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): November 3, 2004

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.)
1114 Avenue of the Americas, New York, New York		10036
(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))

Item 2.02 Results of Operations and Financial Condition.

On November 3, 2004, The Interpublic Group of Companies, Inc. (the "Company") (i) issued a press release announcing its third quarter earnings, a copy of which is attached hereto as Exhibit 99.1 and incorporated by reference herein and (ii) posted an investor presentation on its website in connection with the third quarter earnings conference call, a copy of which is attached hereto as Exhibit 99.2 and incorporated by reference herein.

The information in this Item 2.02 shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to liability under that Section. In addition, the information in this Item 2.02 shall not be deemed to be incorporated by reference into the filings of the Company under the Securities Act of 1933.

Item 8.01. Other Events.

On November 3, 2004, the Company issued a press release announcing its third quarter earnings, a copy of which is attached hereto as Exhibit 99.1 and incorporated by reference herein. This press release is also being furnished pursuant to Item 2.02.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits

Exhibit 99.1:	Press release of the Company dated November 3, 2004 (furnished pursuant to Item 2.02 and filed pursuant to Item 8.01)
Exhibit 99.2:	Investor presentation dated November 3, 2004 (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.

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THE INTERPUBLIC GROUP OF COMPANIES, INC.

Date: November 3, 2004

By: /s/ Nicholas J. Camera
Nicholas J. Camera

Senior Vice President, General Counsel and Secretary

EXHIBIT INDEX

Exhibit No.	Description
Exhibit 99.1:	Press release of the Company dated November 3, 2004
Exhibit 99.2:	Investor presentation dated November 3, 2004

November 3, 2004

INTERPUBLIC REPORTS ON THIRD QUARTER

Results Impacted by Charges

- Third quarter loss of ($1.40) per common share. Net loss of ($ 578.4) million reflects:
  - Non-cash goodwill impairment charges in the amount of $445.2 million, arising as a result of the impairment test required by SFAS 142, which the company performs annually at the end of the third quarter. These include a charge of $310 million at the company's The Partnership division and a charge of $132 million at the company's Constituency Management Group division. The application of SFAS 142 means a small change in valuation can trigger a large goodwill write down.
  - A non-cash investment impairment of $31.0 million relating to the company's unconsolidated investment in Springer & Jacoby, a German advertising agency.
  - Provision for income taxes of $98.6 million, including the establishment of valuation allowances of $72.7 million (non-cash) on certain non-US deferred tax assets and loss carry-forwards. The establishment of these reserves arises due to recent losses, primarily in the United Kingdom.
  - A previously disclosed charge of $33.6 million in connection with the company's agreement with the British Racing Drivers Club giving the company and its affiliates the right to terminate lease obligations at the Silverstone auto racing track and related obligations. These agreements position the company to complete its exit from motorsports by the end of the year.

Revenue Growth

- Third quarter revenue increased 6.3% to $1.51 billion versus the same period last year. In constant currency, revenue increased 2.3% in the quarter relative to the third quarter of 2003.
  - Compared to the same period last year, organic revenue increased 1.8%, improving sequentially from the prior quarter for the sixth consecutive quarter.

Operating Margin

- Reported operating margin for the quarter was negative (27.8%), compared to negative (12.1%) in the third quarter of 2003.
  - Excluding charges related to restructuring activities, long-lived asset impairments and the company's exit from its motorsports operations, operating margin was 4.3% in the third quarter, compared to a like margin of 7.7% in 2003.

Third Quarter Operating Margin Analysis

The 4.3% operating margin was negatively impacted by:

Incentive Accrual*	260 basis points
Professional Fees*	90 basis points
Reclassified Out-of-Pocket*	30 basis points
Currency	20 basis points

*Constant Currency

- Excluding charges related to restructuring activities, long-lived asset impairments and the company's exit from its motorsports operations, year-to-date operating margin through the third quarter was 6.2%, compared to a like margin of 7.0% in2003.

Year-to-Date Operating Margin Analysis

The 6.2% operating margin was negatively impacted by:

Incentive Accrual*	120 basis points
Professional Fees*	120 basis points
Reclassified Out-of-Pocket*	50 basis points
Currency	30 basis points

*Constant Currency

A reconciliation of operating margin analysis appears in schedules accompanying this release.

Balance Sheet

- The company's balance sheet and financial condition showed improvement relative to the same period a year ago.
  - o At the end of the third quarter, Interpublic's total debt was $2.3 billion, compared to $2.5 billion a year earlier.
  - o Net debt stood at $824.9 million, down from $1.8 billion at the end of last year's third quarter.
  - o The company's debt-to-capital ratio at the end of the third quarter was 53.1%, down from 56.5% at the same point in 2003.
- The company has received the necessary amendments from its credit facility bank group related to all non-cash charges.

"The news this quarter was decidedly mixed. We continue to focus on achieving our turnaround objectives by mid-2006.

"Organic revenue growth was promising and extended our trend of sequential improvement in this important metric to six consecutive quarters. Our financial condition is strong; the balance sheet actions taken this quarter represent the tail end of the legacy of our past acquisition culture. Combined, these will provide us with the flexibility to make necessary structural changes to the organization to ensure future growth.

"While corporate cost-saving initiatives are beginning to drive improvements in office and general expenses, margins in the quarter were again adversely affected by necessary investments in our future, including costs associated with the implementation of shared services and Sarbanes-Oxley, as well as the timing of accruals related to incentives for those individuals and units that are performing up to expectations.

"We've been clear that our progress in righting Interpublic would not be linear. We continue making progress on organic revenue and other turnaround metrics"

David Bell, CEO and President, The Interpublic Group

Operating Results

	Third Quarter 2004	2003
Revenue	$ 1,508.8	$ 1,418.9
Operating Loss	(420.2)	(171.1)
Net Loss	(578.4)	(327.1)
Per Common Share Data:		
EPS Continuing Ops	($1.42)	($1.08)
EPS Discontinued Ops	0.02	0.23
EPS	($1.40)	($0.85)

Revenue increased 6.3% in the third quarter to $1.51 billion, compared with the year-ago period. This reflects the benefit of favorable foreign currency translation and organic revenue growth. On a constant currency basis, revenue in the third quarter increased 2.3% compared to the third quarter of 2003.

Organic revenue - defined as revenue in constant currency adjusted for acquisitions and dispositions, as well as the impact of reclassifying certain out-of-pocket expenses - increased 1.8% in the third quarter compared to the same quarter in 2003.

In the United States, reported revenue for the third quarter increased 5.1%, while organic revenue increased 3.2%, compared to the same period in 2003. In markets outside of the United States, reported revenue rose 7.9% in the third quarter. In constant currency, non-US revenue decreased 1.1% in the quarter. In markets outside the United States, organic revenue increased 0.2% compared to the third quarter of 2003.

Organic and constant currency revenue are non-GAAP measures, which are defined and reconciled in the schedules that accompany this release.

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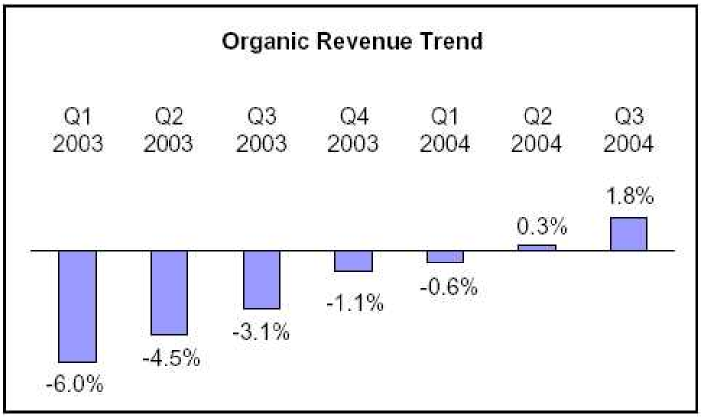
INTER PUBLIC GROUP

Third Quarter Revenue Analysis

	Worldwide	US	Non-US
Reported Growth	6.3%	5.1%	7.9%
Less: Currency Translation	4.0%	--	9.0%
Constant Currency	2.3%	5.1%	(1.1%)
Plus: Net Dispositions	2.0%	1.1%	3.2%
Organic Revenue Before Reclassified Amounts	4.3%	6.2%	2.1%
Less: Reclassified Amounts (out-of-pocket)	2.5%	3.0%	1.9%
Organic Revenue	1.8%	3.2%	0.2%



An analysis of Interpublic's geographic revenue mix and performance will be provided on the company's conference call and is available through the company's web site, www.interpublic.com.

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INTER PUBLIC GROUP

Operating Expenses

Salary and related expenses increased 14.0% in the third quarter to $924.8 million, principally reflecting the impact of a new incentive plan, resulting in higher accruals due to the application of a new formula. Other items impacting salary and expenses include currency translation and higher severance expense. Adjusted for currency, acquisitions and dispositions, and the reclassification of out-of-pocket expenses, salary and related expenses increased 10.7%. Since the third quarter of 2003, headcount has increased from 43,500 to 44,200, impacted by new hires in growth businesses and a domestic acquisition.

Office and general expenses increased 2.2% to $519.5 million in the third quarter, driven by increases in out-of-pocket expenses billed to clients and professional fees, as well as by higher foreign exchange rates. Adjusted for currency, acquisitions and dispositions, and these out-of-pocket expenses, office and general expenses decreased by 6.2% relative to the third quarter of 2003, reflecting early success in the company's corporate cost-saving initiatives, notably real estate occupancy.

Schedules reconciling changes in expense calculations accompany this release.

New Business

Significant wins during the third quarter included Staples, Safeway, Roche Group, State Farm, Mars (direct marketing) and Hewlett-Packard (direct marketing). Significant assignments retained in the quarter included Cablevision Voom, Pier 1 and SC Johnson (media). Significant new assignments from existing clients in the quarter came from SC Johnson (media), Unilever Degree, Electrolux, Qwest, Capital One (PR) and additional CRM and direct marketing work for Microsoft. Significant losses included Unilever Flora, Gateway (media) and Subaru in the third quarter and Nestlé media in top European markets early in the fourth quarter.

Major new wins thus far in the fourth quarter include ONDCP, Nautilus Fitness and the recent Novartis consolidation.

Collaboration Update

The company continued to make progress in its Organic Growth Initiative (OGI), which was introduced in August of 2003 to promote collaborative, business-building activity. During the quarter, the initiative generated an additional 105 active projects. The total number of assignments created through the OGI to date now totals 215. These collaborative projects involve more than 25 Interpublic companies and represent an anticipated $154 million in annualized revenue, of which $67.7 million has already been realized.

Long-Lived Asset Impairments

Non-cash goodwill impairment charges in the amount of $445.2 million, arising as a result of the impairment test required by SFAS 142, which the company performs annually at the end of the third quarter. These include charges of $310 million at The Partnership, $132 million at the Constituency Management Group and $3.2 million at Howard Merrell.

A previously disclosed charge of $33.6 million was recorded in the third quarter in connection with the company's agreement with the British Racing Drivers Club giving the company and its affiliates the right to terminate lease obligations at the Silverstone auto racing track and related obligations. The charge represents $49 million in cash, net of rent expense through year-end and existing reserves/accruals. These agreements position the company to complete its exit from motorsports by the end of the year.

Non-Operating and Tax

Interest expense was $39.8 million in the third quarter compared to $43.5 million in the prior year primarily due to reduction in debt balances from a year ago. Interest income of $11.1 million during the period compared to $9.5 million in the third quarter of last year, reflecting higher cash balances.

An investment impairment charge was recorded in the third quarter of $31.0 million relating to the company's unconsolidated investment in Springer & Jacoby, a German advertising agency.

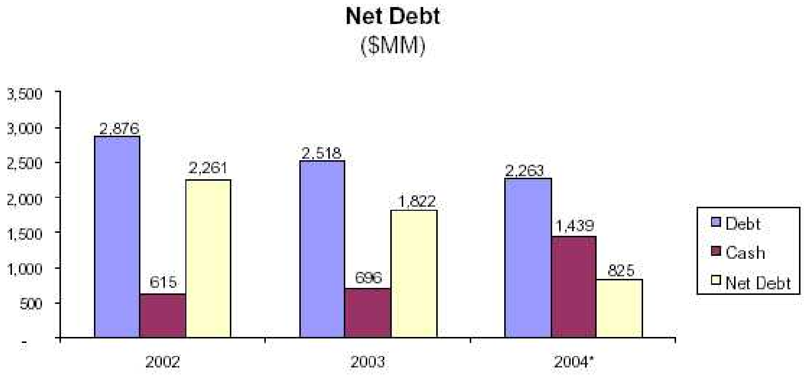
Provision for income taxes in the quarter was $98.6 million, compared to $19.5 million in the third quarter of 2003. The company's tax rate was adversely affected by losses incurred in non-US jurisdictions with tax benefits at rates lower than the US statutory rates. In addition, a valuation allowance of $72.7 million (non-cash) was recorded in the third quarter, arising due to recent losses, primarily in the United Kingdom.

Debt and Liquidity

At September 30, 2004, cash and equivalents totaled $1.4 billion, up from $695.5 million at the same time in 2003. At the end of the third quarter, Interpublic's total debt was $2.3 billion, compared to $2.5 billion a year earlier. The company's debt-to-capital ratio at the end of the third quarter was 53.1%, down from 56.5% at the same point in 2003.

At the end of the third quarter, net debt was $824.9 million, down from $1.8 billion at the end of last year's third quarter.

The company has received the necessary amendments from its credit facility bank group related to all non-cash charges.



(As of September 30 of each year)
*Does not add up due to rounding

Conference Call

Management will host a conference call today at 8:30AM (Eastern) to discuss third quarter results and recent developments. The program and a discussion outline can be accessed at the financial section of the company's website, *www.interpublic.com*. An audio archive of the discussion will remain available at the site for 30 days.

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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 Draft, Foote, Cone & Belding Worldwide, GolinHarris International, Initiative, Jack Morton Worldwide, Lowe & Partners Worldwide, McCann Erickson, Octagon, Universal McCann and Weber Shandwick Worldwide. Leading domestic brands include Campbell-Ewald, Deutsch and Hill Holliday.

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Cautionary Statement

This press release contains forward-looking statements. Interpublic's representatives may also make forward-looking statements orally from time to time. Statements in this document that are not historical facts, including statements about Interpublic's beliefs and expectations, particularly regarding recent business and economic trends, the impact of litigation, the SEC investigation, dispositions, impairment charges, and the integration of acquisitions and restructuring costs, 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 this section. Forward-looking statements speak only as of the date they are made, and Interpublic undertakes no obligation to update publicly any of them in light of new information or future events.

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

- *risks associated with the effects of global, national and regional economic and political conditions;*
- *Interpublic's ability to attract new clients and retain existing clients;*
- *the financial success of Interpublic's clients;*
- *Interpublic's ability to retain and attract key employees;*
- *developments from changes in the regulatory and legal environment for advertising and marketing and communications services companies around the world;*
- *potential adverse effects if Interpublic is required to recognize additional impairment charges or other adverse accounting related developments;*
- *potential adverse developments in connection with the SEC investigation;*
- *potential claims relating to termination of the British Grand Prix promoters agreement and Silverstone lease and race contracts;*
- *potential downgrades in the credit ratings of Interpublic's securities;*
- *the successful completion and integration of acquisitions which complement and expand Interpublic's business capabilities;*
- *risks arising from material weaknesses in internal control over financial reporting.*

Investors should carefully consider these risk factors and the additional risk factors outlined in more detail in Interpublic's 2003 Form 10-K, September 2004 Form 10-Q and other SEC filings.

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THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED SUMMARY OF EARNINGS
THIRD QUARTER REPORT 2004 AND 2003 (UNAUDITED)
(Amounts in Millions except Per Share Data)

	ThreeMonths Ended September30, 2004	2003	Fav. (Unfav) . % Variance
Revenue			
United States	$ 841.6	$ 800.4	5.1
International	667.2	618.5	7.9
Total Revenue	1,508.8	1,418.9	6.3
Operating Expenses			
Salaries and Related Expenses	924.8	810.9	(14.0)
Office and General Expenses	519.5	508.4	(2.2)
Restructuring Charges	1.0	48.0	97.9
Long-Lived Asset Impairments	450.1	222.7	(102.1)
Motorsports Contract Termination and Other Costs	33.6	--	--
Total Operating Expenses	1,929.0	1,590.0	(21.3)
Operating Loss	(420.2)	(171.1)	(145.6)
Other Income (Expense)			
Interest Expense	(39.8)	(43.5)	
Debt Prepayment Penalty	--	(24.8)	
Interest Income	11.1	9.5	
Other Income (Loss)	(0.7)	1.2	
Investment Impairments	(33.8)	(29.7)	
Litigation Charges	--	(127.6)	
Total Other Income (Expense)	(63.2)	(214.9)	
Loss before Income Taxes	(483.4)	(386.0)	
Provision for Income Taxes	98.6	19.5	
Income Applicable to Minority Interests	(5.1)	(10.4)	
Equity in Net Income (Loss) of Unconsolidated Affiliates	2.2	(0.3)	
Loss from Continuing Operations	(584.9)	(416.2)	
Income from Discontinued Operations	--	--	
Gain on Disposal of Discontinued Operations	6.5	89.1	
Net Loss	(578.4)	(327.1)	
Dividend on Preferred Stock	5.0	--	
Net Loss Applicable to Common Stockholders	$ (583.4)	$ (327.1)	
Per Share Data of Common Stock:			
Basic EPS:			
Continuing Operations	$ (1.42)	$ (1.08)	
Discontinued Operations	0.02	0.23	
Total	$ (1.40)	$ (0.85)	

Diluted EPS:				
Continuing Operations	$	(1.42)	$	(1.08)
Discontinued Operations		0.02		0.23
Total	$	(1.40)	$	(0.85)
Dividend per share		--		--
Weighted Average Shares:				
Basic		415.4		385.8
Diluted		415.4		385.8

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THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED SUMMARY OF EARNINGS
THIRD QUARTER REPORT 2004 AND 2003 (UNAUDITED)
(Amounts in Millions except Per Share Data)

	Nine Months Ended September 30, 2004		Nine Months Ended September 30, 2003	Fav. (Unfav.) % Variance
Revenue				
United States	$ 2,520.9	$	2,423.2	4.0
International	1,927.1		1,810.8	6.4
Total Revenue	4,448.0		4,234.0	5.1
Operating Expenses				
Salaries and Related Expenses	2,692.6		2,544.0	(5.8)
Office and General Expenses	1,489.6		1,401.2	(6.3)
Restructuring Charges	65.6		142.4	53.9
Long-Lived Asset Impairments	458.7		244.8	(87.4)
Motorsports Contract Termination and Other Costs	113.6		--	--
Total Operating Expenses	4,820.1		4,332.4	(11.3)
Operating Loss	(372.1)		(98.4)	(278.2)
Other Income (Expense)				
Interest Expense	(117.3)		(128.4)	
Debt Prepayment Penalty	--		(24.8)	
Interest Income	31.2		27.6	
Other Income	2.7		1.3	
Investment Impairments	(37.0)		(42.2)	
Litigation Charges	--		(127.6)	
Total Other Income (Expense)	(120.4)		(294.1)	
Loss before Income Taxes	(492.5)		(392.5)	
Provision for Income Taxes	105.2		36.3	
Income Applicable to Minority Interests	(13.1)		(19.4)	
Equity in Net Income (Loss) of Unconsolidated Affiliates	3.6		(2.2)	
Loss from Continuing Operations	(607.2)		(450.4)	
Income from Discontinued Operations	--		12.1	
Gain on Disposal of Discontinued Operations	6.5		89.1	

Net Loss	$	**(600.7)**	$	**(349.2)**
Dividend on Preferred Stock		**14.8**		**--**
Net Loss Applicable to CommonStockholders		**(615.5)**		**(349.2)**
Per Share Data:				
Basic EPS:				
Continuing Operations	$	**(1.50)**	$	**(1.17)**
Discontinued Operations		**0.02**		**0.26**
Total	$	**(1.49)***	$	**(0.91)**
Diluted EPS:				
Continuing Operations	$	**(1.50)**	$	**(1.17)**
Discontinued Operations		**0.02**		**0.26**
Total	$	**(1.49)***	$	**(0.91)**
Dividend per share		**--**		**--**
Weighted Average Shares:				
Basic		**414.4**		**384.0**
Diluted		**414.4**		**384.0**

***Does not foot due to rounding**

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INTERPUBLIC GROUP OF COMPANIES, INC.
RECONCILIATION OF OPERATING MARGIN
(Dollars in millions)

	2004 **3 rd QTR**	**2003** **3 rd QTR**
Revenue	$ 1,508.8	$ 1,418.9
Operating Expenses:		
Salaries and related expenses	924.8	810.9
Office and general expenses	519.5	508.4
Restructuring charges	1.0	48.0
Long-lived asset impairments	450.1	222.7
Motorsports contract termination	33.6	--
Total Operating Expenses	1,929.0	1,590.0
Operating Loss - As Reported	**$ (420.2)**	**$ (171.1)**
Operating Margin - As Reported	**-27.8%**	**-12.1%**
Add back:		
Restructuring charges	$ 1.0	$ 48.0
Restructuring program charges in office & general expenses	0.6	9.1
Long-lived asset impairments	450.1	222. 7
Motorsports contract termination	33.6	--
Total restructuring program charges, long-lived asset impairments and motorsports contract termination	485.3	279.8
Excluding Addbacks:		
Operating Income	**$ 65.1**	**$ 108.7**
Operating Margin	**4.3%**	**7.7%**

In comparing performance for 2004 with 2003, the company has excluded restructuring program charges, long-lived asset impairment and the charge related to exiting the motorsports business because management believes the resulting comparison better reflects the company's ongoing operations. By excluding them, we can focus our comparison on the trends that have a continuing effect on the company's operations. The company expects to incur further charges relating to its restructuring program in 2004, and may incur future long-lived asset impairment and motorsports charges as well.

INTERPUBLIC GROUP OF COMPANIES, INC.
RECONCILIATION OF OPERATING MARGIN
(Dollars in millions)

	2004 SEPT YTD	2003 SEPT YTD
Revenue	$ 4,448.0	$ 4,234.0
Operating Expenses:		
Salaries and related expenses	2,692.6	2,544.0
Office and general expenses	1,489.6	1,401.2
Restructuring charges	65.6	142.4
Long-lived asset impairments	458.7	244.8
Motorsports contract termination	113.6	--
Total Operating Expenses	4,820.1	4,332.4
Operating Loss - As Reported	**$ (372.1)**	**$ (98.4)**
Operating Margin - As Reported	**-8.4 %**	**-2.3%**
Add back:		
Restructuring charges	$ 65.6	$ 142.4
Restructuring program charges in office & general expenses	10.9	9.1
Long-lived asset impairments	458.7	244.8
Motorsports contract termination	113.6	--
Total restructuring program charges, long-lived asset impairments and motorsports contract termination	648.8	396.3
Excluding Addbacks:		
Operating Income	**$ 276.7**	**$ 297.9**
Operating Margin	**6.2 %**	**7.0%**

In comparing performance for 2004 with 2003, the company has excluded restructuring program charges, long-lived asset impairment and the charge related to exiting the motorsports business because management believes the resulting comparison better reflects the company's ongoing operations. By excluding them, we can focus our comparison on the trends that have a continuing effect on the company's operations. The company expects to incur further charges relating to its restructuring program in 2004, and may incur future long-lived asset impairment and motorsports charges as well.

THE INTERPUBLIC GROUP OF COMPANIES, INC.
Reconciliation of Operating Margin Analysis
($ in Millions)

	3rd QTR		
	Adjusted		Adjust
	Operating Income	Q3 %Inc(Dec)	Operati Incom

Total Revenue	$ 1,508.8			$ 4,448.0	
Effect of Currency Translation on Revenue	56.0			147.0	
Adjusted revenue for constant currency	$ 1,452.8			$ 4,301.0	
Operating Income (1)	$ 65.1			$ 276.7	
Operating Margin 2004 (1)			**4.3%**		
Effect of Currency Translation on Operating Income	$ 0.3			$ (4.0)	
Adjusted operating income for constant currency		$ 64.8			$
Adjusted operating margin for constant currency		4.5%			
Currency Impact			**0.2%**		
Incremental out of pocket (on a constant basis)	$ 34.6			$ 103.8	
Adjusted revenue for out of pocket	$ 1,418.2			$ 4,197.2	
Adjusted operating margin for out-of-pocket		4.6%			
Out of Pocket Impact			**0.3%**		
Incremental professional fees (on a constant basis)	$ 10.6			$ 40.9	
Adjusted operating income for professional fees		$ 75.7			$
Adjusted operating margin for professional fees		5.2%			
Incremental Professional Fees Impact			**0.9%**		
Incremental incentives (on a constant basis)	$ 35.1			$ 40.6	
Adjusted operating income for incentives		$ 100.2			$
Adjusted operating margin for incentives		6.9%			
Incremental Incentives Impact			**2.6%**		
Adjusted Margin 2004			**8.3%**		
Operating Margin 2003 (1)			**7.7%**		
Increase (Decrease)			**0.6%**		

(1) Excluding restructuring program charges, long-lived asset impairment, and the Motorsports contract termination charges.

THE INTERPUBLIC GROUP OF COMPANIES, INC.
RECONCILIATION OF NON-GAAP MEASURES

ORGANIC REVENUE

THIRD QUARTER 2004 AND 2003
(Amounts in Millions except Percentage Variance)

	Worldwide			US			Non- US		
	3Q04	3Q03	Var	3Q04	3Q03	Var	3Q04	3Q03	Var
Reported Revenue	$1,508.8	$1,418.9	6.3%	$841.6	$800.4	5.1%	$667.2	$618.5	7.9%
Effects of Currency Translation		56.0						56.0	
Constant Currency	1,508.8	1,474.9	2.3%	841.6	800.4	5.1%	667.2	674.5	(1.1)%
Effects of Acquisitions/ Dispositions	(2.9)	(31.7)			(7.6)		(2.9)		(24.1)
Reclassified Amounts (Out of Pocket)	(77.2)	(40.0)		(46.2)	(21.7)		(31.0)	(18.3)	
Organic Revenue	$1,428.7	$1,403.2	1.8%	$795.4	$771.1	3.2%	$633.3	$632.1	0.2%

CHANGE IN SALARIES AND RELATED EXPENSES

	3Q04	3Q03	Var
Reported Salaries and Related Expenses	$924.8	$810.9	14.0%
Effects of Currency Translation		31.7	

Constant Currency	924.8		842.6	9.8%	
Effects of Acquisitions/Dispositions	(1.7)		(11.7)		
Reclassified Amounts	(3.1)				
Change in Salaries and Related Expenses (Organic Basis)	$920.0		$830.9	10.7%	

CHANGE IN OFFICE AND GENERAL EXPENSES

	3Q04		3Q03	Var	
Reported Office and General Expenses	$519.5		$508.4	2.2%	
Effects of Currency Translation			24.0		
Constant Currency	519.5		532.4	(2.4)%	
Effects of Acquisitions/Dispositions	(1.1)		(20.6)		
Reclassified Amounts	(75.9)		(40.1)		
Change in Office and General Expenses(Organic Basis)	$442.5		$471.7	(6.2)%	

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THE INTERPUBLIC GROUP OF COMPANIES, INC.
RECONCILIATION OF NON-GAAP MEASURES

SEPTEMBER YEAR TO DATE 2004 AND 2003
(Amounts in Millions except Percentage Variance)

	Worldwide			US			Non-US		
	YTD04	YTD03	Var	YTD04	YTD03	Var	YTD04	YTD03	Var
Reported Revenue	$4,448.0	$4,234.0	5.1%	$2,520.9	$2,423.2	4.0%	$1,927.1	$1,810.8	6.4%
Effects of Currency Translation		147.0						147.0	
Constant Currency	4,448.0	4,381.0	1.5%	2,520.9	2,423.2	4.0%	1,927.1	1,957.8	(1.6)%
Effects of Acquisitions/ Dispositions	(13.9)	(81.4)		(4.2)	(30.1)		(9.7)	(51.3)	
Reclassified Amounts (Out of Pocket)	(223.4)	(110.8)		(137.4)	(65.6)		(86.0)	(45.2)	
Organic Revenue	$4,210.7	$4,188.8	0.5%	$2,379.3	$2,327.5	2.2%	$1,831.4	$1,861.3	(1.6)%

CHANGE IN SALARIES AND RELATED EXPENSES

	YTD04		YTD03	Var
Reported Salaries and Related Expenses	$2,692.6		$2,544.0	5.8%
Effects of Currency Translation			89.9	
Constant Currency	2,692.6		2,633.9	2.2%
Effects of Acquisitions/Dispositions	(7.5)		(38.8)	
Reclassified Amounts	(7.7)			
Change in Salaries and Related Expenses(Organic Basis)	$2,677.4		$2,595.1	3.2%

CHANGE IN OFFICE AND GENERAL EXPENSES

	YTD04		YTD03	Var
Reported Office and General Expenses	$1,489.6		$1,401.2	6.3%
Effects of Currency Translation			61.1	
Constant Currency	1,489.6		1,462.3	1.9%
Effects of Acquisitions/Dispositions	(4.5)		(49.2)	
Reclassified Amounts	(217.6)		(110.7)	
Change in Office and General Expenses(Organic Basis)	$1,267.5		$1,302.4	(2.7)%

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THE INTERPUBLIC GROUP OF COMPANIES,INC.
RECONCILIATION OF ORGANIC REVENUE BY REGION

THIRD QUARTER 2004

	Organic	Foreign Exchange Impact	Acquisitions/ Dispositions	Reclassified Amounts	Reported
US	3.2%	--%	(1.1)%	3.0%	5.1%
Europe	0.1%	10.9%	(4.5)%	2.7%	9.2%
Asia/Other	3.9%	3.3%	(0.4)%	(0.5)%	6.3%
Latin America	1.2%	5.9%	(2.3)%	1.0%	5.8%
Canada	(12.9)%	11.9%	--%	3.2%	2.2%
Worldwide	1.8%	4.0%	(2.0)%	2.5%	6.3%

SEPTEMBER YTD 2004

	Organic	Foreign Exchange Impact	Acquisitions/ Dispositions	Reclassified Amounts	Reported
US	2.2%	--%	(1.2)%	3.0%	4.0%
Europe	(3.9)%	9.5%	(2.7)%	2.6%	5.5%
Asia/Other	6.0%	5.6%	(0.3)%	1.3%	12.6%
Latin America	3.1%	1.1%	(2.7)%	0.9%	2.4%
Canada	(8.3)%	7.4%	--%	2.7%	1.8%
Worldwide	0.5%	3.6%	(1.6)%	2.6%	5.1%

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CERTAIN NON-GAAP FINANCIAL MEASURES

Organic Revenue. We derive organic revenue by adjusting reported revenue in respect of any given period by:

- excluding the impact of foreign currency effects over the course of the period to provide revenues on a constant currency basis; and
- excluding the impact on reported revenue resulting from acquisitions anddispositions that were consummated after the first day of the year prior to the givenperiod.

Additionally, organic revenue calculations for the quarter have been adjusted to make 2004 organic revenue principally arising from public relations and sporting event arrangements more directly comparable to organic revenue arising from public relations and sporting event arrangements in periods preceding January 1, 2004. If these adjustments had been made to revenue for prior periods, there would have been neither a material effect on results in prior periods nor any effect whatsoever on operating or net income. These adjustments primarily relate to "grossing up" revenues and expenses by the same amount in connection with the reimbursement of certain out of pocket expenses relating to public relations and sporting event arrangements.

Management believes that discussing organic revenue, giving effect to the above factors, provides a better understanding of the Company's revenue performance and trends than reported revenue because it allows for more meaningful comparisons of current-period revenue to that of prior periods. Management also believes that organic revenue determined on a generally comparable basis is a common measure of performance in the businesses in which it operates. For the same reasons, management makes analogous adjustments to office and general expenses which expenses, as adjusted, are a non-GAAP measure.

Constant Currency. When the Company discusses amounts on a constant currency basis, the prior period results are adjusted to remove the impact of changes in foreign currency exchange rates during the current period that is being compared to the prior period. The impact of changes in foreign currency exchange rates on prior period results is removed by converting the prior period results into U.S. dollars at the average exchange rate for the current period. Management believes that discussing results on a constant currency basis allows for a more meaningful comparison of current-period results to such prior-period results.

Net Debt. Net debt as of any given date is total debt as reported at that date less total cash and cash equivalents as of that date. Management believes that discussing net debt is useful because it provides a more complete picture of the Company's liquidity position.

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Conference Call Notes
Third Quarter 2004

Third Quarter 2004 Summary

- Reported E.P.S. of $(1.40)
- Non-cash impairment charges and deferred tax asset valuation allowances
- Sustained Improvement in Organic Revenue
- Higher Incentive Expense Accrual Due to Plan Change and Resulting Timing Change from 2003
- Controlled Office and General Expenses

Third Quarter 2004 Notable Items

($ Millions)

Item	Location	Amount	Cash/ Non-cash
Goodwill Writedown	The Partnership	$310.0	**Non-cash**
Goodwill Writedown	CMG	$132.0	**Non-cash**
Investment Writedown	Springer & Jacoby	$31.0	**Non-cash**
Deferred Tax Asset Valuation Allowance	Non-U.S.	$72.7	**Non-cash**
BRDC Charge	Motorsports	$33.6	**Cash**

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Notable Items - Comments

1. Charges to goodwill and the deferred tax asset allowance are non-cash items
2. Annual application of SFAS 142 means small change in valuation can trigger large goodwill writedown
3. Much of the goodwill was created through acquisitions completed when valuations were significantly higher than they are today
4. Most of the tax allowance was set up against deferred tax assets in the UK, which remain available for future utilization as profitability is restored in that market
5. The Motorsports charge, previously announced, positions us to exit the Motorsports business

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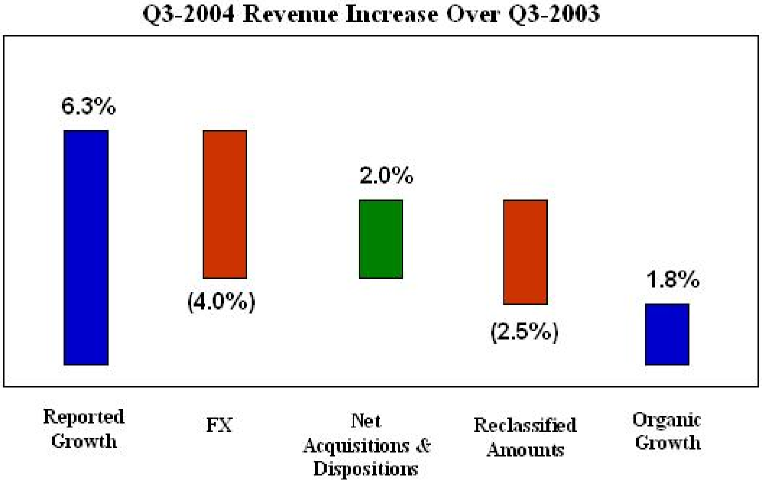
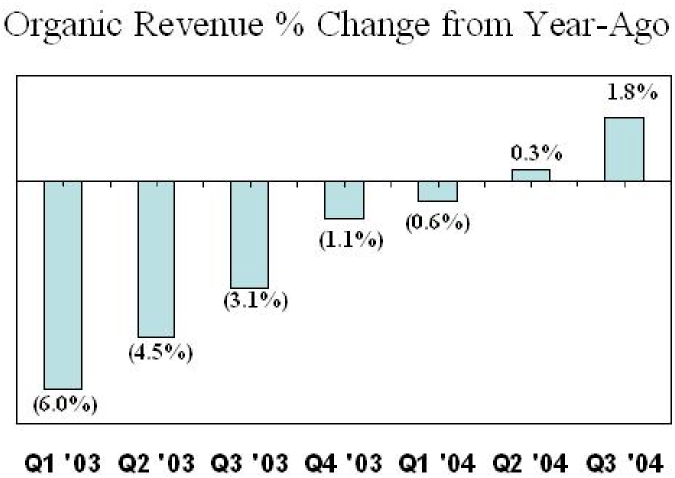
Third Quarter Revenue +6.3%



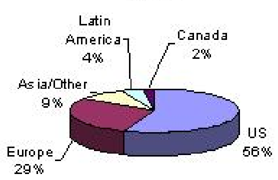
For detailed reconciliation see slide 31.

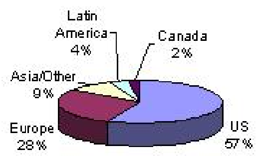
Organic Revenue Performance



For detailed reconciliation see slide 31.

2004 Revenue by Geography





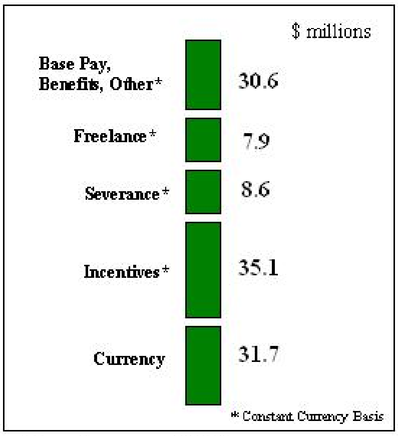
	Q3 '04 % Change		YTD '04 % Change	
	Reported	Organic	Reported	Organic
US	5.1%	3.2%	4.0%	2.2%
Europe	9.2%	0.1%	5.5%	(3.9%)
Asia/Other	6.3%	3.9%	12.6%	6.0%
Latin America	5.8%	1.2%	2.4%	3.1%
Canada	2.2%	(12.9%)	1.8%	(8.3%)
Worldwide	6.3%	1.8%	5.1%	0.5%

Note: See reconciliation on slide 30.

Salaries & Related Expenses

- Reported +14.0%
- Currency, 27.8% of increase
- Incentives, 30.8% of increase
- Higher Use of Freelance Supported New Business Won
- Higher Severance
- Headcount Net +700 from year ago

Salaries/Related: Q3-04 Over Q3-03

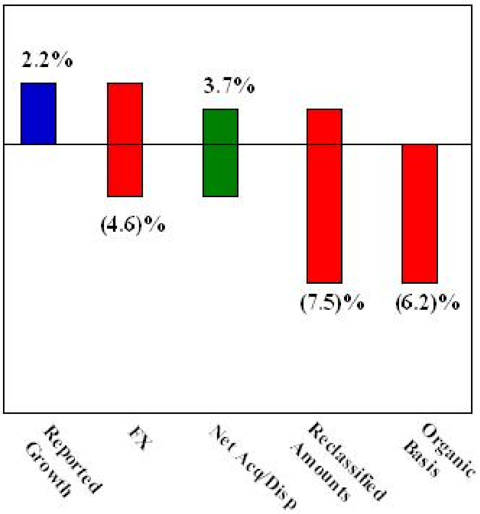


Total Increase: **113.9**

Office & General Expenses

- Reported +2.2%
- Down 6.2% on organic basis
- Lower Occupancy Costs (inc. D&A) due to efforts of restructuring
- Higher Professional Fees
  - SOX +30 bps to revenue
  - Shared Services +40 bps to revenue
  - Other professional fees +10 bps to revenue

Office & General: Q3-04 Over Q3-03



For detailed reconciliation see slide 32.

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Operating Margin Variances

Excluding charges, Q3 Operating Margin was 4.3% vs. 7.7% last year and YTD was 6.2% vs. 7.0% last year

	Incremental Margin Impact Year-over-Year (basis points)	
Item	Q3-04	YTD-04
Incentive*	260	120
Professional Fees*	90	120
Currency	20	30
Out-of-Pocket*	30	50

* Constant currency basis

For detailed reconciliation see slide 35.

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Third Quarter 2004 Performance

($ in Millions, except per share data)

	Q3 '04	Q3 '03	% Change
Revenue	$ 1,508.8	$ 1,418.9	6.3%
Salaries and Related Expenses *	924.8	810.9	14.0%
Office and General Expenses *	519.5	508.4	2.2%
Restructuring Charges	1.0	48.0	(97.9)%
Long-Lived Asset Impairments	450.1	222.7	102.1%
Motorsports Contract Termination Costs	33.6	-	N/A
Operating Loss	(420.2)	(171.1)	(145.6)%
Interest Expense	(39.8)	(43.5)	
Debt Prepayment Penalty	-	(24.8)	
Interest Income	11.1	9.5	
Other Income	(0.7)	1.2	
Investment Impairments	(33.8)	(29.7)	
Litigation Charges	-	(127.6)	
Loss before Income Taxes	(483.4)	(386.0)	
Taxes	98.6	19.5	
Net Equity Interests	(2.5)	(10.7)	
Loss from Continuing Operations	(584.5)	(416.2)	
Income from Discontinued Operations	-	-	
Gain on Disposal of Discontinued Operations	6.1	89.1	
Net Loss	(578.4)	(327.1)	
Dividends on preferred shares	5.0	-	
Net Loss Applicable to Common Stockholders	$ (583.4)	$ (327.1)	
Diluted EPS of Common Stock			
Continuing Operations	(1.42)	(1.08)	
Discontinued Operations	0.02	0.23	
Total	$ (1.40)	$ (0.85)	
Weighted Average Diluted Shares	415.4	385.8	
End of Period Shares Outstanding	422.4	391.7	
Headcount	44,200	43,500	

* Includes Depreciation and Amortization $ 54.4 $ 70.1

Other Income Statement Items

- Lower interest expense due to December 2003 refinancing
- Interest income rose due to higher cash balances
- Tax provision
  - Re-valuation of deferred tax asset
  - Non-US losses do not generate credits at statutory rates
- Income from Discontinued Operations related to NFO Disposition

Impact of Motorsports

($ in Millions)

	Q3 '04	Q3 '03	YTD'04	YTD'03
Revenue	$ 36.6	$ 41.0	$ 47.1	$ 68.4
Operating Costs before LLA Impair & Motorsports Contract Termination Costs	35.9	58.3	58.7	106.1
Operating Income (Loss) before LLA Impair & Motorsports Contract Termination Costs	0.7	(17.3)	(11.6)	(37.7)
Long-Lived Asset Impairment	(0.4)	(1.7)	(2.7)	(23.7)
Motorsports Contract Termination Costs	(33.6)	-	(113.6)	-
Operating Loss	$ (33.3)	$ (19.0)	$ (127.9)	$ (61.4)

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Selected Balance Sheet Items

($ in Millions)

	September 30, 2004	December 31, 2003	Adjusted December 31, 2003[1]	September 30, 2003
Cash & Cash Equivalents	$ 1,438.5	$ 2,005.7	$ 1,761.6	$ 695.5
Total Debt	2,263.4	2,474.3	2,230.2	2,517.9
Net Debt	$ 824.9	$ 468.6	$ 468.6	$ 1,822.4
Debt as a % of Capital	53.1%	48.7%	46.1%	56.5%
Stockholders' Equity	$ 2,001.8	$ 2,605.9	$ 2,605.9	$ 1,941.1

NOTES:

[1] Adjusted December 31, 2003 excludes the $244.1 of Subordinated Convertible Notes due 2004 which were redeemed on January 20, 2004 and the cash effects of the redemption. Management believes that showing the adjusted Debt and Debt as a % of Capital excluding these notes is relevant when comparing periods because it provides a more meaningful comparison.

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Debt and Credit Update

- Liquidity remains strong
- Analyzing alternatives with respect to current $500 million 7-7/8% due 10/15/05
- Have obtained amendments from credit facility bank group on non-cash charges
- Senior debt ratings: Baa3/BB+/BB+
- Potential diluted shares impact from EITF 04-08

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Sarbanes-Oxley Update

- Remediation efforts continue to address pre-existing material control weaknesses and achieve 404 certification
- Increased scope of independent audit
- Areas of material weakness identified as result of ongoing process during Q3 were controls over…
  - revenue recognition policy application - documentation of earned revenue
  - real estate lease expenditure recognition - timing
  - documentation/control of financial results
- Significant additional work has been done to support financial disclosure
- Work remains to be done in order to continue to assess financial controls; no assurance of timely completion

INTER PUBLIC GROUP

Cautionary Statement

This presentation contains forward-looking statements. Interpublic's representatives may also make forward-looking statements orally from time to time. Statements in this document that are not historical facts, including statements about Interpublic's beliefs and expectations, particularly regarding recent business and economic trends, the impact of litigation, the SEC investigation, dispositions, impairment charges, and the integration of acquisitions and restructuring costs, 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 this section. Forward-looking statements speak only as of the date they are made, and Interpublic undertakes no obligation to update publicly any of them in light of new information or future events.

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

- risks associated with the effects of global, national and regional economic and political conditions;
- Interpublic's ability to attract new clients and retain existing clients;
- the financial success of Interpublic's clients;
- Interpublic's ability to retain and attract key employees;
- developments from changes in the regulatory and legal environment for advertising and marketing and communications services companies around the world;
- potential adverse effects if Interpublic is required to recognize additional impairment charges or other adverse accounting related developments;
- potential adverse developments in connection with the SEC investigation;
- potential claims relating to termination of the British Grand Prix promoters agreement and the Silverstone lease and race contracts;
- potential downgrades in the credit ratings of Interpublic's securities;
- the successful completion and integration of acquisitions which complement and expand Interpublic's business capabilities;
- risks arising from material weaknesses in internal control over financial reporting

Investors should carefully consider these risk factors and the additional risk factors outlined in more detail in Interpublic's 2003 Form 10-K, September 2004 Form 10-Q and other SEC filings.

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Appendix

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A Small Impairment Can Create A Large Goodwill Write-down at Companies Acquired Prior to the Adoption of FAS 142

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Example: $1 impairment leads to a $26 write-down of goodwill

Assets	Valuation at time of Acquisition	Valuation under FAS 142	Goodwill Write-down
Tangible	$60	$60	
Other intangibles*	Not separately valued prior to FAS 142	$25	
Goodwill	$40	$14**	$26***
Total	$100	$99	

*Principally customer relationship intangibles and trade names
**Residual balance
***Represents $1 impairment plus $25 value of other intangibles

Metrics

INTER PUBLIC GROUP

Organic Revenue Growth*

- Turnaround Target: Peer-level growth (calculated consistently)
- Key Milestone: Close half of 2003's 4 percentage point gap in 15 months (1Q: 2005)
- Update:
  - Began to close peer gap in 1Q '04

* Definition = See slide 44 for discussion of certain non-GAAP financial measures.

Metrics

Operating Margin %*

- Turnaround Target: 12-15%
  - Staff Cost Target = 56%-58%
  - O&G Target (incl. amortization of intangibles) = 27%-29%
- Key Milestone: 125-150 basis point improvement in each of 2004 and 2005 vs. the prior year
- Update:
  - Higher incentive accrual expense and professional fees impacted operating margin in Q3 '04 and YTD '04

*Definition = Operating Income (Loss) / Revenue

Metrics

- Debt to Capital*
  - Turnaround Target: Less than 50%
  - Milestone: Achieved in 2003
  - Update: Third Quarter 2004 at 53.1%
- Return on Equity**
  - Turnaround Target: 15-22%
  - Update: Third Quarter 2004 at 3.9%

*Definition = Debt/(Debt + Stockholder's Equity)

**Definition = Net Income for rolling 4 quarters excluding restructuring program charges, impairments and motorsports contract termination / Stockholder's Equity at the end of the prior period

In comparing performance for 2004 with 2003, the company has excluded restructuring program charges, long-lived asset impairment, and the Motorsports contract termination charge because management believes the resulting comparison better reflects the company's ongoing operations. By excluding these charges, we can focus our comparison on the trends that have a continuing effect on the company's operations. The company expects to incur further charges relating to its restructuring program in 2004 and may incur future long-lived asset impairment and motorsports charges as well.

Metrics

- Debt to EBITDA*
  - Turnaround Target: < 2x
  - Update:
    - Third Quarter 2004 at 3.0
    - December 2003 at 3.1
- Interest Coverage**
  - Turnaround Target: > 8x
  - Update:
    - Third Quarter 2004 at 4.7
    - December 2003 at 4.7

*Definition = Debt at end of period / EBITDA for rolling 4 Quarters

**Definition = EBITDA/Interest Expense for rolling 4 Quarters

EBITDA = Operating Income excluding Restructuring Program Charges, Long-lived Asset Impairment and Motorsports Contract Termination plus depreciation and amortization

We are unable to provide a reconciliation of future EBITDA targets to the most directly comparable GAAP measures, net income and operating income, because certain items are out of our control and/or cannot be reasonably predicted, including future interest rates, restructuring charges, tax rates and other matters discussed as risk factors and in cautionary statements about forward looking statements in our filings with the SEC.

Note: See reconciliation on slide 36.

Metrics

- We communicated performance metrics and milestones during the fourth quarter 2003 earnings release.
- Defined metrics and target levels (ranges).
  - Target levels exclude impact of Silverstone operations.
  - Operating Margin milestones are on a like-for-like basis.
  - Target levels assume industry performance in line with current industry forecasts.
  - Peer level performance based on comparably defined and calculated metrics.

YTD 2004 Performance

($ Millions, except per share data)

	YTD'04		YTD'03	%Change
Revenue	$ 4,448.0		$ 4,234.0	5.1%
Salaries and Related Expenses*	2,692.6		2,544.0	5.8%
Office and General Expenses*	1,489.6		1,401.2	6.3%
Restructuring Charges	65.6		142.4	(53.9)%
Long-Lived Asset Impairment	458.7		244.8	87.4%
Motorsports Contract Termination Costs	113.6		-	N/A
Operating Loss	(372.1)		(98.4)	(278.2)%
Interest Expense	(117.3)		(128.4)	
Debt Repayment Penalty	-		(24.8)	
Interest Income	31.2		27.6	
Other Income	2.7		1.3	
Investment Impairments	(37.0)		(42.2)	
Litigation Charges	-		(127.6)	
Loss before Income Taxes	(492.5)		(392.5)	
Taxes	105.2		36.3	
Net Equity Interests	(9.5)		(21.6)	
Loss from Continuing Operations	(607.2)		(450.4)	
Income from Discontinued Operations	-		12.1	
Gain on Disposal of Discontinued Operations	6.5		89.1	
Net Loss	(600.7)		(349.2)	
Dividends on preferred shares	14.8		-	
Net Loss Applicable to Common Stockholders	$ (615.5)		$ (349.2)	
Diluted EPS of Common Stock				
Continuing Operations	(1.50)		(1.17)	
Discontinued Operations	0.02		0.26	
Total	$ (1.49)	**	$ (0.91)	
Weighted Average Diluted Shares	414.4		384.0	
End of Period Shares Outstanding	422.4		391.7	
Headcount	44,200		43,500	

* Includes Depreciation and Amortization $ 173.5 $ 204.2

** Does not foot due to rounding

2004 Revenue Change: US

($ in Millions)

	Q3 '04		YTD '04	
	$	% Change	$	% Change
Prior Period Revenue	$ 800.4		$ 2,423.2	
Foreign Exchange Impact	-	-	-	-
Acquisitions/Dispositions	(7.6)	(1.1%)	(25.9)	(1.2%)
Reclassified Amounts (Out of Pocket)	24.5	3.0%	71.8	3.0%
Organic	24.3	3.2%	51.8	2.2%
Current Period Revenue	$ 841.6	5.1%	$ 2,520.9	4.0%

See appendix slide 44 for discussion of certain non-GAAP financial measures.

2004 Revenue Change: non-US

($ in Millions)

	Q3 '04		YTD '04	
	$	% Change	$	% Change
Prior Period Revenue	$ 618.5		$ 1,810.8	
Foreign Exchange Impact	56.0	9.0%	147.0	8.0%
Acquisitions/Dispositions	(21.2)	(3.2%)	(41.6)	(2.2%)
Reclassified Amounts (Out of Pocket)	12.7	1.9%	40.8	2.2%
Organic	1.2	0.2%	(29.9)	(1.6%)
Current Period Revenue	$ 667.2	7.9%	$ 1,927.1	6.4%

See appendix slide 44 for discussion of certain non-GAAP financial measures.

Reconciliation of Non-GAAP Measures

($ in Millions)

	Worldwide			US			Non-US		
	Q3 '04	Q3 '03	Var	Q3 '04	Q3 '03	Var	Q3 '04	Q3 '03	Var
Reported Revenue	$ 1,508.8	$1,418.9	6.3%	$ 841.6	$800.4	5.1%	$ 667.2	$618.5	7.9%
Effects of Currency Translation		56.0						56.0	
Constant Currency	1,508.8	1,474.9	2.3%	841.6	800.4	5.1%	667.2	674.5	(1.1%)
Effects of Acquisitions/Dispositions	(2.9)	(31.7)		-	(7.6)		(2.9)	(24.1)	
Reclassified Amounts (Out of Pocket)	(77.2)	(40.0)		(46.2)	(21.7)		(31.0)	(18.3)	
Organic Revenue	$ 1,428.7	$1,403.2	1.8%	$ 795.4	$771.1	3.2%	$ 633.3	$632.1	0.2%

Reconciliation of Non-GAAP Measures

($ in Millions)

	Worldwide			US			Non-US		
	YTD'04	YTD'03	Var	YTD'04	YTD'03	Var	YTD'04	YTD'03	Var
Reported Revenue	$4,448.0	$4,234.0	5.1%	$2,520.9	$2,423.2	4.0%	$1,927.1	$1,810.8	6.4%
Effects of Currency Translation		147.0						147.0	
Constant Currency	4,448.0	4,381.0	1.5%	2,520.9	2,423.2	4.0%	1,927.1	1,957.8	(1.6%)
Effects of Acquisitions/Dispositions	(13.9)	(81.4)		(4.2)	(30.1)		(9.7)	(51.3)	
Reclassified Amounts (Out of Pocket)	(223.4)	(110.8)		(137.4)	(65.6)		(86.0)	(45.2)	
Organic Revenue	$4,210.7	$4,188.8	0.5%	$2,379.3	$2,327.5	2.2%	$1,831.4	$1,861.3	(1.6%)

Reconciliation of Organic Revenue

Q3 '04

	Organic	Foreign Exchange Impact	Acquisitions/ Dispositions	Reclassified Amounts	Reported
US	3.2%	0.0%	(1.1%)	3.0%	5.1%
Europe	0.1%	10.9%	(4.5%)	2.7%	9.2%
Asia/Other	3.9%	3.3%	(0.4%)	(0.5%)	6.3%
Latin America	1.2%	5.9%	(2.3%)	1.0%	5.8%
Canada	(12.9%)	11.9%	0.0%	3.2%	2.2%
Worldwide	1.8%	4.0%	(2.0%)	2.5%	6.3%

YTD '04

	Organic	Foreign Exchange Impact	Acquisitions/ Dispositions	Reclassified Amounts	Reported
US	2.2%	0.0%	(1.2%)	3.0%	4.0%
Europe	(3.9%)	9.5%	(2.7%)	2.6%	5.5%
Asia/Other	6.0%	5.6%	(0.3%)	1.3%	12.6%
Latin America	3.1%	1.1%	(2.7%)	0.9%	2.4%
Canada	(8.3%)	7.4%	0.0%	2.7%	1.8%
Worldwide	0.5%	3.6%	(1.6%)	2.6%	5.1%

Reconciliation of Revenue Change

($ in Millions)

	Q2 '03		Q3 '03		Q4 '03		Q1 '04		Q2 '04		Q3 '04	
	$	% Change	$	% Change	$	% Change	$	% Change	$	% Change	$	% Change
Prior Period Revenue	$1,490.4		$1,388.8		$1,541.3		$1,315.7		$1,499.4		$1,418.9	
Foreign Exchange Impact	65.7	4.2%	66.4	4.7%	80.7	5.2%	66.3	5.1%	24.7	1.7%	56.0	4.0%
Acquisitions/Dispositions	(4.4)	(0.2%)	(8.4)	(0.6%)	-	0.0%	(18.4)	(1.4%)	(20.8)	(1.4%)	(28.8)	(2.0%)
Reclassified Amounts (Out of Pocket)	15.2	1.1%	15.9	1.2%	25.0	1.6%	38.9	2.9%	36.6	2.4%	37.2	2.5%
Organic	(67.5)	(4.5%)	(43.8)	(3.1%)	(17.6)	(1.1%)	(7.4)	(0.6%)	4.2	0.3%	25.5	1.8%
Current Period Revenue	$1,499.4	0.6%	$1,418.9	2.3%	$1,629.4	5.7%	$1,395.1	6.0%	$1,544.1	3.0%	$1,508.8	6.3%

INTER PUBLIC GROUP

Reconciliation of Non-GAAP Measures

($ in Millions)

Change in Salaries and Related Expenses

	Q3 '04		Q3 '03		% Inc/(Dec)
Reported Salaries and Related Expenses	$	924.8	$	810.9	14.0%
Effects of Currency Translation				31.7	
Constant Currency		924.8		842.6	9.8%
Effects of Acquisitions/Dispositions		(1.7)		(11.7)	
Reclassified Amounts		(3.1)		-	
Change in Salaries and Related Expenses (Organic basis)	$	920.0	$	830.9	10.7%

Change in Office and General Expenses

	Q3 '04		Q3 '03		% Inc/(Dec)
Reported Office & General Expenses	$	519.5	$	508.4	2.2%
Effects of Currency Translation				24.0	
Constant Currency	$	519.5	$	532.4	(2.4%)
Effects of Acquisitions/Dispositions		(1.1)		(20.6)	
Reclassified Amounts		(75.9)		(40.1)	
Change in Office & General Expenses (Organic basis)	$	442.5	$	471.7	(6.2%)

INTER PUBLIC GROUP

Reconciliation of Non-GAAP Measures

($ in Millions)

Change in Salaries and Related Expenses

		YTD '04		YTD '03	% Inc/(Dec)
Reported Salaries and Related Expenses	$	2,692.6	$	2,544.0	5.8%
Effects of Currency Translation				89.9	
Constant Currency		2,692.6		2,633.9	2.2%
Effects of Acquisitions/Dispositions		(7.5)		(38.8)	
Reclassified Amounts		(7.7)		-	
Change in Salaries and Related Expenses (Organic basis)	$	2,677.4	$	2,595.1	3.2%

Change in Office and General Expenses

		YTD '04		YTD '03	% Inc/(Dec)
Reported Office & General Expenses	$	1,489.6	$	1,401.2	6.3%
Effects of Currency Translation				61.1	
Constant Currency	$	1,489.6	$	1,462.3	1.9%
Effects of Acquisitions/Dispositions		(4.5)		(49.2)	
Reclassified Amounts		(217.6)		(110.7)	
Change in Office & General Expenses (Organic basis)	$	1,267.5	$	1,302.4	(2.7%)

Reconciliation of Operating Margin

($ in Millions)

		Q3 '04		Q3 '03		YTD '04		YTD '03
Revenue	$	1,508.8	$	1,418.9	$	4,448.0	$	4,234.0
Operating Expenses:								
Salaries and related expenses		924.8		810.9		2,692.6		2,544.0
Office and general expenses		519.5		508.4		1,489.6		1,401.2
Restructuring charges		1.0		48.0		65.6		142.4
Long-lived asset impairment		450.1		222.7		458.7		244.8
Motorsports Contract Termination Costs		33.6		-		113.6		-
Total Operating Expenses		1,929.0		1,590.0		4,820.1		4,332.4
Operating Income - As Reported	$	(420.2)	$	(171.1)	$	(372.1)	$	(98.4)
Operating Margin - As Reported		-27.8%		-12.1%		-8.4%		-2.3%
Add back:								
Restructuring charges	$	1.0	$	48.0	$	65.6	$	142.4
Restructuring program charges in office & general expenses		0.6		9.1		10.9		9.1
Long-lived asset impairment		450.1		222.7		458.7		244.8
Motorsports Contract Termination Costs		33.6		-		113.6		-
Total restructuring program charges, LLA impairment and motorsports contract termination costs		485.3		279.8		648.8		396.3
Excluding Restructuring Program Charges, LLA Impairment and Motorsports Contract Termination Costs:								
Operating Income	$	65.1	$	108.7	$	276.7	$	297.9
Operating Margin		4.3%		7.7%		6.2%		7.0%

In comparing performance for 2004 with 2003, the company has excluded restructuring program charges, long-lived asset impairment, and the Motorsports contract termination charge because management believes the resulting comparison better reflects the company's ongoing operations. By excluding these charges, we can focus our comparison on the trends that have a continuing effect on the company's operations. The company expects to incur further charges relating to its restructuring program in 2004 and may incur future long-lived asset impairment and motorsports charges as well.

Reconciliation of Operating Margin Analysis

($ in Millions)

	3rd QTR	Adjusted Operating Income	Q3 % inc(dec)	September YTD	Adjusted Operating Income	YTD % inc(dec)
Total Revenue	$ 1,508.8			$ 4,448.0		
Effect of Currency Translation on Revenue	56.0			147.0		
Adjusted revenue for constant currency	$ 1,452.8			$ 4,301.0		
Operating Income (1)	$ 65.1			$ 276.7		
Operating Margin 2004 (1)			4.3%			6.2%
Effect of Currency Translation on Operating Income	$ 0.3			$ (4.0)		
Adjusted operating income for constant currency		$ 64.8			$ 280.7	
Adjusted operating margin for constant currency		4.5%			6.5%	
Currency Impact			0.2%			0.3%
Incremental out of pocket (on a constant basis)	$ 34.6			$ 103.8		
Adjusted revenue for out of pocket	$ 1,418.2			$ 4,197.2		
Adjusted operating margin for out of pocket		4.6%			6.7%	
Out of Pocket Impact			0.3%			0.5%
Incremental professional fees (on a constant basis)	$ 10.6			$ 40.9		
Adjusted operating income for professional fees		$ 75.7			$ 317.6	
Adjusted operating margin for professional fees		5.2%			7.4%	
Incremental Professional Fees Impact			0.9%			1.2%
Incremental incentives (on a constant basis)	$ 35.1			$ 40.6		
Adjusted operating income for incentives		$ 100.2			$ 317.3	
Adjusted operating margin for incentives		6.9%			7.4%	
Incremental Incentives Impact			2.6%			1.2%
Adjusted Margin 2004			8.3%			9.4%
Operating Margin 2003 (1)			7.7%			7.0%
Increase (Decrease)			0.6%			2.4%

(1) Excluding restructuring program charges, long-lived asset impairment, and the Motorsports contract termination charges

Debt to EBITDA and Interest Coverage Ratio Calculations

($ in Millions)

	Full Year 12/31/2003	Rolling 4 Quarters 9/30/2004
EBITDA calculation:		
Net Loss	(451.7)	(703.4)
Income from Discontinued Operations	(101.2)	(6.5)
Total Other Income (Expense)	321.2	147.6
Taxes	254.0	322.9
Net Equity Interests	29.9	17.9
Operating Income	52.2	(221.5)
Depreciation & amortization	277.9	247.1
Restructuring programming charges in O & G	16.5	18.3
Restructuring Charges	175.6	98.7
Long-Lived Asset Impairments	286.9	500.9
Motorsports Contract Termination	-	113.6
EBITDA (1)	809.1	757.1
Debt	2,474.3	2,263.4
Interest expense	172.8	161.7
Debt to EBITDA (2)	3.1	3.0
Interest Coverage (3)	4.7	4.7

(1) EBITDA = Operating Income excluding Restructuring Program Charges, Long-lived Asset Impairment and Motorsports Contract Termination plus depreciation and amortization
(2) Debt to EBITDA = Debt at the end of period/EBITDA for rolling 4 quarters
(3) Interest Coverage = EBITDA/Interest Expense for rolling 4 quarters

EBITDA as used in the ratios above represents operating income less depreciation and amortization. This calculation of EBITDA may differ from the calculation used by other companies who may employ net income as "earnings" for these purposes. In calculating the ratios above, the Company has further excluded restructuring program charges, long-lived asset impairment, and the Motorsports contract termination charge because management believes the resulting comparison better reflects the Company's ongoing operations. Accordingly, comparability to like measures may be limited. The Company expects to incur further charges relating to its restructuring program in 2004 and may incur future long-lived asset impairment and Motorsports charges as well. The Company uses this non-GAAP adjusted earnings measure as a financial performance metric because we believe this is useful in analyzing and trending the performance of our business. This non-GAAP adjusted earnings measure does not represent a measurement of financial performance under generally accepted accounting principles in the United States ("GAAP") and for these purposes should not be considered as an alternative to net income as a measure of performance. We believe that the closest GAAP measure of financial performance to this non-GAAP adjusted earnings measure is net income and, as such, have provided a reconciliation to net income, together with a reconciliation to operating income.

Restructuring Charges - 2003 and 2004

($ in Millions)

	2003 Charges	Q1 2004 Charges	Q2 2004 Charges/ (Credits)	Q3 2004 Charges/ (Credits)	Charges to Date
Severance	$ 126.2	$ 22.1	$ (6.2)	$ (1.3)	$ 140.8
Facilities Costs	49.4	40.5	8.2	2.3	100.4
Restructuring Charges*	175.6	62.6	2.0	1.0	241.2

* Includes adjustments related to the true up of the 2001 program in addition to the 2003 program.

Future cash amounts payable under the 2003 and 2001 programs are:

2003 Program	$ 74.5
2001 Program	46.2
Total	$ 120.7

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Diluted EPS Calculation

($ in Millions, except per share data)

	Q1 '04	Q2 '04	Q3 '04	YTD '04
Net Loss Applicable to Common Stockholders	$ (21.7)	$ (10.4)	$(583.4)	$ (615.5)
Basic and Diluted Shares* (MM)	413.3	414.6	415.4	414.4
Diluted EPS of Common Stock	$ (0.05)	$ (0.03)	$ (1.40)	$ (1.49)

* No Add-Backs as all were anti-dilutive due to net loss reported

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Shares Outstanding Calculation – Potential Full Dilution

($ in Millions)

	MAXIMUM POTENTIAL DILUTION	
Stock Options	0.6	
Restricted Stock	2.6	
1.87% Convertible Subordinated Notes due 2006	6.4	A
4.5% Convertible Senior Notes due 2023	64.4	B
Series A Mandatorily Convertible Shares	27.7	C
Total:	**101.7**	

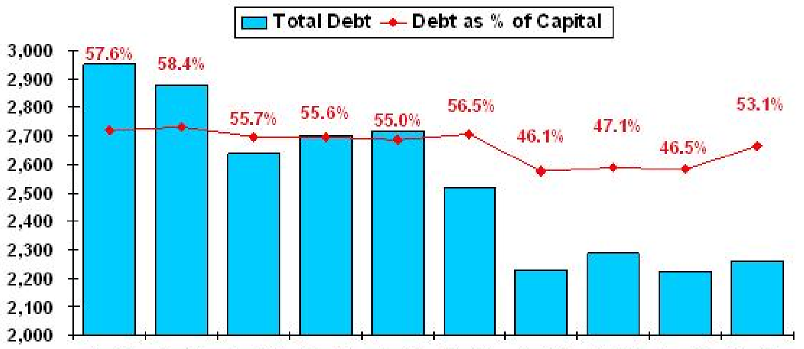
Note: Actual second quarter diluted EPS calculation had zero addbacks as all were anti-dilutive due to net loss reported. Above represents maximum potential dilution or addbacks, not shares that would have been included in the EPS calculation in the third quarter 2004.

Approximately 6.6 shares may be issued based upon the estimated settlement of the shareholder suits. These shares would be included in basic shares outstanding upon issuance.

A Dilutive once EPS reaches approximately $.42 per quarter
B Dilutive once EPS reaches approximately $.09 per quarter. Included as addback as long as stock price is $14.84 or higher. Stock price threshold will decrease annually until maturity.
C Represents the maximum conversion. Conversion rate is based on share price for the quarter.

Debt as % of Capital

($ in Millions)

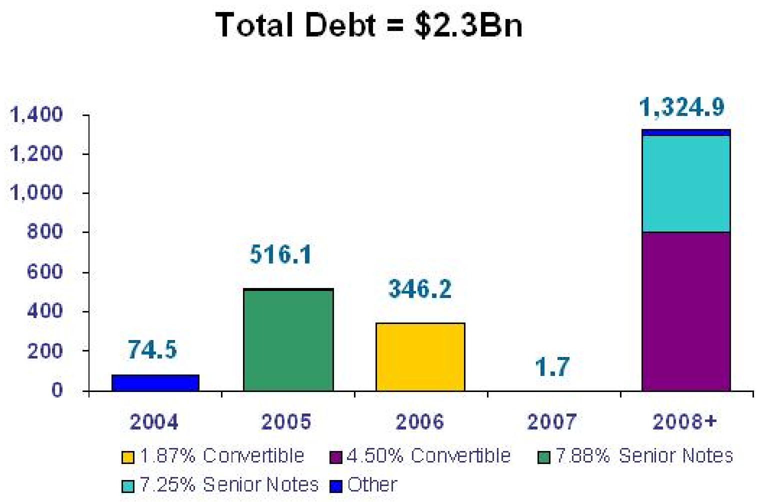


	Jun-02	Sep-02	Dec-02	Mar-03	Jun-03	Sep-03	Dec-03	Mar-04	Jun-04	Sep-04
Total Debt	2,950	2,876	2,638	2,698[1]	2,717	2,518	2,230[2]	2,289	2,224	2,263

(1) Excludes the $582.5 of Zero-Coupon Notes which were settled in April. Management believes that showing the adjusted Debt and Debt as a % of Capital excluding these notes is relevant when comparing the periods because it provides a more meaningful comparison.
(2) Excludes the $244.1 of Subordinated Convertible Notes due 2004 which were redeemed on January 20, 2004. Management believes that showing the adjusted Debt and Debt as a % of Capital excluding these notes is relevant when comparing the periods because it provides a more meaningful comparison.

Improved Debt Maturity Schedule

($ in Millions)



Liquidity Position

($ in Millions)

	As of September 30, 2004		
	Total Amount of Facility	Outstanding	Available
Committed Facilities	$ 700.7	$ 138.0 (1)	$ 562.7
Uncommitted Facilities (2)	$ 684.1	$ 74.0	$ - (2)
Total Credit Facilities	$ 1,384.8	$ 212.0	$ 562.7
Cash and Cash Equivalents			$ 1,438.5
Total Liquidity Available			$ 2,001.2

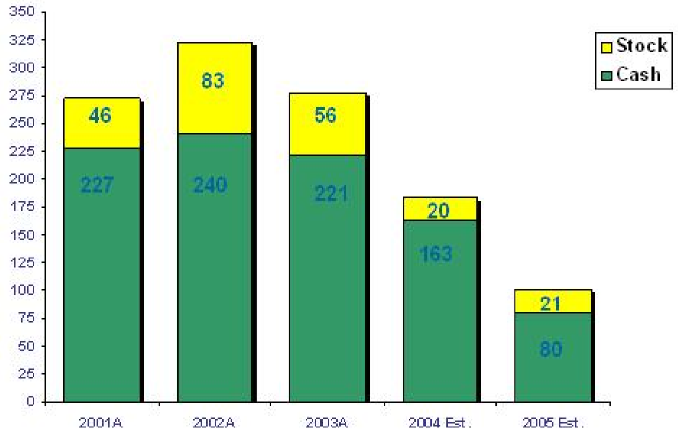
NOTES:

(1) Comprised of Letters of Credit issued under the Revolving Credit Facilities. Not considered debt for GAAP reporting

(2) Domestic and international uncommitted facilities. These amounts are excluded for the purposes of analysis

Declining Acquisition Activity Has Reduced Acquisition Related Payment Obligations (1)

($ in Millions)



(1) Includes earnouts, purchases of additional interests, put options and other payments

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Certain Non-GAAP Financial Measures

Organic Revenue. We derive organic revenue by adjusting reported revenue in respect of any given period by:

- excluding the impact of foreign currency effects over the course of the period to provide revenues on a constant currency basis; and
- excluding the impact on reported revenue resulting from acquisitions and dispositions that were consummated after the first day of the year prior to the given period.

Additionally, organic revenue calculations for the quarter have been adjusted to make 2004 organic revenue principally arising from public relations and sporting event arrangements more directly comparable to organic revenue arising from public relations and sporting event arrangements in periods preceding January 1, 2004. If these adjustments had been made to revenue for prior periods, there would have been neither a material effect on results in prior periods nor any effect whatsoever on operating or net income. These adjustments relate to "grossing up" revenues and expenses by the same amount, in connection with the reimbursement of certain out of pocket expenses relating to public relations and sporting event arrangements.

Management believes that discussing organic revenue, giving effect to the above factors, provides a better understanding of the Company's revenue performance and trends than reported revenue because it allows for more meaningful comparisons of current-period revenue to that of prior periods. Management also believes that organic revenue determined on a generally comparable basis is a common measure of performance in the businesses in which it operates. For the same reasons, management makes analogous adjustments to office and general expenses, which expenses, as adjusted, are a Non-GAAP measure.

Constant Currency. When the Company discusses amounts on a constant currency basis, the prior period results are adjusted to remove the impact of changes in foreign currency exchange rates during the current period that is being compared to the prior period. The impact of changes in foreign currency exchange rates on prior period results is removed by converting the prior period results into U.S. dollars at the average exchange rate for the current period. Management believes that discussing results on a constant currency basis allows for a more meaningful comparison of current-period results to such prior-period results.

Net Debt. Net debt as of any given date is total debt as reported at that date less total cash and cash equivalents as of that date. Management believes that discussing net debt is useful because it provides a more complete picture of the Company's liquidity position.

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