In the case
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of a telex, receipt of such communication shall be deemed to occur when the sender receives its answer back. In the case of a facsimile, receipt of such communication shall be deemed to occur when the sender confirms such receipt by telephone. Any such notice, request, demand or communication shall be delivered or addressed as follows:

(a) if to the Borrower, to it at 1271 Avenue of the Americas, New York, New York 10020; ATTENTION: Vice President and Treasurer (with a copy at the same address to the Senior Vice President and General Counsel);

(b) if to the Bank, communications relating to its Eurodollar Loans shall be delivered or addressed to the address or telex number set forth on the signature pages hereof for its Eurodollar Lending Office and all other communications shall be delivered or addressed to the address or telex number set forth on the signature pages hereof for its Domestic Lending Office;

or at such other address or telex number as any party hereto may designate by written notice to the other party hereto.

8.2 AMENDMENTS AND WAIVERS; CUMULATIVE REMEDIES.

(a) None of the terms of this Agreement may be waived, altered or amended except by an instrument in writing duly executed by the Borrower and the Bank.

(b) No failure or delay by the Bank in exercising any right, power or privilege hereunder or the Note shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies provided herein shall be cumulative and not exclusive of any rights or remedies provided by law.

8.3 SUCCESSORS AND ASSIGNS.

(a) The provisions of this Agreement shall be binding upon and shall inure to the benefit of the Borrower and the Bank, except that the Borrower may not assign or otherwise transfer any of its rights and obligations under this Agreement except as provided in Section 6.10 hereof, without the prior written consent of the Bank which the Bank shall not unreasonably delay or withhold.

(b) The Bank may at any time grant to one or more banks or other institutions (each a "Participant") participating interests in its Commitment or any or all of its Loans. In the event of any such grant by the Bank of a participating interest to a Participant, whether or not upon notice to the Borrower the Bank shall remain responsible for the performance of its obligations hereunder, and the Borrower shall continue to deal solely and directly with the Bank in connection with the Bank's rights and obligations under this Agreement. Any agreement pursuant to which the Bank may grant such a participating interest shall provide that the Bank shall retain the sole right and responsibility to enforce the obligations of the Borrower hereunder including, without limitation, the right to approve any amendment, modification or waiver of any provision of this Agreement; PROVIDED that such participation agreement may provide that the Bank will not agree to any modification, amendment or waiver of this Agreement (i) which increases or decreases the Commitment of the Bank (ii) reduces the principal of or rate of interest on any Loan or fees hereunder or (iii) postpones the date fixed for any payment of principal of or interest on any Loan or any fees hereunder without the consent of the Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.12 and 4 with respect to its participating interest.

(c) The Bank may at any time assign all or any portion of its rights under this Agreement and the Note or Notes to a Federal Reserve Bank. No such assignment shall release the Bank from its obligations hereunder.

(d) No Participant or other transferee of the Bank's rights shall be entitled to receive any greater payment under Sections 2.12 and 4.1 through 4.3 than the Bank would have been entitled to receive with respect to the rights transferred, unless such transfer is made with the Borrower's prior written consent or by reason of the provisions of Section 4.3(c) requiring the Bank to designate a different Applicable Lending Office under certain circumstances or at a time when the circumstances giving rise to such greater payment did not exist.

8.4 EXPENSES; DOUCMENTARY TAXES, INDEMNIFICAITON.

(a) The Borrower shall pay (i) all out-of-pocket expenses and internal charges of the Bank (including reasonable fees and disbursements of counsel) in connection with any Default hereunder and (ii) if there is an Event of

Default, all out-of-pocket expenses incurred by the Bank (including reasonable fees and disbursements of counsel) in connection with such Event of Default and collection and other enforcement proceedings resulting therefrom. The Borrower shall indemnify the Bank against any transfer taxes, documentary taxes, assessments or charges made by any governmental authority by reason of the execution and delivery of this Agreement or the Note.

(b) The Borrower agrees to indemnify the Bank and hold the Bank harmless from and against any and all liabilities, losses, damages, costs and expenses of any kind (including, without limitation, the reasonable fees and disbursements of counsel for the Bank in connection with any investigative, administrative or judicial proceeding, whether or not the Bank shall be designated a party thereto) which may be incurred by the Bank relating to or arising out of any actual or proposed use of proceeds of Loans hereunder or any merger or acquisition involving the Borrower; PROVIDED, that the Bank shall not have the right to be indemnified hereunder for its own gross negligence or willful misconduct as determined by a court of competent jurisdiction.

8.5 COUNTERPARTS. This Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

8.6 HEADINGS; TABLE OF CONTENTS. The section and subsection headings used herein and the Table of Contents have been inserted for convenience of reference only and do not constitute matters to be considered in interpreting this Agreement.

8.7 GOVERNING LAW. This Agreement and the Note shall be construed in accordance with and governed by the law of the State of New York.

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IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of December 1, 1994.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By: ALAN FORSTER
Title: Vice President & Treasurer
BANK OF AMERICA NATIONAL TRUST AND SAVINGS
ASSOCIATION

By: NANCY L. SUN
Title: Vice Presidehnt

Domestic & Eurodollar Lending Office
1850 Gateway Boulevard
Concord, CA 94520
Attn: Nina Lemmer
Account Administrator
Tel #: (510) 675-7478
Fax #: (510) 675-7531
Fed Wire: ABA 121000358
Acct.: Incoming Money Transfer
Acct No.: 12331-83980

Copy to:
Bank of America National Trust and
Savings Association
335 Madison Avenue
New York, NY 10017
Attn: Nancy Sun
Tel #: (212) 503-7352
Fax #: (212) 503-7173

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

	Year Ended December 31				
	1994	1993	1992	1991	1990
PRIMARY:					
Net Income before effect of accounting changes	\$115,247	\$125,279	\$111,913	\$ 94,557	\$ 80,064
Effect of accounting changes	(21,780)	(512)	(24,640)	-	-
Add: Dividends paid net of related income tax applicable to the Restricted Stock Plan	349	311	365	282	166
Net income, as adjusted	\$ 93,816	\$125,078	\$ 87,638	\$ 94,839	\$ 80,230
Weighted average number of common shares outstanding	73,363,084	72,607,363	72,168,964	70,440,108	65,186,536
Weighted average number of incremental shares in connection with assumed exercise of stock options based on the treasury stock method using average market price	1,010,179	1,088,155	1,321,447	631,682	507,860
Weighted average number of incremental shares in connection with the Restricted Stock Plan based on the treasury stock method using average unamortized deferred compensation and average market price	1,197,182	1,520,003	1,484,207	1,788,296	1,654,280
Total	75,570,445	75,215,521	74,974,618	72,860,086	67,348,676
Primary earnings per common and common equivalent share	\$1.24	\$1.66	\$1.17	\$1.30	\$1.19

Restated to reflect the two-for-one stock split effected in June 1992 in the form of a 100% stock dividend.

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

	Year Ended December 31				
	1994	1993	1992	1991	1990
FULLY DILUTED:					
Net Income before effect of accounting changes	\$ 115,247	\$ 125,279	\$ 111,913	\$ 94,557	\$ 80,064
Effect of accounting changes	(21,780)	(512)	(24,640)	-	-
After tax interest savings on assumed conversion of subordinated debentures	6,074	5,941	4,385	-	-
-Add: Dividends paid net of related income tax applicable to the Restricted Stock Plan	366	330	375	308	192
Net income, as adjusted	\$ 99,907	\$ 131,038	\$ 92,033	\$ 94,865	\$ 80,256
Weighted average number of common shares outstanding	73,363,084	72,607,363	72,168,964	70,440,108	65,186,536
Assumed conversion of subordinated debentures	3,002,130	3,002,130	2,251,598	-	-
Weighted average number of incremental shares in connection with assumed exercise of stock options based on year-end market price when higher than average market prices and market prices on dates of exercise and termination	1,015,837	1,097,745	1,333,738	743,142	587,928
Weighted average number of incremental shares in connection with the Restricted Stock Plan based on ending unamortized deferred compensation and ending or average market price, whichever is higher	1,247,564	1,598,026	1,525,738	1,929,348	1,816,944
Total	78,628,615	78,305,264	77,280,038	73,112,598	67,591,408
Fully diluted earnings per common common equivalent share	\$1.27	\$1.67	\$1.19	\$1.30	\$1.19

Restated to reflect the two-for-one stock split effected in June 1992 in the form of a 100% stock dividend.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

The Interpublic Group of Companies is one of the largest organizations of advertising agencies in the world. It includes the parent company, The Interpublic Group of Companies, Inc., McCann-Erickson Worldwide, Lintas Worldwide, The Lowe Group, Western International Media and other affiliated companies. The Interpublic Group employs more than 18,000 people and maintains offices in over 100 countries.

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FINANCIAL HIGHLIGHTS

(Dollars in Thousands Except Per Share Data)

	1994	1993	Percent Increase (Decrease)
Operating Data			
Gross income	\$ 1,984,255	\$ 1,793,856	10.6%
Income before effect of accounting changes	115,247	125,279	(8.0)
Effect of accounting changes:			
Postemployment benefits	(21,780)	-	-
Income taxes	-	(512)	-
Net Income	93,467	124,767	(25.1)
Per Share Data			
Income before effect of accounting changes	1.53	1.67	(8.4)
Effect of accounting changes:			
Postemployment benefits	(.29)	-	-
Income taxes	-	(.01)	-
Net Income	1.24	1.66	(25.3)
Cash dividends	\$.545	\$.49	11.2
Weighted average number of shares	75,570,445	75,215,521	.5
Financial Position			
Working capital	\$ 80,134	\$ 167,175	(52.1)
Total assets	3,793,418	2,869,817	32.2
Stockholders' equity per share:			
Before effect of accounting changes	8.64	7.54	14.6
After effect of accounting changes	\$ 8.36	\$ 7.54	10.9
Return on stockholders' equity:			
Before effect of accounting changes	18.6%	23.3%	(20.2)
After effect of accounting changes	15.5%	23.2%	(33.2)%

KEY INDICATORS

Gross Income			
1994	\$1,984,255		
1993	\$1,793,856	1991	\$1,677,498
1992	\$1,855,971	1990	\$1,368,169
Earnings Per Share			
1994	\$ 1.53/1.24		
1993	\$ 1.67/1.66	1991	\$ 1.30
1992	\$ 1.50/1.17	1990	\$ 1.19
Cash Dividends Per Share			
1994	\$.545		
1993	\$.49	1991	\$.41
1992	\$.45	1990	\$.37
Return On Stockholders' Equity			
1994	18.6/15.5%		
1993	23.3/23.2%	1991	18.5%
1992	19.1/15.4%	1990	20.3%

Includes an after-tax charge of \$21,780,000 or \$.29 per share for effect of accounting change, FAS 112, "Employers' Accounting for Postemployment Benefits".

Includes a charge of \$512,000 or \$.01 per share for the cumulative effect of accounting change, FAS 109, "Accounting for Income Taxes."

Includes an after-tax charge of \$24,640,000 or \$.33 per share for effect of accounting change, FAS 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions".

Note: All data are restated to reflect the two-for-one stock split effected in June 1992 in the form of a 100% stock dividend.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Liquidity and Capital Resources

Working capital decreased by \$87.0 million in 1994, \$57.4 million in 1993 and increased by \$46.5 million in 1992. The decline in working capital in 1994 and 1993 was due to acquisitions. The increase in 1992 was principally due to the payment of approximately \$34 million of short-term loans, from the proceeds of the Convertible Subordinated Debentures issue. The ratio of current assets to current liabilities was approximately 1.0 to 1 in 1994, 1993, and 1992.

The Company's principal source of working capital during the three years has been from operations. In addition, during 1992 the Company used most of the proceeds from the issuance of the Convertible Subordinated Debentures (approximately \$101 million net proceeds) to pay down \$57.4 million of its long-term debt and \$34 million of short-term borrowings.

During 1994, the Company acquired \$44.5 million (1,264,761 shares) of its own Common Stock for purposes of fulfilling its obligations under various compensation plans. During 1993 and 1992, \$37.2 million (1,219,151 shares) and \$51.9 million (1,738,329 shares) were acquired, respectively. Quarterly dividends paid to shareholders increased to 14.0 cents per share in 1994 from 12.5 cents per share in 1993 and 11.5 cents per share in 1992.

The Company's capital expenditures in 1994 were \$55.9 million, an increase of 38.7% from 1993. Capital expenditures for 1993 were \$40.3 million, an increase of 9% from 1992. The Company's capital expenditures are typically for furniture and fixtures, leasehold improvements, and computer and

telecommunications equipment. In addition, the Company purchased a building and land in Frankfurt, Germany during 1993 for a purchase price of approximately \$41.5 million.

The Company and its domestic subsidiaries had credit lines aggregating \$203.5 million in 1994, \$156 million in 1993 and \$144 million in 1992. At December 31, 1994, \$11.5 million of these credit lines were utilized compared with \$17.6 million in 1993, and \$1.7 million in 1992. Subsidiaries outside the U.S. had short-term borrowings with local banks aggregating \$86.5 million, \$93 million and \$76 million at December 31, 1994, 1993 and 1992, respectively. Unused lines of credit available to these subsidiaries equaled \$157 million in 1994, \$119 million in 1993 and \$157 million in 1992.

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 clients. The Company's practice is to bill and collect from its clients in sufficient time to pay the amounts due media on a timely basis. Other uses of working capital include the payment of cash dividends, acquisitions and capital expenditures. Approximately 59%, 66% and 70% of the Company's assets at December 31, 1994, 1993 and 1992, respectively, were outside the United States. Working capital was not significantly affected by the fluctuation of foreign currencies during 1994, but the continuation of this trend is dependent upon the future movement of the dollar in relation to foreign currencies. The Company actively hedges currency exposure to mitigate any negative effect on working capital.

During 1994, 1993 and 1992, the Company acquired several advertising agencies with funds provided by existing cash balances and shares of the Company's Common Stock. Some of these acquisitions provide for deferred payments which are contingent upon future revenues or profits of the agencies acquired.

Return on average equity was 15.5%, 23.2% and 15.4% in 1994, 1993 and 1992, respectively. The decrease in 1994 compared to 1993 is mainly due to the effects of adopting FAS 112 "Employers' Accounting for Postemployment Benefits" and restructuring charges. Excluding the effect of FAS 112, return on average equity would have been 18.6% in 1994.

The U.S. dollar weakened during 1994 which resulted in a credit to the cumulative translation adjustment account of approximately \$18.9 million. The overall strengthening of the U.S. dollar beginning in the latter part of 1992 and continuing into 1993 resulted in a charge of approximately \$26 million and \$95 million to the cumulative translation adjustment account in 1993 and 1992, respectively.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

Worldwide income from commissions and fees increased 10.2% in 1994 after a decrease of 3.6% in 1993. The increase in 1994 was mainly attributable to the acquisitions of Western International Media and Ammirati & Puris. The decrease in 1993 was primarily due to the unfavorable effect of foreign exchange which had a negative impact on revenue of \$105.3 million. In 1992, revenue increased 10% resulting from the favorable effect of the acquisition of MPM:Lintas in Brazil.

Revenue from outside the United States increased \$45.3 million in 1994 after a decrease of \$86.4 million in 1993. The decrease in 1993 was mainly due to the unfavorable effects of foreign exchange. In 1992, revenue from outside the U.S. increased by \$125.8 million. Foreign revenue accounted for 64%, 67% and 69% of worldwide revenue in 1994, 1993 and 1992, respectively.

Commissions and fees from domestic operations increased 22.0% in 1994, 3.9% in 1993 and 8.5% in 1992. The increases in 1994 and 1993 are largely attributable to acquisitions of Western International Media and Ammirati & Puris in 1994 and Scali, McCabe, Sloves in 1993.

Other income increased 25.5% in 1994, 4.9% in 1993 and 20.4% in 1992. The increases are primarily due to interest income from international operations.

Total costs and expenses worldwide increased 14.0% in 1994, decreased 5% in 1993, and increased 11% in 1992. The increase in 1994 is primarily due to the restructuring charges and acquisitions. A significant portion of the Company's expenses relate to compensation and various employee incentive and benefit programs which are based principally upon operating results. Costs and expenses outside the United States decreased in 1994 and 1993 following an increase in 1992. The decreases in 1994 and 1993 are attributable to the Company's continuing cost containment efforts. The increase in 1992 is in line with the movement of revenue. Domestic costs increased 28.9% in 1994, 1% in 1993, 10% in 1992. The increase in 1994 primarily resulted from the acquisitions of Western International Media and Ammirati & Puris in 1994.

The Company recorded restructuring charges of approximately \$48.7 million in the fourth quarter of 1994. The net effect of such charges on net income was \$25.7 million or \$.34 per share. These restructuring charges, which were of a one-time nature, related principally to terminations and office consolidations resulting from the merger of the Lintas New York and Ammirati & Puris agencies and various other international offices. The Company believes these charges will permit it to operate effectively and efficiently in serving its growing list of clients and to concentrate its resources on creative talent and client service.

Restructuring charges included severance costs of \$38.3 million for involuntary terminations of approximately 600 employees. The Company expects to realize a reduction of approximately \$19.0 million in salary costs in 1995 from these terminations. As a direct result of the Lintas New York and Ammirati & Puris merger, the Company discontinued and sold its Fahlgren Martin and GS&B operations, incurring charges of \$6.7 million. Other costs related to the consolidation of the Lintas New York and Ammirati & Puris agencies amounted to \$3.7 million.

At December 31, 1994, the liability related to these restructuring charges amounted to \$29.6 million, which includes \$27.6 million for severance and \$2.0 million for the consolidation of facilities. This liability is expected to be paid out in 1995 and will be funded by continuing operations.

Interest expense increased 24.5% in 1994, decreased 20.4% in 1993 and was flat in 1992. The increase in 1994 was primarily due to increases in borrowings and interest rates. The decrease in 1993 is mainly due to the effects of foreign currency exchange and the general decline in interest rates worldwide. Equity in net income of unconsolidated affiliates increased in 1994 after a decrease in 1993. The increase in 1994 resulted from the Company's equity interest in All-American Communications, Inc. The decrease in 1993 was mainly due to the consolidation of additional subsidiaries in 1993. This followed an increase in 1992. Income applicable to minority interests decreased in 1994 after increases in 1993 and 1992. The decrease in 1994 is due to the purchase of the remaining interest of McCann Hakuodo, Inc. in the latter part of 1993, and the sale of Fremantle International, Inc. in 1994.

The Company adopted FAS 106 effective January 1, 1992, and FAS 112 effective January 1, 1994. The Company recorded a one-time after tax charge of \$24.6 million related to FAS 106 and a net charge of \$21.8 million related to FAS 112.

The effective income tax rates were 43.0% in 1994, 43.1% in 1993 and 44.1% in 1992. The reduction in the effective rate during 1994 and 1993 is due predominantly to the mix of foreign earnings. The Company changed its accounting for income taxes effective January 1, 1993, as required by FAS 109, "Accounting for Income Taxes". The impact of adoption was a \$5 million reduction in net income.

FINANCIAL STATEMENTS
 THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
 CONSOLIDATED BALANCE SHEET
 DECEMBER 31

(Dollars in Thousands Except Per Share Data)

ASSETS	1994	1993
Current Assets:		
Cash and cash equivalents (includes certificates of deposit: 1994-\$151,341; 1993-\$94,451)	\$ 413,709	\$ 292,268
Marketable securities, at cost which approximates market	27,893	30,106
Receivables (less allowance for doubtful accounts: 1994-\$22,656; 1993-\$16,834)	2,072,764	1,525,717
Expenditures billable to clients	104,787	100,230
Prepaid expenses and other current assets	56,154	54,835
Total current assets	2,675,307	2,003,156
Other Assets:		
Investment in unconsolidated affiliates	63,824	28,182
Deferred taxes on income	84,788	38,570
Other investments and miscellaneous assets	120,242	92,048
Total other assets	268,854	158,800
Fixed Assets, at cost:		
Land and buildings	73,370	65,327
Furniture and equipment	320,164	268,387
	393,534	333,714
Less accumulated depreciation	212,755	170,998
	180,779	162,716
Unamortized leasehold improvements	67,348	53,975
Total fixed assets	248,127	216,691
Intangible Assets (less accumulated amortization: 1994-\$130,045; 1993-\$111,710)		
	601,130	491,170
Total Assets	\$3,793,418	\$2,869,817

The notes on pages 21 to 34 are an integral part of these statements.

FINANCIAL STATEMENTS
INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
DECEMBER 31

(Dollars in Thousands Except Per Share Data)

LIABILITIES AND STOCKHOLDERS' EQUITY	1994	1993
Current Liabilities:		
Payable to banks	\$ 128,529	\$ 147,075
Accounts payable	2,090,406	1,428,442
Accrued expenses	292,436	183,501
Accrued income taxes	83,802	76,963
Total current liabilities	2,595,173	1,835,981
Noncurrent Liabilities:		
Long-term debt	131,276	118,088
Convertible subordinated debentures	110,527	107,997
Deferred compensation and reserve for termination allowances	215,893	146,774
Accrued postretirement benefits	45,751	44,480
Other noncurrent liabilities	32,886	39,274
Minority interests in consolidated subsidiaries	12,485	13,208
Total noncurrent liabilities	548,818	469,821
Stockholders' Equity:		
Preferred Stock, no par value shares authorized: 20,000,000 shares issued: none		
Common Stock, \$.10 par value shares authorized: 100,000,000 shares issued:		
1994 - 87,705,760;		
1993 - 86,299,688	8,771	8,630
Additional paid-in capital	383,678	335,340
Retained earnings	619,627	570,267
Adjustment for minimum pension liability	(6,422)	(704)
Cumulative translation adjustments	(97,587)	(116,432)
	908,067	797,101
Less:		
Treasury stock, at cost:		
1994 - 10,001,680 shares;		
1993 - 11,449,031 shares	222,698	208,821
Unamortized expense of restricted stock grants	35,942	24,265
Total stockholders' equity	649,427	564,015
Commitments and Contingencies (see notes)		
Total Liabilities and Stockholders' Equity	\$3,793,418	\$2,869,817
PAGE		

FINANCIAL STATEMENTS
THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME
YEAR ENDED DECEMBER 31
(Dollars in Thousands Except Per Share Data)

	1994	1993	1992
Income:			
Commissions and fees	\$1,916,376	\$1,739,778	\$1,804,421
Other income	67,879	54,078	51,550
Gross income	1,984,255	1,793,856	1,855,971
Costs and Expenses:			
Salaries and related expenses	1,040,579	917,185	993,077
Office and general expenses	661,238	618,466	622,515
Interest expense	32,924	26,445	33,221
Restructuring charges	48,715	-	-
Total costs and expenses	1,783,456	1,562,096	1,648,813
Income before provision for income taxes and effect of accounting changes	200,799	231,760	207,158
Provision for Income Taxes:			
United States - federal	26,816	29,277	23,719
- state and local	9,862	14,289	12,181
Foreign	49,655	56,253	55,435
Total taxes	86,333	99,819	91,335
Income of consolidated companies	114,466	131,941	115,823
Income applicable to minority interests	(3,262)	(7,606)	(6,728)
Equity in net income of unconsolidated affiliates	4,043	944	2,818
Income before effect of accounting changes	115,247	125,279	111,913
Effect of accounting changes:			
Postemployment benefits	(21,780)	-	-
Income taxes	-	(512)	-
Postretirement benefits	-	-	(24,640)
Net Income	\$ 93,467	\$ 124,767	\$ 87,273
Per Share Data:			
Income before effect of accounting changes	\$ 1.53	\$ 1.67	\$ 1.50
Effect of accounting changes:			
Postemployment benefits	(.29)	-	-
Income taxes	-	(.01)	-
Postretirement benefits	-	-	(.33)
Net Income	\$ 1.24	\$ 1.66	\$ 1.17

The notes on pages 21 to 34 are an integral part of these statements.

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FINANCIAL STATEMENTS
THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31
(Dollars in Thousands)

CASH FLOWS FROM OPERATING ACTIVITIES:	1994	1993	1992
Net Income	\$ 93,467	\$124,767	\$ 87,273
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and amortization of fixed assets	45,565	42,537	39,586
Amortization of intangible assets	18,335	18,730	19,573
Amortization of restricted stock awards	11,694	8,837	7,401
Provision for deferred income taxes	(16,609)	(524)	8,179
Equity in net income of unconsolidated affiliates	(4,043)	(944)	(2,817)
Income applicable to minority interests	3,262	7,606	6,728
Translation losses	13,962	15,513	3,780
Effect of accounting changes	21,780	512	24,640
Restructuring charges-non cash	14,001	-	-
Other	(8,272)	(7,647)	(8,085)
Change in assets and liabilities, net of acquisitions			
Receivables	(114,077)	(66,374)	20,307
Expenditures billable to clients	(2,120)	15,570	3,570
Prepaid expenses and other assets	3,207	(29,232)	(16,738)
Accounts payable and accrued expenses	192,600	59,363	(16,497)
Accrued income taxes	3,233	8,576	(5,019)
Deferred compensation and reserve for termination allowances	9,293	5,343	16,572
Net cash provided by operating activities	285,278	202,633	188,453
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisitions	(54,926)	(76,528)	(19,774)
Capital expenditures	(55,925)	(78,813)	(36,928)
Proceeds from sales of assets	34,057	1,513	2,636
Net proceeds from (purchase of) sales of marketable securities	5,161	2,807	(1,606)
Unconsolidated affiliates	-	(9,490)	(500)
Net cash used in investing activities	(71,633)	(160,511)	(56,172)
CASH FLOWS FROM FINANCING ACTIVITIES:			
(Decrease) increase in short-term borrowings	(44,007)	35,467	(69,798)
Proceeds from long-term debt	33,026	42,409	113,345
Payments of long-term debt	(24,528)	(15,533)	(68,634)
Treasury stock acquired	(44,520)	(37,153)	(51,883)
Issuance of Common Stock	12,977	19,413	10,414
Cash dividends	(40,360)	(35,901)	(32,483)
Net cash provided by (used in) financing activities	(107,412)	8,702	(99,039)
Effect of exchange rates on cash and cash equivalents	15,208	(14,334)	(17,192)
Increase in cash and cash equivalents	121,441	36,490	16,050
Cash and cash equivalents at beginning of year	292,268	255,778	239,728
Cash and cash equivalents at end of year	\$413,709	\$292,268	\$255,778

The notes on pages 21 to 34 are an integral part of these statements.

FINANCIAL STATEMENTS
THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
For The Three-Year Period Ended December 31, 1994
(Dollars in Thousands)

	Common Stock	Additional Paid-In Capital	Retained Earnings	Other	Cumulative Translation Adjustments	Treasury Stock	Unamortized Expense of Restricted Stock Grants
Balances, December 31, 1991	\$8,381	\$287,393	\$433,486	\$ -	\$ 4,249	\$116,891	\$29,822
Net income before effect of accounting change			111,913				
Effect of accounting change			(24,640)				
Cash dividends			(32,483)				
Foreign currency translation adjustment					(94,721)		
Awards of Common Stock under Company Plans:							
Achievement Stock Award Plan		291				(124)	
1986 Stock Incentive Plan - Restricted Stock	13	5,457					5,355
Employee Stock Purchase Plan	13	4,298					
Exercise of stock options	33	5,093					
Purchase of Company's own stock						51,883	
Tax benefit relating to exercise of stock options		977					
Restricted Stock: Forfeitures						724	(496)
Amortization							(7,401)
Issuance of shares for acquisitions and pooling of interests	52	4,868	(6,849)				
Par value of shares issued for two-for-one stock split	26		(26)				
Balances, December 31, 1992	\$8,518	\$308,377	\$481,401	\$ -	\$(90,472)	\$169,374	\$27,280

Restated to reflect two-for-one stock split effective June 1992.
The notes on pages 21 to 34 are an integral part of these statements.

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FINANCIAL STATEMENTS
THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
For The Three-Year Period Ended December 31, 1994
(Dollars in Thousands)

	Common Stock	Additional Paid-In Capital	Retained Earnings	Other	Translation Adjustments	Cumulative Treasury Stock	Unamortized Expense of Restricted Stock Grants
Balances, December 31, 1993	\$8,630	\$335,340	\$570,267	\$(704)	\$(116,432)	\$208,821	\$24,265
Net income before effect of accounting change			115,247				
Effect of accounting change			(21,780)				
Cash dividends			(40,360)				
Foreign currency translation adjustment					18,845		
Awards of Common Stock under Company Plans:							
Achievement Stock Award Plan		209				(119)	
1986 Stock Incentive Plan - Restricted Stock	63	23,386				(1,749)	25,087
Employee Stock Purchase Plan	15	3,910					
Exercise of stock options	63	8,988					
Purchase of Company's own stock						44,520	
Tax benefit relating to exercise of stock options		2,923					
Restricted Stock: Forfeitures						2,283	(1,716)
Amortization							(11,694)
Issuance of shares for acquisitions and pooling of interests		8,922	(3,747)			(31,058)	
Adjustment for minimum pension liability				(5,718)			
Balances, December 31, 1994	\$8,771	\$383,678	\$619,627	\$(6,422)	\$(97,587)	\$222,698	\$35,942

FINANCIAL STATEMENTS
THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
FOR THE THREE-YEAR PERIOD ENDED DECEMBER 31, 1994
(Dollars in Thousands)

	Common Stock	Additional Paid-In Capital	Retained Earnings	Other	Cumulative Translation Adjustments	Treasury Stock	Unamortized Expense of Restricted Stock Grants
Balances, December 31, 1992	\$8,518	\$308,377	\$481,401	\$ -	\$ (90,472)	\$169,374	\$27,280
Net income before effect of accounting change			125,279				
Effect of accounting change			(512)				
Cash dividends			(35,901)				
Foreign currency translation adjustment					(25,960)		
Awards of Common Stock under Company Plans:							
Achievement Stock Award Plan 1986 Stock Incentive		239				(96)	
Plan - Restricted Stock	14	6,548				(945)	7,507
Employee Stock Purchase Plan	17	4,359					
Exercise of stock options	81	12,303					
Purchase of Company's own stock						37,153	
Tax benefit relating to exercise of stock options		2,653					
Restricted Stock: Forfeitures						3,739	(1,685)
Amortization							(8,837)
Issuance of shares for acquisitions		861				(404)	
Adjustment for minimum pension liability				(704)			
Balances, December 31, 1993	\$8,630	\$335,340	\$570,267	\$(704)	\$(116,432)	\$208,821	\$24,265

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation: The consolidated statements include the accounts of the Company and its subsidiaries, most of which are wholly owned. The investment in unconsolidated affiliates is carried on the equity basis.

Translation of Foreign Currencies: Balance sheet accounts are translated principally at rates of exchange prevailing at the end of the year except that fixed assets and related depreciation in countries with highly inflationary economies are translated at rates in effect on dates of acquisition. Revenue and expense accounts are translated at average rates of exchange in effect during each year. Translation adjustments are included as a separate component of stockholders' equity except for countries with highly inflationary economies, which are included in current operations.

Commissions, Fees and Costs: Commissions and fees are generally recognized when media placements appear and production costs are incurred. Salaries and other agency costs are generally expensed as incurred.

Depreciation and Amortization: Depreciation is computed principally using the straight-line method over estimated useful lives of the related assets, ranging generally from 3 to 20 years for furniture and equipment and from 10 to 45 years for various component parts of buildings.

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Leasehold improvements and rights are amortized over the terms of related leases. Company policy provides for capitalization of all major expenditures for renewal and improvements and for current charges to income for repairs and maintenance.

Intangible Assets: The excess of purchase price over the value of net tangible assets acquired is being amortized on a straight-line basis over periods not exceeding 40 years.

Income Taxes: Deferred income taxes reflect the impact of temporary differences between the amount of assets and liabilities recognized for financial reporting purposes and such amounts recognized for income tax purposes. The total amount of the undistributed earnings of the foreign subsidiaries for income tax purposes was approximately \$214,725,000 at December 31, 1994. No provision has been made for foreign withholding taxes or United States income taxes which may become payable if the undistributed earnings of the foreign subsidiaries for tax purposes were paid as dividends to the Company, since a major portion of these earnings has been reinvested in working capital and other business needs. The additional income taxes on that portion of undistributed earnings which is available for dividends, are not readily determinable.

Earnings per Common and Common Equivalent Share: Earnings per share are based on the weighted average number of common shares outstanding during each year and, if dilutive, common equivalent shares applicable to grants under the stock incentive and stock option plans, and conversion of Convertible Subordinated Debentures.

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Concentrations of Credit Risk: The Company's clients are in various businesses, primarily in North America, Latin America, Europe and the Pacific Region. The Company performs ongoing credit evaluation of its clients. Reserves for credit losses are maintained at levels considered adequate by management. The Company invests its excess cash in deposits with major banks and in money market securities. These securities typically mature within 90 days and bear minimal risk.

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NOTE 2: STOCKHOLDERS' EQUITY

In May 1992, the Company's certificate of incorporation was amended to increase the number of authorized shares of Common Stock from 75,000,000 to 100,000,000.

In June 1992, a two-for-one stock split was effected by the payment of a 100 percent stock dividend. This split has been reflected retroactively in the consolidated financial statements. The number of shares of Common Stock reserved for issuance pursuant to various plans under which stock is issued was increased by 100 percent. All earnings per share and outstanding share data included in the consolidated financial statements and notes thereto have been adjusted to give effect to the stock split.

The Company has a Preferred Share Rights Plan designed to deter coercive takeover tactics. Pursuant to this plan, common stockholders are entitled to purchase 1/100 of a share of preferred stock at an exercise price of \$100 if a person or group acquires or commences a tender offer for 15% or more of Interpublic's Common Stock. Rights holders (other than the 15% stockholder) will also be entitled to buy, for the \$100 exercise price, shares of Interpublic's Common Stock with a market value of \$200 in the event a person or group actually acquires 15% or more of Interpublic Common Stock. Rights may be redeemed at \$.01 per right under certain circumstances.

NOTE 3: ACQUISITIONS

During 1994, the Company acquired several advertising agencies and related companies for an aggregate purchase price of approximately \$100.2 million. The 1994 acquisitions included Ammirati & Puris, Alice France, Lowe Adam Turkey, the minority interest in Fremantle International and a pooling of interests with Western International Media. The Company acquired Ammirati & Puris effective September 1994 for \$56.0 million, which included cash payments of \$21.9 million and the issuance of \$1,092,629 shares of the Company's Common Stock. The Company acquired a 50% interest in Alice France for \$7.7 million. The Company purchased the remaining 20% ownership interest in Fremantle for \$6.3 million and the issuance of 112,000 shares of the Company's Common Stock. The Company subsequently sold Fremantle for \$31.5 million and a 39% ownership interest in All American Communications Inc. valued at \$31.5 million. The Company issued 1,472,393 shares of Common Stock in exchange for all the issued and outstanding common stock of Western International Media. This acquisition was accounted for as a pooling of interests; however, the Company's financial statements were not restated for prior periods as the Company's consolidated results would not have changed significantly. During 1994, the Company made deferred payments of \$18.3 million relating to prior year acquisitions.

During 1993, the Company acquired several advertising agencies and related companies for an aggregate purchase price of approximately \$88.6 million. The 1993 acquisitions included Scali, McCabe, Sloves, Inc., the minority interest in McCann-Erickson Hakuhodo, Inc. in Japan and an ownership

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interest in Atlantis Communications, Inc. The Company acquired Scali, McCabe, Sloves, Inc. effective September 1993 for \$49.1 million, which included cash payments of \$37.8 million, the issuance of 37,625 shares of the Company's Common Stock, and \$10.1 million for deferred payments, of which \$5.3 million were made in 1994 with the remaining payments to be made in 1995 and thereafter. The Company acquired the remaining 49% ownership interest in McCann-Erickson Hakuhodo, Inc. in Japan for \$23.6 million. The Company acquired a 20% interest in Atlantis Communications, Inc., a Canadian television production company, through cash payments, conversion of debt to equity and a transfer of Canadian programming rights for a total of approximately \$12.5 million. These acquisitions were accounted for as purchases. During 1993, the Company made deferred payments of \$15.4 million relating to prior year acquisitions.

During 1992, the Company acquired several advertising agencies and related companies for an aggregate purchase price of approximately \$10 million. The Company acquired a 51% ownership interest in JBR Advertising in Norway, an additional 34% ownership interest in Baader-Lang-Behnken (bringing the Company's ownership to 75%), and the remaining 16.7% ownership interest in Still, Price, Court, Twivy, D'Souza; Lintas Group Ltd. in the United Kingdom. These acquisitions were accounted for as purchases. During the second quarter of 1992 the Company made a \$9.8 million deferred payment and issued 161,164 shares of its Common Stock for the 1991 acquisition of Kuiper & Schouten by The Lowe Group. In October 1992, the Company acquired Brindfors Intressenter AB ("Lowe Brindfors") in exchange for 442,431 shares of its Common Stock and \$1.3 million in cash, which was accounted for as a pooling of interests.

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For each of the three years presented, the Company's consolidated results would not have changed significantly had the revenue and net income of the companies acquired as purchases been fully included in each year.

NOTE 4: PROVISION FOR INCOME TAXES

Effective January 1, 1993 the Company adopted FAS 109, "Accounting for Income Taxes". This statement applies an asset and liability approach that requires the recognition of deferred tax assets and liabilities with respect to the expected future tax consequences of events that have been recognized in the consolidated financial statements and tax returns.

The components of income before taxes are as follows:

(Dollars in Thousands)	1994	1993	1992
Domestic	\$ 70,135	\$ 78,488	\$ 60,453
Foreign	130,664	153,272	146,705
Total	\$200,799	\$231,760	\$207,158
The provision for income taxes consisted of:			
(Dollars in Thousands)	1994	1993	1992
Federal income taxes (including foreign withholding taxes):			
Current	\$ 29,657	\$ 28,071	\$ 10,982
Deferred	(2,841)	1,206	12,737
	26,816	29,277	23,719
State and local income taxes:			
Current	12,293	14,682	10,483
Deferred	(2,431)	(393)	1,698
	9,862	14,289	12,181
Foreign income taxes:			
Current	60,992	57,590	61,692
Deferred	(11,337)	(1,337)	(6,257)
	49,655	56,253	55,435
Total	\$ 86,333	\$ 99,819	\$ 91,335

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At December 31, 1994 and 1993 the deferred tax assets and (liabilities) consisted of the following items:

	1994	1993
Postretirement/postemployment benefits	\$ 39,236	\$ 20,822
Deferred compensation	15,006	9,519
Pension costs	8,294	3,561
Depreciation	(1,775)	(3,970)
Rent	1,402	-
Interest	2,779	1,634
Accrued Reserves	5,678	1,914
Tax loss/tax credit carryforwards	25,022	24,279
Other	9,195	2,050
Total deferred tax assets	104,837	59,809
Deferred tax valuation allowance	20,049	21,239
Net deferred tax assets	\$ 84,788	\$ 38,570

The valuation allowance of \$20,049,000 and \$21,239,000 at December 31, 1994 and 1993, respectively, represents a provision for uncertainty as to the realization of certain deferred tax assets, including U.S. tax credit carryforwards and net operating loss carryforwards in certain jurisdictions. At December 31, 1994 there were \$12,189,000 of tax credit carryforwards with expiration periods through 1999 and net operating loss carryforwards with a tax effect of \$12,833,000 with various expiration periods. The Company has concluded that it is more likely than not that the net deferred tax asset balance will be realized based upon future results.

In 1992, the provision for income taxes included deferred taxes of \$8,179,000 resulting from the effect of timing differences. This provision resulted principally from \$14,284,000 due to current tax deductions in excess of book expenses related to stock incentive awards, and \$539,000 due to pension deductions in excess of book expenses. This provision was partly offset by deferred tax credits of \$2,902,000 from deferred compensation and incentive accruals, and \$2,592,000 of interest

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expense recognized for accounting purposes but not currently deductible.
A reconciliation of the effective income tax rate as shown in the consolidated statement of income to the federal statutory rate is as follows:

	1994	1993	1992
Statutory federal income tax rate	35.0%	35.0%	34.0%
State and local income taxes, net of federal income tax benefit	2.5	4.0	3.9
Impact of foreign operations, including withholding taxes	5.4	3.3	3.4
Amortization of intangible assets not deductible for tax purposes	3.1	2.7	3.1
Other	(3.0)	(1.9)	(0.3)
Effective tax rate	43.0%	43.1%	44.1%

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NOTE 5: LONG-TERM PERFORMANCE INCENTIVE PLAN

Under the Long-Term Performance Incentive Plan (the "Plan"), grants consisting of performance units are awarded to certain key employees of the Company and its subsidiaries. The ultimate value of these performance units is contingent upon the annual growth of profit (as defined in the Plan) of the Company or its operating components or both, over a four-year performance period, and is generally payable in cash. The projected value of these units is accrued by the Company and charged to expense over the four-year performance period.

The Plan also provides that a portion of each participant's grant may be issued as performance units deemed to be the equivalent of "phantom" shares of the Company's Common Stock, at the rate of thirty-six phantom shares for each performance unit. The value of phantom shares is a function of the amount, if any, by which the market value of the Company's Common Stock increases during the performance period and is payable either in cash or in shares of the Company's Common Stock. The increase in the value of these units is accrued and expensed over the four-year performance period. In addition, amounts of cash equivalent to the quarterly dividends paid on the Company's Common Stock are paid to phantom share recipients and expensed pursuant to the provisions of the Plan.

For all such performance units, costs charged to income were \$8.5 million in 1994, \$10.0 million in 1993 and \$17.0 million in 1992. As of December 31, 1994, the Company's liability was \$26.7 million, which represents the estimated amounts payable for the 1991-1994 and 1993-1996 performance periods. The Company's liability for the 1991-1994 performance period was \$12.5 million which will be paid in the first quarter of 1995. The Company's liability for the 1989-1992 performance period was \$18.8 million of which \$10.1 million was paid in December 1992 with the remaining balance paid in the first quarter of 1993.

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NOTE 6: EMPLOYEE STOCK PLANS

The 1986 Stock Incentive Plan, United Kingdom Stock Option Plan and 1988 Stock Option Plan

The 1986 Stock Incentive Plan ("the Plan") incorporates both stock option and restricted stock award features. Under the Plan, 20,000,000 shares of Common Stock of the Company are reserved for issuance pursuant to the exercise of nonqualified stock options granted during the period ending May 20, 1996. Key employees of the Company and its subsidiaries are eligible to participate in the Plan. At December 31, 1994, there were unexercised options under this plan for 5,751,101 shares of the Company's Common Stock.

Stock options under the plan have been awarded by the Compensation Committee ("the Committee") at prices not less than 85 percent of the fair market value of the Company's Common Stock on the date each option is granted. The options become exercisable on the basis of a schedule determined by the Committee. Those awarded prior to December 20, 1988 are exercisable in increments of 25 percent per year commencing on the first anniversary of the grant of the option. Awards issued on and after December 20, 1988 generally become exercisable in three annual installments of 40 percent in the first year and 30 percent in the succeeding two years, commencing on the third anniversary of the grant of the option. All options expire ten years from the grant date.

Shares of restricted stock awarded under the 1986 Stock Incentive Plan are subject to certain restrictions and vesting requirements. No monetary consideration is paid by a recipient for a restricted stock award. During 1994 and 1993 the Company awarded 810,517 shares and 242,132 shares, respectively. The Company recognized expense of approximately \$11.6

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million, \$8.8 million and \$7.4 million for amortization related to all restricted awards in 1994, 1993 and 1992, respectively. At December 31, 1994 there were outstanding a total of 2,745,445 shares of restricted stock awarded under this Plan. The cost of these shares is being amortized over the restriction periods. The Plan also authorizes the Compensation Committee to direct that discretionary tax assistance payments may be made to recipients when the restrictions lapse. Such payments are expensed as awarded.

The 1986 United Kingdom Stock Option Plan ("UK Plan") is similar to the stock option portion of the 1986 Stock Incentive Plan, except that the exercise price of options granted under the UK Plan may not be less than the fair market value at the date of grant. Stock options awarded under the UK Plan come within the 20,000,000 share limit provided for in the 1986 Stock Incentive Plan. At December 31, 1994 there were unexercised options for 267,895 shares of the Company's Common Stock under the UK Plan.

Under the 1988 Stock Option Plan the Company can grant, through 1998, options to purchase 600,000 shares of the Company's Common Stock to key employees who are employed outside the United States. Exercise requirements are similar to those under the 1986 Plan; however, grants may be made at prices which are less than 85 percent of the fair market value of the Company's Common Stock on the date the option is granted. At December 31, 1994, there were unexercised options under this plan for 65,500 shares of the Company's Common Stock.

Following is a summary of stock option transactions during the three-year period ended December 31, 1994:

	Number of Shares Under Option	Option Price Range Per Share		
Balances, December 31, 1991	6,510,338			
New Awards:				
1986 Stock Incentive Plan	1,375,564	\$23.269	-	\$34.000
1986 United Kingdom Stock Option Plan	257,934	29.563	-	34.000
Exercised	(423,836)	6.951	-	21.250
Cancelled	(583,278)	8.837	-	23.269
Balance, December 31, 1992	7,136,722			
New Awards:				
1986 Stock Incentive Plan	667,820	21.463	-	34.063
1986 United Kingdom Stock Option Plan	33,720	28.688	-	31.938
Exercised	(810,009)	6.951	-	24.172
Cancelled	(301,033)	9.083	-	34.000
Balance, December 31, 1993	6,727,220			
New Awards:				
1986 Stock Incentive Plan	342,658	24.756	-	34.250
1986 United Kingdom Stock Option Plan	44,666	31.125	-	32.750
Exercised	(627,374)	6.951	-	28.688
Cancelled	(397,028)	6.951	-	34.000
Balance, December 31, 1994	6,090,142	\$ 6.951	-	\$34.250
Exercisable, December 31, 1994	1,563,498	\$ 6.951	-	\$34.250

Under the Company's Achievement Stock Award Plan, awards may be made up to an aggregate of 1,248,000 shares of Common Stock together with cash awards to cover any applicable withholding taxes. As of December 31, 1994, 1,163,432 shares had been awarded, with 10,580 shares awarded during 1994.

The Employee Stock Purchase Plan was adopted by the stockholders in 1985, and allows employees an opportunity to purchase Common Stock of the Company through ten consecutive annual offerings, which commenced on July 1, 1985. Under the Plan, employees may purchase Common Stock of the Company through payroll deductions not exceeding 10 percent of their compensation. The price an employee pays for a share of stock is 85 percent of the average market price on the last business day of the month. At December 31, 1994, 882,528 shares had been issued, including 144,662 shares issued during 1994. An additional 3,998,008 shares were reserved for issuance at that date.

NOTE 7: RETIREMENT PLANS

Domestic Retirement Plan

The Company and certain of its domestic subsidiaries have a defined benefit plan ("Domestic Plan") which covers substantially all employees. The Company's policy is to fund pension costs as permitted by applicable tax regulations. Pension costs are determined by the projected unit credit method based upon career average pay. Funding requirements for the Domestic Plan are determined using the accrued benefit unit credit method. The pension plan was amended as of January 1, 1992 to provide that pension benefits accrued after that date would be calculated under a new "cash balance" formula. Under the cash balance formula, the participant's account balance is credited each year with an amount equal to a percentage of that year's annual compensation, plus interest credits. Participants in the pension plan on December 31, 1991 who continued to work for the Company after that date had their normal retirement benefit under the plan as of that date converted on an actuarial basis into an opening account balance as of January 1, 1992.

In accordance with FAS 87, "Employers' Accounting for Pensions", the Company recorded an additional minimum pension liability for the Domestic Plan of \$17.2 million and \$11.9 million at December 31, 1994 and 1993, respectively, representing the excess of unfunded accumulated benefit obligation over previously recorded pension cost liabilities. A corresponding amount was recognized as an intangible asset to the extent of unrecognized prior service cost and net transition obligation, with the balance recorded as a separate reduction of stockholders' equity. In 1994 and 1993, respectively, the Company recorded an intangible asset of \$10.8 million and \$11.2 million and a charge to stockholders' equity of \$6.4 million and \$.7 million.

Net pension cost for the Domestic Plan for 1994, 1993 and 1992 included the following components:

(Dollars in Thousands)	1994	1993	1992
Service cost-benefits earned during the year	\$ 3,688	\$ 3,735	\$ 3,654
Interest cost on projected benefit obligation	9,768	9,943	9,454
Actual return on plan assets	2,457	(10,831)	(4,479)
Net amortization and deferral	(13,025)	1,050	(5,222)
Total pension cost	\$ 2,888	\$ 3,897	\$ 3,407

The following table sets forth the funded status and amounts recognized for the Domestic Plan in the Company's consolidated balance sheet at December 31, 1994 and 1993:

(Dollars in Thousands)	1994	1993
Actuarial present value of accumulated benefit obligation (including vested benefits of \$112,251 in 1994 and \$120,185 in 1993)	\$115,675	\$124,138
Actuarial present value of projected benefit obligation	121,111	136,561
Plan assets at fair value	99,819	110,913
Projected benefit obligation in excess of plan assets	(21,292)	(25,648)
Unrecognized net loss	11,858	13,127
Unrecognized prior service cost	(2,411)	(3,871)
Unrecognized net obligation	13,211	15,099
Additional minimum liability	(17,222)	(11,932)
Accrued pension liability	\$(15,856)	\$(13,225)

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At December 31, 1994, pension assets were primarily invested in fixed income and equity securities. Prior service costs are being amortized over the estimated average remaining service period of active employees. The initial net obligation is being amortized over 15 years.

A discount rate of 8.5% in 1994 and 7.5% in 1993 and 8.5% in 1992 and a salary increase assumption of 6% in 1994 and 1993 and 7% in 1992 were used in determining the actuarial present value of the projected benefit obligation. The expected return on assets was 10% for 1994, 1993 and 1992.

Foreign Retirement Plans

The Company has several foreign pension plans in which benefits are based primarily on years of service and employee compensation. It is the Company's policy to fund these plans in accordance with local laws and income tax regulations.

Net pension costs for foreign pension plans for 1994, 1993 and 1992 included the following components:

(Dollars in Thousands)	1994	1993	1992
Service cost-benefits earned during the year	\$ 6,215	\$ 5,117	\$ 4,860
Interest cost on projected benefit obligation	9,726	10,204	10,026
Actual return on plan assets	5,109	(21,029)	(15,307)
Net amortization and deferral	(12,608)	13,943	7,699
Total pension cost	\$ 8,442	\$ 8,235	\$ 7,278

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The following table sets forth the funded status and amounts recognized for the foreign pension plans in the Company's consolidated balance sheet at December 31, 1994 and 1993:

	1994		1993	
	Assets Exceed Accumulated Benefits	Accumulated Benefits Exceed Assets	Assets Exceed Accumulated Benefits	Accumulated Benefits Exceed Assets
Actuarial present value of accumulated benefit obligation (including vested benefits of:				
1994 - \$51,978 and \$69,315				
1993 - \$61,117 and \$53,062)	\$52,093	\$76,929	\$61,477	\$ 59,388
Actuarial present value of projected benefit obligation	58,949	87,499	69,152	72,574
Plan assets at fair value	87,998	10,047	92,868	5,813
Projected benefit obligation (in excess of) less than plan assets	29,049	(77,452)	23,716	(66,761)
Unrecognized net (gain)/loss	(22,383)	(2,495)	(19,140)	(2,322)
Unrecognized prior service costs	4,944	-	5,349	-
Unrecognized net (asset)/ obligation	(2,239)	8,746	(2,153)	8,347
Prepaid (accrued) pension cost at December 31, 1994 and 1993	\$ 9,371	\$(71,201)	\$ 7,772	\$(60,736)

Foreign plans utilized discount rates ranging from 4.0% to 12.0% and 5.5% to 12.5% in 1994 and 1993, respectively, and salary increase assumptions ranging from 2.0% to 10.0% and 4.0% to 12.0% in 1994 and 1993, respectively, to determine the actuarial present value of the projected benefit obligation. The expected rates of return on assets of foreign plans ranged from 5.5% to 12.0% in 1994 and 6.5% to 12.5% in 1993.

The Company also has Special Deferred Benefit Arrangements with certain key employees. Vesting is based upon age and the terms of the employee's contract. Life insurance contracts have been purchased in amounts which may be used to fund these arrangements.

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NOTE 8: POSTRETIREMENT & POSTEMPLOYMENT BENEFITS

Postretirement Benefit Plans

The Company and its subsidiaries provide certain postretirement health care benefits for employees who were in the employ of the Company as of January 1, 1988, and life insurance benefits for employees who were in the employ of the Company as of December 1, 1961. The plans cover employees in the United States and certain key employees in foreign countries. Effective January 1, 1993, the Company's plan covering postretirement medical benefits was amended to place a cap on annual benefits payable to retirees. Such coverage is self-insured, but is administered by an insurance company.

Effective January 1, 1992, the Company adopted FAS 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions", and recorded a one-time, after-tax charge of \$24.6 million. This statement requires that the Company accrue the expected cost of postretirement benefits other than pensions over the period in which the active employees become eligible for such postretirement benefits.

The components of periodic expense for these postretirement benefits for 1994 and 1993 were as follows:

(Dollars in Thousands)	1994	1993
Service cost (benefits earned during the year)	\$ 653	\$ 675
Interest cost on accumulated postretirement benefit obligation	2,714	2,869
Net amortization and deferral	(463)	(791)
Total postretirement cost	\$2,904	\$2,753

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The following table sets forth the funded status and amounts recognized for the Company's postretirement benefit plans in its consolidated balance sheet at December 31, 1994 and 1993:

	1994	1993
Accumulated postretirement benefit obligation:		
Retirees	\$ 24,392	\$ 24,739
Fully eligible active plan participants	4,764	5,177
Other active plan participants	6,914	7,515
Total accumulated postretirement benefit obligation	36,070	37,431
Plan assets at fair value	-	-
Accumulated postretirement benefit obligation in excess of plan assets	(36,070)	(37,431)
Unrecognized net gain	(9,681)	(7,049)
Accrued postretirement benefit liability	\$(45,751)	\$(44,480)

A discount rate of 8.5% and 7.5% in 1994 and 1993, respectively, and a salary increase assumption of 6% in 1994 and 1993, were used in determining the accumulated postretirement benefit obligation. An 11.0% and a 10.5% increase in the cost of covered health care benefits were assumed for the years 1994 and 1993, respectively. The rate is assumed to decrease incrementally to 6% in the year 2002 and remain at that level thereafter. The health care cost trend rate assumption does not have a significant effect on the amounts reported. For example, a 1% increase in the health care cost trend rate would increase the accumulated postretirement benefit obligation at December 31, 1994 by approximately \$1.5 million, and the net periodic cost for 1994 by \$.1 million.

Postemployment Benefits

Effective January 1, 1994, the Company adopted FAS 112, "Employer's Accounting for Postemployment Benefits", and recognized a one-time after-tax charge of \$21.8 million. This statement requires the Company to accrue the costs of certain benefits, including severance, worker's compensation and health care coverage over an employee's service life.

The Company's liability for postemployment benefits totalled \$34.6 million, and is included in deferred compensation and reserve for termination allowances. The net periodic expense recognized in 1994 was \$5.9 million.

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NOTE 9: SHORT-TERM BORROWINGS AND FINANCIAL INSTRUMENTS

The Company and its domestic subsidiaries have lines of credit with various banks. These credit lines permit borrowings at fluctuating interest rates determined by the banks. Short-term borrowings by subsidiaries outside the United States principally consist of drawings against bank overdraft facilities and lines of credit. These borrowings bear interest at the prevailing local rates. Where required, the Company has guaranteed the repayment of the borrowings. Unused lines of credit by the Company and its subsidiaries at December 31, 1994 and 1993 aggregated \$349 million and \$257 million, respectively.

The Company occasionally uses forwards and options to hedge a portion of its net investment in foreign subsidiaries and certain intercompany transactions in order to mitigate any impact of changes in foreign exchange rates on working capital. The amount of such hedges at the end of the year was not significant.

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NOTE 10: LONG-TERM DEBT

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

(Dollars in Thousands)	1994	1993*
Convertible Subordinated Debentures - 3.75%	\$110,527	\$107,997
Term loans-5.5% to 14.0%.(5.5% to 9.0% in 1993)	106,667	90,000
Mortgage notes payable and other long term loans- 7.6% to 9.7% (5.7% to 9.0% in 1993)	39,507	44,706
	256,701	242,703
Less: current portion	14,899	16,618
	\$241,802	\$226,085

*Reclassified for comparative purposes

The increase in long-term debt during 1994 primarily resulted from an increase in the private placement with the Prudential Insurance Company (Prudential) of \$25.0 million at 7.9% which was used to finance acquisitions. In addition, the Company assumed a \$5 million 14.0% note payable in connection with the acquisition of Ammirati & Puris.

The Convertible Subordinated Debentures were issued in April 1992 and mature on April 1, 2002 for a face value of \$135 million. The term of the bond offering included an issuance price equal to 77% of the face value with a coupon of 3.75%. The debentures are convertible into Common Stock of the Company at a rate of 22.238 shares per each U.S. \$1,000 principal amount. Most of the proceeds were used to pay down existing debt.

The term loans at December 31, 1994 consisted of \$75 million of private placements with Prudential, \$17 million term loan with Trust Company Bank, \$10 million term loan with National Bank of Detroit and \$5 million private placement loan with Massachusetts Mutual. The private placements with Prudential have payments due in 1996, 1997, 1998 and 2004. The other term loans have payments each year until maturity in 1998.

Mortgage notes payable and other long-term debt at December 31, 1994 primarily related to a \$36.1 million mortgage which was used to finance

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the purchase of a building and land by one of the Company's subsidiaries during 1993. The terms of the mortgage call for payments of approximately \$.5 million from 1995-2000 with a balloon payment of \$32.9 million thereafter. The remaining other long-term loans at December 31, 1993 with Morgan Guaranty U.K. and New York Life Mortgage were paid off during 1994.

Under various loan agreements, the Company must maintain specified levels of net worth and meet certain cash flow requirements, and is limited in the level of indebtedness. The Company has complied with the limitations under the terms of these loan agreements.

Long-term debt maturing over the next five years is as follows: 1995:\$14.9 million; 1996:\$33.3 million; 1997:\$19.3 million; 1998:\$19.0 million and 1999:\$.7 million. Of the remaining debt of \$169.1 million, \$136.2 million matures during the years 2000-2004 while \$32.9 million matures in subsequent years.

All material financial instruments are carried in the consolidated balance sheet at amounts which approximate fair values. The fair value was estimated by obtaining quotes from brokers.

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NOTE 11: DISCLOSURES UNDER FAS 95

This accounting standard requires disclosures of specific cash payments and non-cash investing and financing activities. The Company considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

Cash paid for income taxes was \$67.1 million, \$78.5 million, \$74.9 million, in 1994, 1993 and 1992, respectively. Interest payments were \$23.0 million in 1994, \$24.1 million in 1993 and \$30.4 million in 1992.

As more fully described in Note 3, in 1994 the Company issued 1,092,629 of its shares in conjunction with the acquisition of Ammirati & Puris and a total of 1,472,393 shares of its Common Stock in connection with the pooling of interest with Western International Media. During 1993, the Company issued 37,625 shares in conjunction with the acquisition of Scali, McCabe, Sloves, Inc. In 1992, the Company issued 603,595 shares for the acquisition of several advertising agencies.

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

(Dollars in Thousands)	1994	1993	1992
Fair value of assets acquired	\$163,423	\$172,166	\$28,483
Liabilities assumed	64,998	91,736	5,326
Net assets acquired	98,425	80,430	23,157
Less: non-cash consideration	38,525	1,135	4,644
Less: cash acquired	4,974	2,767	-
Net cash paid for acquisitions	\$ 54,926	\$ 76,528	\$18,513

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The 1994 amounts shown above exclude deferred payments of \$9.5 million in connection with acquisition of various advertising agencies, which are payable in 1995 and thereafter, but include \$18.3 million of deferred payments made during 1994 relating to various prior year acquisitions. The 1993 amounts shown above exclude deferred payments of \$10.1 million in connection with the Scali acquisition, which were paid or are payable in 1994 and 1995, but include \$15.4 million of deferred payments made during 1993 relating to various prior year acquisitions. The 1992 amounts shown above include a deferred payment of \$9.8 million in connection with the 1991 acquisition of Kuiper and Schouten by the Lowe Group, but exclude a payment of \$1.3 million in connection with the 1992 acquisition of Lowe Brindfors.

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NOTE 12: RESULTS BY QUARTER (UNAUDITED)

(Dollars in Thousands Except Per Share Data)	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter	
	1994	1993	1994	1993	1994	1993	1994	1993
Gross income	\$420,962	\$389,785	\$497,505	\$483,758	\$440,508	\$411,027	\$625,280	\$509,286
Operating expenses	389,688	360,731	396,331	377,990	400,591	376,697	515,207	420,233
Restructuring charges	-	-	-	-	-	-	48,715	-
Provision for income taxes	10,367	10,018	39,268	44,892	14,279	13,058	22,419	31,851
Net income before effect of accounting changes	12,990	11,025	54,099	48,987	17,404	14,690	30,754	50,577
Effect of accounting changes:								
Postemployment benefits	(21,780)	-	-	-	-	-	-	-
Income taxes	-	(512)	-	-	-	-	-	-
Net income/(loss)	(8,790)	10,513	54,099	48,987	17,404	14,690	30,754	50,577
Earnings per Common and Common Equivalent Share:								
Before effect of accounting changes	.17	.15	.72	.65	.23	.20	.40	.67
Effect of accounting changes:								
Postemployment benefits	(.29)	-	-	-	-	-	-	-
Income taxes	-	(.01)	-	-	-	-	-	-
Net income/(loss)	(.12)	.14	.72	.65	.23	.20	.40	.67
Cash dividends per share	.125	.115	.140	.125	.140	.125	.140	.125
Price range per share:								
High	34	35 1/2	33	31 1/4	34 3/4	31 3/4	35 3/8	32 7/8
Low	\$29 5/8	\$28	\$27 7/8	\$25 1/8	\$30 1/2	\$23 7/8	\$29 1/2	\$29 3/4

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NOTE 13: GEOGRAPHIC AREAS

Total assets, income from commissions and fees, and income before provision for income taxes are presented below by major geographic area.

(Dollars in Thousands)	1994	1993	1992
Total Assets:			
United States	\$1,559,768	\$ 970,242	\$ 798,764
International			
Europe	1,372,466	1,133,057	1,171,061
Far East	560,965	457,444	379,325
Latin America	183,701	171,826	145,228
Other	116,518	137,248	128,967
Total International	2,233,650	1,899,575	1,824,581
Total Consolidated	\$3,793,418	\$2,869,817	\$2,623,345
Income From Commissions and Fees:			
United States	\$ 713,497	\$ 582,183	\$ 560,431
International			
Europe	719,881	710,386	842,150
Far East	268,124	242,255	210,302
Latin America	153,469	136,509	117,383
Other	61,405	68,445	74,155
Total International	1,202,879	1,157,595	1,243,990
Total Consolidated	\$1,916,376	\$1,739,778	\$1,804,421

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(Dollars in Thousands)	1994	1993	1992
Income Before Provision for Income Taxes:			
Operating income:			
United States	\$ 88,208	\$ 94,475	\$ 75,337
International			
Europe	56,281	80,139	102,307
Far East	43,376	44,193	31,010
Latin America	40,975	34,021	30,094
Other	4,884	5,376	1,632
Total International	145,516	163,729	165,043
Items not allocated to operations, principally interest expense:			
United States	(18,073)	(15,987)	(14,884)
International	(14,852)	(10,457)	(18,338)
Total Consolidated	\$ 200,799	\$ 231,760	\$ 207,158

The largest client of the Company contributed approximately 10% in 1994 and 1993 and 9% in 1992 to income from commissions and fees. The Company's second largest client contributed approximately 8% in 1994, 10% in 1993 and 8% in 1992 to income from commissions and fees.

Dividends received from foreign subsidiaries were \$43.6 million in 1994, \$40.1 million in 1993 and \$38.4 million in 1992. Net assets of foreign subsidiaries were approximately \$558 million, \$512 million and \$446 million at December 31, 1994, 1993 and 1992, respectively. Undistributed earnings of foreign subsidiaries at December 31, 1994 were approximately \$189 million.

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Consolidated net income includes losses from exchange and translation of foreign currencies of \$10.6 million, \$13.9 million and \$4.6 million in 1994, 1993 and 1992, respectively.

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NOTE 14: RESTRUCTURING CHARGES

In the fourth quarter of 1994, the Company recorded restructuring charges of \$48.7 million in connection with the elimination of duplicate facilities and excess personnel resulting primarily from the merger of Lintas New York and Ammirati & Puris agencies and certain international offices. This amount includes \$38.3 million of severance charges for involuntary terminations of approximately 600 employees, \$6.7 million related to the abandonment of operations and \$3.7 million for the consolidation of facilities. At December 31, 1994, the Company's liability related to these restructuring charges totalled \$27.6 million for severance and \$2.0 million for the consolidation of facilities, and is included in accrued expenses.

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NOTE 15: COMMITMENTS AND CONTINGENT LIABILITIES

At December 31, 1994, subsidiaries which operate outside the United States were contingently liable for discounted notes receivable of approximately \$17.1 million.

The Company and its subsidiaries lease certain facilities and equipment. Gross rental expense amounted to approximately \$141 million for 1994, \$135 million for 1993 and \$134 million for 1992, which was reduced by sublease income of \$10.8 million, \$15.4 million and \$12.5 million in 1994, 1993 and 1992, respectively. Minimum rental commitments for the rental of office premises and equipment under noncancellable leases, some of which provide for rental adjustments due to increased property taxes and operating costs for 1994 and thereafter, are as follows:

(Dollars in Thousands)

Period	Gross Amount	Sublease Income
1995	\$117,242	\$6,366
1996	93,990	5,648
1997	83,560	5,348
1998	73,568	4,638
1999	66,960	4,307
2000 and thereafter	288,744	23,372

The Company and certain of its subsidiaries are party to various tax examinations, some of which have resulted in assessments. The Company intends to vigorously defend any and all assessments and believes that additional taxes (if any) that may ultimately result from settlement of such assessments and open examinations would not have a material adverse effect on the consolidated financial statements.

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REPORT OF INDEPENDENT ACCOUNTANTS

1177 Avenue of the Americas
New York, New York 10036

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

February 13, 1995

In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of income, of stockholders' equity and of cash flows present fairly, in all material respects, the financial position of The Interpublic Group of Companies, Inc. and its subsidiaries (the "Company") at December 31, 1994 and 1993, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1994, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

As discussed in Notes 8 and 4 to the consolidated financial statements, effective January 1, 1994, the Company changed its method of accounting for postemployment benefits as required by Statement of Financial Accounting Standards Number 112, effective January 1, 1993 the Company changed its method of accounting for income taxes as required by Statement of Financial Accounting Standards Number 109 and effective January 1, 1992 the Company changed its method of accounting for postretirement benefits as required by Statement of Financial Accounting Standards Number 106.

Price Waterhouse LLP

SELECTED FINANCIAL DATA FOR FIVE YEARS

(Dollars in Thousands Except Per Share Data)	1994	1993	1992	1991	1990
Operating Data					
Gross income	\$ 1,984,255	\$ 1,793,856	\$ 1,855,971	\$ 1,677,498	\$ 1,368,169
Operating expenses	1,701,817	1,535,651	1,615,592	1,458,716	1,199,759
Restructuring charges	48,715	-	-	-	-
Interest expense	32,924	26,445	33,221	33,499	18,872
Provision for income taxes:					
United States - federal	26,816	29,277	23,719	24,740	17,698
- state and local	9,862	14,289	12,181	11,451	6,590
Foreign	49,655	56,253	55,435	51,493	48,176
Total taxes	86,333	99,819	91,335	87,684	72,464
Income before effect of accounting changes	115,247	125,279	111,913	94,557	80,064
Effect of accounting changes:					
Postemployment benefits	(21,780)	-	-	-	-
Income taxes	-	(512)	-	-	-
Postretirement benefits	-	-	(24,640)	-	-
Net Income	\$ 93,467	124,767	87,273	94,557	80,064
Cash dividends	\$ 40,360	35,901	32,483	29,265	24,403
Per Share Data					
Income before effect of accounting changes	\$ 1.53	1.67	1.50	1.30	1.19
Effect of accounting changes:					
Postemployment benefits	(.29)	-	-	-	-
Income taxes	-	(.01)	-	-	-
Postretirement benefits	\$ -	-	(.33)	-	-
Net Income	\$ 1.24	1.66	1.17	1.30	1.19
Cash dividends	\$.545	.49	.45	.41	.37
Financial Position					
Working capital	\$ 80,134	167,175	224,534	178,004	145,468
Total assets	\$ 3,793,418	2,869,817	2,623,345	2,784,300	2,584,111
Long-term debt	\$ 241,803	226,085	200,237	170,458	144,468
Stockholders' equity per share	\$ 8.36	\$ 7.54	\$ 6.81	\$ 7.78	\$ 6.94
Other Data					
Weighted average number of shares	75,570,445	75,215,521	74,974,618	72,860,086	67,348,676
Number of employees	18,100	17,600	16,800	16,800	16,800

Note: Restated to reflect the two-for-one stock split during 1992.

REPORT OF MANAGEMENT

The financial statements, including the financial analyses and all other information in this Annual Report, were prepared by management, who is responsible for their integrity and objectivity. Management believes the financial statements, which require the use of certain estimates and judgements, reflect the Company's financial position and operating results in conformity with generally accepted accounting principles. All financial information in this Annual Report is consistent with the financial statements.

Management maintains a system of internal accounting controls which provides reasonable assurance that, in all material respects, assets are maintained and accounted for in accordance with management's authorization and transactions are recorded accurately in the books and records. To assure the effectiveness of the internal control system, the organizational structure provides for defined lines of responsibility and delegation of authority. The Company has formally stated and communicated policies requiring of employees high ethical standards in their conduct of its business. As a further enhancement of the above, the Company's comprehensive internal audit program is designed for continual evaluation of the adequacy and effectiveness of its internal controls and measures adherence to established policies and procedures.

The Audit Committee of the Board of Directors is comprised of three directors who are not employees of the Company. The Committee reviews audit plans, internal controls, financial reports and related matters, and meets regularly with management, internal auditors and independent accountants. The independent accountants and the internal auditors have free access to the Audit Committee, without management being present, to discuss the results of their audits or any other matters.

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The independent accountants, Price Waterhouse, are recommended by the Audit Committee of the Board of Directors and selected by the Board of Directors, and their appointment is ratified by the shareholders. The independent accountants have examined the financial statements of the Company and their opinion is presented on page 35.

NAME	JURISDICTION UNDER WHICH ORGANIZED	PERCENTAGE OF VOTING SECURITIES OWNED BY IMMEDIATE PARENT (%)	IMMEDIATE PARENT
Domestic:			
The Interpublic Group of Companies, Inc. (Registrant)	Delaware	-	-
Casablanca Productions	California	100	Registrant
The Fulfillment House	California	100	Registrant
Dailey & Associates	California	100	Registrant
International Business Services, Inc.	California	100	Infoplan International, Inc.
NRG Vitamins	California	100	Registrant
North Light, Ltd.	California	100	Dailey & Associates
Radio Home Shopping Network	California	100	Registrant
Specialized Media/Marketing Services, Inc.	California	100	Registrant
Sports Call, Inc.	California	100	Registrant
Spotlink Incorporated	California	100	Registrant
Television Marketing Group, Inc.	California	100	Registrant
The Phillips-Ramsey Co.	California	100	Registrant
University Sports Connection	California	100	Registrant
US Yellow Pages, Inc.	California	100	Registrant
Western International Media Corporation	California	100	Registrant
Western International Entertainment Corporation	California	100	Registrant
Western International Premiums Corporation	California	100	Registrant
Western International Syndication Corporation	California	100	Registrant
Western Media Associates, Inc.	California	100	Registrant

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McCann-Erickson Event Marketing, Inc.	Colorado	100	McCann-Erickson USA, Inc.
Ammirati & Puris Holdings, Inc.	Delaware	100	Registrant
Ammirati & Puris, Ltd.	Delaware	100	Registrant
Asian Media Corporation	Delaware	100	Registrant
Asset Recovery Group, Inc.	Delaware	100	Registrant
Broadcast Audit Bureau	Delaware	100	Registrant
Business Science Research Corporation, Inc.	Delaware	100	Registrant
Healthcare Capital, Inc.	Delaware	100	McCann Healthcare, Inc.
Infoplan International, Inc.	Delaware	100	Registrant
Interpublic Television, Inc.	Delaware	100	Registrant
LFS, Inc.	Delaware	100	Registrant
Lintas Campbell-Ewald Company	Delaware	100	Registrant
Lintas, Inc.	Delaware	100	Registrant
Lintas USA, Inc.	Delaware	100	Registrant
Jack Tinker Advertising, Inc.	Delaware	100	Registrant
McCann-Erickson USA, Inc.	Delaware	100	Registrant
McCann-Erickson Corporation (International)	Delaware	100	Registrant
McCann-Erickson Corporation (S.A.)	Delaware	100	Registrant
McCann-Erickson (Paraguay) Co.	Delaware	100	Registrant
McCann-Erickson Worldwide, Inc.	Delaware	100	Registrant
McCann Healthcare, Inc.	Delaware	100	McCann-Erickson USA, Inc.
The Lowe Group, Inc.	Delaware	100	Deo Nederland B.V.
Time Machine, Inc.	Delaware	100	Registrant
Benito Advertising, Inc.	Florida	100	LFS, Inc.
Quest & Associates, Inc.	Kansas	100	Registrant
ZML Software Systems, Inc.	Kentucky	100	McCann-Erickson USA, Inc.
Lintas Marketing Communications, Inc.	Michigan	100	Registrant
Western International Media Corporation of Michigan	Michigan	100	Registrant
Interpublic, Inc.	New Jersey	100	Registrant
Ammirati & Puris, Inc.	New York	100	Registrant
McCann Direct, Inc.	New York	100	Registrant

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Western International Media Corporation of New York	New York	100	Registrant
The Gotham Group, Inc.	New York	100	Registrant
McCann-Erickson Marketing, Inc.	New York	100	Registrant
Lowe & Partners Inc.	New York	100	Lowe International Limited (80%) and Lowe Worldwide Holdings B.V. (20%)
LCF&L, Inc.	New York		The Lowe Group, Inc. (99.9%) and GDL, Inc. (.1%)
Goldschmidt Dunst & Lawson Corp.	New York	100	The Lowe Group, Inc.
GDL, Inc.	New York	100	The Lowe Group, Inc.(100% of Common Stock) and Goldschmidt Dunst & Lawson Corp. (100% of Preferred Stock)
Scali, McCabe, Sloves, Inc.	New York	100	Registrant
Long Haymes Carr Lintas, Inc.	North Carolina	100	Registrant
The Martin Agency, Inc.	Virginia	91	Scali, McCabe, Sloves, Inc.
Alan S. Newman Associates, Inc.	Virginia	100	The Martin Agency, Inc.
The Stenrich Group Inc.	Virginia	100	The Martin Agency, Inc.
Cabell Eanes, Inc.	Virginia	100	The Martin Agency, Inc.
Foreign:			
Interpublic S.A. de Publicidad Lintas Proprietary Limited	Argentina	100	Registrant
Lintas Communications Pty. Limited	Australia (New South Wales)	100	Registrant
Underline Design Group Pty. Limited	Australia	51	Lintas Proprietary Limited
McCann-Erickson Advertising Pty. Limited	Australia (New South Wales)	100	Lintas Communications Pty. Limited
Sales Communications International Pty. Limited	Australia (New South Wales)	100	Registrant
			McCann Erickson Advertising Pty. Ltd.

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Merchant and Partners (Sydney) Pty. Ltd.	Australia	100	Merchant and Partners Australia Pty. Limited
Merchant and Partners Australia Pty. Limited	Australia	100	Registrant
Lintas Melbourne Proprietary Limited	Australia (Victoria)	100	Lintas Proprietary Limited
Initiatives Media Werbemittlung Ges. m.b.H.	Austria	100	Lintas Werbeagentur Gesellschaft m.b.H.
Lintas Werbeagentur Gesellschaft m.b.H.	Austria	100	Registrant
McCann-Erickson Gesellschaft m.b.H.	Austria	100	Registrant
PCS Werbeagentur Ges. m.b.H.	Austria	100	Lintas Werbeagentur Gesellschaft m.b.H.
Campbell Ewald Werbeagentur Ges.m.b.H.	Austria	100	Low Worldwise Holdings B.V.
Initiative Media Brussels S.A.	Belgium	100	Lintas Brussels S.A. (96%) and Initiatives Media (a French corporation) (4%)
Programming Media International-PMI S.A.	Belgium	100	Registrant
Initiative Media International S.A.	Belgium	100	Lintas Holding B.V.
McCann-Erickson Co. S.A.	Belgium	100	Registrant
Lintas Brussels S.A.	Belgium	100	Lintas Holding B.V.
Universal Media, S.A.	Belgium	100	McCann Belgium (50%) Low Troost S.A. (50%)
A.C.E. Advertising Creation Marketing N.V.	Belgium	100	Lintas Brussels S.A.
De Roeck En Heering P.R. Consultants N.V. S.A.	Belgium	100	Lintas Brussels
Low Troost S.A.	Belgium	100	Low Worldwise Holdings B.V.
Direct Creations S.A.	Belgium	51	Low Troost S.A.
Triad Assurance Limited	Bermuda	100	Registrant
Interpublic Publicidade e Pesquisas Sociedade Limitada	Brazil	100	International Business Services, Inc.
McCann-Erickson Publicidade Ltda.	Brazil	100	Registrant
MPM Lintas Comunicacoes Ltda.	Brazil	98.75	Registrant
PPA Profissionais de Promocao Associados Ltda.	Brazil	100	MPM Lintas Comunicacoes Ltda.

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Universal Publicidade Ltda	Brazil	100	Interpublic Publicidade
Harrod & Mirlin, Inc.	Canada	100	E Pesquisas Sociedade Ltda.
McCann-Erickson Advertising of Canada Ltd.	Canada (Federal)	100	Registrant (61.5%) and McCann-Erickson
Maclaren Lintas Inc.	Canada (Federal)	100	Advertising of Canada Ltd. (38.5%)
Promaction Corporation	Canada	100	Registrant
Lowe SMS Ltd.	Canada	100	Registrant
West-Can Communications Ltd.	Canada	100	McCann-Erickson Advertising of Canada
C.L.A. Commercial Productions, Ltd.	Canada	100	Lowe Worldwide Holdings B.V. (43%)
McCann-Erickson S.A. de Publicidad	Chile	100	and Scali, McCabe, Sloves, Inc. (57%)
Lintas Chile S.A.	Chile	100	Scali, McCabe, Sloves, Inc.
Harrison Publicidad De Colombia S.A.	Colombia	100	West Can Communications Ltd.
McCann-Erickson Centroamericana	Costa Rica	100	Registrant
(Costa Rica) Ltda.			Registrant
McCann-Erickson Zagreb	Croatia	100	McCann-Erickson International
GmbH			McCann-Erickson Prague
Lintas Praha Spol. s.r.o.	Czech Republic	100	McCann-Erickson International GmbH
Milvang/GR2 A/S	Czech Republic	100	Lintas Deutschland GmbH
Signatur APS	Denmark	100	Lintas Danmark A/S
Lintas Danmark A/S	Denmark	100	Lintas Danmark A/S
McCann-Erickson A/S	Denmark	100	Lintas Holding B.V.
Pool Media International Aps	Denmark	100	Registrant
McCann-Erickson Dominicana, S.A.	Denmark	100	Registrant
McCann-Erickson (Ecuador) Publicidad S.A.	Dominican Republic	100	Registrant
	Ecuador	96	McCann-Erickson Corporation
			(International)
McCann-Erickson Centro Americana	El Salvador	100	Registrant
(El Salvador) S.A.			
Arte1 Studios Limited	England	100	Stowe, Bowden, Wilson Limited
The Below the Line Agency Limited	England	100	Interpublic Limited

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Bureau of Commercial Information Limited	England	100	Registrant
Bureau of Commercial Research Limited	England	100	Registrant
CM Lintas International Ltd.	England	100	Interpublic Limited
Epic (Events & Programming International Consultancy) Limited	England	100	Interpublic Limited
H.K. McCann Limited	England	100	McCann Erickson Advertising Limited
Initiative Media Limited	England	100	Interpublic Limited
Interpublic Limited	England	100	Registrant
Fieldplan Ltd.	England	100	Interpublic Limited
Interpublic Pension Fund Trustee Company Limited	England	100	Interpublic Limited
Lintas International Limited	England	100	Interpublic Limited
Lintas Overseas Limited	England	100	Interpublic Limited
Lintas Superannuation Trustees Limited	England	100	Lintas International Limited
Talbot Television Limited	England	100	Fremantle International Inc.
Lintas W.A. Limited	England	100	Interpublic Limited
Still Price Court Twivy D'Souza Lintas Group Limited	England	100	Interpublic Limited
Still Price Court Twivy D'Souza Lintas Limited	England	100	Still Price Court Twivy D'Souza Lintas Group Limited
Initiative Media London Limited	England	99.5	Still Price Court Twivy D'Souza Lintas Group Limited
Brilliant Pictures Limited	England	100	Still Price Court Twivy D'Souza Lintas Group Limited
Lintas Supplementary Pension Trustees Limited	England	100	Lintas International Limited
Matter of Fact Communications Limited	England	100	McCann-Erickson Bristol Limited
Orkestra Ltd.	England	100	Interpublic Limited
Adware Systems Limited	England	100	Orkestra Limited
McCann Communications Limited	England	100	Interpublic Limited
McCann-Erickson Advertising Limited	England	100	Interpublic Limited
McCann-Erickson Bristol Limited	England	100	McCann-Erickson United Kingdom Limited
McCann-Erickson Central Limited	England	100	McCann-Erickson United Kingdom Limited

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McCann-Erickson United Kingdom Limited	England	100	Interpublic Limited
McCann-Erickson Manchester Limited	England	100	McCann-Erickson United Kingdom Limited
McCann Properties Limited	England	100	McCann-Erickson United Kingdom Limited
The Howland Street Studio Ltd.	England	100	Interpublic Limited
Coachouse Ltd.	England	100	McCann-Erickson Manchester Limited
Salesdesk Limited	England	100	Orchestra Ltd.
Stowe, Bowden, Wilson Limited	England	100	McCann-Erickson United Kingdom Limited
Universal McCann Limited	England	100	Interpublic Limited
Lowe International Limited	England	100	Interpublic Limited
The Brompton Group Ltd.	England	100	Lowe International Limited
Brompton Advertising Ltd.	England	100	The Brompton Group Ltd.
Brompton Promotions Ltd.	England	100	The Brompton Group Ltd.
Orbit International (1990) Ltd.	England	100	Lowe International Limited
Lowe Howard-Spink Ltd.	England	100	Lowe International Limited
International Poster Management Ltd.	England	100	Interpublic Limited
Tavistock Advertising Limited	England	100	Lowe International Limited
Allen Brady & Marsh Ltd.	England	100	Tavistock Advertising Limited
Poundhold Ltd.	England	100	Lowe International Limited
Colourwatch Ltd.	England	100	Lowe International Limited
Kenlarton Ltd.	England	100	Lowe International Limited
S.C. Advertising (UK) Limited	England	100	Lowe International Limited
Colourwheel Limited	England	100	Lighthold Limited
Face Photosetting Ltd.	England	100	Smithfield Lease Limited
Smithfield Lease Limited	England	100	Lowe International Limited
Two Six Seven Limited	England	100	Lowe International Limited
Lighthold Limited	England	100	Lowe International Limited
ABM Kershaw Limited	England	100	Lowe International Limited
The Lowe Group Limited	England	100	Lowe International Limited
Relationship Marketing Limited	England	100	Lowe International Limited
The Results Machine Limited	England	100	Lowe International Limited
LHSB Management Services Ltd.	England	100	Lowe International Limited
Lowe & Howard-Spink Media Limited	England	100	Lighthold Limited
The Lowe Group Nominees Ltd.	England	100	Lowe International Limited

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Impulse International Oy	Finland	100	Lintas Oy
Lintas Oy	Finland	100	Lintas Holding B.V.
Lintas Make Direct Oy	Finland	100	Lintas Oy
Lintas Service Oy	Finland	100	Lintas Oy
Womana-Myyntinvaudittajat Oy	Finland	100	Oy Liikemainonta-McCann AB
Oy Liikemainonta-McCann AB	Finland	100	Registrant
McCann-Pro Oy	Finland	100	Oy Liikemainonta-McCann AB
Mainostoinisto Womana - McCann Oy	Finland	100	Registrant
PMI - Mediaporssi Oy	Finland	66	Oy Liikemainonta-McCann AB (33%) and Lintas Oy (33%)
Lowe Brindfors Oy	Finland	100	Lowe Scandinavia AB
Brindfors Production Oy	Finland	100	Lowe Brindfors Oy
E.C. Television/Paris, S.A.	France	100	France C.C.P.M.
France C.C.P.M.	France	100	Lintas Holding B.V.
Initiatives Media Paris	France	100	France C.C.P.M.
Initiative Media International S.A.	France	100	Lintas Holding B.V.
JSC McCann Direct	France	75	McCann-Erickson (France)
McCann - Promotion S.A.	France	99.8	McCann-Erickson (France)
Lintas-Paris	France	100	France C.C.P.M.
McCann-Erickson (France)	France	100	Registrant
McCann-Erickson (Paris) S.A.	France	100	McCann-Erickson (France)
SP3 Conseil S.A.	France	100	SP3 S.A.
Creation Sarl	France	97.5	SP3 S.A.
Fab + S.A.	France	99.4	SP3 S.A.
Infernal Sarl	France	100	SP3 S.A.
SP3 Conseils Paris S.A.	France	99.8	SP3 S.A.
SP3 Lyon S.A.	France	95	SP3 S.A.
SP3 S.A.	France	100	McCann-Erickson (France)
Delacroix et Gervasi S.A.	France	100	SP3
McCann Rhone Alpes S.A.	France	100	McCann-Erickson (France)
Delacroix S.A.	France	60.1	McCann-Erickson (France)

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Publi Media Service	France	50	Owned in quarters by McCann, Lintas agencies in France, Publicis and Idemedia
Sprint S.A.	France	100	France C.C.P.M.
Universal Media S.A.	France	100	McCann-Erickson (France)
Lowe et Associates S.A.	France	100	Lowe Worldwide Holdings B.V.
Audour, Soum, Larue/Scali, McCabe, Sloves, S.A.	France	60	Scali, McCabe, Sloves, Inc.
Vibalm S.A. France	France	100	Lowe et Associates
S.A.			
Alice SNC France	France	50	Vibalm S.A. France
SFA S.A. France	France	52.55%	Alice SNC France
Initiativ Media GmbH	Germany	100	Lintas Deutschland GmbH
Initiativ Verkaufsforderung GmbH	Germany	100	Lintas Hamburg GmbH
Interpublic GmbH	Germany	100	Registrant
Krakow McCann-Erickson GmbH	Germany	100	McCann-Erickson Deutschland GmbH
Lintas Deutschland GmbH	Germany	100	Registrant
Lintas Direct GmbH	Germany	100	Lintas Deutschland GmbH
Lintas Frankfurt GmbH	Germany	100	Lintas Hamburg GmbH
Lintas Hamburg GmbH	Germany	100	Lintas Deutschland GmbH
Lintas S Sales Communications GmbH	Germany	100	Lintas Deutschland GmbH
Max W.A. Kamer GmbH	Germany	100	Lintas Deutschland GmbH
Baader-Lang-Behnken GmbH	Germany	75	Lintas Deutschland GmbH
Creative Media Services GmbH	Germany	100	Lintas Deutschland GmbH
McCann Direct GmbH Agentur fuer Direktmarketing	Germany	100	McCann-Erickson Deutschland GmbH
McCann-Erickson (International) GmbH	Germany	100	Registrant
McCann-Erickson Deutschland GmbH	Germany	100	McCann-Erickson (International) GmbH
McCann-Erickson Scope GmbH	Germany	100	McCann-Erickson Deutschland GmbH
McCann-Erickson Frankfurt GmbH	Germany	100	McCann-Erickson Deutschland GmbH
McCann-Erickson Hamburg GmbH	Germany	100	McCann-Erickson Deutschland GmbH
McCann-Erickson Nurnberg GmbH	Germany	100	McCann-Erickson Deutschland GmbH
McCann-Erickson Service GmbH	Germany	100	McCann-Erickson Deutschland GmbH
McCann-Promotion GmbH	Germany	100	McCann-Erickson Deutschland GmbH
Universalcommunication Media Intensiv GmbH	Germany	100	Interpublic GmbH

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McCann Healthcare Pharma Kommunikation GmbH	Germany	100	McCann-Erickson Deutschland GmbH
McCann-Erickson Management Property GmbH	Germany	100	McCann-Erickson Deutschland GmbH (80%) Interpublic GmbH (20%)
Typo-Wenz Artwork GmbH	Germany	100	Interpublic GmbH
Unterstützungskasse der H.K. McCann Company mbH	Germany	100	McCann-Erickson (International) GmbH
Lowe & Partners GmbH Dusseldorf	Germany	100	Lowe Worldwide Holdings B.V. (75%) and Registrant (25%)
Heinrich Hoffman & Partner GmbH	Germany	100	Lowe & Partners GmbH Frankfurt
Lowe & Partners GmbH Frankfurt	Germany	100	Lowe & Partners GmbH Dusseldorf
Adplus GmbH	Germany	100	Lowe & Partners GmbH Frankfurt
K&S Werbeagentur Marketing und Consulting GmbH	Germany	100	Adplus GmbH
Lowe & Partners GmbH Hamburg	Germany	100	Lowe & Partners GmbH Dusseldorf
Fremantle (Deutschland) Fernsehproduktions GmbH	Germany	100	Fremantle International, Inc. Registrant
McCann-Erickson (Hellas) E.P.E.	Greece	100	McCann-Erickson (International) GmbH
Universal Media Greece	Greece	100	Interpublic Limited
Lintas Worldwide Advertising (Hellas) L.L.C.	Greece	100	Fieldplan Limited
Sprint Advertising S.A.	Greece	51	Fieldplan Limited
Initiative Media Advertising S.A.	Greece	100	Talbot Television Limited
Fremantle Hellas	Greece	95	Registrant
Publicidad McCann-Erickson Centroamericana (Guatemala), S.A.	Guatemala	100	Registrant
McCann-Erickson Centroamericana S. de R.L. (Honduras)	Honduras	100	Registrant
Interpublic (China) Limited	Hong Kong	100	Registrant
Lintas Hong Kong Limited	Hong Kong	100	Lintas Holding B.V.
Infoplan (Hong Kong) Limited	Hong Kong	100	McCann-Erickson (HK) Limited
McCann-Erickson (HK) Limited	Hong Kong	100	Registrant
McCann-Erickson Interpress International Advertising Agency Ltd.	Hungary	100	Registrant
Lintas Budapest Reklam es Marketing Kommunicacios Kft	Hungary	90	Lintas Deutschland GmbH
Centro Media Planning-Buying-Booking S.r.l.	Italy	100	Lintas Milano S.p.A.

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Harrison McCann S.r.l.	Italy	100	McCann-Erickson Italiana S.p.A.
Lintas Milano S.p.A.	Italy	100	Lintas Holding B.V.
McCann-Erickson Italiana S.p.A.	Italy	100	Registrant
McCann Marketing Communications S.p.A.	Italy	100	McCann-Erickson Italiana S.p.A.
Pool Media International (P.M.I.) S.r.l.	Italy	100	Registrant (95%) and Business Science Research Corp (5%)
Universal Media S.r.l.	Italy	100	McCann-Erickson Italiana S.p.A. (50%) Pirella Gottsche Lowe S.p.A. (50%)
Universal S.r.l.	Italy	100	McCann-Erickson Italiana S.p.A.
Pirella Gottsche Lowe S.p.A.	Italy	95	Low WorldWide Holdings B.V.
De Toffel & PG S.r.l.	Italy	100	Pirella Gottsche Lowe S.p.A.
Europa Immagine & Comunicazione Srl	Italy	90	Pirella Gottsche Lowe S.p.A.
Lintas - Abidjan	Ivory Coast	67	France C.C.P.M.
McCann-Erickson (Jamaica) Limited	Jamaica	100	Registrant
Cato Design, Inc.	Japan	51	McCann-Erickson Worldwide, Inc.
Hakuhodo Lintas K.K.	Japan	50	Registrant
McCann-Erickson Inc.	Japan	100	Registrant
Lintas Japan K.K.	Japan	100	Lintas Nederland B.V.
McCann-Erickson (Kenya) Limited	Kenya	73	Registrant
McCann-Erickson (Malaysia) Sdn. Bhd.	Malaysia	100	Registrant
Mutiara-McCann (Malaysia) Sdn. Bhd.	Malaysia	83.50	Registrant
Lintas Worldwide (Malaysia) Sdn. Bhd.	Malaysia	100	Registrant
Initiative Media (M) Sdn. Bhd.	Malaysia	100	Lintas Worldwide (Malaysia) Sdn. Bhd.
Universal Communication Sdn. Bhd.	Malaysia	100	McCann-Erickson (Malaysia) Sdn. Bhd.
Lintas Direct S.A. de C.V.	Mexico	100	Registrant
Corporacion Interpublic Mexicana, S.A. de C.V.	Mexico	100	Registrant and Inversionistas Asociados, S.A. de C.V.
Inversionistas Asociados, S.A. de C.V.	Mexico	100	Registrant
Lintas Mexico S.A. de C.V.	Mexico	100	Registrant
Lintas Worldwide Namibia (Pty) Limited	Namibia	100	Fieldplan Ltd.
Data Gold B.V.	Netherlands	100	IPG Nederland B.V.
Initiative Media B.V.	Netherlands	100	Lintas Nederland B.V.
IPG Nederland B.V.	Netherlands	100	Registrant

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Lintas Direct B.V.	Netherlands	80	Lintas Nederland B.V.
Lintas Holding B.V.	Netherlands	100	Registrant
Lintas Nederland B.V.	Netherlands	100	IPG Nederland B.V.
McCann-Direct B.V.	Netherlands	100	McCann-Erickson (Nederland) B.V.
McCann-Erickson (Nederland) B.V.	Netherlands	100	IPG Nederland B.V.
McCann-Erickson Industrieel B.V.	Netherlands	100	McCann-Erickson (Nederland) B.V.
P. Strating Promotion B.V.	Netherlands	100	IPG Nederland B.V.
Reclame-Adviesbureau Via B.V.	Netherlands	100	IPG Nederland B.V.
Programming Media International B.V.	Netherlands	100	Registrant
Universal Media B.V.	Netherlands	100	IPG Nederland B.V.
Zet Zet B.V.	Netherlands	100	Data Gold B.V.
Lowe Worldwide Holdings B.V.	Netherlands	100	Poundhold Ltd.
Lowe International Holdings B.V.	Netherlands	100	Registrant
Deo Nederland B.V.	Netherlands	100	Lowe Worldwide Holdings B.V.
Lowe Kuiper & Schouten B.V.	Netherlands	100	Lowe Worldwide Holdings B.V.
Lowe Europa B.V.	Netherlands	100	Lowe Worldwide Holdings B.V.
Lintas (NZ) Limited	New Zealand	100	Registrant
McCann-Erickson Limited	New Zealand	100	Registrant
Universal Media Limited	New Zealand	100	McCann-Erickson Limited
McCann-Erickson Belfast Limited	Northern Ireland	100	McCann-Erickson United Kingdom Limited
McCann-Erickson A/S	Norway	100	Registrant
Universal Media A/S	Norway	100	McCann-Erickson A/S
McCann Production A/S	Norway	100	McCann-Erickson A/S
JBR Reklamebyra A/S	Norway	100	McCann-Erickson A/S
JBR Filialen A/S	Norway	100	JBR Reklamebyra A/S
JBR Film A/S	Norway	100	JBR Reklamebyra A/S
JBR Invest A/S	Norway	100	JBR Reklamebyra A/S
Lowe Brindfors A/S	Norway	100	Lowe Scandinavia AB
McCann-Erickson de Panama, S.A.	Panama	100	Registrant
Universal Ideas S.A.	Panama	100	McCann-Erickson de Panama, S.A.
Conte/McCann-Erickson de Panama S.A.	Panama	51	McCann-Erickson de Panama, S.A.

McCann-Erickson (Paraguay) Company	Paraguay	100	McCann-Erickson (Paraguay) Co. (Delaware)
McCann-Erickson Guangming Advertising Limited	People's Republic of China	51	McCann-Erickson Worldwide
McCann-Erickson Corporacion Publicidad S.A. McCann Group of Companies, Inc.	Peru	100	Registrant
ITI McCann-Erickson International Advertising	Philippines	100	Registrant
Lintas Warszawa	Poland	51	McCann-Erickson International GmbH
Lintas, Agencia Internacional de Publicidade, Ltda.	Poland	100	Lintas Deutschland GmbH
Inciativas De Meios-Actividades Publicitarias, Limitada	Portugal	100	Lintas Holding B.V.
McCann-Erickson/Portugal Limitada	Portugal	98	Lintas, Agencia Internacional de Publicidade, Ltda.
Universal Media Publicidade, Limitada	Portugal	100	Business Science Research Corporation
Lowe Portuguesa Publicidade a Estudios de Mercado, S.A.	Portugal	100	McCann-Erickson/Portugal Limitada
Fremantle Portugal, Producoes Televisas, LDA	Portugal	100	Lowe Worldwide Holdings B.V.
Lintas Puerto Rico, Inc.	Portugal	100	Talbot Television Limited (95%) and
McCann-Erickson, Limited	Puerto Rico	100	Lintas, Inc.
McCann-Erickson Moscow	Republic of Ireland	100	Registrant
McCann-Erickson Scotland Limited	Russia	100	McCann-Erickson International GmbH
McCann-Erickson (Singapore) Private Limited	Scotland	100	McCann-Erickson United Kingdom Limited
Lintas Worldwide (Singapore) Private Limited	Singapore	100	Registrant
			Registrant (95%)
			Fremantle International Inc. (5%)
			Registrant
McCann-Erickson South Africa (Pty.) Ltd. ("McCann Group")	South Africa	100	
McCann Cape Town (Proprietary) Limited	South Africa	100	McCann Group
McCann Durban (Proprietary) Limited	South Africa	100	McCann Group
McCann International (Proprietary) Limited	South Africa	100	McCann Group
Media Solutions (Proprietary) Limited	South Africa	100	McCann Group
Universal Media (Proprietary) Limited	South Africa	100	McCann Group

McCannix Proprietary Limited	South Africa	100	McCann-Erickson Johannesburg (Proprietary) Limited
McCann South Africa Proprietary Limited	South Africa	100	McCann-Erickson Johannesburg (Proprietary) Limited
McCann-Erickson Johannesburg (Proprietary) Limited	South Africa	100	McCann-Erickson South Africa (Proprietary) Limited
Media Initiative (Proprietary) Limited	South Africa	100	Lintas (Proprietary) Limited
Lintas (Proprietary) Limited	South Africa	100	Lintas Holding B.V. (76%) Registrant (24%)
McCann-Erickson, Inc.	South Korea	51	McCann-Erickson Marketing, Inc. Registrant
Lintas Korea, Inc.	South Korea	100	McCann-Erickson S.A. Registrant
Clarín, S.A.	Spain	100	
Events & Programming International Consultancy, S.A. (EPIC)	Spain	100	
Cinestar S.A.	Spain	100	Clarín, S.A.
Encuadre S.A.	Spain	67	Clarín, S.A.
Iniciativas de Medios, S.A.	Spain	100	Lintas, S.A.
Lintas S.A.	Spain	100	Lintas Holding B.V. Registrant
McCann-Erickson S.A.	Spain	100	Registrant
McCann-Erickson Barcelona S.A.	Spain	100	Registrant
Pool Media International S.A.	Spain	100	Registrant
Universal Media S.A.	Spain	100	McCann-Erickson S.A.
Lowe Dospordos S.A.	Spain	83.7	Lowe Worldwide Holdings B.V.
Lowe RZR S.A.	Spain	80	Lowe Worldwide Holdings B.V.
Lowe MBAC S.A.	Spain	100	Lowe Worldwide Holdings B.V.
Fremantle de Espana S.L.	Spain	100	Fremantle International Inc.
AB Lintas Shoppen	Sweden	100	Lintas AB Registrant
McCann-Erickson AB	Sweden	100	
Lintas AB	Sweden	100	Lintas Holding B.V.
Werne & Co. Annonsbyra I Malmoe AB	Sweden	100	McCann-Erickson AB
Werne & Co. Annonsbyra AB	Sweden	100	McCann-Erickson AB

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Ronnberg & Co. A.B.	Sweden	100	McCann-Erickson AB
PMI Initiative Universal Media AB	Sweden	100	Lintas AB (50%) McCann-Erickson AB (50%)
Lowe Scandinavia AB	Sweden	100	Interpublic Svenska AB (66.9%) and Brindfors Intressenter Invest AB (33.1%)
Brindfors Intressenter Invest AB	Sweden	100	Interpublic Svenska AB
Interpublic Svenska AB	Sweden	100	Low International Holdings B.V.
Low Brindfors AB	Sweden	100	Low Scandinavia AB
Low Brindfors Annonsbyra AB	Sweden	100	Low Scandinavia AB
Boxer Film Produktion AB	Sweden	100	Low Scandinavia AB
Ulla Andersson Mediaaktiebolag	Sweden	85	Low Scandinavia AB
Message Mediaformedling AB	Sweden	100	Low Scandinavia AB
Boisen & Partners Annonsbyra AB	Sweden	100	Low Scandinavia AB
Lintas A.G.	Switzerland	100	Lintas Holding B.V.
Max W.A. Kamer AG	Switzerland	100	Lintas Deutschland GmbH
McCann-Erickson S.A.	Switzerland	100	Registrant
McCann-Erickson Services S.A.	Switzerland	100	Registrant
P.C.M. Marketing AG	Switzerland	100	Lintas Deutschland GmbH
Pool Media-PMI S.A.	Switzerland	100	Registrant
Unimedia S.A.	Switzerland	100	Registrant
Lintas Taiwan Limited	Taiwan	100	Registrant
McCann-Erickson Taiwan Company	Taiwan	100	Registrant
Harrison Communications, Ltd.	Taiwan	100	Registrant
McCann-Erickson (Thailand) Ltd.	Thailand	100	Registrant
Lintas (Thailand) Ltd.	Thailand	80	Registrant
Lintas Gulf Limited	Tortola	51	Lintas International Limited
McCann-Erickson (Trinidad) Limited	Trinidad	100	Registrant
PARS McCann-Erickson Reklamcilik A.S. ("PARS")	Turkey	100	Registrant
Link Ajams Limited Sirketi	Turkey	100	PARS
Universal Media Planlama Ve Dagitim	Turkey	100	PARS
McCann-Direct Reklam Tanitama Servisleri A.S.	Turkey	100	PARS
Grafika Lintas Reklamcilik A.S.	Turkey	51	Registrant
McCann-Erickson Publicidad De Venezuela, S.A.	Venezuela	99.67	Registrant
McCann-Erickson Payne, Golley Ltd.	Wales	75.9	McCann-Erickson United Kingdon Limited
Lintas (Private) Limited	Zimbabwe	85	Fieldplan Ltd.

PAGE

A number of inactive subsidiaries and other subsidiaries, all of which considered in the aggregate as a single subsidiary would not constitute a significant subsidiary, are omitted from the above list.

These subsidiaries normally do business under their official corporate names. International Business Services, Inc. does business in Michigan under the name "McCann-I.B.S., Inc." and in New York under the name "McCann International Business Services". Lintas, Inc. conducts business through its Lintas New York division. McCann-Erickson conducts some of its business in the states of Kentucky and Michigan under the name "McGraphics". ZML Software Systems, Inc. also does business under the name "Adware". McCann-Erickson USA, Inc. does business in Michigan under the name SAS and does business in Indiana, Michigan, New York, Pennsylvania and Wisconsin under the name of McCann-Erickson Universal Group. Dailey & Associates Inc. does business in New York under the name "Dailey & Associates of California".

REPORT OF INDEPENDENT ACCOUNTANTS
ON FINANCIAL STATEMENT SCHEDULES

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

Our audits of the consolidated financial statements referred to in our report dated February 13, 1995 appearing in the 1994 Annual Report to Stockholders of The Interpublic Group of Companies, Inc. (which report and consolidated financial statements are incorporated by reference in this Annual Report on Form 10-K) also included an audit of the Financial Statement Schedules listed in Item 14 (a) of this Form 10-K. In our opinion, these Financial Statement Schedules present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

PRICE WATERHOUSE, LLP
New York, New York
February 13, 1995

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 of The Interpublic Group of Companies, Inc. (the "Company"), of our report dated February 13, 1995, appearing in the 1994 Annual Report to Stockholders which is incorporated in this Annual Report on Form 10-K: Registration Statements No. 2-79071; No. 2-43811; No. 2-56269; No. 2-61346; No. 2-64338; No. 2-67560; No. 2-72093; No. 2-88165; No. 2-90878, No. 2-97440 and No. 33-28143, relating variously to the Stock Option Plan (1971), the Stock Option Plan (1981), the Stock Option Plan (1988) and the Achievement Stock Award Plan of the Company; Registration Statements No. 2-53544; No. 2-91564, No. 2-98324, No. 33-22008 and No. 33-64062, relating variously to the Employee Stock Purchase Plan (1975) and the Employee Stock Purchase Plan (1985) of the Company; Registration Statements No. 33-20291 and No. 33-2830 relating to the Management Incentive Compensation Plan of the Company; Registration Statement No. 33-5352 and No. 33-21605 relating to the 1986 Stock Incentive Plan and 1986 United Kingdom Stock Option Plan of the Company; and Registration Statement No. 33-10087 and No. 33-25555 relating to the Long-Term Performance Incentive Plan of the Company. We hereby consent to the incorporation by reference in the Prospectus constituting part of the Registration Statement on Form S-3 (No. 33-37346) of the Interpublic Group of Companies, Inc. of our report dated February 13, 1995, appearing in the 1994 Annual Report to Stockholders which is incorporated in this Annual Report on Form 10-K. We also consent to the incorporation by reference of our report on the Financial Statement Schedules, which appears above.

PRICE WATERHOUSE, LLP
New York, New York
March 24, 1995

KNOW ALL MEN BY THESE PRESENTS, that each individual whose signature appears below constitutes and appoints PHILIP H. GEIER, JR., EUGENE P. BEARD, JOSEPH STUDLEY and CHRISTOPHER RUDGE, and each of them, as true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution, for him, and in his name, place and stead, in any and all capacities, to sign the Report on Form 10-K for the year ended December 31, 1994, for The Interpublic Group of Companies, Inc., S.E.C. File No. 1-6686, and any and all amendments and supplements thereto and all other instruments necessary or desirable in connection therewith, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission and the New York Stock Exchange, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requested and necessary to be done in and about the premises as fully to all intents and purposes as he might do or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Dated: March 21, 1995

Philip H. Geier, Jr.

J. Phillip Samper

Eugene P. Beard

Joseph J. Sisco

Lynne V. Cheney

Frank Stanton

Frank B. Lowe

Joseph Studley

Leif H. Olsen

Jacqueline G. Wexler

Kenneth L. Robbins

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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