

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

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

Date of report (Date of earliest event reported): July 25, 2017

The Interpublic Group of Companies, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware	1-6686	13-1024020
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

909 Third Avenue, New York, New York	10022
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: 212-704-1200

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On July 25, 2017, The Interpublic Group of Companies, Inc. (i) issued a press release, a copy of which is attached hereto as Exhibit 99.1 and incorporated by reference herein, announcing its results for the second quarter and first six months of 2017, (ii) held a conference call to discuss the foregoing results and (iii) posted an investor presentation, a copy of which is attached hereto as Exhibit 99.2 and incorporated by reference herein, on its website in connection with the conference call.

Item 9.01. Financial Statements and Exhibits.

Exhibit 99.1: Press release dated July 25, 2017 (furnished pursuant to Item 2.02)

Exhibit 99.2: Investor presentation dated July 25, 2017 (furnished pursuant to Item 2.02)

SIGNATURES

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

Date: July 25, 2017

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By: /s/ Andrew Bonzani

Name: Andrew Bonzani

Title: Senior Vice President, General Counsel and Secretary



FOR IMMEDIATE RELEASE

New York, NY (July 25, 2017)

Interpublic Announces Second Quarter and First Half 2017 Results

- Second quarter reported revenue decrease of 1.7%; organic revenue increase was 0.4% and was 1.0% excluding the impact of lower pass-through revenue.
- First half reported revenue decrease of 0.6%; organic revenue increase was 1.5% and was 1.7% excluding the impact of lower pass-through revenue.
- Second quarter operating income of \$206.5 million and operating margin of 11.0%.
- Second quarter diluted earnings per share of \$0.24 and \$0.27 as adjusted for below-the-line items, compared with \$0.38 and \$0.33 as adjusted a year ago.
- First half diluted earnings per share of \$0.29 and \$0.32 as adjusted for below-the-line items, compared with \$0.40 and \$0.36 as adjusted a year ago.
- Company remains committed to delivering its full-year performance target of 50 basis points of operating margin expansion and achieving the low end of its 3%-4% organic growth range.

Summary:

Revenue

- Second quarter 2017 revenue decreased 1.7% to \$1.88 billion, compared to \$1.92 billion in the second quarter of 2016, with an organic revenue increase of 0.4% compared to the prior-year period. This was comprised of an organic increase of 0.7% in the U.S., which was 1.7% excluding the impact of lower pass-through revenues, and no organic change internationally.
- First half 2017 revenue decreased 0.6% to \$3.64 billion, compared to \$3.66 billion in the first half of 2016, with an organic revenue increase of 1.5% compared to the prior-year period. This was comprised of an organic revenue increase of 1.7% in the U.S., which was 1.8% excluding the impact of lower pass-through revenues, and 1.0% internationally.

Operating Results

- Operating income in the second quarter of 2017 was \$206.5 million, compared to \$224.3 million in 2016. Operating margin was 11.0% for the second quarter of 2017, compared to 11.7% in 2016.
- For the first half of 2017, operating income was \$236.2 million, compared to operating income of \$247.3 million in 2016. Operating margin was 6.5% for the first half of 2017, compared to 6.8% for the first half of 2016.

Net Results

- Income tax provision in the second quarter of 2017 was \$75.4 million on income before income taxes of \$170.1 million.
- Second quarter 2017 net income available to IPG common stockholders was \$94.7 million, resulting in earnings of \$0.24 per basic and diluted share, and \$0.27 per adjusted diluted share. This compares to net income available to IPG common stockholders a year ago of \$156.9 million, resulting in earnings of \$0.39 per basic share and \$0.38 per diluted share, and \$0.33 per adjusted diluted share.
- Income tax provision in the first half of 2017 was \$73.3 million on income before income taxes of \$184.9 million.
- First half 2017 net income available to IPG common stockholders was \$116.2 million, resulting in earnings of \$0.30 per basic share and \$0.29 per diluted share, and \$0.32 per adjusted diluted share. This compares to net income available to IPG common stockholders a year ago of \$162.3 million, resulting in earnings of \$0.41 per basic share and \$0.40 per diluted share, and \$0.36 per adjusted diluted share.
- For the three and six months ended June 30, 2017, net income available to IPG common stockholders included net losses of \$13.1 million and \$12.2 million, respectively, on sales of businesses in "Other (Expense) Income, Net". Excluding losses on sales of businesses, our diluted earnings per share for the three and six months ended June 30, 2017 would have been \$0.27 and \$0.32, respectively. Adjusted diluted earnings per share was \$0.33 and \$0.36 in the respective prior year periods. Refer to reconciliations in the back for more detail.

“Client spending in the quarter reflected increased caution, but we don’t see evidence of a broad-based economic downturn. Across the portfolio, we remain confident in the outstanding quality of our people and our work. This is confirmed by industry-leading performance at the most important award competitions that recognize creative excellence and marketing effectiveness,” said Michael I. Roth, Interpublic’s Chairman and CEO.

“Our offerings are highly competitive due to long-standing investments we have made in talent, especially embedding digital expertise within all of our companies, as well as in leading-edge programs that foster innovation and position us to help clients succeed in an age of data-driven and technology-enabled marketing. Applying these capabilities across our client roster positions us to achieve the low end of our 3% - 4% organic growth target for the year. We will also stay highly focused on costs, in order to build on our strong record of driving margin improvement, and we remain committed to delivering 50 basis points of operating margin expansion in 2017. Combined with the strength of our balance sheet and our commitment to capital return, that means there is significant potential at IPG for further value creation and enhanced shareholder value,” concluded Mr. Roth.

Operating Results

Revenue

Revenue of \$1.88 billion in the second quarter of 2017 decreased 1.7% compared with the same period in 2016. During the quarter, the effect of foreign currency translation was negative 1.1%, the impact of net divestitures was negative 1.0%, and the resulting organic revenue increase was 0.4%. Excluding the decrease in organic pass-through revenue in the second quarter of 2017, the organic revenue increase would have been 1.0%.

Revenue of \$3.64 billion in the first half of 2017 decreased 0.6% compared with the first half of 2016. During the first half of 2017, the effect of foreign currency translation was negative 1.0%, the impact of net divestitures was negative 1.1%, and the resulting organic revenue increase was 1.5%. Excluding the decrease in organic pass-through revenue in the first half of 2017, the organic revenue increase would have been 1.7%.

Operating Expenses

Total operating expenses decreased 0.9% in the second quarter of 2017 from a year ago, compared with revenue decrease of 1.7%, and decreased 0.3% in the first half of 2017 from a year ago, compared with revenue decrease of 0.6%.

During the second quarter of 2017, salaries and related expenses were \$1.24 billion, an increase of 0.8% compared to the same period in 2016. During the first half of 2017, salaries and related expenses were \$2.51 billion, an increase of 0.7% compared to the same period in 2016.

Staff cost ratio, which is total salaries and related expenses as a percentage of total revenue, was 65.7% in the second quarter of 2017 compared to 64.1% in the same period in 2016, and was 69.1% in the first half of 2017 compared to 68.3% in the same period in 2016.

During the second quarter of 2017, office and general expenses were \$439.1 million, a decrease of 5.4% compared to the same period in 2016. During the first half of 2017, office and general expenses were \$887.9 million, a decrease of 2.9% compared to the same period in 2016.

Office and general expenses were 23.3% of total revenue in the second quarter of 2017 compared to with 24.2% a year ago, and were 24.4% in the first half of 2017 compared to 25.0% in the same period in 2016.

Non-Operating Results and Tax

Net interest expense of \$21.0 million increased by \$2.1 million in the second quarter of 2017 compared to the same period in 2016. For the first half of 2017, net interest expense of \$36.7 million increased by \$1.0 million compared to the same period in 2016.

The income tax provision in the second quarter of 2017 was \$75.4 million on income before income taxes of \$170.1 million, compared to a provision of \$43.7 million on income before income taxes of \$205.8 million in the same period in 2016.

The income tax provision in the first half of 2017 was \$73.3 million on income before taxes of \$184.9 million, compared to a provision of \$28.1 million on income before income taxes of \$192.8 million in the same period in 2016.

Balance Sheet

At June 30, 2017, cash, cash equivalents and marketable securities totaled \$660.8 million, compared to \$1.10 billion at December 31, 2016 and \$675.4 million at June 30, 2016. Total debt was \$1.82 billion at June 30, 2017, compared to \$1.69 billion at December 31, 2016.

Share Repurchase Program and Common Stock Dividend

During the second quarter of 2017, the company repurchased 2.5 million shares of its common stock at an aggregate cost of \$60.0 million and an average price of \$24.39 per share, including fees. During the first half of 2017, the company repurchased 4.8 million shares of its common stock at an aggregate cost of \$115.0 million and an average price of \$24.13 per share, including fees.

During the second quarter of 2017, the company declared and paid a common stock cash dividend of \$0.18 per share, for a total of \$70.5 million.

For further information regarding the company's financial results as well as certain non-GAAP measures and the reconciliation thereof, please refer to pages 18 and 19 of the earnings materials filed on Form 8-K here with and available on our website, www.interpublic.com.

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About Interpublic

Interpublic is one of the world's leading organizations of advertising agencies and marketing services companies. Major global brands include Craft, FCB (Foote, Cone & Belding), FutureBrand, Golin, Huge, Initiative, Jack Morton Worldwide, MAGNA, McCann, Momentum, MRM//McCann, MullenLowe Group, Octagon, R/GA, UM and Weber Shandwick. Other leading brands include Avrett Free Ginsberg, Campbell Ewald, Carmichael Lynch, Deutsch, Hill Holliday, ID Media and The Martin Agency. For more information, please visit www.interpublic.com.

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Cautionary Statement

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

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

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

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

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED SUMMARY OF EARNINGS
SECOND QUARTER REPORT 2017 AND 2016
(Amounts in Millions except Per Share Data)
(UNAUDITED)

	Three months ended June 30,		
	2017	2016	Fav. (Unfav.) % Variance
Revenue:			
United States	\$ 1,160.5	\$ 1,169.1	(0.7)%
International	724.4	748.8	(3.3)%
Total Revenue	<u>1,884.9</u>	<u>1,917.9</u>	<u>(1.7)%</u>
Operating Expenses:			
Salaries and Related Expenses	1,239.3	1,229.5	(0.8)%
Office and General Expenses	439.1	464.1	5.4 %
Total Operating Expenses	<u>1,678.4</u>	<u>1,693.6</u>	<u>0.9 %</u>
Operating Income	<u>206.5</u>	<u>224.3</u>	<u>(7.9)%</u>
Operating Margin %	11.0%	11.7%	
Expenses and Other Income:			
Interest Expense	(25.7)	(24.5)	
Interest Income	4.7	5.6	
Other (Expense) Income, Net	(15.4)	0.4	
Total (Expenses) and Other Income	<u>(36.4)</u>	<u>(18.5)</u>	
Income Before Income Taxes	170.1	205.8	
Provision for Income Taxes	75.4	43.7	
Income of Consolidated Companies	<u>94.7</u>	<u>162.1</u>	
Equity in Net Loss of Unconsolidated Affiliates	(0.1)	(1.9)	
Net Income	<u>94.6</u>	<u>160.2</u>	
Net Loss (Income) Attributable to Noncontrolling Interests	0.1	(3.3)	
Net Income Available to IPG Common Stockholders	<u>\$ 94.7</u>	<u>\$ 156.9</u>	
Earnings Per Share Available to IPG Common Stockholders:			
Basic	\$ 0.24	\$ 0.39	
Diluted	\$ 0.24	\$ 0.38	
Weighted-Average Number of Common Shares Outstanding:			
Basic	392.3	400.1	
Diluted	400.3	409.8	
Dividends Declared Per Common Share	\$ 0.18	\$ 0.15	

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED SUMMARY OF EARNINGS
SECOND QUARTER REPORT 2017 AND 2016
(Amounts in Millions except Per Share Data)
(UNAUDITED)

	Six months ended June 30,		Fav. (Unfav.) % Variance
	2017	2016	
Revenue:			
United States	\$ 2,272.3	\$ 2,260.3	0.5 %
International	1,366.5	1,399.6	(2.4)%
Total Revenue	<u>3,638.8</u>	<u>3,659.9</u>	<u>(0.6)%</u>
Operating Expenses:			
Salaries and Related Expenses	2,514.7	2,498.3	(0.7)%
Office and General Expenses	887.9	914.3	2.9 %
Total Operating Expenses	<u>3,402.6</u>	<u>3,412.6</u>	<u>0.3 %</u>
Operating Income	<u>236.2</u>	<u>247.3</u>	<u>(4.5)%</u>
Operating Margin %	6.5%	6.8%	
Expenses and Other Income:			
Interest Expense	(46.6)	(47.1)	
Interest Income	9.9	11.4	
Other Expense, Net	(14.6)	(18.8)	
Total (Expenses) and Other Income	<u>(51.3)</u>	<u>(54.5)</u>	
Income Before Income Taxes	184.9	192.8	
Provision for Income Taxes	73.3	28.1	
Income of Consolidated Companies	<u>111.6</u>	<u>164.7</u>	
Equity in Net Income (Loss) of Unconsolidated Affiliates	1.1	(1.8)	
Net Income	<u>112.7</u>	<u>162.9</u>	
Net Loss (Income) Attributable to Noncontrolling Interests	3.5	(0.6)	
Net Income Available to IPG Common Stockholders	<u>\$ 116.2</u>	<u>\$ 162.3</u>	
Earnings Per Share Available to IPG Common Stockholders:			
Basic	\$ 0.30	\$ 0.41	
Diluted	\$ 0.29	\$ 0.40	
Weighted-Average Number of Common Shares Outstanding:			
Basic	392.0	400.4	
Diluted	399.6	409.4	
Dividends Declared Per Common Share	\$ 0.36	\$ 0.30	

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
RECONCILIATION OF ADJUSTED NON-GAAP RESULTS
(Amounts in Millions except Per Share Data)
(UNAUDITED)

	Three Months Ended June 30, 2017		
	As Reported	Net Losses on Sales of Businesses ¹	Adjusted Results
Income Before Income Taxes	\$ 170.1	\$ (13.1)	\$ 183.2
Provision for Income Taxes	75.4		75.4
Effective Tax Rate	44.3%		41.2%
Equity in Net Loss of Unconsolidated Affiliates	(0.1)		(0.1)
Net Loss Attributable to Noncontrolling Interests	0.1		0.1
Net Income Available to IPG Common Stockholders	\$ 94.7	\$ (13.1)	\$ 107.8
Weighted-Average Number of Common Shares Outstanding - Basic	392.3		392.3
Add: Effect of Dilutive Securities			
Restricted Stock, Stock Options and Other Equity Awards	8.0		8.0
Weighted-Average Number of Common Shares Outstanding - Diluted	400.3		400.3
Earnings Per Share Available to IPG Common Stockholders:			
Basic	\$ 0.24	\$ (0.03)	\$ 0.27
Diluted	\$ 0.24	\$ (0.03)	\$ 0.27

¹ Includes losses on completed dispositions and the classification of certain assets as held for sale.

Note: Management believes the resulting comparisons provide useful supplemental data that, while not a substitute for GAAP measures, allow for greater transparency in the review of our financial and operational performance.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
RECONCILIATION OF ADJUSTED NON-GAAP RESULTS
(Amounts in Millions except Per Share Data)
(UNAUDITED)

	Six Months Ended June 30, 2017		
	As Reported	Net Losses on Sales of Businesses ¹	Adjusted Results
Income Before Income Taxes	\$ 184.9	\$ (12.2)	\$ 197.1
Provision for Income Taxes	73.3		73.3
Effective Tax Rate	39.6%		37.2%
Equity in Net Income of Unconsolidated Affiliates	1.1		1.1
Net Loss Attributable to Noncontrolling Interests	3.5		3.5
Net Income Available to IPG Common Stockholders	\$ 116.2	\$ (12.2)	\$ 128.4
Weighted-Average Number of Common Shares Outstanding - Basic	392.0		392.0
Add: Effect of Dilutive Securities			
Restricted Stock, Stock Options and Other Equity Awards	7.6		7.6
Weighted-Average Number of Common Shares Outstanding - Diluted	399.6		399.6
Earnings Per Share Available to IPG Common Stockholders:			
Basic	\$ 0.30	\$ (0.03)	\$ 0.33
Diluted	\$ 0.29	\$ (0.03)	\$ 0.32

¹ Includes losses on completed dispositions and the classification of certain assets as held for sale.

Note: Management believes the resulting comparisons provide useful supplemental data that, while not a substitute for GAAP measures, allow for greater transparency in the review of our financial and operational performance.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
RECONCILIATION OF ADJUSTED NON-GAAP RESULTS
(Amounts in Millions except Per Share Data)
(UNAUDITED)

	Three Months Ended June 30, 2016			
	As Reported	Losses on Sales of Businesses	Settlement of Certain Tax Positions	Adjusted Results ¹
Income Before Income Taxes	\$ 205.8	\$ (3.7)		\$ 209.5
Provision for Income Taxes	43.7		\$ 23.4	67.1
Effective Tax Rate	21.2%			32.0%
Equity in Net Loss of Unconsolidated Affiliates	(1.9)			(1.9)
Net Income Attributable to Noncontrolling Interests	(3.3)			(3.3)
Net Income Available to IPG Common Stockholders	\$ 156.9	\$ (3.7)	\$ 23.4	\$ 137.2

Weighted-Average Number of Common Shares Outstanding - Basic	400.1			400.1
Add: Effect of Dilutive Securities				
Restricted Stock, Stock Options and Other Equity Awards	9.7			9.7
Weighted-Average Number of Common Shares Outstanding - Diluted	409.8			409.8

Earnings Per Share Available to IPG Common Stockholders:

Basic	\$ 0.39	\$ (0.01)	\$ 0.06	\$ 0.34
Diluted	\$ 0.38	\$ (0.01)	\$ 0.06	\$ 0.33

¹ The effect of the adoption of the Financial Accounting Standards Board Accounting Standards Update 2016-09, which was previously included in this table in 2016, has now been removed as the effect of the adoption is reflected in both periods.

Note: Management believes the resulting comparisons provide useful supplemental data that, while not a substitute for GAAP measures, allow for greater transparency in the review of our financial and operational performance.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
RECONCILIATION OF ADJUSTED NON-GAAP RESULTS
(Amounts in Millions except Per Share Data)
(UNAUDITED)

	Six months ended June 30, 2016				
	As Reported	Losses on Sales of Businesses	Valuation Allowance Reversals	Settlement of Certain Tax Positions	Adjusted Results ¹
Income Before Income Taxes	\$ 192.8	\$ (20.0)			\$ 212.8
Provision for Income Taxes	28.1	0.4	\$ 12.2	\$ 23.4	64.1
Effective Tax Rate	14.6%				30.1%
Equity in Net Loss of Unconsolidated Affiliates	(1.8)				(1.8)
Net Income Attributable to Noncontrolling Interests	(0.6)				(0.6)
Net Income Available to IPG Common Stockholders	\$ 162.3	\$ (19.6)	\$ 12.2	\$ 23.4	\$ 146.3

Weighted-Average Number of Common Shares Outstanding - Basic	400.4				400.4
Add: Effect of Dilutive Securities					
Restricted Stock, Stock Options and Other Equity Awards	9.0				9.0
Weighted-Average Number of Common Shares Outstanding - Diluted	409.4				409.4

Earnings Per Share Available to IPG Common Stockholders:

Basic	\$ 0.41	\$ (0.05)	\$ 0.03	\$ 0.06	\$ 0.37
Diluted	\$ 0.40	\$ (0.05)	\$ 0.03	\$ 0.06	\$ 0.36

¹ The effect of the adoption of the Financial Accounting Standards Board Accounting Standards Update 2016-09, which was previously included in this table in 2016, has now been removed as the effect of the adoption is reflected in both periods.

Note: Management believes the resulting comparisons provide useful supplemental data that, while not a substitute for GAAP measures, allow for greater transparency in the review of our financial and operational performance.



Interpublic Group

SECOND QUARTER 2017 EARNINGS CONFERENCE CALL

July 25, 2017



Overview – Second Quarter 2017

- Total revenue change was -1.7%; organic revenue growth was +0.4%, and was 1.0% excluding the impact of lower pass-through revenue
 - U.S. organic growth was +0.7%, and was +1.7% excluding lower pass-through revenue
 - International organic change was flat
- Operating income was \$207 million compared with \$224 million
- Operating margin was 11.0% compared with 11.7%, bringing H1 operating margin to 6.5% compared with 6.8% in 2016
- Diluted EPS was \$0.24, and was \$0.27 as adjusted for below-the-line business dispositions, compared with \$0.38 reported and \$0.33 adjusted diluted EPS in Q2-16

Operating Performance

	Three Months Ended June 30,	
	2017	2016
<i>Revenue</i>	\$ 1,884.9	\$ 1,917.9
Salaries and Related Expenses ⁽¹⁾	1,239.3	1,229.5
Office and General Expenses	439.1	464.1
<i>Operating Income</i>	206.5	224.3
Interest Expense	(25.7)	(24.5)
Interest Income	4.7	5.6
Other (Expense) Income, net ⁽¹⁾	(15.4)	0.4
<i>Income Before Income Taxes</i>	170.1	205.8
Provision for Income Taxes	75.4	43.7
Equity in Net Loss of Unconsolidated Affiliates	(0.1)	(1.9)
<i>Net Income</i>	94.6	160.2
Net Loss (Income) Attributable to Noncontrolling Interests	0.1	(3.3)
<i>Net Income Available to IPG Common Stockholders</i>	\$ 94.7	\$ 156.9
<i>Earnings per Share Available to IPG Common Stockholders:</i>		
Basic	\$ 0.24	\$ 0.39
Diluted	\$ 0.24	\$ 0.38
<i>Weighted-Average Number of Common Shares Outstanding:</i>		
Basic	392.3	400.1
Diluted	400.3	409.8
<i>Dividends Declared per Common Share</i>	\$ 0.18	\$ 0.15

⁽¹⁾ As part of the adoption of FASB ASU 2017-07, we have reclassified a portion of postretirement costs/(benefits) from Salaries and Related Expenses to Other (Expense) Income, net. The amounts reclassified were \$0.8 and (\$0.5) for the three months ended June 30, 2017 and 2016, respectively.

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(Amounts in Millions, except per share amounts)



Revenue

	Three Months Ended		Six Months Ended	
	\$	% Change	\$	% Change
June 30, 2016	\$ 1,917.9		\$ 3,659.9	
Total change	(33.0)	(1.7%)	(21.1)	(0.6%)
Foreign currency	(21.3)	(1.1%)	(38.4)	(1.0%)
Net acquisitions/(divestitures)	(19.4)	(1.0%)	(36.6)	(1.1%)
Organic	7.7	0.4%	53.9	1.5%
June 30, 2017	\$ 1,884.9		\$ 3,638.8	

	Three Months Ended June 30,				Six Months Ended June 30,			
			Change				Change	
	2017	2016	Total	Organic	2017	2016	Total	Organic
IAN	\$ 1,537.8	\$ 1,548.5	(0.7%)	1.0%	\$ 2,945.4	\$ 2,950.1	(0.2%)	1.6%
CMG	\$ 347.1	\$ 369.4	(6.0%)	(2.2%)	\$ 693.4	\$ 709.8	(2.3%)	1.0%

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

Page 4 See reconciliation of segment organic revenue change on pages 18 and 19.

(\$ in Millions)



Geographic Revenue Change

	Three Months Ended June 30, 2017		Six Months Ended June 30, 2017	
	Total	Organic	Total	Organic
United States	(0.7%)	0.7%	0.5%	1.7%
International	(3.3%)	0.0%	(2.4%)	1.0%
United Kingdom	(5.7%)	1.9%	(8.1%)	1.0%
Continental Europe	(7.4%)	(2.5%)	(4.4%)	1.7%
Asia Pacific	(1.4%)	(1.1%)	(1.6%)	(1.9%)
Latin America	(3.5%)	0.0%	0.1%	1.6%
All Other Markets	2.9%	3.2%	6.4%	5.2%
Worldwide	(1.7%)	0.4%	(0.6%)	1.5%

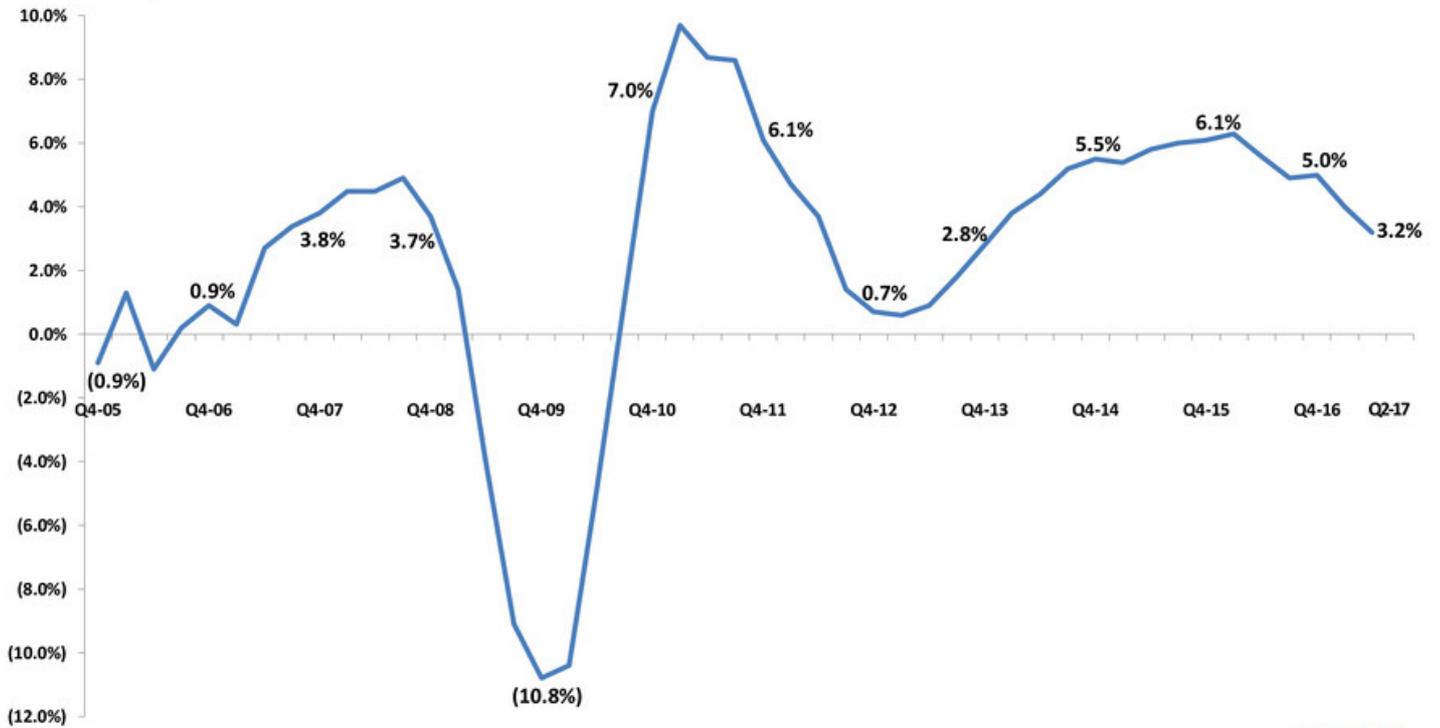
"All Other Markets" includes Canada, Africa and the Middle East.

Page 5 See reconciliation of organic revenue change on pages 18 and 19.



Organic Revenue Growth

Trailing Twelve Months



Operating Expenses

Salaries & Related

	2017	2016	Change		
			\$	Total	Organic
Three Months Ended June 30, % of Revenue	\$ 1,239.3 65.7%	\$ 1,229.5 64.1%	\$ 9.8	0.8%	3.1%

Six Months Ended June 30, % of Revenue	\$ 2,514.7 69.1%	\$ 2,498.3 68.3%	\$ 16.4	0.7%	3.0%
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Office & General

	2017	2016	Change		
			\$	Total	Organic
Three Months Ended June 30, % of Revenue	\$ 439.1 23.3%	\$ 464.1 24.2%	\$ (25.0)	(5.4%)	(2.7%)

Six Months Ended June 30, % of Revenue	\$ 887.9 24.4%	\$ 914.3 25.0%	\$ (26.4)	(2.9%)	(0.2%)
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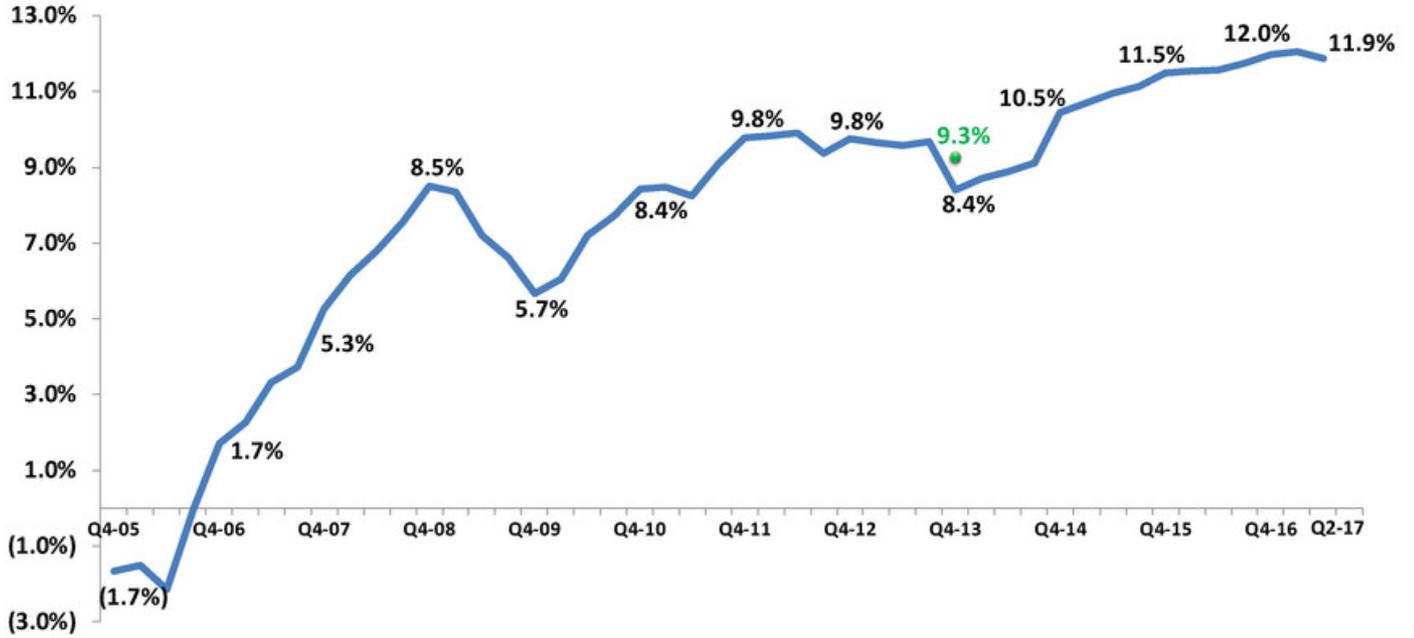
Page 7 See reconciliation of organic measures on pages 18 and 19.

(\$ in Millions)



Operating Margin

Trailing Twelve Months



For the twelve months ended December 31, 2013, reported operating income of \$598.3 includes our Q4 2013 restructuring charge of \$60.6. Excluding this charge, adjusted operating income was \$658.9, and adjusted operating margin is represented in green.

Adjusted Diluted Earnings Per Share

Three Months Ended June 30, 2017			
	As Reported	Net Losses on Sales of Businesses ⁽¹⁾	Adjusted Results
Income Before Income Taxes	\$ 170.1	\$ (13.1)	\$ 183.2
Provision for Income Taxes	75.4		75.4
Effective Tax Rate	44.3%		41.2%
Diluted EPS Components:			
Net Income Available to IPG Common Stockholders	\$ 94.7	\$ (13.1)	\$ 107.8
Weighted-Average Number of Common Shares Outstanding	400.3		400.3
Earnings Per Share Available to IPG Common Stockholders	\$ 0.24	\$ (0.03)	\$ 0.27

Six Months Ended June 30, 2017			
	As Reported	Net Losses on Sales of Businesses ⁽¹⁾	Adjusted Results
Income Before Income Taxes	\$ 184.9	\$ (12.2)	\$ 197.1
Provision for Income Taxes	73.3		73.3
Effective Tax Rate	39.6%		37.2%
Diluted EPS Components:			
Net Income Available to IPG Common Stockholders	\$ 116.2	\$ (12.2)	\$ 128.4
Weighted-Average Number of Common Shares Outstanding	399.6		399.6
Earnings Per Share Available to IPG Common Stockholders	\$ 0.29	\$ (0.03)	\$ 0.32

Page 9 ⁽¹⁾ During the six months ended June 30, 2017, we recorded net losses on sales of businesses, primarily in our international markets. See full reconciliation of adjusted non-GAAP diluted earnings per share on page 21.

(Amounts in Millions, except per share amounts)



Cash Flow

	Three Months Ended June 30,	
	2017	2016
NET INCOME	\$ 95	\$ 160
OPERATING ACTIVITIES		
Depreciation & amortization	59	57
Deferred taxes	16	24
Net losses on sales of businesses	13	4
Other non-cash items	6	7
Change in working capital, net	25	(121)
Change in other non-current assets & liabilities	5	(31)
Net cash provided by Operating Activities	219	100
INVESTING ACTIVITIES		
Capital expenditures	(44)	(36)
Acquisitions, net of cash acquired	(10)	(7)
Other investing activities	(9)	1
Net cash used in Investing Activities	(63)	(42)
FINANCING ACTIVITIES		
Net (decrease) increase in short-term borrowings	(71)	75
Common stock dividends	(70)	(60)
Repurchase of common stock	(60)	(59)
Acquisition-related payments	(36)	(29)
Repayment of long-term debt	(24)	(1)
Distributions to noncontrolling interests	(5)	(3)
Tax payments for employee shares withheld	(1)	(3)
Exercise of stock options	4	6
Other financing activities	-	1
Net cash used in Financing Activities	(263)	(73)
Currency Effect	(12)	16
(Decrease) Increase in Cash, Cash Equivalents and Restricted Cash	\$ (119)	\$ 1

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(\$ in Millions)



Balance Sheet – Current Portion

	June 30, 2017	December 31, 2016	June 30, 2016
CURRENT ASSETS:			
Cash and cash equivalents	\$ 657.6	\$ 1,097.6	\$ 672.6
Marketable securities	3.2	3.0	2.8
Accounts receivable, net	3,762.2	4,389.7	3,945.0
Expenditures billable to clients	1,720.7	1,518.1	1,710.4
Assets held for sale	19.7	203.2	5.3
Other current assets	323.1	226.4	289.3
Total current assets	\$ 6,486.5	\$ 7,438.0	\$ 6,625.4
CURRENT LIABILITIES:			
Accounts payable	\$ 5,872.0	\$ 6,303.6	\$ 5,876.5
Accrued liabilities	513.1	794.0	583.1
Short-term borrowings	237.7	85.7	192.9
Current portion of long-term debt ⁽¹⁾	301.7	323.9	24.5
Liabilities held for sale	21.7	198.8	5.3
Total current liabilities	\$ 6,946.2	\$ 7,706.0	\$ 6,682.3

Page 11 ⁽¹⁾ Our 2.25% Senior Notes are due November 15, 2017.

(\$ in Millions)



Total Debt (1)



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

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

Summary

- Foundation for sustained value creation in top talent and key strategic initiatives
 - Quality of our agency offerings
 - Embedded digital & digital specialists
 - “Open architecture” solutions
- Effective expense management continues
- Focus is on continued growth and margin improvement
- Financial strength continues to be a source of value creation



Interpublic Group

Appendix



Operating Performance

	Six Months Ended June 30,	
	2017	2016
<i>Revenue</i>	\$ 3,638.8	\$ 3,659.9
Salaries and Related Expenses ⁽¹⁾	2,514.7	2,498.3
Office and General Expenses	887.9	914.3
<i>Operating Income</i>	236.2	247.3
Interest Expense	(46.6)	(47.1)
Interest Income	9.9	11.4
Other Expense, net ⁽¹⁾	(14.6)	(18.8)
<i>Income Before Income Taxes</i>	184.9	192.8
Provision for Income Taxes	73.3	28.1
Equity in Net Income (Loss) of Unconsolidated Affiliates	1.1	(1.8)
<i>Net Income</i>	112.7	162.9
Net Loss (Income) Attributable to Noncontrolling Interests	3.5	(0.6)
<i>Net Income Available to IPG Common Stockholders</i>	\$ 116.2	\$ 162.3
<i>Earnings per Share Available to IPG Common Stockholders:</i>		
Basic	\$ 0.30	\$ 0.41
Diluted	\$ 0.29	\$ 0.40
<i>Weighted-Average Number of Common Shares Outstanding:</i>		
Basic	392.0	400.4
Diluted	399.6	409.4
<i>Dividends Declared per Common Share</i>	\$ 0.36	\$ 0.30

Page 15 ⁽¹⁾ As part of the adoption of FASB ASU 2017-07, we have reclassified \$1.6 of postretirement costs from Salaries and Related Expenses to Other Expense, net in each period presented.

(Amounts in Millions, except per share amounts)



Cash Flow

	Six Months Ended June 30,	
	2017	2016
NET INCOME	\$ 113	\$ 163
OPERATING ACTIVITIES		
Depreciation & amortization	131	120
Deferred taxes	2	(4)
Net losses on sales of businesses	12	20
Other non-cash items	19	36
Change in working capital, net	(414)	(816)
Change in other non-current assets & liabilities	(16)	(73)
Net cash used in Operating Activities	(153)	(554)
INVESTING ACTIVITIES		
Capital expenditures	(69)	(63)
Acquisitions, net of cash acquired	(13)	(34)
Other investing activities	(14)	(5)
Net cash used in Investing Activities	(96)	(102)
FINANCING ACTIVITIES		
Common stock dividends	(141)	(120)
Repurchase of common stock	(115)	(113)
Tax payments for employee shares withheld	(38)	(23)
Acquisition-related payments	(36)	(29)
Repayment of long-term debt	(24)	(1)
Distributions to noncontrolling interests	(11)	(7)
Net increase in short-term borrowings	154	55
Exercise of stock options	12	10
Other financing activities	-	1
Net cash used in Financing Activities	(199)	(227)
Currency Effect	8	53
Decrease in Cash, Cash Equivalents and Restricted Cash	\$ (440)	\$ (830)

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(\$ in Millions)



Depreciation and Amortization

	2017				
	Q1	Q2	Q3	Q4	YTD 2017
Depreciation and amortization of fixed assets and intangible assets	\$ 41.0	\$ 41.3			\$ 82.3
Amortization of restricted stock and other non-cash compensation	29.7	16.3			46.0
Net amortization of bond discounts and deferred financing costs	1.4	1.4			2.8
	2016				
	Q1	Q2	Q3	Q4	FY 2016
Depreciation and amortization of fixed assets and intangible assets	\$ 38.0	\$ 39.8	\$ 39.7	\$ 42.7	\$ 160.2
Amortization of restricted stock and other non-cash compensation	23.1	16.8	19.1	26.6	85.6
Net amortization of bond discounts and deferred financing costs	1.4	1.4	1.4	1.4	5.6

Reconciliation of Organic Measures

	Three Months Ended June 30, 2016	Components of Change			Three Months Ended June 30, 2017	Change	
		Foreign Currency	Net Acquisitions / (Divestitures)	Organic		Organic	Total
Segment Revenue							
IAN	\$ 1,548.5	\$ (14.8)	\$ (11.8)	\$ 15.9	\$ 1,537.8	1.0%	(0.7%)
CMG	369.4	(6.5)	(7.6)	(8.2)	347.1	(2.2%)	(6.0%)
Total	\$ 1,917.9	\$ (21.3)	\$ (19.4)	\$ 7.7	\$ 1,884.9	0.4%⁽¹⁾	(1.7%)
Geographic							
United States	\$ 1,169.1	\$ -	\$ (16.5)	\$ 7.9	\$ 1,160.5	0.7% ⁽²⁾	(0.7%)
International	748.8	(21.3)	(2.9)	(0.2)	724.4	0.0%	(3.3%)
United Kingdom	155.7	(17.6)	5.9	2.9	146.9	1.9%	(5.7%)
Continental Europe	172.9	(5.4)	(3.0)	(4.4)	160.1	(2.5%)	(7.4%)
Asia Pacific	217.7	(1.8)	1.1	(2.4)	214.6	(1.1%)	(1.4%)
Latin America	86.8	4.6	(7.6)	(0.0)	83.8	0.0%	(3.5%)
All Other Markets	115.7	(1.1)	0.7	3.7	119.0	3.2%	2.9%
Worldwide	\$ 1,917.9	\$ (21.3)	\$ (19.4)	\$ 7.7	\$ 1,884.9	0.4%⁽¹⁾	(1.7%)
Expenses							
Salaries & Related	\$ 1,229.5	\$ (15.4)	\$ (12.4)	\$ 37.6	\$ 1,239.3	3.1%	0.8%
Office & General	464.1	(5.6)	(7.1)	(12.3)	439.1	(2.7%)	(5.4%)
Total	\$ 1,693.6	\$ (21.0)	\$ (19.5)	\$ 25.3	\$ 1,678.4	1.5%	(0.9%)

(1) Excluding the decrease in worldwide organic pass-through revenue of \$11.2, the organic revenue change would have been \$18.9, resulting in worldwide organic growth of 1.0%.

(2) Excluding the decrease in organic pass-through revenue of \$11.5 in the U.S., the organic revenue change in the U.S. would have been \$19.4, resulting in U.S. organic growth of 1.7%.

Reconciliation of Organic Measures

	Six Months Ended June 30, 2016	Components of Change			Six Months Ended June 30, 2017	Change	
		Foreign Currency	Net Acquisitions / (Divestitures)	Organic		Organic	Total
Segment Revenue							
IAN	\$ 2,950.1	\$ (24.6)	\$ (26.7)	\$ 46.6	\$ 2,945.4	1.6%	(0.2%)
CMG	709.8	(13.8)	(9.9)	7.3	693.4	1.0%	(2.3%)
Total	\$ 3,659.9	\$ (38.4)	\$ (36.6)	\$ 53.9	\$ 3,638.8	1.5%⁽¹⁾	(0.6%)
Geographic							
United States	\$ 2,260.3	\$ -	\$ (27.5)	\$ 39.5	\$ 2,272.3	1.7%⁽²⁾	0.5%
International	1,399.6	(38.4)	(9.1)	14.4	1,366.5	1.0%	(2.4%)
United Kingdom	321.3	(40.2)	11.1	3.2	295.4	1.0%	(8.1%)
Continental Europe	320.5	(10.3)	(9.3)	5.5	306.4	1.7%	(4.4%)
Asia Pacific	399.8	(1.5)	2.6	(7.4)	393.5	(1.9%)	(1.6%)
Latin America	152.1	11.9	(14.2)	2.4	152.2	1.6%	0.1%
All Other Markets	205.9	1.7	0.7	10.7	219.0	5.2%	6.4%
Worldwide	\$ 3,659.9	\$ (38.4)	\$ (36.6)	\$ 53.9	\$ 3,638.8	1.5%⁽¹⁾	(0.6%)
Expenses							
Salaries & Related	\$ 2,498.3	\$ (29.2)	\$ (28.4)	\$ 74.0	\$ 2,514.7	3.0%	0.7%
Office & General	914.3	(10.6)	(14.0)	(1.8)	887.9	(0.2%)	(2.9%)
Total	\$ 3,412.6	\$ (39.8)	\$ (42.4)	\$ 72.2	\$ 3,402.6	2.1%	(0.3%)

(1) Excluding the decrease in worldwide organic pass-through revenue of \$8.1, the organic revenue change would have been \$62.0, resulting in worldwide organic growth of 1.7%.

(2) Excluding the decrease in organic pass-through revenue of \$1.2 in the U.S., the organic revenue change in the U.S. would have been \$40.7, resulting in U.S. organic growth of 1.8%.

Reconciliation of Organic Revenue Growth

Last Twelve Months Ending	Beginning of Period Revenue	Components of Change During the Period			End of Period Revenue
		Foreign Currency	Net Acquisitions / (Divestitures)	Organic	
12/31/05	\$ 6,387.0	\$ 40.4	\$ (107.4)	\$ (56.2)	\$ 6,263.8
3/31/06	6,323.8	(10.9)	(132.6)	81.5	6,261.8
6/30/06	6,418.4	(8.8)	(157.5)	(68.5)	6,183.6
9/30/06	6,335.9	(13.9)	(140.4)	15.6	6,197.2
12/31/06	6,263.8	20.7	(165.5)	57.8	6,176.8
3/31/07	6,261.8	78.4	(147.2)	16.0	6,209.0
6/30/07	6,183.6	102.4	(124.7)	166.6	6,327.9
9/30/07	6,197.2	137.3	(110.9)	209.2	6,432.8
12/31/07	6,176.8	197.5	(70.7)	233.1	6,536.7
3/31/08	6,209.0	217.8	(45.9)	280.6	6,661.5
6/30/08	6,327.9	244.8	(12.6)	282.4	6,842.5
9/30/08	6,432.8	237.4	32.8	317.2	7,020.2
12/31/08	6,536.7	71.5	87.6	243.0	6,938.8
3/31/09	6,661.5	(88.3)	114.7	91.9	6,779.8
6/30/09	6,842.5	(286.2)	139.2	(275.3)	6,420.2
9/30/09	7,020.2	(390.1)	115.2	(636.4)	6,108.9
12/31/09	6,938.8	(251.6)	69.1	(748.9)	6,007.4
3/31/10	6,779.8	(88.2)	36.0	(705.4)	6,022.2
6/30/10	6,420.2	59.1	2.0	(316.9)	6,164.4
9/30/10	6,108.9	117.7	9.6	60.1	6,296.3
12/31/10	6,007.4	63.3	17.0	419.6	6,507.3
3/31/11	6,022.2	21.0	18.2	583.7	6,645.1
6/30/11	6,164.4	61.5	12.4	535.8	6,774.1
9/30/11	6,296.3	119.1	(7.7)	539.5	6,947.2
12/31/11	6,507.3	122.2	(8.6)	393.7	7,014.6
3/31/12	6,645.1	92.9	(1.4)	310.0	7,046.6
6/30/12	6,774.1	(14.3)	14.5	247.3	7,021.6
9/30/12	6,947.2	(117.2)	39.7	95.8	6,965.5
12/31/12	7,014.6	(147.6)	41.8	47.4	6,956.2
3/31/13	7,046.6	(143.7)	48.2	41.3	6,992.4
6/30/13	7,021.6	(111.4)	56.9	65.8	7,032.9
9/30/13	6,965.5	(80.3)	49.5	128.2	7,062.9
12/31/13	6,956.2	(80.4)	50.3	196.2	7,122.3
3/31/14	6,992.4	(89.9)	51.2	263.1	7,216.8
6/30/14	7,032.9	(80.6)	51.6	308.1	7,312.0
9/30/14	7,062.9	(53.5)	74.3	369.0	7,452.7
12/31/14	7,122.3	(75.5)	95.3	395.0	7,537.1
3/31/15	7,216.8	(125.7)	98.4	386.1	7,575.6
6/30/15	7,312.0	(223.5)	85.3	426.5	7,600.3
9/30/15	7,452.7	(336.2)	58.3	449.9	7,624.7
12/31/15	7,537.1	(408.5)	23.7	461.5	7,613.8
3/31/16	7,575.6	(388.5)	11.9	480.8	7,679.8
6/30/16	7,600.3	(315.6)	10.8	426.1	7,721.6
9/30/16	7,624.7	(237.5)	16.4	374.7	7,778.3
12/31/16	7,613.8	(159.7)	15.3	377.2	7,846.6
3/31/17	7,679.8	(124.9)	(7.4)	311.0	7,858.5
6/30/17	7,721.6	(113.2)	(32.9)	250.0	7,825.5

Reconciliation of Adjusted Results⁽¹⁾

	Three Months Ended June 30, 2017			Six Months Ended June 30, 2017		
	As Reported	Net Losses on Sales of Businesses	Adjusted Results	As Reported	Net Losses on Sales of Businesses	Adjusted Results
Income Before Income Taxes	\$ 170.1	\$ (13.1)	\$ 183.2	\$ 184.9	\$ (12.2)	\$ 197.1
Provision for Income Taxes	75.4		75.4	73.3		73.3
Equity in Net (Loss) Income of Unconsolidated Affiliates	(0.1)		(0.1)	1.1		1.1
Net Loss Attributable to Noncontrolling Interests	0.1		0.1	3.5		3.5
Net Income Available to IPG Common Stockholders	\$ 94.7	\$ (13.1)	\$ 107.8	\$ 116.2	\$ (12.2)	\$ 128.4
Weighted-Average Number of Common Shares Outstanding - Basic	392.3		392.3	392.0		392.0
Add: Effect of Dilutive Securities						
Restricted Stock, Stock Options and Other Equity Awards	8.0		8.0	7.6		7.6
Weighted-Average Number of Common Shares Outstanding - Diluted	400.3		400.3	399.6		399.6
Earnings Per Share Available to IPG Common Stockholders - Basic	\$ 0.24	\$ (0.03)	\$ 0.27	\$ 0.30	\$ (0.03)	\$ 0.33
Earnings Per Share Available to IPG Common Stockholders - Diluted	\$ 0.24	\$ (0.03)	\$ 0.27	\$ 0.29	\$ (0.03)	\$ 0.32

(1) The following table reconciles our reported results to our adjusted non-GAAP results that exclude the net losses on sales of businesses, primarily in our international markets. This amount includes losses on completed dispositions and the classification of certain assets as held for sale during 2017. Management believes the resulting comparisons provide useful supplemental data that, while not a substitute for GAAP measures, allow for greater transparency in the review of our financial and operational performance.

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(Amounts in Millions, except per share amounts)



Reconciliation of Adjusted Results⁽¹⁾

	Three Months Ended June 30, 2016			
	As Reported	Losses on Sales of Businesses	Settlement of Certain Tax Positions	Adjusted Results
Income Before Income Taxes	\$ 205.8	\$ (3.7)		\$ 209.5
Provision for Income Taxes	43.7		\$ 23.4	67.1
Equity in Net Loss of Unconsolidated Affiliates	(1.9)			(1.9)
Net Income Attributable to Noncontrolling Interests	(3.3)			(3.3)
Net Income Available to IPG Common Stockholders	<u>\$ 156.9</u>	<u>\$ (3.7)</u>	<u>\$ 23.4</u>	<u>\$ 137.2</u>
Weighted-Average Number of Common Shares Outstanding - Basic	400.1			400.1
Add: Effect of Dilutive Securities				
Restricted Stock, Stock Options and Other Equity Awards	9.7			9.7
Weighted-Average Number of Common Shares Outstanding - Diluted	<u>409.8</u>			<u>409.8</u>
Earnings Per Share Available to IPG Common Stockholders - Basic	\$ 0.39	\$ (0.01)	\$ 0.06	\$ 0.34
Earnings Per Share Available to IPG Common Stockholders - Diluted	\$ 0.38	\$ (0.01)	\$ 0.06	\$ 0.33

- (1) The following table reconciles our reported results to our adjusted non-GAAP results that exclude the losses on sales of businesses in our international markets, primarily in Continental Europe, and the release of reserves related to the conclusion and settlement of a tax examination of previous tax years. The losses on sales of businesses amount includes losses on completed dispositions and the classification of certain assets as held for sale during the second quarter of 2016. The effect of the adoption of the Financial Accounting Standards Board Accounting Standards Update 2016-09, which was previously included in this table in 2016, has now been removed as the effect of the adoption is included in both periods presented within this presentation. Management believes the resulting comparisons provide useful supplemental data that, while not a substitute for GAAP measures, allow for greater transparency in the review of our financial and operational performance.

Reconciliation of Adjusted Results⁽¹⁾

Six Months Ended June 30, 2016

	As Reported	Losses on Sales of Businesses	Valuation Allowance Reversals	Settlement of Certain Tax Positions	Adjusted Results
Income Before Income Taxes	\$ 192.8	\$ (20.0)			\$ 212.8
Provision for Income Taxes	28.1	0.4	\$ 12.2	\$ 23.4	64.1
Equity in Net Loss of Unconsolidated Affiliates	(1.8)				(1.8)
Net Income Attributable to Noncontrolling Interests	(0.6)				(0.6)
Net Income Available to IPG Common Stockholders	\$ 162.3	\$ (19.6)	\$ 12.2	\$ 23.4	\$ 146.3

Weighted-Average Number of Common Shares Outstanding - Basic	400.4				400.4
Add: Effect of Dilutive Securities					
Restricted Stock, Stock Options and Other Equity Awards	9.0				9.0
Weighted-Average Number of Common Shares Outstanding - Diluted	409.4				409.4

Earnings Per Share Available to IPG Common Stockholders - Basic	\$ 0.41	\$ (0.05)	\$ 0.03	\$ 0.06	\$ 0.37
Earnings Per Share Available to IPG Common Stockholders - Diluted	\$ 0.40	\$ (0.05)	\$ 0.03	\$ 0.06	\$ 0.36

(1) The following table reconciles our reported results to our adjusted non-GAAP results that exclude the losses on sales of businesses in our international markets, primarily in Continental Europe, valuation allowance reversals as a result of the disposition of those businesses in Continental Europe and the release of reserves related to the conclusion and settlement of a tax examination of previous tax years. The losses on sales of businesses amount includes losses on completed dispositions and the classification of certain assets as held for sale during the first half of 2016. The effect of the adoption of the Financial Accounting Standards Board Accounting Standards Update 2016-09, which was previously included in this table in 2016, has now been removed as the effect of the adoption is included in both periods presented within this presentation. Management believes the resulting comparisons provide useful supplemental data that, while not a substitute for GAAP measures, allow for greater transparency in the review of our financial and operational performance.



Interpublic Group

Metrics Update

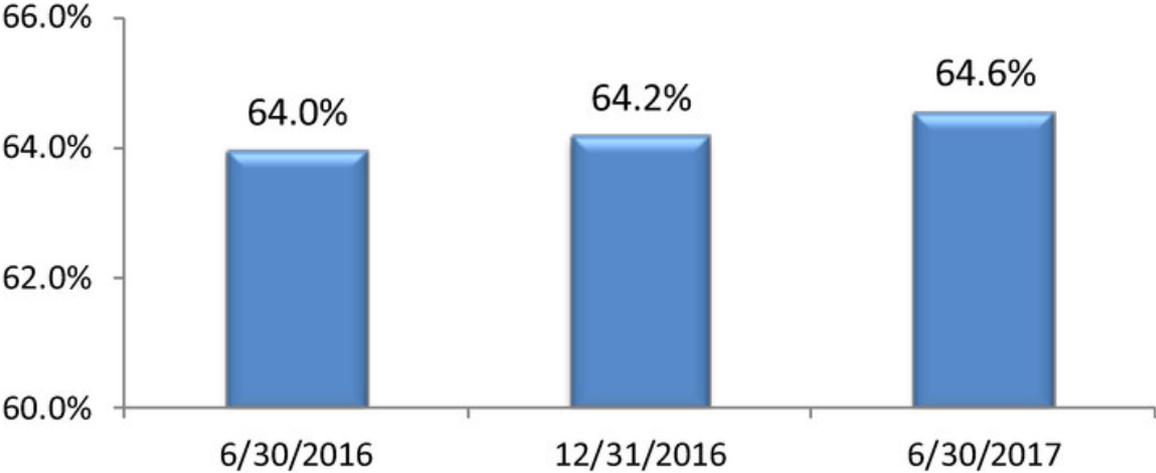


Metrics Update

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

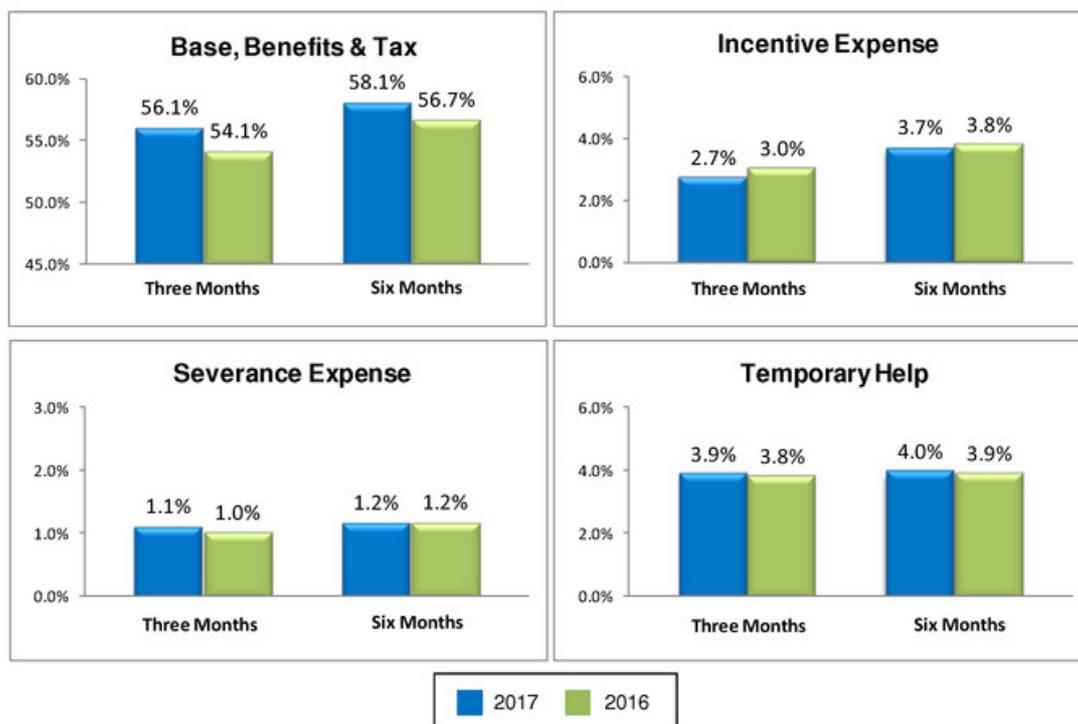
Salaries & Related Expenses

% of Revenue, Trailing Twelve Months



Salaries & Related Expenses (% of Revenue)

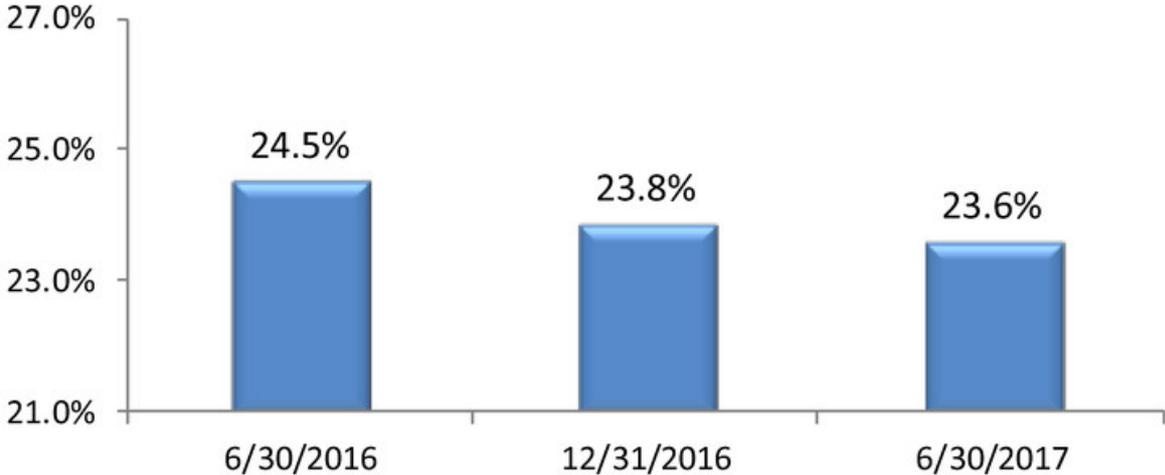
Three and Six Months Ended June 30



"All Other Salaries & Related," not shown, was 1.9% and 2.2% for the three months ended June 30, 2017 and 2016, respectively, and 2.1% and 2.7% for the six months ended June 30, 2017 and 2016, respectively.

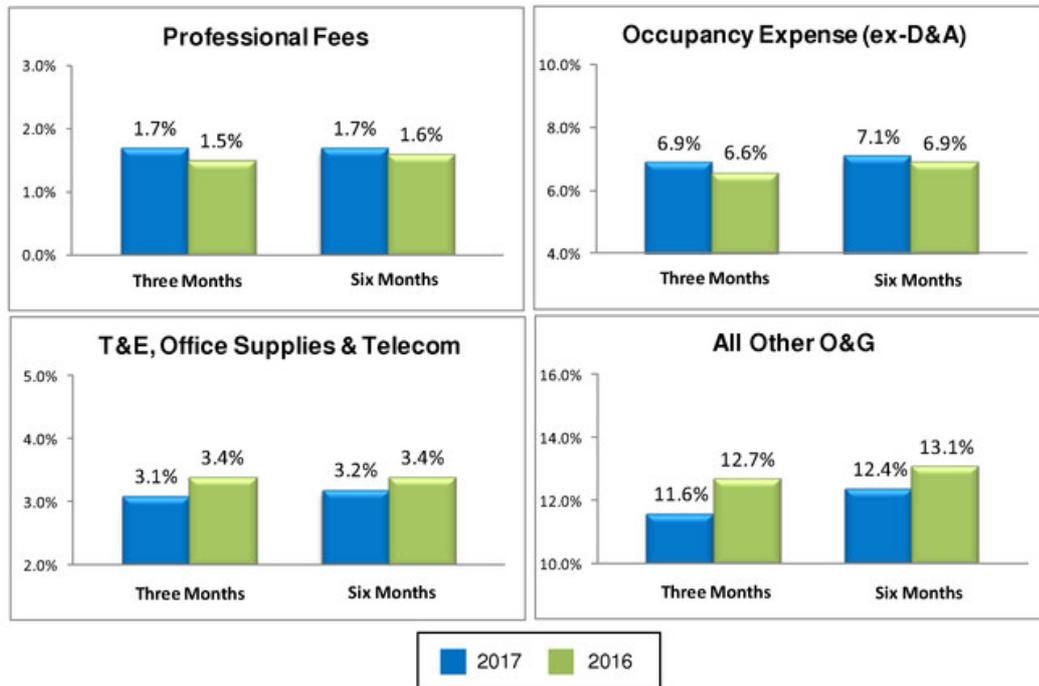
Office & General Expenses

% of Revenue, Trailing Twelve Months



Office & General Expenses (% of Revenue)

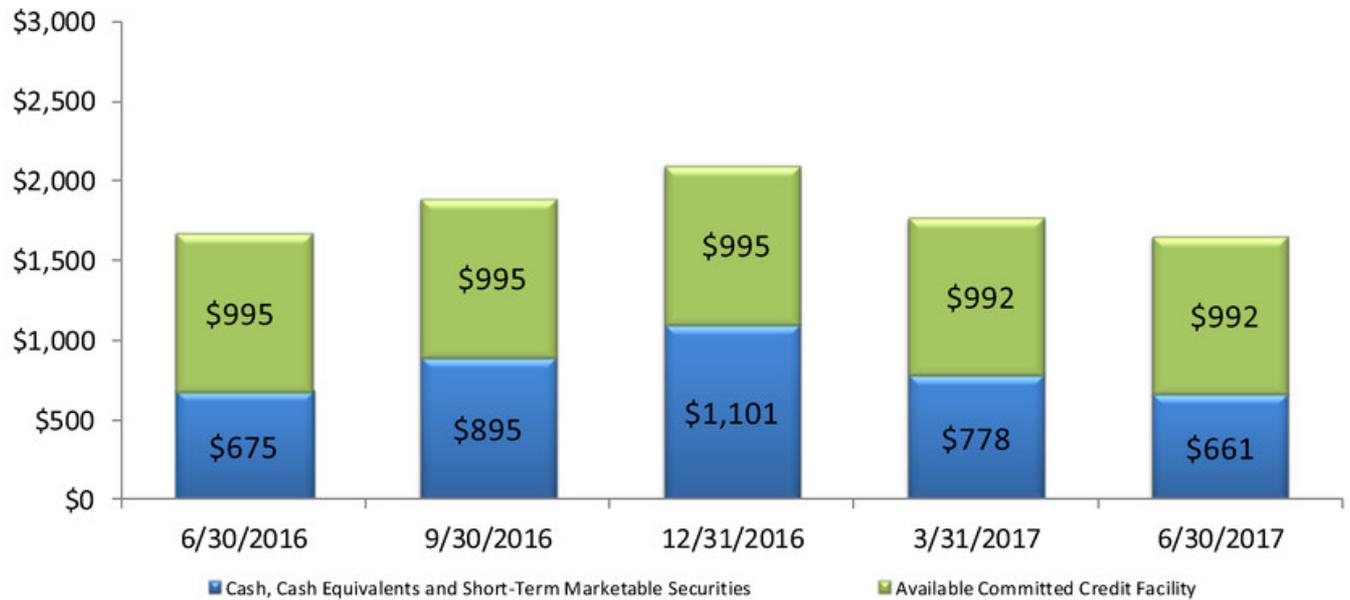
Three and Six Months Ended June 30



"All Other O&G" primarily includes production expenses and, to a lesser extent, depreciation and amortization, bad debt expense, adjustments to contingent acquisition obligations, foreign currency losses (gains), spending to support new business activity, net restructuring and other reorganization-related charges (reversals), long-lived asset impairments and other expenses.

Available Liquidity

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



\$1.0 Billion 5-Year Credit Facility Covenants

<u>Covenants</u>	<u>Last Twelve Months Ending June 30, 2017</u>
I. Interest Coverage Ratio (not less than):	5.00x
Actual Interest Coverage Ratio:	18.48x
II. Leverage Ratio (not greater than):	3.50x
Actual Leverage Ratio:	1.54x
<u>Interest Coverage Ratio - Interest Expense Reconciliation</u>	<u>Last Twelve Months Ending June 30, 2017</u>
Interest Expense:	\$90.1
- Interest income	18.6
- Other	7.3
Net interest expense ⁽¹⁾ :	<u>\$64.2</u>
<u>EBITDA Reconciliation</u>	<u>Last Twelve Months Ending June 30, 2017</u>
Operating Income:	\$929.9
+ Depreciation and amortization	256.4
EBITDA ⁽¹⁾ :	<u>\$1,186.3</u>

Page 31 (1) Calculated as defined in the Credit Agreement.

(\$ in Millions)



Cautionary Statement

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

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

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

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

