

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended Commission file number
December 31, 1998 1-6686

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

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

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

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

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

Name of each exchange on
Title of each class which registered

Common Stock New York Stock Exchange

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes . No .

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

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The aggregate market value of the registrant's voting stock (exclusive of shares beneficially owned by persons referred to in response to Item 12 hereof) was \$9,586,441,058 as of March 23, 1999.

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

Common Stock outstanding at March 23, 1999: 139,985,134 shares.

DOCUMENTS INCORPORATED BY REFERENCE

1. Portions of the Annual Report to Stockholders for the year ended December 31, 1998 are incorporated by reference in Parts I and II.
2. Portions of the Proxy Statement for the 1999 Annual Meeting of Stockholders are incorporated by reference in Parts I and III.

PART I

Item 1. Business

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

The advertising agency business is the primary business of the Company. This business is conducted throughout the world through three advertising agency systems, McCann-Erickson WorldGroup, Ammirati Puris Lintas and The Lowe Group, plus a number of stand alone local agencies. Interpublic also carries on a media buying business through its ownership of Western Initiative Media Worldwide and its affiliates, as well as a separate direct and promotional marketing business through its ownership of DraftWorldwide Inc., a global public relations capability through International Public Relations, and a multi-national sports and event marketing organization, Octagon. The Company also offers advertising agency services through association arrangements with local agencies in various parts of the world. Other activities conducted by the Company within the area of "marketing communications" include brand equity and corporate identity services, graphic design, management consulting, market research, sales promotion, interactive services, sales meetings and events, and other related specialized marketing and communications services.

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

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

Ammirati Puris Lintas Inc..... New York, New York
 Campbell-Ewald Company..... Detroit (Warren),
 Michigan
 Campbell Mithun Esty LLC..... Minneapolis, Minnesota
 Dailey & Associates..... Los Angeles, California
 DraftWorldwide, Inc..... Chicago, Illinois
 Hill, Holliday, Connors
 Cosmopolos, Inc..... Boston, Massachusetts
 Lowe & Partners/SMS, Inc..... New York, New York
 McCann-Erickson USA, Inc..... New York, New York

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

EUROPE, AFRICA AND THE MIDDLE EAST

Austria Germany Namibia South Africa
 Azerbaijan Greece Netherlands Spain
 Belgium Hungary Nigeria Sweden
 Bulgaria Israel Norway Switzerland
 Cameroon Ireland Pakistan Tunisia
 Croatia Italy Poland Turkey
 Czech Republic Ivory Coast Portugal Ukraine
 Denmark Kazakhstan Romania United Arab Emirates
 Estonia Kenya Russia United Kingdom
 Finland Mauritius Senegal Uzbekistan
 France Morocco Slovakia Zambia
 Slovenia Zimbabwe

LATIN AMERICA AND THE CARIBBEAN

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

ASIA AND THE PACIFIC

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

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

holds a minority interest.

The Company also offers services in Albania, Aruba, the Bahamas, Bahrain, Belize, Bolivia, Cambodia, Egypt, Gabon, Ghana, Grand Cayman, Guadeloupe, Guam, Guyana, Haiti, Reunion, Ivory Coast, Jordan, Kuwait, Lebanon, Martinique, Nicaragua, Nigeria, Oman, Paraguay, Saudi Arabia, Senegal, Surinam, Uganda, United Arab Emirates (Dubai) and Zaire through association arrangements with local agencies operating in those countries.

For information concerning revenues, operating profits and identifiable assets on a geographical basis for each of the last three years, reference is made to Note 12: Geographic Areas of the Notes to the Consolidated Financial Statements in the Company's Annual Report to Stockholders for the year ended December 31, 1998, which Note is hereby incorporated by reference.

Developments in 1998

The Company completed a number of acquisitions within the United States and abroad in 1998.

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See Note 4 to the Consolidated Financial Statements incorporated by reference in this Report on Form 10-K for a discussion of acquisitions.

Income from Commissions and Fees

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

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

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

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

The five clients of the Company that made the largest contribution in 1998 to income from commissions and fees accounted individually for 1.7% to 7.4% of such income and in the aggregate accounted for over 18% of such income. Twenty clients of the Company accounted for approximately 30% of such income. Based on income from commissions and fees, the three largest clients of the Company are General Motors Corporation, Nestle and Unilever. General Motors Corporation first became a client of one of the Company's agencies in 1916 in the United States. Predecessors of several of the Lintas agencies have supplied advertising services to Unilever since 1893. The client relationship with Nestle began in 1940 in Argentina. While the loss of the entire business of one of the Company's three largest clients might have a material adverse effect upon the business of the Company, the Company believes that it is very unlikely that the entire business of any of these clients would be lost at the same time, because it represents several different brands or divisions of each of these clients in a number of geographical markets - in each case through more than one of the Company's agency systems.

Representation of a client rarely means that the Company handles advertising for all brands or product lines of the client in all geographical locations. Any client may transfer its business from an advertising agency within the Company to a competing agency, and a client may reduce its advertising budget at any time.

The Company's agencies in many instances have written contracts with their clients. As is customary in the industry, these contracts provide for termination by either party on relatively short notice, usually 90 days but sometimes shorter or longer. In 1998, however, 23% of income from commissions and fees was derived from clients that had been associated with one or more of the Company's agencies or their predecessors for 20 or more years.

Personnel

As of January 1, 1999, the Company employed more than 34,000 persons, of whom nearly 14,000 were employed in the United States. Because of the personal service character of the marketing communications business, the quality of personnel is of crucial importance to continuing success. There is keen competition for qualified employees. Interpublic considers its employee relations to be satisfactory.

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

Competition and Other Factors

The advertising agency and other marketing communications businesses are highly competitive. The Company's agencies and media services must compete with other agencies and with other providers of creative or media services which are not themselves advertising agencies, in order to maintain existing client relationships and to obtain new clients. Competition in the

advertising agency business depends to a large extent on the client's perception of the quality of an agency's "creative product". An agency's ability to serve clients, particularly large international clients, on a broad geographic basis is also an important competitive consideration. On the other hand, because an agency's principal asset is its people, freedom of entry into the business is almost unlimited and quite small agencies are, on occasion, able to take all or some portion of a client's account from a much larger competitor.

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

The advertising business is subject to government regulation, both domestic and foreign. There has been an increasing tendency in the United States on the part of advertisers to resort to the courts, industry and self-regulatory

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bodies to challenge comparative advertising on the grounds that the advertising is false and deceptive. Through the years, there has been a continuing expansion of specific rules, prohibitions, media restrictions, labeling disclosures and warning requirements with respect to the advertising for certain products. Representatives within state governments and the federal government as well as foreign governments continue to initiate proposals to ban the advertising of specific products and to impose taxes on or deny deductions for advertising which, if successful, may have an adverse effect on advertising expenditures.

Some countries are relaxing commercial restrictions as part of their efforts to attract foreign investment. However, with respect to other nations, the international operations of the Company still remain exposed to certain risks which affect foreign operations of all kinds, such as local legislation, monetary devaluation, exchange control restrictions and unstable political conditions. In addition, international advertising agencies are still subject to ownership restrictions in certain countries because they are considered an integral factor in the communications process.

Statement Regarding Forward Looking Disclosure

Certain sections of this report, including "Business", "Competition and Other Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" contain forward looking statements concerning future events and developments that involve risks and uncertainties, including those associated with the effect of national and regional economic conditions, the ability of the Company to attract new clients and retain existing clients, the financial success of clients of the Company, other developments of clients of the Company, and developments from changes in the regulatory and legal environment for advertising agencies around the world.

Year 2000 Compliance

Many currently installed computer systems and software products are coded to accept only two-digit entries in the date code field. Beginning in the year 2000, these date code fields will need to accept four-digit entries to distinguish 21st century dates from 20th century dates. As a result, computer systems and/or software used by the Company will need to be upgraded to comply with such "Year 2000" requirements. Further discussion of this issue is contained in the section of this Report entitled "Management's Discussion and Analysis of

Item 2. Properties

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

The Company's ownership of the office building in Frankfurt is subject to three mortgages which became effective on or about February 1993. These mortgages terminate at different dates, with the last to expire in February 2003. Reference is made to Note 10: Long-Term Debt, of the Notes to the Consolidated Financial Statements in the Company's Annual Report to Stockholders for the year ended December 31, 1998, which Note is hereby incorporated by reference.

Item 3. Legal Proceedings

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

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

Not applicable.

Executive Officers of the Registrant

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

Name	Age	Office
Philip H. Geier, Jr.	(1) 64	Chairman of the Board, President and Chief Executive Officer

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Eugene P. Beard	(1) 63	Vice Chairman-Finance and Operations, Chief Financial Officer
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Nicholas J. Camera	52	Vice President, General Counsel and Secretary
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John J. Dooner, Jr.	(1) 50	Chairman and Chief Executive Officer of McCann-Erickson WorldGroup
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C. Kent Kroeber	60	Senior Vice President-Human Resources
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Barry R. Linsky	57	Senior Vice President-Planning and Business Development
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Frank B. Lowe	(1) 57	Chairman of the Board and Chief Executive Officer of The Lowe Group
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Frederick Molz	42	Vice President and Controller
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Martin F. Puris (1) 60 Chairman, Chief Executive Officer
and Chief Creative Officer of
Ammirati Puris Lintas Worldwide

Thomas J. Volpe 63 Senior Vice President-Financial
Operations
(1) Also a Director

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

The employment histories for the past five years of Messrs.
Geier, Beard, Dooner, Puris and Lowe are incorporated by
reference to the Proxy Statement for Interpublic's 1999 Annual
Meeting of Stockholders.

Mr. Camera joined Interpublic on May 17, 1993. He was
elected Vice President, Assistant General Counsel and Assistant
Secretary on June 1, 1994 and Vice President, General Counsel and
Secretary on December 15, 1995.

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

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Mr. Linsky joined Interpublic in January, 1991 when he was
elected Senior Vice President-Planning and Business Development.
Prior to that time, he was Executive Vice President, Account
Management of Lowe & Partners, Inc. Mr. Linsky was elected to
that position in July, 1980, when the corporation was known as
The Marschalk Company and was a subsidiary of Interpublic.

Mr. Molz was elected Vice President and Controller of
Interpublic effective January 1, 1999. He joined Interpublic in
August, 1982, and his most recent position was Senior Vice
President- Financial Operations of Ammirati Puris Lintas
Worldwide, a subsidiary of Interpublic, since April, 1994. He
also held previous positions in the Interpublic Controller's
Department and Tax Department.

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

PART II

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

The response to this Item is incorporated (i) by reference
to the Registrant's Annual Report to Stockholders for the year
ended December 31, 1998. See Note 11: Results by Quarter
(Unaudited), and Note 2: Stockholders' Equity, of the Notes to
the Consolidated Financial Statements and information under the
heading Transfer Agent and Registrar for Common Stock, and (ii)
on December 11, 1998, the Registrant acquired the assets and
assumed the liabilities of two companies in consideration for
which it paid cash and issued a total of 18,228 shares of its
common stock par value \$.10 per share ("Interpublic Stock"), to
the acquired companies' shareholders. The shares of Interpublic
Stock had a market value of \$1,250,000 on the date of issuance.

The shares of Interpublic Stock were issued by the
Registrant without registration in reliance on Rule 506 of
Regulation D under the Securities Act of 1933, as amended (the
"Securities Act"), based on the accredited investor status or

sophistication of the shareholders of the acquired companies.

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Item 6. Selected Financial Data

The response to this Item is incorporated by reference to the Registrant's Annual Report to Stockholders for the year ended December 31, 1998 under the heading Selected Financial Data for Five Years.

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

The response to this Item is incorporated by reference to the Registrant's Annual Report to Stockholders for the year ended December 31, 1998 under the heading Management's Discussion and Analysis of Financial Condition and Results of Operations.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

The response to this Item is incorporated by reference to the Registrant's Annual Report to Stockholders for the year ended December 31, 1998 under the heading Management's Discussion and Analysis of Financial Condition and Results of Operations.

Item 8. Financial Statements and Supplementary Data

The response to this Item is incorporated in part by reference to the Registrant's Annual Report to Stockholders for the year ended December 31, 1998 under the headings Financial Statements and Notes to the Consolidated Financial Statements. Reference is also made to the Financial Statement Schedule listed under Item 14(a) of this Report on Form 10-K.

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

Not applicable.

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PART III

Item 10. Directors and Executive Officers of the Registrant

The information required by this Item is incorporated by reference to the Registrant's Proxy Statement for its 1998 Annual Meeting of Stockholders (the "Proxy Statement"), to be filed not later than 120 days after the end of the 1998 calendar year, except for the description of Interpublic's Executive Officers which appears in Part I of this Report on Form 10-K under the heading "Executive Officers of the Registrant".

Item 11. Executive Compensation

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

Item 12. Security Ownership of Certain Beneficial Owners and Management

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

Item 13. Certain Relationships and Related Transactions

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

PART IV

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

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

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1. Financial Statements:

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

2. Financial Statement Schedule:

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

3. Exhibits:

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

Exhibit No. Description

3 (i) The Restated Certificate of Incorporation of the Registrant, as amended is incorporated by reference to its Report on Form 10-Q for the quarter ended June 30, 1997. See Commission file number 1-6686.

(ii) The By-Laws of the Registrant, amended as of February 19, 1991, are incorporated by reference to its Report on Form 10-K for the year ended December 31, 1990. See Commission file number 1-6686.

4 Instruments Defining the Rights of Security Holders.

(i) Indenture, dated as of September 16, 1997 between Interpublic and The Bank of New York is incorporated by reference to the Registrant's Report on Form 10-Q for the quarter ended September 30, 1998. See Commission file number 1-6686.

(ii) The Preferred Share Purchase Rights Plan as adopted on July 18, 1989 is incorporated by reference to Registrant's Registration Statement on Form 8-A dated August 1, 1989 (No. 00017904) and, as amended, by reference to Registrant's Registration Statement on Form 8 dated October 3, 1989 (No. 00106686).

10 Material Contracts.

(a) Purchase Agreement, dated September 10, 1997, among The Interpublic Group of Companies, Inc. ("Interpublic"), Morgan Stanley & Co., Incorporated, Goldman Sachs and Co. and SBC Warburg Dillon Read Inc. is incorporated by reference to the Registrant's Report on Form 10-Q for the quarter ended September 30, 1998. See Commission file number 1-6686.

(b) Employment, Consultancy and other Compensatory Arrangements with Management.

Employment and Consultancy Agreements and any amendments or supplements thereto and other compensatory arrangements filed with the Registrant's Reports on Form 10-K for the years ended December 31, 1980 through December 31, 1997 inclusive, or filed with the Registrant's Reports on Form 10-Q for the periods ended March 31, 1998, June 30, 1998 and September 30, 1998 are incorporated by reference in this Report on Form 10-K. See Commission file number 1-6686. Listed below are agreements or amendments to agreements between the Registrant and its executive officers which remain in effect on and after the date hereof or were executed during the year ended December 31, 1998 and thereafter, unless previously submitted, which are filed as exhibits to this Report on Form 10-K.

(i) Eugene P. Beard

Supplemental Agreement dated as of March 1, 1999 to an Employment Agreement dated as of July 1, 1995 between Interpublic and Eugene P. Beard.

(ii) Frank B. Lowe

Supplemental Agreement dated as of March 1, 1999 to an Employment Agreement dated as of January 1, 1996 between Interpublic and Frank B. Lowe.

(iii) Martin F. Puris

Supplemental Agreement dated as of March 1, 1999 to an Employment Agreement dated as of August 11, 1994 between Interpublic, APL and Martin F. Puris.

(iv) Barry R. Linsky

Executive Severance Agreement dated as of January 1, 1998 between Interpublic and Barry R. Linsky.

(c) Executive Compensation Plans.

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

(ii) The Stock Option Plan (1988) and the Achievement Stock Award Plan of the Registrant are incorporated by reference to Appendices C and D of the Prospectus dated May 4, 1989 forming part

of its Registration Statement on Form S-8 (No. 33-28143).

(iii) The Management Incentive Compensation Plan of the Registrant is incorporated by reference to the Registrant's Report on Form 10-Q for the quarter ended June 30, 1995. See Commission file number 1-6686.

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

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

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

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

(viii) Resolution of the Board of Directors adopted on February 16, 1993, amending the Long-Term Performance Incentive Plan is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.

(ix) Resolution of the Board of Directors adopted on May 16, 1989 amending the Long-Term Performance Incentive Plan is incorporated by reference to Registrant's Report on Form 10-K for the year ended December 31, 1989. See Commission file number 1-6686.

(x) The 1996 Stock Incentive Plan of the Registrant is incorporated by reference to the Registrant's Report on Form 10-Q for the quarter ended June 30, 1996. See Commission file number 1-6686.

(xi) The 1997 Performance Incentive Plan of the Registrant is incorporated by reference to the Registrant's Report on Form 10-Q for the quarter ended June 30, 1997. See Commission file number 1-6686.

(d) Loan Agreements.

(i) Credit Agreement Extension dated as of June 30, 1998 to a Credit Agreement dated as of July 3, 1995 between Interpublic and Lloyds Bank PLC.

(ii) Amendment No. 7, dated as of November 23, 1998 to a Credit Agreement dated as of September 30, 1992 between Interpublic and Citibank N.A.

(iii) Credit Agreement dated as of October 1, 1998 between Interpublic and Wachovia Bank.

(iv) Amendment No. 8 to a Credit Agreement dated as of November 23, 1998 to a Credit Agreement dated as of September 30, 1992 between Interpublic and The First National Bank of Chicago.

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(v) Amendment No. 2, dated as of November 23, 1998 to a Credit Agreement dated as of July 3, 1995 between Interpublic and Lloyds Bank PLC.

(vi) Amendment No. 7 dated as of November 23, 1998 to a Credit Agreement dated as of September 30, 1992 between Interpublic and The Bank of New York.

(vii) Amendment No. 6, dated as of November 23, 1998 to a Credit Agreement dated as of September 30, 1992 between Interpublic and UBS AG (formerly known as Union Bank of Switzerland).

(viii) Amendment No. 7, dated as of November 23, 1998 to a Credit Agreement dated as of September 30, 1992 between Interpublic and The Chase Manhattan Bank (as successor to Chemical Bank).

(ix) Amendment No. 7 dated as of November 23, 1998 to a Credit Agreement dated as of September 30, 1992 between Interpublic and SunTrust Bank, Atlanta (formerly Trust Company Bank).

(x) Amendment No. 3, dated as of November 23, 1998 to a Credit Agreement dated as of December 1, 1994 between Interpublic and Bank of America NT & SA.

(xi) Other Loan and Guaranty Agreements filed with the Registrant's Annual Report on Form 10-K for the years ended December 31, 1988 and December 31, 1986 are incorporated by reference in this Report on Form 10-K. Other Credit Agreements, amendments to various Credit Agreements, Supplemental Agreements, Termination Agreements, Loan Agreements, Note Purchase Agreements, Guarantees and Intercreditor Agreements filed with the Registrant's Report on Form 10-K for the years ended December 31, 1989 through December 31, 1997, inclusive and filed with Registrant's Reports on Form 10-Q for the periods ended March 31, 1998, June 30, 1998 and September 30, 1998 are incorporated by reference into this Report on Form 10-K. See Commission file number 1-6686.

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(e) Leases.

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

(f) Acquisition Agreement for Purchase of Real Estate.

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

(g) Mortgage Agreements and Encumbrances.

(i) Summaries in German and English of Mortgage Agreements between McCann-Erickson Deutschland and Frankfurter Hypothekenbank Aktiengesellschaft ("Frankfurter Hypothekenbank"), Mortgage Agreement, dated January 22, 1993, between McCann-Erickson Deutschland and Frankfurter Hypothekenbank, Mortgage Agreement, dated January 22, 1993, between McCann-Erickson Deutschland and Hypothekenbank are incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1993. See Commission file number 1-6686. Summaries in German and English of Mortgage Agreement, between McCann-Erickson Deutschland and Frankfurter Sparkasse and Mortgage Agreement, dated January 7, 1993, between McCann-Erickson Deutschland and Frankfurter Sparkasse are incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.

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(ii) Summaries in German and English of Documents creating Encumbrances in favor of Frankfurter Hypothekenbank and Frankfurter Sparkasse in connection with the aforementioned Mortgage Agreements, Encumbrance, dated January 15, 1993, in favor of Frankfurter Hypothekenbank, and Encumbrance, dated January 15, 1993, in favor of Frankfurter Sparkasse are incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.

(iii) Loan Agreement (in English and German), dated January 29, 1993 between Lintas Deutschland GmbH and McCann-Erickson Deutschland is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.

11 Computation of Earnings Per Share.

13 This Exhibit includes: (a) those portions of the Annual Report to Stockholders for the year ended December 31, 1998 which are included therein under the following headings: Financial Highlights; Vice-Chairman's Report of Management; Management's Discussion and Analysis of Financial Condition and Results of Operations; Consolidated Balance Sheet; Consolidated Statement of Income; Consolidated Statement of Cash Flows; Consolidated Statement of Stockholders' Equity and Comprehensive Income; Notes to Consolidated Financial Statements (the aforementioned Consolidated Financial Statements together with the Notes to Consolidated Financial Statements hereinafter shall be referred to as the "Consolidated Financial Statements"); Report of Independent Accountants; Selected Financial Data for Five Years; and Stockholders Information.

21 Subsidiaries of the Registrant.

23 Consent of Independent Accountants:

PricewaterhouseCoopers LLP

Consent of Independent Auditors: Ernst & Young

Consent of Independent Auditors: Ernst & Young LLP

24 Power of Attorney to sign Form 10-K and resolution of Board of Directors re Power of Attorney.

21

27 Financial Data Schedules

99 The Company filed the following reports on Form 8-K during the quarter ended December 31, 1998:

- (a) Item 9: Sale of Equity Securities pursuant to Regulation S, dated October 27, 1993.
- (b) Item 9: Sale of Equity Securities pursuant to Regulation S, dated October 29, 1998.
- (c) Item 9: Sale of Equity Securities pursuant to Regulation S, dated November 30, 1998.
- (d) Item 9: Sale of Equity Securities pursuant to Regulation S, dated December 4, 1998.
- (e) Item 9: Sale of Equity Securities pursuant to Regulation S, dated December 11, 1998.
- (f) Item 9: Sale of Equity Securities pursuant to Regulation S, dated December 16, 1998.
- (g) Item 9: Sale of Equity Securities pursuant to Regulation S, dated December 18, 1998.
- (h) Item 9: Sale of Equity Securities pursuant to Regulation S, dated December 18, 1998.
- (i) Item 9: Sale of Equity Securities pursuant to Regulation S, dated December 19, 1998.
- (j) Item 9: Sale of Equity Securities pursuant to Regulation S, dated December 22, 1998.

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SIGNATURES

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

THE INTERPUBLIC GROUP OF COMPANIES, INC.
(Registrant)

March 25, 1999 BY: Philip H. Geier, Jr. —
Philip H. Geier, Jr.,
Chairman of the Board,
President and Chief
Executive Officer

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

Name	Title	Date
------	-------	------

Philip H. Geier, Jr. Chairman of the Board, March 25, 1999
Philip H. Geier, Jr. President and Chief Executive
Officer (Principal Executive
Officer) and Director

Eugene P. Beard Vice Chairman March 25, 1999
Eugene P. Beard -Finance and Operations,
Chief Financial Officer,
(Principal Financial
Officer) and Director

*/s/ Frank J. Borelli Director March 25, 1999
Frank J. Borelli

*/s/ Reginald K. Brack Director March 25, 1999
Reginald K. Brack

*/s/ Jill M. Considine Director March 25, 1999
Jill M. Considine

23

*/s/ John J. Dooner, Jr. Director March 25, 1999
John J. Dooner, Jr.

*/s/ Frank B. Lowe Director March 25, 1999
Frank B. Lowe

Frederick Molz Vice President and March 25, 1999
Frederick Molz Controller (Principal
Accounting Officer)

*/s/ Leif H. Olsen Director March 25, 1999
Leif H. Olsen

*/s/ Martin F. Puris Director March 25, 1999
Martin F. Puris

*/s/ Allen Questrom Director March 25, 1999
Allen Questrom

*/s/ J. Phillip Samper Director March 25, 1999
J. Phillip Samper

*By Nicholas J. Camera
Nicholas J. Camera
Attorney-in-fact

INDEX TO FINANCIAL STATEMENTS

The Financial Statements appearing under the headings: Financial Highlights, Vice-Chairman's Report of Management; Management's Discussion and Analysis of Financial Condition and Results of Operations, Consolidated Financial Statements, Notes to Consolidated Financial Statements, Report of Independent Accountants, and Selected Financial Data for Five Years accompanying the Annual Report to Stockholders for the year ended December 31, 1998, together with the report thereon of PricewaterhouseCoopers LLP dated February 19, 1999 are incorporated by reference in this report on Form 10-K. With the exception of the aforementioned information and the information incorporated in Items 5, 6 and 7, no other data appearing in the Annual Report to Stockholders for the year ended December 31, 1998 is deemed to be filed as part of this report on Form 10-K.

The following financial statement schedule should be read in conjunction with the financial statements in such Annual Report to Stockholders for the year ended December 31, 1998. Financial statement schedules not included in this report on Form 10-K have been omitted because they are not applicable or the required information is shown in the financial statements or the notes thereto.

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

INDEX TO FINANCIAL STATEMENT SCHEDULE

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Financial Statement Schedule Required to be filed by Item 8 of this form:	
VIII Valuation and Qualifying Accounts	F-3

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REPORT OF INDEPENDENT ACCOUNTANTS
ON FINANCIAL STATEMENT SCHEDULE

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

Our audits of the consolidated financial statements referred to in our report dated February 19, 1999 appearing in the 1998 Annual Report to Stockholders of The Interpublic Group of Companies, Inc. (which report and consolidated financial statements are incorporated by reference in this Annual Report on Form 10-K) also included an audit of the Financial Statement Schedule listed in Item 14 (a) of this Form 10-K. In our opinion, this Financial Statement Schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

PRICEWATERHOUSECOOPERS LLP
New York, New York
February 19, 1999

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SCHEDULE VIII

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED DECEMBER 31, 1998, 1997 AND 1996

(Dollars in Thousands)

COLUMN A COLUMN B COLUMN C COLUMN D COLUMN E

			Additions		
Balance	Charged	Charged			
at	to	to	Other	Balance	
Beginning	Costs & Accounts-	Deductions-	at	End	
Description of	Period	Expenses	Describe	Describe	of Period

Allowance for
Doubtful Accounts -
deducted from
Receivables in the
Consolidated
Balance Sheet:

1998	\$44,110	\$18,362	\$6,471	<F1>	\$(15,247)	<F3>	\$53,093
	2,111	<F5>	(3,310)	<F4>			
	596	<F2>					

1997	\$37,049	\$16,753	\$2,256	<F1>	\$(2,553)	<F2>	\$44,110
	848	<F5>	(7,869)	<F3>			
	(2,374)	<F4>					

1996	\$24,571	\$18,544	\$240	<F1>	\$(645)	<F2>	\$37,049
	1,060	<F5>	(6,393)	<F3>			
	(328)	<F4>					

<FN>
<F1> Allowance for doubtful accounts of acquired and newly consolidated companies
<F2> Foreign currency translation adjustment
<F3> Principally amounts written off
<F4> Reversal of previously recorded allowances on accounts receivable
<F5> Miscellaneous
</FN>

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INDEX TO DOCUMENTS

Exhibit No. Description

3 (i) The Restated Certificate of Incorporation of the Registrant, as amended is incorporated by reference to its Report on Form 10-Q for the quarter ended June 30, 1998. See Commission file number 1-6686.

(ii) The By-Laws of the Registrant, amended as of February 19, 1991, are incorporated by reference to its Report on Form 10-K for the year ended December 31, 1990. See Commission file number 1-6686.

4 Instruments Defining the Rights of Security Holders.

(i) Indenture, dated as of September 16, 1997 between Interpublic and The Bank of New York is incorporated by reference to the

Registrant's Report on Form 10-Q for the quarter ended September 30, 1998. See Commission file number 1-6686.

(ii) The Preferred Share Purchase Rights Plan as adopted on July 18, 1989 is incorporated by reference to Registrant's Registration Statement on Form 8-A dated August 1, 1989 (No. 00017904) and, as amended, by reference to Registrant's Registration Statement on Form 8 dated October 3, 1989 (No. 00106686).

10 Material Contracts.

(a) Purchase Agreement, dated September 10, 1997, among The Interpublic Group of Companies, Inc. ("Interpublic"), Morgan Stanley & Co., Incorporated, Goldman Sachs and Co. and SBC Warburg Dillon Read Inc. is incorporated by reference to the Registrant's Report on Form 10-Q for the quarter ended September 30, 1998. See Commission file number 1-6686.

(b) Employment, Consultancy and other Compensatory Arrangements with Management.

Employment and Consultancy Agreements and any amendments or supplements thereto and other compensatory arrangements filed with the Registrant's

Reports on Form 10-K for the years ended December 31, 1980 through December 31, 1997, inclusive, or filed with the Registrant's Reports on Form 10-Q for the periods ended March 31, 1998, June 30, 1998 and September 30, 1998 are incorporated by reference in this Report on Form 10-K. See Commission file number 1-6686. Listed below are agreements or amendments to agreements between the Registrant and its executive officers which remain in effect on and after the date hereof or were executed during the year ended December 31, 1997 and thereafter, unless previously submitted, which are filed as exhibits to this Report on Form 10-K.

(i) Eugene P. Beard

Supplemental Agreement dated as of March 1, 1999 to an Employment Agreement dated as of July 1, 1995 between Interpublic and Eugene P. Beard.

(ii) Frank B. Lowe

Supplemental Agreement dated as of March 1, 1999 to an Employment Agreement dated as of January 1, 1996 between Interpublic and Frank B. Lowe.

(iii) Martin F. Puris

Supplemental Agreement dated as of March 1, 1999 to an Employment Agreement dated as of August 11, 1994 between Interpublic, APL and Martin F. Puris.

(iv) Barry R. Linsky

Executive Severance Agreement dated as of January 1, 1998 between Interpublic and Barry R. Linsky.

(c) Executive Compensation Plans.

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

(ii) The Stock Option Plan (1988) and the Achievement Stock

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

(iii) Management Incentive Compensation Plan of the Registrant is incorporated by reference to the Registrant's Report on Form 10-Q for the quarter ended June 30, 1995. See Commission file number 1-6686.

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

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

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

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

(viii) Resolution of the Board of Directors adopted on February 16, 1993, amending the Long-Term Performance Incentive Plan is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.

(ix) Resolution of the Board of Directors adopted on May 16, 1989 amending the Long-Term Performance Incentive Plan is incorporated by reference to Registrant's Report on Form 10-K for the year ended December 31, 1989. See Commission file number 1-6686.

(x) The 1996 Stock Incentive Plan of the Registrant is incorporated by reference to the Registrant's Report on Form 10-Q for the quarter ended June 30, 1996. See Commission file number 1-6686.

(xi) The 1997 Performance Incentive Plan of the Registrant is incorporated by reference to the Registrant's Report on Form 10-Q for the quarter ended June 30, 1997. See Commission file number 1-6686.

(d) Loan Agreements.

(i) Credit Agreement Extension dated as of June 30, 1998 to a Credit Agreement dated as of July 3, 1995 between Interpublic and Lloyds Bank PLC.

(ii) Amendment No. 7, dated as of November 23, 1998 to a Credit Agreement dated as of September 30, 1992 between Interpublic and Citibank N.A.

(iii) Credit Agreement dated as of October 1, 1998 between Interpublic and Wachovia Bank.

(iv) Amendment No. 8 to a Credit Agreement dated as of November 23, 1998 to a Credit Agreement dated as of September 30, 1992 between Interpublic and The First National Bank of Chicago.

(v) Amendment No. 2, dated as of November 23, 1998 to a Credit Agreement dated as of July 3, 1995 between Interpublic and

Lloyds Bank PLC.

(vi) Amendment No. 7 dated as of November 23, 1998 to a Credit Agreement dated as of September 30, 1992 between Interpublic and The Bank of New York.

(vii) Amendment No. 6, dated as of November 23, 1998 to a Credit Agreement dated as of September 30, 1992 between Interpublic and UBS AG (formerly known as Union Bank of Switzerland).

(viii) Amendment No. 7, dated as of November 23, 1998 to a Credit Agreement dated as of September 30, 1992 between Interpublic and The Chase Manhattan Bank (as successor to Chemical Bank).

(ix) Amendment No. 7 dated as of November 23, 1998 to a Credit Agreement dated as of September 30, 1992 between Interpublic and SunTrust Bank, Atlanta (formerly Trust Company Bank).

(x) Amendment No. 3, dated as of November 23, 1998 to a Credit Agreement dated as of December 1, 1994 between Interpublic and Bank of America NT & SA.

(xi) Other Loan and Guaranty Agreements filed with the Registrant's Annual Report on Form 10-K for the years ended December 31, 1988 and December 31, 1986 are incorporated by reference in this Report on Form 10-K. Other Credit Agreements, amendments to various Credit Agreements, Supplemental Agreements, Termination Agreements, Loan Agreements, Note Purchase Agreements, Guarantees and Intercreditor Agreements filed with the Registrant's Report on Form 10-K for the years ended December 31, 1989 through December 31, 1997, inclusive and filed with Registrant's Reports on Form 10-Q for the periods ended March 31, 1998, June 30, 1998 and September 30, 1998 are incorporated by reference into this Report on Form 10-K. See Commission file number 1-6686.

(e) Leases.

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

(f) Acquisition Agreement for Purchase of Real Estate.

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

(g) Mortgage Agreements and Encumbrances.

(i) Summaries in German and English of Mortgage Agreements between McCann-Erickson Deutschland and Frankfurter Hypothekenbank Aktiengesellschaft ("Frankfurter Hypothekenbank"), Mortgage Agreement, dated January 22, 1993, between McCann-Erickson Deutschland and Frankfurter Hypothekenbank, Mortgage Agreement, dated January 22, 1993, between McCann-Erickson Deutschland and Hypothekenbank are incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1993. See Commission file number 1-

6686. Summaries in German and English of Mortgage Agreement, between McCann-Erickson Deutschland and Frankfurter Sparkasse and Mortgage Agreement, dated January 7, 1993, between McCann-Erickson Deutschland and Frankfurter Sparkasse are incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.

(ii) Summaries in German and English of documents creating Encumbrances in favor of Frankfurter Hypothekbank and Frankfurter Sparkasse in connection with the aforementioned Mortgage Agreements, Encumbrance, dated January 15, 1993, in favor of Frankfurter Hypothekbank, and Encumbrance, dated January 15, 1993, in favor of Frankfurter Sparkasse are incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.

(iii) Loan Agreement (in English and German), dated January 29, 1993 between Lintas Deutschland GmbH and McCann-Erickson Deutschland is incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992. See Commission file number 1-6686.

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13 This Exhibit includes: (a) those portions of the Annual Report to Stockholders for the year ended December 31, 1998 which are included therein under the following headings: Financial Highlights; Vice-Chairman's Report of Management; Management's Discussion and Analysis of Financial Condition and Results of Operations; Consolidated Balance Sheet; Consolidated Statement of Income; Consolidated Statement of Cash Flows; Consolidated Statement of Stockholders' Equity and Comprehensive Income; Notes to Consolidated Financial Statements (the aforementioned Consolidated Financial Statements together with the Notes to Consolidated Financial Statements hereinafter shall be referred to as the "Consolidated Financial Statements"); Report of Independent Accountants; Selected Financial Data for Five Years and Stockholders Information.

21 Subsidiaries of the Registrant.

23 Consent of Independent Accountants:

PricewaterhouseCoopers LLP

Consent of Independent Auditors: Ernst & Young

Consent of Independent Auditors: Ernst & Young LLP

24 Power of Attorney to sign Form 10-K and resolution of Board of Directors re Power of Attorney.

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99 The Company filed the following reports on Form 8-K during the quarter ended December 31, 1998:

(a) Item 9: Sale of Equity Securities pursuant to Regulation S, dated October 27, 1993.

(b) Item 9: Sale of Equity Securities pursuant to Regulation S, dated October 29, 1998.

(c) Item 9: Sale of Equity Securities pursuant to Regulation S, dated November 30, 1998.

(d) Item 9: Sale of Equity Securities pursuant to Regulation S, dated December 4, 1998.

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(g) Item 9: Sale of Equity Securities pursuant to Regulation S, dated December 18, 1998.

(h) Item 9: Sale of Equity Securities pursuant to Regulation S,

dated December 18, 1998.

(i) Item 9: Sale of Equity Securities pursuant to Regulation S,
dated December 19, 1998.

(j) Item 9: Sale of Equity Securities pursuant to Regulation S,
dated December 22, 1998.

SUPPLEMENTAL AGREEMENT

SUPPLEMENTAL AGREEMENT made as of March 1, 1999 between THE INTERPUBLIC GROUP OF COMPANIES, INC., a Delaware corporation (the "Corporation") and EUGENE P. BEARD ("Executive").

W I T N E S S E T H:

WHEREAS, the Corporation and Executive are parties to an Employment Agreement made as of July 1, 1995 and Supplemental Agreements made as of March 12, 1997, September 1, 1997, October 30, 1998 and January 21, 1999 (hereinafter collectively referred to as the "Employment Agreement"); and WHEREAS, the Corporation and Executive desire to amend the Employment Agreement;

NOW, THEREFORE, in consideration of the mutual promises herein and in the Employment Agreement set forth, the parties hereto, intending to be legally bound, agree as follows:

1. Paragraph 3.02 of the Employment Agreement is hereby amended, effective March 1, 1999, to provide for payment of a salary at the rate of Eight Hundred Seventy Thousand Dollars (\$870,000) per annum.
2. Except as hereinabove amended, the Employment Agreement shall continue in full force and effect.
3. This Supplemental Agreement shall be governed by the laws of the State of New York, applicable to contracts made and fully to be performed therein.

THE INTERPUBLIC GROUP OF
COMPANIES, INC.

By: C. KENT KROEBER
C. KENT KROEBER

EUGENE P. BEARD
EUGENE P. BEARD

SUPPLEMENTAL AGREEMENT

SUPPLEMENTAL AGREEMENT made as of March 1, 1999 between THE INTERPUBLIC GROUP OF COMPANIES, INC., a Delaware corporation (the "Corporation") and FRANK B. LOWE ("Executive").

W I T N E S S E T H:

WHEREAS, the Corporation and Executive are parties to an Employment Agreement made as of January 1, 1996 and a Supplemental Agreement made as of March 1, 1998 (hereinafter collectively referred to as the "Employment Agreement"); and WHEREAS, the Corporation and Executive desire to amend the Employment Agreement;

NOW, THEREFORE, in consideration of the mutual promises herein and in the Employment Agreement set forth, the parties hereto, intending to be legally bound, agree as follows:

1. Section 3.01 of the Employment Agreement is hereby amended, effective March 1, 1999, so as to delete "\$850,000" and to substitute therefor "\$870,000".
2. Except as hereinabove amended, the Employment Agreement shall continue in full force and effect.

3. This Supplemental Agreement shall be governed by the laws of the State of New York, applicable to contracts made and fully to be performed therein.
THE INTERPUBLIC GROUP OF
COMPANIES, INC.

By: C. KENT KROEBER
C. KENT KROEBER

FRANK B. LOWE
FRANK B. LOWE

SUPPLEMENTAL AGREEMENT

SUPPLEMENTAL AGREEMENT made as of March 1, 1999 by and between THE INTERPUBLIC GROUP OF COMPANIES, INC., a Delaware corporation (the "Corporation"), AMMIRATI PURIS LINTAS INC., a New York corporation ("APL") and MARTIN F. PURIS ("Executive").

W I T N E S S E T H:

WHEREAS, the Corporation, APL and Executive are parties to an Employment Agreement made as of August 11, 1994 and Supplemental Agreements made as of May 10, 1995 and September 1, 1997 (hereinafter collectively referred to as the "Employment Agreement"); and

WHEREAS, the Corporation, APL and Executive desire to amend the Employment Agreement;

NOW, THEREFORE, in consideration of the mutual promises herein and in the Employment Agreement set forth, the parties hereto, intending to be legally bound, agree as follows:

1. Paragraph 3.01 of the Employment Agreement is hereby amended, effective March 1, 1999, so as to delete "\$850,000" and to substitute therefor "\$870,000".

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

3. This Supplemental Agreement shall be governed by the laws of the State of New York, applicable to contracts made and fully to be performed therein.

THE INTERPUBLIC GROUP OF
COMPANIES, INC.

By: C. KENT KROEBER
C. KENT KROEBER

AMMIRATI PURIS LINTAS
INC.

By: MARTIN F. PURIS
MARTIN F. PURIS

EXECUTIVE SEVERANCE AGREEMENT

This AGREEMENT ("Agreement") dated January 1, 1998, by and between The Interpublic Group of Companies, Inc. ("Interpublic"), a Delaware corporation (Interpublic and its subsidiaries being referred to herein collectively as the "Company"), and Barry R. Linsky (the "Executive").

W I T N E S S E T H

WHEREAS, the Company recognizes the valuable services that the Executive has rendered thereto and desires to be assured that the Executive will continue to attend to the business and affairs of the Company without regard to any potential or actual change of control of Interpublic; WHEREAS, the Executive is willing to continue to serve the Company but desires assurance that he will not be materially disadvantaged by a change of control of Interpublic; and WHEREAS, the Company is willing to accord such assurance provided that, should the Executive's employment be terminated consequent to a change of control, he will not for a period thereafter engage in certain activities that could be detrimental to the Company; NOW, THEREFORE, in consideration of the Executive's continued service to the Company and the mutual agreements herein contained, Interpublic and the Executive hereby agree as follows:

ARTICLE I RIGHT TO PAYMENTS

Section 1.1. TRIGGERING EVENTS. If Interpublic undergoes a Change of Control, the Company shall make payments to the Executive as provided in article II of this Agreement. If, within two years following a Change of Control, either (a) the Company terminates the Executive other than by means of a termination for Cause or for death or (b) the Executive resigns for a Good Reason (either of which events shall constitute a "Qualifying Termination"), the Company shall make payments to the Executive as provided in article III hereof.

Section 1.2. CHANGE OF CONTROL. A Change of Control of Interpublic shall be deemed to have occurred if (a) any person (within the meaning of Sections 13(d) and 14(d) of the Securities Exchange Act of 1934 (the "1934 Act")), other than Interpublic or any of its majority-controlled subsidiaries, becomes the beneficial owner (within the meaning of Rule 13d-3 under the 1934 Act) of 30 percent or more of the combined voting power of Interpublic's then outstanding voting securities; (b) a tender offer or exchange offer (other than an offer by Interpublic or a majority-controlled subsidiary), pursuant to which 30 percent or more of the combined voting power of Interpublic's then outstanding voting securities was purchased, expires; (c) the stockholders of Interpublic approve an agreement to merge or consolidate with another corporation (other than a majority-controlled subsidiary of

Interpublic) unless Interpublic's shareholders immediately before the merger or consolidation are to own more than 70 percent of the combined voting power of the resulting entity's voting securities; (d) Interpublic's stockholders approve an agreement (including, without limitation, a plan of liquidation) to sell or otherwise dispose of all or substantially all of the business or assets of Interpublic; or (e) during any period of two consecutive years,

individuals who, at the beginning of such period, constituted the Board of Directors of Interpublic cease for any reason to constitute at least a majority thereof, unless the election or the nomination for election by Interpublic's stockholders of each new director was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of the period. However, no Change of Control shall be deemed to have occurred by reason of any transaction in which the Executive, or a group of persons or entities with which the Executive acts in concert, acquires, directly or indirectly, more than 30 percent of the common stock or the business or assets of Interpublic.

Section 1.3. TERMINATION FOR CAUSE. Interpublic shall have Cause to terminate the Executive for purposes of Section 1.1 of this Agreement only if, following the Change of Control, the Executive (a) engages in conduct that constitutes a felony under the laws of the United States or a state or country in which he works or resides and that results or was intended to result, directly or indirectly,

in the personal enrichment of the Executive at the Company's expense; (b) refuses (except by reason of incapacity due to illness or injury) to make a good faith effort to substantially perform his duties with the Company on a full-time basis and continues such refusal for 15 days following receipt of notice from the Company that his effort is deficient; or (c) deliberately and materially breaches any agreement between himself and the Company and fails to remedy that breach within 30 days following notification thereof by the Company. If the Company has Cause to terminate the Executive, it may in fact terminate him for Cause for purposes of section 1.1 hereof if (a) it notifies the Executive of such Cause, (b) it gives him reasonable opportunity to appear before a majority of Interpublic's Board of Directors to respond to the notice of Cause and (c) a majority of the Board of Directors subsequently votes to terminate him.

Section 1.4. RESIGNATION FOR GOOD REASON. The Executive shall have a Good Reason for resigning only if (a) the Company fails to elect the Executive to, or removes him from, any office of the Company, including without limitation membership on any Board of Directors, that the Executive held immediately prior to the Change of Control; (b) the Company reduces the Executive's rate of regular cash and fully vested deferred base compensation ("Regular Compensation") from that which he earned immediately prior to the Change of Control or fails to increase it within 12 months following the Change of Control by (in addition to

any increase pursuant to section 2.2 hereof) at least the average of the rates of increase in his Regular Compensation during the four consecutive 12-month periods immediately prior to the Change of Control (or, if fewer, the number of 12-month periods immediately prior to the Change of Control during which the Executive was continuously employed by the Company); (c) the Company fails to provide the Executive with fringe benefits and/or bonus plans, such as stock option, stock purchase, restricted stock, life insurance, health, accident, disability, incentive, bonus, pension and profit sharing plans ("Benefit or Bonus Plans"), that, in the aggregate, (except insofar as the Executive has waived his rights thereunder pursuant to article II hereof) are as valuable to him as those that he enjoyed immediately prior to the Change of Control; (d) the Company fails to provide the Executive with an annual number of paid vacation days at least equal to that to which he was entitled immediately prior to the Change of Control; (e) the Company breaches any agreement between it and the Executive (including this Agreement); (f) without limitation of the foregoing clause (e), the Company fails to obtain the express assumption of this Agreement by any successor of the Company as provided in section 6.3 hereof; (g) the Company attempts to terminate

the Executive for Cause without complying with the provisions of section 1.3 hereof; (h) the Company requires the Executive, without his express written consent, to be based in an office outside of the office in which Executive

is based on the date hereof or to travel substantially more extensively than he did prior to the Change of Control; or (i) the Executive determines in good faith that the Company has, without his consent, effected a significant change in his status within, or the nature or scope of his duties or responsibilities with, the Company that obtained immediately prior to the Change of Control (including but not limited to, subjecting the Executive's activities and exercise of authority to greater immediate supervision than existed prior to the Change of Control);, HOWEVER PROVIDED, that no event designated in clauses (a) through (i) of this sentence shall constitute a Good Reason unless the Executive notifies Interpublic that the Company has committed an action or inaction specified in clauses (a) through (i) (a "Covered Action") and the Company does not cure such Covered Action within 30 days after such notice, at which time such Good Reason shall be deemed to have arisen. Notwithstanding the immediately preceding sentence, no action by the Company shall give rise to a Good Reason if it results from the Executive's termination for Cause or death or from the Executive's resignation for other than a Good Reason, and no action by the Company specified in clauses (a) through (i) of the preceding sentence shall give rise to a Good Reason if it results from the Executive's Disability. If the Executive has a Good Reason to resign, he may in fact resign for a Good Reason for purposes of section 1.1 of this Agreement by, within 30 days after the Good Reason arises, giving Interpublic a minimum of 30 and a maximum of 90 days

advance notice of the date of his resignation.
Section 1.5. DISABILITY. For all purposes of this Agreement, the term "Disability" shall have the same meaning as that term has in the Interpublic Long-Term Disability Plan.

ARTICLE II PAYMENTS UPON A CHANGE OF CONTROL

Section 2.1. ELECTIONS BY THE EXECUTIVE. If the Executive so elects prior to a Change of Control, the Company shall pay him, within 30 days following the Change of Control, cash amounts in respect of certain Benefit or Bonus Plans or deferred compensation arrangements designated in sections 2.2 through 2.4 hereof ("Plan Amounts"). The Executive may make an election with respect to the Benefit or Bonus Plans or deferred compensation arrangements covered under any one or more of sections 2.2 through 2.4, but an election with respect to any such section shall apply to all Plan Amounts that are specified therein. Each election shall be made by notice to Interpublic on a form satisfactory to Interpublic and, once made, may be revoked by such notice on such form at any time prior to a Change of Control. If the Executive elects to receive payments under a section of this article II, he shall, upon receipt of such payments, execute a waiver, on a form satisfactory to Interpublic, of such rights as are indicated in that section. If the Executive does not make an election under

this article with respect to a Benefit or Bonus Plan or deferred compensation arrangement, his rights to receive payments in respect thereof shall be governed by the Plan or arrangement itself.

Section 2.2. ESBA. The Plan Amount in respect of all Executive Special Benefit Agreements ("ESBA's") between the Executive and Interpublic shall consist of an amount equal to the present discounted values, using the Discount Rate designated in section 5.8 hereof as of the date of the Change of Control, of all payments that the Executive would

have been entitled to receive under the ESBA's if he had terminated employment with the Company on the day immediately prior to the Change of Control. Upon receipt of the Plan Amount in respect of the ESBA's, the Executive shall waive any rights that he may have to payments under the ESBA's. If the Executive makes an election pursuant to, and executes the waiver required under, this section 2.2, his Regular Compensation shall be increased as of the date of the Change of Control at an annual rate equal to the sum of the annual rates of deferred compensation in lieu of which benefits are provided the Executive under any ESBA the Accrual Term for which (as defined in the ESBA) includes the date of the Change of Control.

Section 2.3. MICP. The Plan Amount in respect of the Company's Management Incentive Compensation Plans ("MICP") and/or the 1997 Performance Incentive Plan ("1997 PIP") shall consist of an amount equal to the sum of all amounts awarded to the Executive under, but deferred

pursuant to, the MICP and/or the 1997 PIP as of the date of the Change of Control and all amounts equivalent to interest creditable thereon up to the date that the Plan Amount is paid. Upon receipt of that Plan Amount, the Executive shall waive his rights to receive any amounts under the MICP and/or the 1997 PIP that were deferred prior to the Change of Control and any interest equivalents thereon.

Section 2.4. DEFERRED COMPENSATION. The Plan Amount in respect of deferred compensation (other than amounts referred to in other sections of this article II) shall be an amount equal to all compensation from the Company that the Executive has earned and agreed to defer (other than through the Interpublic Savings Plan pursuant to Section 401(k) of the Internal Revenue Code (the "Code")) but has not received as of the date of the Change of Control, together with all amounts equivalent to interest creditable thereon through the date that the Plan Amount is paid. Upon receipt of this Plan Amount, the Executive shall waive his rights to receive any deferred compensation that he earned prior to the date of the Change of Control and any interest equivalents thereon.

Section 2.5. STOCK INCENTIVE PLANS. The effect of a Change of Control on the rights of the Executive with respect to options and restricted shares awarded to him under the Interpublic 1986 Stock Incentive Plan, the 1996 Stock Incentive Plan and the 1997 Performance Incentive Plan, shall be governed by those Plans and not by this Agreement.

ARTICLE III

PAYMENTS UPON QUALIFYING TERMINATION

Section 3.1. BASIC SEVERANCE PAYMENT. In the event that the Executive is subjected to a Qualifying Termination within two years after a Change of Control, the Company shall pay the Executive within 30 days after the effective date of his Qualifying Termination (his "Termination Date") a cash amount equal to his Base Amount times the number designated in Section 5.9 of this Agreement (the "Designated Number"). The Executive's Base Amount shall equal the average of the Executive's Includable Compensation for the two whole calendar years immediately preceding the date of the Change of Control (or, if the Executive was employed by the Company for only one of those years, his Includable Compensation for that year). The Executive's Includable Compensation for a calendar year shall consist of (a) the compensation reported by the Company on the Form W-2 that it filed with the Internal Revenue Service for that year in respect of the Executive or which would have been reported on such form but for the fact that Executive's services were performed outside of the United States, plus (b) any compensation payable to the Executive during that year the receipt of which was deferred at the Executive's election or by employment agreement to a subsequent year, minus (c) any amounts included on the Form

W-2 (or which would have been included if Executive had been employed in the United States) that represented either (i) amounts in respect of a stock option or restricted stock

plan of the Company or (ii) payments during the year of amounts payable in prior years but deferred at the Executive's election or by employment agreement to a subsequent year. The compensation referred to in clause (b) of the immediately preceding sentence shall include, without limitation, amounts initially payable to the Executive under the MICP or a Long-Term Performance Incentive Plan or the 1997 PIP in that year but deferred to a subsequent year, the amount of deferred compensation for the year in lieu of which benefits are provided the Executive under an ESBA and amounts of Regular Compensation earned by the Executive during the year but deferred to a subsequent year (including amounts deferred under Interpublic Savings Plan pursuant to Section 401(k) of the Code); clause (c) of such sentence shall include, without limitation, all amounts equivalent to interest paid in respect of deferred amounts and all amounts of Regular Compensation paid during the year but earned in a prior year and deferred.

Section 3.2. MICP SUPPLEMENT. The Company shall also pay the Executive within 30 days after his Termination Date a cash amount equal to (a) in the event that the Executive received an award under the MICP (or the Incentive Award program applicable outside the United States) or the 1997 PIP ("Incentive Award") in respect of the year immediately prior to the year that includes the Termination Date (the latter year constituting the "Termination Year"), the amount of that award multiplied by the fraction of the Termination Year preceding the Termination Date or (b) in

the event that the Executive did not receive an MICP award (or an Incentive Award) in respect of the year immediately prior to the Termination Year, the amount of the MICP award (or Incentive Award) that Executive received in respect of the second year immediately prior to the Termination Year multiplied by one plus the fraction of the Termination Year preceding the Termination Date.

ARTICLE IV TAX MATTERS

Section 4.1. WITHHOLDING. The Company may withhold from any amounts payable to the Executive hereunder all federal, state, city or other taxes that the Company may reasonably determine are required to be withheld pursuant to any applicable law or regulation, but, if the Executive has made the election provided in section 4.2 hereof, the Company shall not withhold amounts in respect of the excise tax imposed by Section 4999 of the Code or its successor.

Section 4.2. DISCLAIMER. If the Executive so agrees prior to a Change of Control by notice to the Company in form satisfactory to the Company, the amounts payable to the Executive under this Agreement but not yet paid thereto shall be reduced to the largest amounts in the aggregate that the Executive could receive, in conjunction with any other payments received or to be received by him from any source, without any part of such amounts being subject to the excise tax imposed by Section 4999 of the Code or its successor. The amount of such reductions and their

allocation among amounts otherwise payable to the Executive shall be determined either by the Company or by the Executive in consultation with counsel chosen (and compensated) by him, whichever is designated by the Executive in the aforesaid notice to the Company (the "Determining Party"). If, subsequent to the payment to the Executive of amounts reduced pursuant to this section 4.2, the Determining Party should reasonably determine, or the Internal Revenue Service should assert against the party

other than the Determining Party, that the amount of such reductions was insufficient to avoid the excise tax under Section 4999 (or the denial of a deduction under Section 280G of the Code or its successor), the amount by which such reductions were insufficient shall, upon notice to the other party, be deemed a loan from the Company to the Executive that the Executive shall repay to the Company within one year of such reasonable determination or assertion, together with interest thereon at the applicable federal rate provided in section 7872 of the Code or its successor. However, such amount shall not be deemed a loan if and to the extent that repayment thereof would not eliminate the Executive's liability for any Section 4999 excise tax.

ARTICLE V
COLLATERAL MATTERS

Section 5.1. NATURE OF PAYMENTS. All payments to the Executive under this Agreement shall be considered either payments in consideration of his continued service to

the Company, severance payments in consideration of his past services thereto or payments in consideration of the covenant contained in section 5.10 hereof. No payment hereunder shall be regarded as a penalty to the Company.

Section 5.2. LEGAL EXPENSES. The Company shall pay all legal fees and expenses that the Executive may incur as a result of the Company's contesting the validity, the enforceability or the Executive's interpretation of, or determinations under, this Agreement. Without limitation of the foregoing, Interpublic shall, prior to the earlier of (a) 30 days after notice from the Executive to Interpublic so requesting or (b) the occurrence of a Change of Control, provide the Executive with an irrevocable letter of credit in the amount of \$100,000 from a bank satisfactory to the Executive against which the Executive may draw to pay legal fees and expenses in connection with any attempt to enforce any of his rights under this Agreement. Said letter of credit shall not expire before 10 years following the date of this Agreement.

Section 5.3. MITIGATION. The Executive shall not be required to mitigate the amount of any payment provided for in this Agreement either by seeking other employment or otherwise. The amount of any payment provided for herein shall not be reduced by any remuneration that the Executive may earn from employment with another employer or otherwise following his Termination Date.

Section 5.4. SETOFF FOR DEBTS. The Company may reduce the amount of any payment due the Executive under

article III of this Agreement by the amount of any debt owed by the Executive to the Company that is embodied in a written instrument, that is due to be repaid as of the due date of the payment under this Agreement and that the Company has not already recovered by setoff or otherwise.

Section 5.5. COORDINATION WITH EMPLOYMENT

CONTRACT. Payments to the Executive under article III of this Agreement shall be in lieu of any payments for breach of any employment contract between the Executive and the Company to which the Executive may be entitled by reason of a Qualifying Termination, and, before making the payments to the Executive provided under article III hereof, the Company may require the Executive to execute a waiver of any rights that he may have to recover payments in respect of a breach of such contract as a result of a Qualifying Termination. If the Executive has a Good Reason to resign and does so by providing the notice specified in the last sentence of section 1.4 of this Agreement, he shall be deemed to have satisfied any notice requirement for resignation, and any service requirement following such notice, under any employment contract between the Executive and the Company.

Section 5.6. BENEFIT OF BONUS PLANS. Except as

otherwise provided in this Agreement or required by law, the Company shall not be compelled to include the Executive in any of its Benefit or Bonus Plans following the Executive's Termination Date, and the Company may require the Executive, as a condition to receiving the payments provided under article III hereof, to execute a waiver of any such rights.

However, said waiver shall not affect any rights that the Executive may have in respect of his participation in any Benefit or Bonus Plan prior to his Termination Date.

Section 5.7. FUNDING. Except as provided in section 5.2 of this Agreement, the Company shall not be required to set aside any amounts that may be necessary to satisfy its obligations hereunder. The Company's potential obligations to make payments to the Executive under this Agreement are solely contractual ones, and the Executive shall have no rights in respect of such payments except as a general and unsecured creditor of the Company.

Section 5.8. DISCOUNT RATE. For purposes of this Agreement, the term "Discount Rate" shall mean the applicable Federal short-term rate determined under Section 1274(d) of the Code or its successor. If such rate is no longer determined, the Discount Rate shall be the yield on 2-year Treasury notes for the most recent period reported in the most recent issue of the Federal Reserve Bulletin or its successor, or, if such rate is no longer reported therein, such measure of the yield on 2-year Treasury notes as the Company may reasonably determine.

Section 5.9. DESIGNATED NUMBER. For purposes of this Agreement, the Designated Number shall be two (2.0).

Section 5.10. COVENANT OF EXECUTIVE. In the event that the Executive undergoes a Qualifying Termination that entitles him to any payment under article III of this Agreement, he shall not, for 18 months following his Termination Date, either (a) solicit any employee of

Interpublic or a majority-controlled subsidiary thereof to leave such employ and enter into the employ of the Executive or any person or entity with which the Executive is associated or (b) solicit or handle on his own behalf or on behalf of any person or entity with which he is associated the advertising, public relations, sales promotion or market research business of any advertiser that is a client of Interpublic or a majority-controlled subsidiary thereof as of the Termination Date. Without limitation of any other remedies that the Company may pursue, the Company may enforce its rights under this section 5.10 by means of injunction. This section shall not limit any other right or remedy that the Company may have under applicable law or any other agreement between the Company and the Executive.

ARTICLE VI GENERAL PROVISIONS

Section 6.1. TERM OF AGREEMENT. This Agreement shall terminate upon the earliest of (a) the expiration of five years from the date of this Agreement if no Change of Control has occurred during that period; (b) the termination of the Executive's employment with the Company for any reason prior to a Change of Control; (c) the Company's termination of the Executive's employment for Cause or death, the Executive's compulsory retirement within the provisions of 29 U.S.C. §631(c) (or, if Executive is not a citizen or resident of the United States, compulsory

retirement under any applicable procedure of the Company in effect immediately prior to the change of control) or the Executive's resignation for other than Good Reason, following a Change of Control and the Company's and the Executive's fulfillment of all of their obligations under this Agreement; and (d) the expiration following a Change of Control of the Designated Number plus three years and the

fulfillment by the Company and the Executive of all of their obligations hereunder.

Section 6.2. GOVERNING LAW. Except as otherwise expressly provided herein, this Agreement and the rights and obligations hereunder shall be construed and enforced in accordance with the laws of the State of New York.

Section 6.3. SUCCESSORS TO THE COMPANY. This Agreement shall inure to the benefit of Interpublic and its subsidiaries and shall be binding upon and enforceable by Interpublic and any successor thereto, including, without limitation, any corporation or corporations acquiring directly or indirectly all or substantially all of the business or assets of Interpublic whether by merger, consolidation, sale or otherwise, but shall not otherwise be assignable by Interpublic. Without limitation of the foregoing sentence, Interpublic shall require any successor (whether direct or indirect, by merger, consolidation, sale or otherwise) to all or substantially all of the business or assets of Interpublic, by agreement in form satisfactory to the Executive, expressly, absolutely and unconditionally to assume and agree to perform this Agreement in the same

manner and to the same extent as Interpublic would have been required to perform it if no such succession had taken place. As used in this agreement, "Interpublic" shall mean Interpublic as heretofore defined and any successor to all or substantially all of its business or assets that executes and delivers the agreement provided for in this section 6.3 or that becomes bound by this Agreement either pursuant to this Agreement or by operation of law.

Section 6.4. SUCCESSOR TO THE EXECUTIVE. This Agreement shall inure to the benefit of and shall be binding upon and enforceable by the Executive and his personal and legal representatives, executors, administrators, heirs, distributees, legatees and, subject to section 6.5 hereof, his designees ("Successors"). If the Executive should die while amounts are or may be payable to him under this Agreement, references hereunder to the "Executive" shall, where appropriate, be deemed to refer to his Successors.

Section 6.5. NONALIENABILITY. No right of or amount payable to the Executive under this Agreement shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, hypothecation, encumbrance, charge, execution, attachment, levy or similar process or (except as provided in section 5.4 hereof) to setoff against any obligation or to assignment by operation of law. Any attempt, voluntary or involuntary, to effect any action specified in the immediately preceding sentence shall be void. However, this section 6.5 shall not prohibit the

Executive from designating one or more persons, on a form satisfactory to the Company, to receive amounts payable to him under this Agreement in the event that he should die before receiving them.

Section 6.6. NOTICES. All notices provided for in this Agreement shall be in writing. Notices to Interpublic shall be deemed given when personally delivered or sent by certified or registered mail or overnight delivery service to The Interpublic Group of Companies, Inc., 1271 Avenue of the Americas, New York, New York 10020, attention: Corporate Secretary. Notices to the Executive shall be deemed given when personally delivered or sent by certified or registered mail or overnight delivery service to the last address for the Executive shown on the records of the Company. Either Interpublic or the Executive may, by notice to the other, designate an address other than the foregoing for the receipt of subsequent notices.

Section 6.7. AMENDMENT. No amendment of this Agreement shall be effective unless in writing and signed by both the Company and the Executive.

Section 6.8. WAIVERS. No waiver of any provision of this Agreement shall be valid unless approved in writing by the party giving such waiver. No waiver of a breach

under any provision of this Agreement shall be deemed to be a waiver of such provision or any other provision of this Agreement or any subsequent breach. No failure on the part of either the Company or the Executive to exercise, and no delay in exercising, any right or remedy conferred by law or

this Agreement shall operate as a waiver of such right or remedy, and no exercise or waiver, in whole or in part, of any right or remedy conferred by law or herein shall operate as a waiver of any other right or remedy.

Section 6.9. SEVERABILITY. If any provision of this Agreement shall be held invalid or unenforceable in whole or in part, such invalidity or unenforceability shall not affect any other provision of this Agreement or part thereof, each of which shall remain in full force and effect.

Section 6.10. CAPTIONS. The captions to the respective articles and sections of this Agreement are intended for convenience of reference only and have no substantive significance.

Section 6.11. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original but all of which together shall constitute a single instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

THE INTERPUBLIC GROUP OF
COMPANIES, INC.

By: C. KENT KROEBER
C. KENT KROEBER

BARRY R. LINSKY
BARRY R. LINSKY

June 16, 1998

Mr. Windsor R. Davies
Lloyds Bank
575 Fifth Avenue
New York, NY 10017

RE: CREDIT AGREEMENT BETWEEN THE INTERPUBLIC
GROUP OF COMPANIES, INC. AND LLOYDS BANK PLC.

Dear Windsor:

We are writing to you in connection with the Credit Agreement between The Interpublic Group of Companies, Inc. and Lloyds Bank Plc dated July 3, 1995 (the "Agreement"). Section 2.13 of the Agreement provides that the Borrower may request extension of the Commitment under the Agreement for an additional period of one year from the then current Termination Date.

Notwithstanding the dates specified in Section 2.13 of the Agreement for requesting such extension, we hereby request that you extend the Termination Date of the Agreement to July 3, 1999. If you are agreeable to our request, please so indicate by signing and returning the duplicate copy of this letter which we have enclosed herewith.

Thank you.

Sincerely,

ALAN M. FORSTER
ALAN M. FORSTER

ACCEPTED AND AGREED:
LLOYDS BANK PLC

By: DAVID C. RODWAY
DAVID C. RODWAY
ASSISTANT VICE PRESIDENT

BY: W. CAMPOSANO
W. CAMPOSANO

Date: _____

cc: Ms. Barbara Gmora
Mr. Theodore S. Paraskevas
Ms. Marti M. Spears

AMENDMENT NO. 7 TO CREDIT AGREEMENT

AMENDMENT NO. 7, dated as of November 23, 1998, to the Credit Agreement dated as of September 30, 1992 and effective as of December 22, 1992, as amended on April 30, 1993, October 5, 1993, August 15, 1994, December 1, 1994, August 3, 1995 and August 28, 1997 (the "Agreement"), between The Interpublic Group of Companies, Inc. (the "Borrower") and CITIBANK, N.A. (the "Bank").

SECTION 1. AMENDMENTS:

(a) Notwithstanding the dates specified in Sections 1.1 and 2.13 of the Agreement and subsequent correspondence, including the letter dated September 20, 1996 from the Borrower to the Bank extending the Termination Date to December 1, 1998, Section 1.1 is hereby amended by changing the Termination Date to "September 30, 2001".

(b) Section 2.1 of the Credit Agreement is hereby amended by changing the figure on the fifth line therein to the figure "\$35,000,000".

(c) Exhibit A to the Credit Agreement and the corresponding Note delivered to the Bank thereunder are hereby amended by changing the figure on the top left corner therein to the figure "\$35,000,000".

(d) Upon the effectiveness of this Amendment pursuant to Section 4 hereof, the Bank shall be authorized to endorse on the Note issued to it the following legend: "The Commitment of the Bank reflected on the top left corner of this Note has been increased to \$35,000,000 pursuant to an Amendment dated as of November 23, 1998 to the Credit Agreement referred to in this Note", or a legend of similar effect.

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

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

terms.

SECTION 3. MISCELLANEOUS. (a) Unless otherwise specifically defined herein, each term used herein which is a defined term shall have the meaning as defined in the Credit Agreement; (b) each reference to "hereof", "hereunder", "herein" and "hereby" and each other similar reference, and each reference to "this Agreement" and each other similar reference contained in the Credit Agreement shall from and after the date hereof refer to the Credit Agreement as amended hereby; and (c) except as specifically amended above, the Credit Agreement shall remain in full force and effect and is hereby ratified and confirmed.

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

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

THE INTERPUBLIC GROUP OF
COMPANIES, INC.

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

CITIBANK, N.A.

By: ERIC HUTTNER
ERIC HUTTNER
ATTORNEY-IN-FACT

CREDIT AGREEMENT
BETWEEN
INTERPUBLIC GROUP OF COMPANIES, INC.

AND

WACHOVIA BANK OF GEORGIA, N.A.

US\$25,000,000

Dated as of October 1, 1998, effective December 23, 1998

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CREDIT AGREEMENT

AGREEMENT dated as of October 1, 1998 between THE INTERPUBLIC GROUP OF COMPANIES, INC., a Delaware corporation (the "Borrower"), and WACHOVIA BANK OF GEORGIA, N.A., a national banking institution (the Bank").

SECTION 1
INTERPRETATIONS AND DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"DEBT" of any Person means at any date, without duplication, (i) all obligations of such Person for borrowed money, including reimbursement obligations for letters of credit, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (iv) all obligations of such Person as lessee under capital leases, (v) all Debt of others secured by a Lien on any asset of such Person, whether or not such Debt is assumed by such Person, and (vi) all Debt of others Guaranteed by such Person, but in each case specified in (i) through (vi) excludes obligations arising in connection with securities repurchase transactions.

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

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

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

"DOMESTIC LENDING OFFICE" means the principal office of the Bank located at 191 Peachtree Street, N.E., Atlanta, Georgia 30303, or such other branch (or affiliate) located within the United States as the Bank may hereafter designate as its Domestic Lending Office.

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

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

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

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

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

"EURODOLLAR LENDING OFFICE" means the office of the Bank located at 191 Peachtree Street, N.E., Atlanta, Georgia 30303, or such other branch (or affiliate) of the Bank as it may hereafter designate as its Eurodollar Lending Office.

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

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

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

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

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

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

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

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

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

respect to each Base Rate Loan the period commencing on the date of such Loan and ending 30 days thereafter PROVIDED, that:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

judgment) rendered against each Consolidated Subsidiary included in such group.

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

"TERMINATION DATE" means September 30, 2001 or such later date to which the Commitment is extended in accordance with Section 2.13 hereof.

"TOTAL BORROWED FUNDS" means at any date, without duplication, (i) all outstanding obligations of the Borrower and its Consolidated Subsidiaries for borrowed money, (ii) all outstanding obligations of the Borrower and its Consolidated Subsidiaries evidenced by bonds, debentures, notes or similar instruments and (iii) any outstanding obligations of the type set forth in (i) or (ii) of any other Person Guaranteed by the Borrower and its Consolidated Subsidiaries, it being understood that the obligation to repurchase securities transferred pursuant to a securities repurchase agreement shall not be deemed to give rise to any amount of Total Borrowed Funds pursuant to this definition.

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

SECTION 2
THE LOANS

2.1 COMMITMENT. At any time prior to the Termination Date the Bank agrees, on the terms and conditions set forth in this Agreement, to lend to the Borrower from time to time amounts not exceeding in the aggregate at any one time outstanding the principal amount of \$25,000,000 (the "Commitment"). Each Loan under this Section 2.1 shall be in the principal amount of \$1,000,000 (except that any such Loan may be in the amount of the unused Commitment) or any larger multiple thereof. During such period and within the foregoing limits, the Borrower may borrow under this Section 2.1, repay or to the extent permitted by Section 2.9 hereof prepay Loans and reborrow under this Section 2.1.

2.2 METHOD OF BORROWING.

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

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

(ii) the principal amount of such Loan;

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

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

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

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

2.3 THE NOTE.

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

(b) The Bank shall record and prior to any transfer, if permitted, of its Note, shall endorse on the schedule forming a part thereof appropriate notations evidencing the date, the type, the amount and the maturity of each Loan to be evidenced by the Note

and the date and amount of each payment of principal made by the Borrower with respect thereto; provided that the failure of the Bank to make any such recordation or endorsement shall not affect the obligations of the Borrower hereunder or under the Note and, further provided, the Bank shall make such additions and deletions as the Borrower may request in order to correct any mistakes. The Bank is hereby irrevocably authorized by the Borrower so to endorse the Note and to attach to and make a part of the Note a continuation of any such schedule as and when required.

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

2.5 INTEREST RATES.

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

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

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

The "CD MARGIN" means (i) .4250%, if at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .40 to 1 and the Borrower's ratio to Cash Flow to Total Borrowed Funds was equal to or greater than .50 to 1; or (ii) .5250%, if (a) the conditions of clause (i) have not been satisfied and (b) at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .70 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .35 to 1; or (iii) .6250%, if the conditions set forth in both clauses (i) and (ii) are not satisfied.

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

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

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

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

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

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

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

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

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

The "EURODOLLAR RESERVE PERCENTAGE" means for any day that percentage (expressed as a decimal) which is in effect on such day, as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement for a member bank of the Federal Reserve System with deposits exceeding five billion dollars in respect of "Eurocurrency liabilities" (or in respect of any other category of liabilities which includes deposits by reference to which the interest rate on Eurodollar Loans is determined or any category of extensions of credit or other assets which includes loans by a non-United States office of the Bank to United States residents). The Adjusted London Interbank Offered Rate shall be adjusted automatically on and as of the effective date of any change in the Eurodollar Reserve Percentage.

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

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

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

Total Borrowed Funds to Consolidated Net Worth was equal to or less than .70 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .35 to 1; or (iii) .180% of the unused portion of the Commitment, if the conditions set forth in clauses (i) and (ii) are not satisfied. Such fees shall accrue from the date hereof to and including the Termination Date and shall be payable quarterly in arrears on the last day of each June, September, December and March and on any date on which the Commitment is terminated or otherwise reduced.

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

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

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

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

2.10 GENERAL PROVISIONS AS TO PAYMENTS. The Borrower shall make each payment of principal of, and interest on, the Loans and of commitment fees hereunder not later than 11:00 a.m. (New York City time) on the date when due in funds immediately available at the office of the Bank in Atlanta, Georgia for the account of (i) the Domestic Lending Office in the case of Domestic Loans and Money Market Rate Loans or (ii) the Eurodollar Lending Office in the case of

Eurodollar Loans. Whenever any payment of principal of, or interest on, the Domestic Loans, the Money Market Rate Loans, the commitment fee shall be due on a day which is not a Domestic Business Day, the date for payment thereof shall

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

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

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

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

SECTION 3 CONDITIONS OF LENDING

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 4 CHANGE IN CIRCUMSTANCES AFFECTING LOANS

4.1 BASIS FOR DETERMINING INTEREST RATE INADEQUATE.
If on or prior to the first day of any Interest Period

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

4.2 ILLEGALITY. If, after the date of this Agreement, the adoption of any applicable law, rule or regulation, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Bank (or its Euro-Dollar Lending Office) with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency shall make it unlawful or impossible for the Bank (or its Eurodollar Lending Office) to make, maintain or fund its Eurodollar Loans, the Bank shall forthwith so notify the Borrower, whereupon the Bank's obligation to make EuroDollar Loans shall be suspended. Before giving any notice to the Borrower pursuant to this Section 4.2, the Bank will

designate a different Eurodollar Lending Office if such designation will avoid the need for giving such notice and will not, in the judgment of the Bank, be otherwise disadvantageous to the Bank. If the Bank shall determine that it may not lawfully continue to maintain and fund any of its outstanding EuroDollar Loans to maturity and shall so specify in such notice, the Borrower shall immediately prepay in full the then outstanding principal amount of each such EuroDollar Loan, together with accrued interest thereon.

4.3 INCREASED COSTS AND REDUCED RETURNS.

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

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

(ii) shall impose, modify or deem applicable any reserve, special deposit or similar requirement (including, without limitation, any imposed by the Board of Governors of the Federal Reserve System, but excluding (A) with respect to

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

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

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

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

SECTION 5 REPRESENTATIONS AND WARRANTIES

The Borrower hereby represents and warrants to the Bank that:

5.1 CORPORATE EXISTENCE AND POWER. The Borrower is a corporation duly organized, incorporated, validly existing and in good standing under the laws of the State of its

incorporation, and has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted.

5.2 CORPORATE AND GOVERNMENTAL AUTHORIZATION:

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

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

5.4 FINANCIAL INFORMATION.

(a) The consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as at December 31, 1997 and the related consolidated statements of income and retained earnings and cash flows of the Borrower and its Consolidated Subsidiaries for the fiscal year then ended, certified by Price Waterhouse, certified public accountants, and set forth in the Borrower's most recent Annual Report on Form 10-K, a copy of which has been delivered to the Bank, fairly present in conformity with generally accepted accounting principles, the consolidated financial position of the Borrower and its Consolidated Subsidiaries at such date and the consolidated results of operations for such fiscal year;

(b) Since December 31, 1997 there has been no material adverse change in the business, financial position or results of operations of the Borrower and its Consolidated Subsidiaries, considered as a whole, other than as a result of the recognition of post-employment costs prior to the period in which such benefits are paid.

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

5.6 COMPLIANCE WITH ERISA. Each member of the ERISA Group has fulfilled its obligations under the minimum funding standards of ERISA and the Code with respect to each Plan and is in compliance in all material respects with the presently applicable provisions of ERISA and the Code except where the failure to comply would not have a material adverse effect on the Borrower and its Consolidated Subsidiaries taken as a whole. No member of the ERISA Group

has incurred any unsatisfied material liability to the PBGC or a Plan under Title IV of ERISA other than a liability to the PBGC for premiums under Section 4007 of ERISA.

5.7 TAXES. United States Federal income tax returns of the Borrower and its Consolidated Subsidiaries have been examined and closed through the fiscal year ended December 31, 1993. The Borrower and its Consolidated Subsidiaries have filed all United States Federal income tax returns and all other material tax returns which are required to be filed by them and have paid all taxes due reported on such returns or pursuant to any assessment received by the Borrower or any Consolidated Subsidiary, to the extent that such assessment has become due. The charges, accruals and reserves on the books of the Borrower and its Consolidated Subsidiaries in respect of taxes or other governmental charges are, in the opinion of the Borrower, adequate except for those which are being contested in good faith by the Borrower.

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

SECTION 6 COVENANTS

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

6.1 INFORMATION. The Borrower will deliver to the Bank:

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

(b) as soon as available and in any event within 50 days after the end of each of the first three quarters of each fiscal year of the Borrower, an unaudited consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as at the end of such quarter and the related unaudited consolidated statements of income and retained earnings and statement of cash flows of the Borrower and its Consolidated Subsidiaries for such quarter and for the portion of the Borrower's fiscal year ended at the end of such quarter setting forth in each case in comparative form the figures for the corresponding quarter and the corresponding portion of the Borrower's previous fiscal year, all certified (subject to changes resulting from year-end adjustments) as to fairness of presentation, in conformity with generally accepted accounting principles (other than as to footnotes) and consistency (except to the extent of any changes described therein and permitted by generally accepted accounting principles) by the chief financial officer or the chief accounting officer of the Borrower;

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

(d) within 10 days of the chief executive officer, chief operating officer, principal financial officer or principal accounting officer of the Borrower obtaining knowledge of any event or circumstance known

by such person to constitute a Default, if such Default is then continuing, a certificate of the principal financial officer or the principal accounting officer of the Borrower setting forth the details thereof and within five days thereafter, a certificate of either of such officers setting forth the action which the Borrower is taking or proposes to take with respect thereto;

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

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

(g) if and when the chief executive officer, chief operating officer, principal financial officer or principal accounting officer of the Borrower obtains knowledge that any member of the ERISA Group (i) has given or is required to give notice to the PBGC of any "reportable event" (as defined in Section 4043 of ERISA) with respect to any Plan which might constitute grounds for a termination of such Plan under Title IV of ERISA, or knows that the plan administrator of any Plan has given or is required to give notice of any such reportable event, a copy of the notice of such reportable event given or required to be given to the PBGC; (ii) has received notice of complete or partial withdrawal liability under Title IV of ERISA or notice that any Multiemployer Plan is in reorganization, is insolvent or has been terminated, a copy of such notice; or (iii) has received notice from the PBGC under Title IV of ERISA of an intent to terminate, impose liability (other than for premiums under Section 4007 of ERISA) in respect of, or appoint a trustee to administer any Plan, a copy of such notice;

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

(i) from time to time such additional information

regarding the financial position or business of the Borrower as the Bank may reasonably request;

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

6.2 MAINTENANCE OF PROPERTY; INSURANCE.

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

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

6.3 CONDUCT OF BUSINESS AND MAINTENANCE OF EXISTENCE.

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

6.4 COMPLIANCE WITH LAWS. The Borrower will comply, and cause each Consolidated Subsidiary to comply, in all material respects with all applicable laws, ordinances, rules, regulations, and requirements of governmental authorities (including, without limitation, ERISA and the

rules and regulations thereunder and all federal, state and local statutes laws or regulations or other governmental restrictions relating to environmental protection, hazardous substances or the cleanup or other remediation thereof) except where the necessity of compliance therewith is contested in good faith by appropriate proceedings or where the failure to comply would not have a material adverse effect on the Borrower and its Consolidated Subsidiaries taken as a whole.

6.5 INSPECTION OF PROPERTY, BOOKS AND RECORDS.

(a) The Borrower will keep, and will cause each Consolidated Subsidiary to keep, proper books of record and account in accordance with sound business practice so as to permit its financial statements to be prepared in accordance with generally accepted accounting principles; and will permit representatives of the Bank at the Bank's expense to visit and inspect any of the Borrower's properties, to examine and make abstracts from any of the Borrower's corporate books and financial records and to discuss the Borrower's affairs, finances and accounts with the principal officers of the Borrower and its independent public accountants, all at such reasonable times and as often as may reasonably be necessary to ensure compliance by the Borrower with its obligations hereunder.

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

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

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

6.8 MINIMUM CONSOLIDATED NET WORTH. Consolidated Net Worth will at no time be less than \$550,000,000 plus 25% of the consolidated net income of the Borrower at the end of each fiscal quarter for each fiscal year commencing after the fiscal year ending December 31, 1994.

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

(a) Liens existing on the date hereof;

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

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

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

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

acquisition;

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

(g) Liens arising in the ordinary course of its business which (i) do not secure Debt and (ii) do not in the aggregate materially impair the operation of the business of the Borrower and its Consolidated Subsidiaries, taken as a whole;

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

(i) Liens securing taxes, assessments, fees or other governmental charges or levies, Liens securing the claims of materialmen, mechanics, carriers, landlords, warehousemen and similar Persons, Liens incurred in the ordinary course of business in connection with workmen's compensation, unemployment insurance and other similar laws, Liens to secure surety, appeal and performance bonds and other similar obligations not incurred in connection with the

borrowing of money, and attachment, judgment and other similar Liens arising in connection with court proceedings so long as the enforcement of such Liens is effectively stayed and the claims secured thereby are being contested in good faith by appropriate proceedings;

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

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

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

The Borrower will not permit any Significant Subsidiary or (in a series of related transactions) any Significant Group of Subsidiaries to consolidate with, merge with or into or transfer all of any substantial part of its assets to any Person other than the Borrower or a Subsidiary of the Borrower.

6.11 USE OF PROCEEDS. The proceeds of the Loans will be used for general corporate purposes, including the making of acquisitions. No part of the proceeds of any Loan hereunder will be used, directly or indirectly, for the purpose, whether immediate, incidental or ultimate of buying or carrying any "margin stock" in violation of Regulation U.

If requested by the Bank, the Borrower will furnish to the Bank in connection with any Loan hereunder a statement in conformity with the requirements of Federal Reserve Form U-1 referred to in Regulation U.

SECTION 7
EVENTS OF DEFAULT

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

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

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

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

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

(e) (1) the Borrower or any Significant Subsidiary or Significant Group of Subsidiaries defaults in any payment at any stated maturity of principal of or interest on any other obligation for money borrowed (or any capitalized lease obligation, any obligation under a purchase money mortgage, conditional sale or other title retention agreement or any obligation under notes payable or drafts accepted representing extensions of credit) beyond any period of grace provided with respect thereto or (2) the Borrower or any Significant Subsidiary or Significant Group of Subsidiaries defaults in any payment other than at any stated maturity of principal of or interest on any other obligation for money borrowed (or any capitalized lease obligation, any obligation under a purchase money mortgage, conditional sale or other title retention agreement or any obligation under notes payable or drafts accepted representing extensions of credit) beyond any period of grace provided with respect thereto, or the Borrower or any Significant Subsidiary or Significant Group of Subsidiaries fails to perform or observe any other agreement, term or condition contained in any agreement under which any such obligation is created (or if any other event thereunder or under any such agreement shall occur and be continuing), and the effect of such default with respect to a payment other than at any stated maturity, failure or other event is to cause, or to permit the holder or holders of such obligation (or a trustee on behalf of such holder or holders) to cause, such obligation to become due or to require the purchase thereof prior to any stated maturity; PROVIDED that the aggregate amount of all obligations as to which any such payment defaults (whether or not at stated maturity), failures or other events shall have occurred and be continuing exceeds \$10,000,000 and PROVIDED, FURTHER, that it is understood that the obligations referred to herein exclude those obligations arising in connection with securities repurchase transactions; or

(f) the Borrower or any Significant Subsidiary or Significant Group of Subsidiaries shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself

or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing; or

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

(h) any member of the ERISA Group shall fail to pay when due any amount or amounts aggregating in excess of \$1,000,000 which it shall have become liable to pay to the PBGC or to a Plan under Title IV of ERISA (except where such liability is contested in good faith by appropriate proceedings as permitted under Section 6.4); or notice of intent to terminate a Material Plan (other than any multiple employer plan within the meaning of Section 4063 of ERISA) shall be filed under Title IV of ERISA by any member of the ERISA Group, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate, to impose liability (other than for premiums under Section 4007 of ERISA) in respect of, or to cause a trustee to be appointed to administer any such Material Plan; or

(i) judgments or orders for the payment of money in excess of \$10,000,000 in the aggregate shall be rendered against the Borrower or any Significant Subsidiary or Significant Group of Subsidiaries and such judgments or orders shall continue unsatisfied and unstayed for a period of 60 days; or

(j) any person or group of persons (within the meaning of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the "1934 Act")), other than the Borrower or any of its Subsidiaries,

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

directors at the beginning of the period;

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

SECTION 8 MISCELLANEOUS

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

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

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

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

8.2 AMENDMENTS AND WAIVERS; CUMULATIVE REMEDIES.

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

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

8.3 SUCCESSORS AND ASSIGNS.

(a) The provisions of this Agreement shall be binding upon and shall inure to the benefit of the Borrower and the Bank, except that the Borrower may not assign or otherwise transfer any of its rights and

obligations under this Agreement except as provided in Section 6.10 hereof, without the prior written consent of the Bank which the Bank shall not unreasonably delay or withhold.

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

Commitment of the Bank (ii) reduces the principal of or rate of interest on any Loan or fees hereunder or (iii) postpones the date fixed for any payment of principal of or interest on any Loan or any fees hereunder without the consent of the Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.12 and 4 with respect to its participating interest.

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

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

8.4 EXPENSES; DOCUMENTARY TAXES; INDEMNIFICATION.

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

(b) The Borrower agrees to indemnify the Bank and hold the Bank harmless from and against any and all liabilities, losses, damages, costs and expenses of any kind (including, without limitation, the reasonable fees and disbursements of counsel for the Bank in connection with any investigative, administrative or

judicial proceeding, whether or not the Bank shall be designated a party thereto) which may be incurred by the Bank relating to or arising out of any actual or proposed use of proceeds of Loans hereunder or any merger or acquisition involving the Borrower; PROVIDED, that the Bank shall not have the right to be indemnified hereunder for its own gross negligence or willful misconduct as determined by a court of competent jurisdiction.

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

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

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

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of December 23, 1998.

THE INTERPUBLIC GROUP OF
COMPANIES, INC.

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

WACHOVIA BANK, N.A.

By: JAMES F. McCREARY
JAMES F. McCREARY
SENIOR VICE PRESIDENT

Domestic & Eurodollar Lending
Office
191 Peachtree Street, N.E.,
Atlanta, Georgia 30303
Attn: William Christie
Tel # (404) 332-1434:
Fax # (404) 332-6898
Fed Wire: ABA #061000010
Acct.: Wachovia Bank
Acct. No.: 18171498
For Further credit to:
Acct.: The Interpublic Group
of Companies, Inc.
Acct. No.: 089620009373

The amount in brackets being rounded upwards, if necessary, to the next higher 1/100 of 1%.

AMENDMENT NO. 8 TO CREDIT AGREEMENT

AMENDMENT NO. 8, dated as of November 23, 1998, to the Credit Agreement dated as of September 30, 1992 and effective as of December 23, 1992, as amended on April 30, 1993, October 5, 1993, August 15, 1994, December 1, 1994, August 3, 1995, September 20, 1996 and August 26, 1997 (the "Agreement"), between The Interpublic Group of Companies, Inc. (the "Borrower") and THE FIRST NATIONAL BANK OF CHICAGO (the "Bank").

SECTION 1. AMENDMENTS:

(a) Notwithstanding the dates specified in Sections 1.1 and 2.13 of the Agreement and subsequent correspondence, including the letter dated September 20, 1996 from the Borrower to the Bank extending the Termination Date to December 1, 1998, Section 1.1 is hereby amended by changing the Termination Date to "September 30, 2001".

(b) Section 2.1 of the Credit Agreement is hereby amended by changing the figure on the fifth line therein to the figure "\$25,000,000".

(c) Exhibit A to the Credit Agreement and the corresponding Note delivered to the Bank thereunder are hereby amended by changing the figure on the top left corner therein to the figure "\$25,000,000".

(d) Upon the effectiveness of this Amendment pursuant to Section 4 hereof, the Bank shall be authorized to endorse on the Note issued to it the following legend: "The Commitment of the Bank reflected on the top left corner of this Note has been increased to \$25,000,000 pursuant to an Amendment dated as of November 23, 1998 to the Credit Agreement referred to in this Note", or a legend of similar effect.

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

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

required for the due execution, delivery and performance of this Amendment by the Borrower; and (e) this Amendment is the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms.

SECTION 3. MISCELLANEOUS. (a) Unless otherwise specifically defined herein, each term used herein which is a defined term shall have the meaning as defined in the Credit Agreement; (b) each reference to "hereof", "hereunder", "herein" and "hereby" and each other similar reference, and each reference to "this Agreement" and each other similar reference contained in the Credit Agreement shall from and after the date hereof refer to the Credit Agreement as amended hereby; and (c) except as specifically amended above, the Credit Agreement shall remain in full force and effect and is hereby ratified and confirmed.

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

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

THE INTERPUBLIC GROUP OF
COMPANIES, INC.

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

THE FIRST NATIONAL BANK OF
CHICAGO

BY: JUAN J. DUARTE
JUAN J. DUARTE

AMENDMENT NO. 7 TO CREDIT AGREEMENT

AMENDMENT NO. 2, dated as of November 23, 1998, to the Credit Agreement dated as of July 3, 1995, as amended on August 28, 1997 (the "Agreement"), between The Interpublic Group of Companies, Inc. (the "Borrower") and LLOYDS BANK PLC (the "Bank").

SECTION 1. AMENDMENTS: (a) Notwithstanding the dates specified in Sections 1.1 and 2.13 of the Agreement and subsequent correspondence, including the letter dated June 16, 1998 from the Borrower to the Bank extending the Termination Date to July 3, 1999, Section 1.1 is hereby amended by changing the Termination Date to "September 30, 2001".

(b) Section 2.1 of the Credit Agreement is hereby amended by changing the figure on the fifth line therein to the figure "\$25,000,000".

(c) Exhibit A to the Credit Agreement and the corresponding Note delivered to the Bank thereunder are hereby amended by changing the figure on the top left corner therein to the figure "\$25,000,000".

(d) Upon the effectiveness of this Amendment pursuant to Section 4 hereof, the Bank shall be authorized to endorse on the Note issued to it the following legend: "The Commitment of the Bank reflected on the top left corner of this Note has been increased to \$25,000,000 pursuant to an Amendment dated as of November 23, 1998 to the Credit Agreement referred to in this Note", or a legend of similar effect.

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

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

in accordance with its terms.

SECTION 3. MISCELLANEOUS. (a) Unless otherwise specifically defined herein, each term used herein which is a defined term shall have the meaning as defined in the Credit Agreement; (b) each reference to "hereof", "hereunder", "herein" and "hereby" and each other similar reference, and each reference to "this Agreement" and each other similar reference contained in the Credit Agreement shall from and after the date hereof refer to the Credit Agreement as amended hereby; and (c) except as specifically amended above, the Credit Agreement shall remain in full force and effect and is hereby ratified and confirmed.

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

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

THE INTERPUBLIC GROUP OF
COMPANIES, INC.

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

LLOYDS BANK PLC

BY: DAVID C. RODWAY
DAVID C. RODWAY
ASSISTANT VICE PRESIDENT

BY: PAUL D. BRIAMONTE
PAUL D. BRIAMONTE
DIRECTOR, ACQUISITION &
PROJECT FINANCE, USA

AMENDMENT NO. 7 TO CREDIT AGREEMENT

AMENDMENT NO. 3, dated as of November 23, 1998, to the Credit Agreement dated as of December 1, 1994, as amended on August 3, 1995 and August 28, 1997 (the "Agreement"), between The Interpublic Group of Companies, Inc. (the "Borrower") and BANK OF AMERICA NT & SA (the "Bank").

SECTION 1. AMENDMENTS: Notwithstanding the dates specified in Sections 1.1 and 2.13 of the Agreement and subsequent correspondence, including the letter dated September 20, 1996 from the Borrower to the Bank extending the Termination Date to December 1, 1998, Section 1.1 is hereby amended by changing the Termination Date to "September 30, 2001".

(b) Section 2.1 of the Credit Agreement is hereby amended by changing the figure on the fifth line therein to the figure "\$25,000,000".

(c) Exhibit A to the Credit Agreement and the corresponding Note delivered to the Bank thereunder are hereby amended by changing the figure on the top left corner therein to the figure "\$25,000,000".

(d) Upon the effectiveness of this Amendment pursuant to Section 4 hereof, the Bank shall be authorized to endorse on the Note issued to it the following legend: "The Commitment of the Bank reflected on the top left corner of this Note has been increased to \$25,000,000 pursuant to an Amendment dated as of November 23, 1998 to the Credit Agreement referred to in this Note", or a legend of similar effect.

SECTION 2. REPRESENTATIONS AND WARRANTIES. The Borrower hereby represents and warrants to the Bank that: (a) the representations and warranties set forth in Section 5 of the Credit Agreement are true and correct on and as of the date hereof as if made on and as of said date; (b) no Event of Default specified in Section 7 of the Credit Agreement and no event, which with the giving of notice or lapse of time or both, would become such an Event of Default has

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

legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms.

SECTION 3. MISCELLANEOUS. (a) Unless otherwise specifically defined herein, each term used herein which is a defined term shall have the meaning as defined in the Credit Agreement; (b) each reference to "hereof", "hereunder", "herein" and "hereby" and each other similar reference, and each reference to "this Agreement" and each other similar reference contained in the Credit Agreement shall from and after the date hereof refer to the Credit Agreement as amended hereby; and (c) except as specifically amended above, the Credit Agreement shall remain in full force and effect and is hereby ratified and confirmed.

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

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

THE INTERPUBLIC GROUP OF
COMPANIES, INC.

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

THE BANK OF NEW YORK

BY: GEORGIA PAN-KITA
GEORGIA PAN-KITA
VICE PRESIDENT

AMENDMENT NO. 6 TO CREDIT AGREEMENT

AMENDMENT NO. 6, dated as of November 23, 1998, to the Credit Agreement dated as of September 30, 1992 and effective as of December 29, 1992, as amended on April 30, 1993, October 5, 1993, August 15, 1994, December 1, 1994, and August 3, 1995 (the "Agreement"), between The Interpublic Group of Companies, Inc. (the "Borrower") and UBS AG (formerly known as UNION BANK OF SWITZERLAND) (the "Bank").

SECTION 1. AMENDMENTS:

(a) Notwithstanding the dates specified in Sections 1.1 and 2.13 of the Agreement and subsequent correspondence, including the letter dated September 20, 1996 from the Borrower to the Bank extending the Termination Date to December 1, 1998, Section 1.1 is hereby amended by changing the Termination Date to "December 1, 1999".

(b) Section 2.1 of the Credit Agreement is hereby amended by changing the figure on the fifth line therein to the figure "\$25,000,000".

(c) Exhibit A to the Credit Agreement and the corresponding Note delivered to the Bank thereunder are hereby amended by changing the figure on the top left corner therein to the figure "\$25,000,000".

(d) Upon the effectiveness of this Amendment pursuant to Section 4 hereof, the Bank shall be authorized to endorse on the Note issued to it the following legend: "The Commitment of the Bank reflected on the top left corner of this Note has been increased to \$25,000,000 pursuant to an Amendment dated as of November 23, 1998 to the Credit Agreement referred to in this Note", or a legend of similar effect.

SECTION 2. REPRESENTATIONS AND WARRANTIES. The Borrower hereby represents and warrants to the Bank that: (a) the representations and warranties set forth in Section 5 of the Credit Agreement are true and correct on and as of the date hereof as if made on and

as of said date; (b) no Event of Default specified in Section 7 of the Credit Agreement and no event, which with the giving of notice or lapse of time or both, would become such an Event of Default has occurred and is continuing; (c) the execution, delivery and performance by the Borrower of this Amendment are within the Borrower's corporate powers, have been duly authorized by all necessary corporate action, and do not contravene (i) the Borrower's charter or by-laws, or (ii) law or any contractual restriction binding on or affecting the Borrower; (d) no order, consent, authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory

body, or any other person, firm, corporation or other legal entity, is required for the due execution, delivery and performance of this Amendment by the Borrower; and (e) this Amendment is the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms.

SECTION 3. MISCELLANEOUS. (a) Unless otherwise specifically defined herein, each term used herein which is a defined term shall have the meaning as defined in the Credit Agreement; (b) each reference to "hereof", "hereunder", "herein" and "hereby" and each other similar reference, and each reference to "this Agreement" and each other similar reference contained in the Credit Agreement shall from and after the date hereof refer to the Credit Agreement as amended hereby; and (c) except as specifically amended above, the Credit Agreement shall remain in full force and effect and is hereby ratified and confirmed.

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

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

THE INTERPUBLIC GROUP OF
COMPANIES, INC.

BY: ALAN M. FORSTER
ALAN M. FORSTER

UBS AG, STAMFORD BRANCH
(FORMERLY KNOWN AS UNION BANK
OF SWITZERLAND)

BY: ROBERT W. CASEY, JR.
ROBERT W. CASEY, JR.
EXECUTIVE DIRECTOR

BY: ERIC HANSON
ERIC HANSON
ASSOCIATE DIRECTOR

AMENDMENT NO. 7 TO CREDIT AGREEMENT

AMENDMENT NO. 7, dated as of November 23, 1998, to the Credit Agreement dated as of September 30, 1992 and effective as of December 23, 1992, as amended on April 30, 1993, October 5, 1993, August 15, 1994, December 1, 1994, August 3, 1995 and August 28, 1997 (the "Agreement"), between The Interpublic Group of Companies, Inc. (the "Borrower") and THE CHASE MANHATTAN BANK (as successor to CHEMICAL BANK) (the "Bank").

SECTION 1. AMENDMENT: Notwithstanding the dates specified in Sections 1.1 and 2.13 of the Agreement and subsequent correspondence, including the letter dated September 20, 1996 from the Borrower to the Bank extending the Termination Date to December 1, 1998, Section 1.1 is hereby amended by changing the Termination Date to "September 30, 2001".

SECTION 2. REPRESENTATIONS AND WARRANTIES. The Borrower hereby represents and warrants to the Bank that: (a) the representations and warranties set forth in Section 5 of the Credit Agreement are true and correct on and as of the date hereof as if made on and as of said date; (b) no Event of Default specified in Section 7 of the Credit Agreement and no event, which with the giving of notice or lapse of time or both, would become such an Event of Default has occurred and is continuing; (c) the execution, delivery and performance by the Borrower of this Amendment are within the Borrower's corporate powers, have been duly authorized by all necessary corporate action, and do not contravene (i) the Borrower's charter or by-laws, or (ii) law or any contractual restriction binding on or affecting the Borrower; (d) no order, consent, authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body, or any other person, firm, corporation or other legal entity, is required for the due execution, delivery and performance of this Amendment by the Borrower; and (e) this Amendment is the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms.

SECTION 3. MISCELLANEOUS. (a) Unless otherwise specifically defined herein, each term used herein which is a defined term shall have the meaning as defined in the Credit Agreement; (b) each reference to "hereof", "hereunder", "herein" and "hereby" and each other similar reference, and each reference to "this Agreement" and each other similar reference contained in the Credit Agreement shall from and after the date hereof refer to the Credit Agreement as amended hereby; and (c) except as specifically amended above, the Credit Agreement shall remain in full force and effect and is hereby ratified and confirmed.

SECTION 4. COUNTERPARTS; EFFECTIVENESS. This

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

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

THE INTERPUBLIC GROUP OF
COMPANIES, INC.

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

BY: THE CHASE MANHATTAN BANK
(AS SUCCESSOR TO CHEMICAL
BANK)

BY: MITCHELL GERVIS
MITCHELL GERVIS
VICE PRESIDENT

AMENDMENT NO. 7 TO CREDIT AGREEMENT

AMENDMENT NO. 7, dated as November 23, 1998, to the Credit Agreement dated as of September 30, 1992 and effective as of December 30, 1992, as amended on April 30, 1993, October 5, 1993, August 15, 1994, December 1, 1994, August 3, 1995 and August 28, 1997 (the "Agreement"), between The Interpublic Group of Companies, Inc. (the "Borrower") and SUNTRUST BANK, ATLANTA (formerly TRUST COMPANY BANK) (the "Bank").

SECTION 1. AMENDMENTS:

(a) Notwithstanding the dates specified in Sections 1.1 and 2.13 of the Agreement and subsequent correspondence, including the letter dated September 20, 1996 from the Borrower to the Bank extending the Termination Date to December 1, 1998, Section 1.1 is hereby amended by changing the Termination Date to "September 30, 2001".

(b) Section 2.1 of the Credit Agreement is hereby amended by changing the figure on the fifth line therein to the figure "\$25,000,000".

(c) Exhibit A to the Credit Agreement and the corresponding Note delivered to the Bank thereunder are hereby amended by changing the figure on the top left corner therein to the figure "\$25,000,000".

(d) Upon the effectiveness of this Amendment pursuant to Section 4 hereof, the Bank shall be authorized to endorse on the Note issued to it the following legend: "The Commitment of the Bank reflected on the top left corner of this Note has been increased to \$25,000,000 pursuant to an Amendment dated as of November 23, 1998 to the Credit Agreement referred to in this Note", or a legend of similar effect.

SECTION 2. REPRESENTATIONS AND WARRANTIES. The Borrower hereby represents and warrants to the Bank that: (a) the representations and warranties set forth in Section 5 of the Credit Agreement are true and correct on and as of the date hereof as if made on and

as of said date; (b) no Event of Default specified in Section 7 of the Credit Agreement and no event, which with the giving of notice or lapse of time or both, would become such an Event of Default has occurred and is continuing; (c) the execution, delivery and performance by the Borrower of this Amendment are within the Borrower's corporate powers, have been duly authorized by all necessary corporate action, and do not contravene (i) the Borrower's charter or by-laws, or (ii) law or any contractual restriction binding on or affecting the Borrower; (d) no order, consent, authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body, or any other person, firm,

corporation or other legal entity, is required for the due execution, delivery and performance of this Amendment by the Borrower; and (e) this Amendment is the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms.

SECTION 3. MISCELLANEOUS. (a) Unless otherwise specifically defined herein, each term used herein which is a defined term shall have the meaning as defined in the Credit Agreement; (b) each reference to "hereof", "hereunder", "herein" and "hereby" and each other similar reference, and each reference to "this Agreement" and each other similar reference contained in the Credit Agreement shall from and after the date hereof refer to the Credit Agreement as amended hereby; and (c) except as specifically amended above, the Credit Agreement shall remain in full force and effect and is hereby ratified and confirmed.

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

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

THE INTERPUBLIC GROUP OF
COMPANIES, INC.

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

SUNTRUST BANK, ATLANTA
(FORMERLY TRUST COMPANY BANK)

BY: LAURA G. HARRISON
LAURA G. HARRISON
ASSISTANT VICE PRESIDENT

BY: W. DAVID WISDOM
W. DAVID WISDOM
GROUP VICE PRESIDENT

AMENDMENT NO. 3 TO CREDIT AGREEMENT

AMENDMENT NO. 3, dated as of November 23, 1998, to the Credit Agreement dated as of December 1, 1994, as amended on August 3, 1995 and August 28, 1997 (the "Agreement"), between The Interpublic Group of Companies, Inc. (the "Borrower") and BANK OF AMERICA NT & SA (the "Bank").

SECTION 1. AMENDMENTS:

(a) Notwithstanding the dates specified in Sections 1.1 and 2.13 of the Agreement and subsequent correspondence, including the letter dated September 20, 1996 from the Borrower to the Bank extending the Termination Date to December 1, 1998, Section 1.1 is hereby amended by changing the Termination Date to "September 30, 2001".

(b) Section 2.1 of the Credit Agreement is hereby amended by changing the figure on the fifth line therein to the figure "\$25,000,000".

(c) Exhibit A to the Credit Agreement and the corresponding Note delivered to the Bank thereunder are hereby amended by changing the figure on the top left corner therein to the figure "\$25,000,000".

(d) Upon the effectiveness of this Amendment pursuant to Section 4 hereof, the Bank shall be authorized to endorse on the Note issued to it the following legend: "The Commitment of the Bank reflected on the top left corner of this Note has been increased to \$25,000,000 pursuant to an Amendment dated as of November 23, 1998 to the Credit Agreement referred to in this Note", or a legend of similar effect.

SECTION 2. REPRESENTATIONS AND WARRANTIES. The Borrower hereby represents and warrants to the Bank that: (a) the representations and warranties set forth in Section 5 of the Credit Agreement are true and correct on and as of the date hereof as if made on and as of said date; (b) no Event of Default specified in Section 7 of the Credit Agreement and no event, which with the

giving of notice or lapse of time or both, would become such an Event of Default has occurred and is continuing; (c) the execution, delivery and performance by the Borrower of this Amendment are within the Borrower's corporate powers, have been duly authorized by all necessary corporate action, and do not contravene (i) the Borrower's charter or by-laws, or (ii) law or any contractual restriction binding on or affecting the Borrower; (d) no order, consent, authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body, or any other person, firm, corporation or other legal entity, is required for the due execution, delivery and performance of this Amendment by the

Borrower; and (e) this Amendment is the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms.

SECTION 3. MISCELLANEOUS. (a) Unless otherwise specifically defined herein, each term used herein which is a defined term shall have the meaning as defined in the Credit Agreement; (b) each reference to "hereof", "hereunder", "herein" and "hereby" and each other similar reference, and each reference to "this Agreement" and each other similar reference contained in the Credit Agreement shall from and after the date hereof refer to the Credit Agreement as amended hereby; and (c) except as specifically amended above, the Credit Agreement shall remain in full force and effect and is hereby ratified and confirmed.

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

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

THE INTERPUBLIC GROUP OF
COMPANIES, INC.

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

BANK OF AMERICA NT & SA

BY: MICHAEL R. HEREDIA
MICHAEL R. HEREDIA
SENIOR VICE PRESIDENT

THE INTERPUBLIC GROUP OF COMPANIES, INC.

COMPUTATION OF EARNINGS PER SHARE

(Dollars in Thousands Except Per Share Data)

Year Ended December 31

	1998	1997<F1>	1996<F1>	1995<F1>	1994<F1>
BASIC:					
Net income before effect of accounting changes	\$309,905	\$200,378	\$214,619	\$134,311	\$108,767
Effect of accounting change	-	-	-	-	(34,325)
Net income, as adjusted	\$309,905	\$200,378	\$214,619	\$134,311	\$ 74,442
Weighted average number of common shares outstanding	135,485,326	130,249,946	130,297,369	127,802,633	125,563,727
Basic earnings per share data:					
Income before effect of accounting change	\$2.29	\$1.54	\$1.65	\$1.05	\$.87
Effect of accounting change	-	-	-	-	(.27)
Net Income	\$2.29	\$1.54	\$1.65	\$1.05	\$.60

THE INTERPUBLIC GROUP OF COMPANIES, INC.

COMPUTATION OF EARNINGS PER SHARE

(Dollars in Thousands Except Per Share Data)

Year Ended December 31

	1998	1997<F1>	1996<F1>	1995<F1>	1994<F1>
DILUTED:					
Net income before effect of accounting change	\$ 309,905	\$ 200,378	\$ 214,619	\$134,311	\$ 108,767
Effect of accounting change	-	-	-	-	(34,325)
After tax interest savings on assumed conversion of subordinated debentures<F2>	-	5,929	6,410	-	-
Add: Dividends paid net of related income tax applicable to the Restricted Stock Plan	541	447	384	461	
Net income, as adjusted	\$ 310,446	\$ 206,754	\$ 221,413	\$ 134,772	\$ 74,808
Weighted average number of common shares outstanding	135,485,326	130,249,946	130,297,369	127,802,633	125,563,727
Assumed conversion of subordinated debentures<F2>	2,660	4,010,291	4,466,502	-	-
Weighted average number of incremental shares in connection with assumed exercise of stock options	3,310,367	2,910,648	2,219,373	1,921,923	1,523,756
Weighted average number of incremental shares in connection with the Restricted Stock Plan	1,726,919	1,638,647	1,605,564	2,080,067	1,871,346
Total	140,525,272	138,809,532	138,588,808	131,804,623	128,958,829
Diluted Earnings Per Share Data:					
Income before effect of accounting change	\$2.21	\$1.49	\$1.60	\$1.02	\$.84
Effect of accounting change	-	-	-	-	(.27)
Net Income	\$2.21	\$1.49	\$1.60	\$1.02	\$.57

<FN>

<F1> Restated to reflect the aggregate effect of acquisitions accounted for as poolings of interests.

<F2> The computation of diluted EPS for 1998 and 1997 excludes the assumed conversion of the 1.80% Convertible Subordinated Notes due 2004 because they were antidilutive. Similarly, the computation of diluted EPS for 1995 and 1994 excludes the assumed conversion of the 3 3/4% Convertible Subordinated Debentures due 2002 as they were antidilutive.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

Look behind Mankind's greatest achievements and - even when they bear a single name - you are likely to find that they are the result of a team of people working for a common goal. The theme of this annual report, Partners in Global Communications, reflects our conviction at The Interpublic Group of Companies, Inc. ("Interpublic") that partnerships are the building blocks that create success in the world of business, just as they do in the world at large. As one of the largest advertising and marketing communications companies in the world, our contributors to these partnerships include the parent company, Interpublic; McCann-Erickson WorldGroup; Ammirati Puris Lintas; The Lowe Group; Western Initiative Media Worldwide; DraftWorldwide; International Public Relations; Octagon and many other related companies. Our more than 34,000 employees in more than 120 countries work continually to create, build and help maintain strong partnerships with their Clients and in partnership between Clients and Consumers through their Brands and services. It was the spirit of partnership that sparked some of history's most innovative thinking and resulted in the historic achievements of such people as the Wright Brothers, Marie and Pierre Curie and the New York Yankees, to name but a few. It is our ambition at Interpublic to follow, in our own way, in that great tradition.

FINANCIAL HIGHLIGHTS

(Dollars in Thousands Except Per Share Data)

December 31
Percent
1998 1997 Increase

Operating Data

Gross Income \$ 3,968,728 \$ 3,482,384 14.0%
Net Income \$ 309,905 \$ 200,378 54.7%

Per Share Data

Basic EPS \$ 2.29 \$ 1.54 48.7%
Diluted EPS \$ 2.21 \$ 1.49 48.3%
Cash Dividends \$.58 \$.50 16.0%
Share Price at December 31 \$ 79 3/4 \$ 49 13/16 60.1%

Weighted-average shares:

Basic 135,485,326 130,249,946 4.0%
Diluted 140,525,272 138,809,532 1.2%

Financial Position

Cash and Cash Equivalents \$ 808,803 \$ 738,112 9.6%
Total Assets \$ 6,942,823 \$ 5,983,443 16.0%
Book Value Per Share \$ 9.07 \$ 7.39 22.7%

Return on Average

Stockholders' Equity 27.1% 21.8% 24.3%

Gross Income

1998 \$3,968,728
1997 \$3,482,384<F2>
1996 \$2,983,899<F2>

Diluted Earnings Per Share

1998 \$ 2.21
1997 \$ 1.49<F2>
1996 \$ 1.60<F2><F1>

Cash Dividends Per Share

1998 \$.58
1997 \$.50
1996 \$.44<F1>

Return On Average Stockholders' Equity

1998 27.1%
1997 21.8%<F2>
1996 28.3%<F2>

<F1> Restated to reflect a three-for-two stock split effected July 1997.

<F2> Restated to reflect the aggregate effect of poolings of interests transactions.

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

During the second quarter of 1998, the Company acquired three companies which were accounted for as poolings of interests. At that time, the Company's financial statements, including the related notes, were restated to include the results of operations, financial position and cash flows of those pooled entities, in addition to all prior pooled entities. The periods restated included all periods presented in the Company's 1997 annual report, as well as the first quarter results for 1998.

During the second half of 1998, two additional companies were acquired which were accounted for as poolings of interests. As a result of those acquisitions, the Company's financial statements have been restated for a second time this year. The results for the first three quarters of 1998, as well as all prior periods presented, have been restated in this report to give effect to all of the 1998 pooled entities.

A noteworthy item is that one of the pooled companies acquired in the second quarter of 1998 recorded after-tax special compensation charges in the fourth quarter of 1997 totaling \$29.7 million, as further explained in Note 7. The following discussion relates to the combined results of the Company after giving effect to all pooled companies.

RESULTS OF OPERATIONS

Worldwide income from commissions and fees increased 14.7% in 1998, to more than \$3.8 billion. This follows an increase of 16.6% in 1997. The continued growth in revenue was mainly due to the expansion of the business and new business gains.

International revenue, which represented 50% of worldwide revenue in 1998, increased \$237.1 million or 14.1% over 1997. International revenue would have increased an additional \$78.4 million, or 4.7% except for the strengthening of the U.S. dollar against major currencies. During 1997, revenue from international operations increased \$133.0 million, or 8.6% compared to 1996. During 1998, commissions and fees from domestic operations increased 15.2%, primarily due to the effect of new business gains and acquisitions. Commissions and fees from domestic operations increased 26.1% in 1997.

Other income, net includes interest and other finance income, gains and losses from investments, and other nonoperating and miscellaneous items. During 1998, other income, net decreased 4% compared to 1997 and included net gains recorded in connection with the Company's investment in CKS Group, Inc., as well as other equity gains. In 1997 other income, net increased 18.4% over the 1996 level. The 1997 increase was primarily due to the gain on the sale of investments, including All American Communications, Inc. and CKS Group, Inc.

Worldwide operating expenses increased 12% in 1998. Operating expenses outside the United States increased 14.7%, while domestic operating expenses increased 9.2%. These increases were commensurate with the increases in revenue, as continuing cost containment efforts kept costs at appropriate levels. During 1997, worldwide operating expenses increased 16.8%, comprised of a 13.9% increase in international expenses and a 20% increase in domestic expenses.

Significant portions of the Company's expenses relate to employee compensation and various employee incentive and benefit programs, which are based primarily upon operating results. In 1997, as part of its continuing cost containment efforts, the Company announced that it was curtailing its domestic pension plan effective April 1, 1998 and recorded pre-tax charges of approximately \$16.7 million. The Company continues to sponsor a domestic defined contribution plan.

Interest expense increased only 1.6% in 1998 after increasing 11.8% in 1997. The increase in 1997 was primarily attributable to the issuance of the 1.80% Convertible Subordinated Notes due 2004 and additional financing of acquisitions.

Equity in net income of unconsolidated affiliates increased slightly in 1998, due primarily to the acquisition of several unconsolidated affiliates in 1998. Equity income decreased by \$5.9 million in 1997 compared to 1996, due to the consolidation of a company previously accounted for on the equity basis.

Income applicable to minority interests increased by \$4.4 million in 1998 and by \$8.8 million in 1997. The 1998 increase was primarily due to the strong performance of companies that were not wholly owned, as well as the acquisition of additional such entities during 1998. The 1997 increase was also impacted by the consolidation of a company with a significant minority interest, which was previously accounted for on the equity basis.

The Company's effective income tax rate was 41.2% in 1998, 46.1% in 1997 and 41.9% in 1996. The higher rate in 1997 was largely attributable to the special compensation charges recorded by one of the pooled companies, as described above.

LIQUIDITY AND CAPITAL RESOURCES

The Company's financial position continued to be strong during 1998, with cash and cash equivalents of \$808.8 million, an increase of \$70.7 million over the 1997 year-end balance. Working capital was \$118.6 million, which was \$97.8 million below the unusually high level at the end of 1997. The high level of working capital in 1997 was a result of growing operations and the payment of short-term borrowings with some of the proceeds from the 1.80% Convertible Subordinated Notes due 2004 issued during the latter part of 1997. The current ratio was slightly above 1 to 1 for 1998 and 1997. The Company utilized its strong financial position to obtain short-term and long-term financing on competitive terms.

The principal use of the Company's working capital is to provide for the operating needs of its subsidiaries, which includes payments for space or time purchased from various media on behalf of clients. The Company's practice is to bill and collect from its clients in sufficient time to pay the amounts due for media on a timely basis. Other uses of working capital include the repurchase of the Company's common stock, payment of cash dividends, capital expenditures and acquisitions.

The Company acquires shares of its stock on an ongoing basis. During 1998, the Company purchased approximately 2.7 million shares of its common stock, compared to 3.5 million shares in 1997. The Company repurchases its stock to meet its obligations under various compensation plans.

The Company, excluding pooled entities, paid \$76.9 million (\$.58 per share) in dividends to stockholders in 1998, a 26% increase over the \$61.2 million (\$.50 per share) paid during 1997.

The Company's capital expenditures in 1998 were \$136.7 million. The primary purpose of these expenditures was to modernize the offices and upgrade the computer and communications systems to better serve clients. During 1997, the Company spent \$107 million for capital expenditures. The increase in capital expenditures resulted from the continuing growth of operations.

During 1998, the Company paid approximately \$660 million in cash and stock to acquire a number of marketing communications companies to complement its existing agency systems and to optimally position itself in the ever-broadening communications marketplace. This amount includes the value of stock issued for pooled companies.

The Company and its subsidiaries maintained credit facilities in the United States and in countries where they conduct business to manage their future liquidity requirements.

Summary of
Short-term Credit Facilities at December 31
(Dollars in millions)

	Domestic	International	Available	Utilized	Available	Utilized
1998	\$319	\$12	\$257	\$106		
1997	\$327	\$20	\$211	\$ 86		

In the fourth quarter of 1997, the Company redeemed its 3 3/4% Convertible Subordinated Debentures due 2002. Substantially all of the outstanding debentures were converted into approximately 4.3 million shares of the Company's common stock.

Approximately 49% and 46% of the Company's assets at December 31, 1998 and 1997, respectively, were outside the United States. The Company actively hedges to minimize the impact of foreign exchange exposure. However, the notional value and fair value of all outstanding forwards and options contracts at the end of the year were not significant.

The Company's management continuously evaluates and manages its exposure to foreign exchange, economic and political risks. The foreign exchange crisis in Asia had a minimal impact on the Company partly due to the agency systems' contingency plans that included active hedging, repatriation of cash, cost-cutting and limiting capital expenditures. Additionally, the Company believes that the more recent economic developments in Brazil will not have a significant impact.

Return on average stockholders' equity was 27.1% in 1998 and 21.8% in 1997.

The Company is not aware of any significant occurrences that could negatively impact its liquidity. However, should such a trend develop, the Company believes that there are sufficient funds available under its existing lines of credit and from internal cash-generating capabilities to meet future needs.

OTHER MATTERS

Year 2000 Issue

The Year 2000 (or "Y2K") Issue refers to the problem caused by computer programs that have been written to reflect two-digit years, with the century being assumed as "19". This practice was widely accepted by the applications development community in the 1960's through the early 1980's, with many of these programs remaining in use today. As a result, programs that are date sensitive may recognize the year "00" as 1900, rather than the year 2000. This may cause programs to fail or cause them to incorrectly report and accumulate data.

The Company and its operating subsidiaries are in the final phases of executing a Year 2000 readiness program with the goal of having all "mission critical" systems functioning properly prior to January 1, 2000. Many of the subsidiaries in the Company's larger markets are dependent upon third party systems providers, while subsidiaries in the secondary markets rely primarily on off-the-shelf applications or home-grown applications. Considerable progress has been made with third party systems providers in larger markets with respect to remediating their Year 2000 issues. Although the secondary markets present a greater challenge, they typically involve smaller offices that are less dependent upon automated solutions.

In 1997, the Company established a Y2K Project Management Office and shortly thereafter created a Y2K Task Force, comprised of representatives from the operating companies. Through the Y2K Task Force, the Company in conjunction with outside consultants, is working to address the impact of the Year 2000 Issue on the Company. The Company has inventoried and assessed date sensitive computer software applications, and approximately 35% of systems were identified as requiring some degree of remediation. In addition, the Company has reviewed all of its hardware believed to contain embedded chips, including personal computers, file servers, mid-range and mainframe computers, telephone switches and routers. The Company has also investigated its security systems, life safety systems, HVAC systems and elevators in the majority of its facilities. As part of this effort, the Company has identified those systems and applications that are deemed "mission critical", which are being handled on a priority basis and has developed a detailed project and remediation plan that includes system testing schedules and contingency planning. To date the Company has completed approximately 90% of its remediation and compliance testing for "mission critical" applications, with the remaining 10% scheduled for completion by April 30, 1999. The Company's Board of Directors, through the Audit Committee, has been monitoring the progress of this project. Project progress reports are given to the Audit Committee at each regularly scheduled Audit Committee meeting.

The Company estimates that the modification and testing of its hardware and software will cost approximately \$20 million, of which 50% has been spent to date. In addition, the Company has accelerated the implementation of a number of business process re-engineering projects over the past few years that have provided both Year 2000 readiness and increased functionality of certain systems. The Company estimates that the hardware

and software costs incurred in connection with these projects are approximately \$60 million, which are being capitalized. Included in the above-mentioned Y2K costs are internal costs incurred for the Y2K project which are primarily payroll related costs for the information systems groups. A substantial portion of these estimated costs relates to systems and applications that were anticipated and budgeted. All of the above amounts have been updated to include companies acquired during 1998.

The Company is also in the process of developing contingency plans for affected areas of its operations. The Y2K Project Management Office has drafted a Contingency Plan Guideline. This guideline requires the development of contingency plans for applications, vendors, facilities, business partners and clients. The contingency plans are being developed to cover those elements of the business that have been deemed "mission critical" and extend beyond software applications. The contingency plans will include procedures for workforce mobilization, crisis management, facilities management, disaster recovery and damage control, and are scheduled for completion by April 30, 1999. The Company recognizes that contingency plans may need to be adjusted during 1999 and therefore considers them working documents.

The Company is assessing the Year 2000 readiness of material third parties by asking all critical vendors, business partners and facility managers to provide letters of compliance. In addition to sending out over 70,000 vendor compliance letters, the Company is conducting detailed tests and face to face Y2K working sessions with those identified as key vendors with respect to "mission critical" systems. Furthermore, the Company is working with the American Association of Advertising Agencies and other trade associations to form Year 2000 working groups that are addressing the issues on an industry level.

The Company's efforts to address the Year 2000 Issue are designed to avoid any material adverse effect on its operations or financial condition. Notwithstanding these efforts, however, there is no assurance that the Company will not encounter difficulties due to the Year 2000 Issue. The "most reasonably likely worst case scenario" would be a significant limitation on the Company's ability to continue to provide business services for an undetermined duration. The Company also recognizes that it is dependent upon infrastructure services and third parties, including suppliers, broadcasters, utility providers and business partners, whose failure may also significantly impact its ability to provide business services.

Cautionary Statement

Statements by the Company in this document and in other contexts concerning its Year 2000 compliance efforts that are not historical fact are forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those anticipated in the forward-looking statements, including, but not limited to, the following: (i) uncertainties relating to the ability of the Company to identify and address Year 2000 issues successfully and in a timely manner and at costs that are reasonably in line with the Company's estimates; and (ii) the ability of the Company's vendors, suppliers, other service providers and customers to identify and address successfully their own Year 2000 issues in a timely manner.

New Accounting Guidance

As more fully described in Note 13, in June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS 133), which the Company is required to adopt effective January 1, 2000. The Company does not believe the effect of adopting SFAS 133 will be material to its financial condition.

Conversion to the Euro

On January 1, 1999, certain member countries of the European Union established fixed conversion rates between their existing currencies and the European Union's common currency (the "Euro"). The Company conducts business in member countries. The transition period for the introduction

of the Euro will be between January 1, 1999, and June 30, 2002. The Company is addressing the issues involved with the introduction of the Euro. The major important issues facing the Company include: converting information technology systems; reassessing currency risk; negotiating and amending contracts; and processing tax and accounting records.

Based upon progress to date the Company believes that use of the Euro will not have a significant impact on the manner in which it conducts its business affairs and processes its business and accounting records. Accordingly, conversion to the Euro is not expected to have a material effect on the Company's financial condition or results of operations.

Report of Independent Accountants

1301 Avenue of the Americas
New York, New York 10019

To the Board of Directors and Stockholders of February 19, 1999
The Interpublic Group of Companies, Inc.

In our opinion, based upon our audits and the reports of other auditors, the accompanying consolidated balance sheets and the related consolidated statements of income, of cash flows, and of stockholders' equity and comprehensive income present fairly, in all material respects, the financial position of The Interpublic Group of Companies, Inc. and its subsidiaries (the "Company") at December 31, 1998 and 1997, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1998, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of International Public Relations plc ("IPR"), a wholly-owned subsidiary, which statements reflect revenues constituting approximately 6% and 7% of the related 1997 and 1996 consolidated financial statement total. Additionally, we did not audit the financial statements of Hill, Holliday, Connors, Cosmopolos, Inc. ("Hill Holliday"), a wholly-owned subsidiary, which statements reflect total net loss constituting approximately 17% of the related 1997 consolidated financial statement total. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for IPR and Hill Holliday, is based solely on the reports of the other auditors. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits and the reports of other auditors provide a reasonable basis for the opinion expressed above.

/s/ By: PRICEWATERHOUSECOOPERS LLP
PricewaterhouseCoopers LLP
New York, New York
February 19, 1999

REPORT OF INDEPENDENT AUDITORS TO THE SHAREHOLDERS AND BOARD OF DIRECTORS OF INTERNATIONAL PUBLIC RELATIONS PLC

We have audited the consolidated balance sheets of International Public Relations plc and subsidiaries as of 31 December 1997 and 31 October 1996, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the two years in the periods ended 31 December 1997 and 31 October 1996, all expressed in pounds sterling. These financial statements, which are not separately presented herein, are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally

accepted in the United Kingdom, which are similar to those generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of International Public Relations plc and subsidiaries at 31 December 1997 and 31 October 1996, and the consolidated results of their operations and their cash flows for each of the two years in the periods ended 31 December 1997 and 31 October 1996 in conformity with generally accepted accounting principles in the United States.

Ernst & Young
London
3 February 1999

Report of Independent Auditors

Board of Directors
Hill, Holliday, Connors, Cosmopolos, Inc.

We have audited the consolidated balance sheet of Hill, Holliday, Connors, Cosmopolos, Inc. and Subsidiaries (the Company) as of December 31, 1997, and the related consolidated statements of operations, stockholders' equity (deficit), and cash flows for the twelve-month period then ended (not separately presented herein). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Hill, Holliday, Connors, Cosmopolos, Inc. and Subsidiaries at December 31, 1997, and the consolidated results of their operations and their cash flows for the twelve-month period then ended, in conformity with generally accepted accounting principles.

/s/Ernst & Young LLP
Boston, Massachusetts
March 13, 1998

FINANCIAL STATEMENTS
THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
DECEMBER 31
(Dollars in thousands except per share data)

ASSETS	1998	1997
--------	------	------

CURRENT ASSETS:
Cash and cash equivalents (includes

certificates of deposit: 1998-\$152,064;		
1997-\$256,934) \$ 808,803 \$ 738,112		
Marketable securities	31,733	31,944
Receivables (net of allowance for doubtful		
accounts: 1998-\$53,093; 1997-\$44,110)	3,522,616	3,104,606
Expenditures billable to clients	276,610	242,965
Prepaid expenses and other current assets	137,183	115,895
Total current assets	4,776,945	4,233,522

OTHER ASSETS:

Investment in unconsolidated affiliates	47,561	46,665
Deferred taxes on income	97,350	75,661
Other investments and miscellaneous		
assets	299,967	223,832
Total other assets	444,878	346,158

FIXED ASSETS, AT COST:

Land and buildings	95,228	83,621
Furniture and equipment	650,037	554,608
	745,265	638,229
Less: accumulated depreciation	420,864	365,877
	324,401	272,352
Unamortized leasehold improvements	115,200	103,494
Total fixed assets	439,601	375,846

Intangible assets (net of accumulated
amortization: 1998-\$504,787;
1997-\$448,952) 1,281,399 1,027,917

TOTAL ASSETS \$6,942,823 \$5,983,443

The accompanying notes are an integral part of these financial statements.

FINANCIAL STATEMENTS

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

(Dollars in thousands except per share data)

LIABILITIES AND STOCKHOLDERS' EQUITY 1998 1997

CURRENT LIABILITIES:

Payable to banks \$	214,464	\$ 187,820
Accounts payable	3,613,699	3,189,137
Accrued expenses	624,517	478,962
Accrued income taxes	205,672	161,236
Total current liabilities	4,658,352	4,017,155

NONCURRENT LIABILITIES:

Long-term debt	298,691	317,268
Convertible subordinated debentures		
and notes	207,927	201,768
Deferred compensation and reserve		
for termination allowances	319,526	273,408
Accrued postretirement benefits	48,616	47,404
Other noncurrent liabilities	88,691	72,986
Minority interests in consolidated		
subsidiaries	55,928	31,917
Total noncurrent liabilities	1,019,379	944,751

STOCKHOLDERS' EQUITY:

Preferred Stock, no par value
shares authorized: 20,000,000
shares issued: none

Common Stock, \$.10 par value

shares authorized: 225,000,000
 shares issued:
 1998 - 145,722,579;
 1997 - 143,567,843 14,572 14,357
 Additional paid-in capital 652,692 515,892
 Retained earnings 1,116,365 886,201
 Adjustment for minimum pension liability (36,612) (13,207)
 Net unrealized gain on equity securities 9,889 12,405
 Cumulative translation adjustment (133,753) (158,969)
 1,623,153 1,256,679
 Less:
 Treasury stock, at cost:
 1998 - 6,187,172 shares;
 1997 - 5,271,046 shares 286,713 171,088
 Unearned ESOP compensation - 7,420
 Unamortized expense of restricted
 stock grants 71,348 56,634
 Total stockholders' equity 1,265,092 1,021,537
 Commitments and contingencies (See Note 14)

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY \$6,942,823 \$5,983,443

Information for 1997 has been restated to reflect the aggregate effect of the acquisitions accounted for as poolings of interests.

FINANCIAL STATEMENTS
 THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
 CONSOLIDATED STATEMENT OF INCOME
 YEAR ENDED DECEMBER 31
 (Dollars in thousands except per share data)

	1998	1997	1996
Commissions and fees	\$3,844,340	\$3,352,776	\$2,874,417
Other income, net	124,388	129,608	109,482
Gross income	3,968,728	3,482,384	2,983,899
Salaries and related expenses	2,167,931	1,913,356	1,619,619
Office and general expenses	1,179,227	1,075,176	938,717
Interest expense	58,699	57,793	51,695
Special compensation charges	-	32,229	-
Total costs and expenses	3,405,857	3,078,554	2,610,031
Income before provision for income taxes	562,871	403,830	373,868
Provision for income taxes	232,005	186,246	156,783
Income of consolidated companies	330,866	217,584	217,085
Income applicable to minority interests	(28,125)	(23,754)	(14,914)
Equity in net income of unconsolidated affiliates	7,164	6,548	12,448
Net Income \$	309,905	200,378	214,619

Per Share Data:
 Basic EPS \$2.29 \$1.54 \$1.65
 Diluted EPS \$2.21 \$1.49 \$1.60

The accompanying notes are an integral part of these financial statements.

Information for 1996 and 1997 has been restated to reflect the aggregate effect of the acquisitions accounted for as poolings of interests.

FINANCIAL STATEMENTS

(Dollars in thousands) THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
 CONSOLIDATED STATEMENT OF CASH FLOWS

	YEAR ENDED DECEMBER 31		
	1998	1997	1996
CASH FLOWS FROM OPERATING ACTIVITIES:	1998	1997	1996
Net Income \$309,905 \$200,378 \$214,619			
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and amortization of fixed assets	103,029	84,371	69,997
Amortization of intangible assets	55,835	41,110	36,858
Amortization of restricted stock awards	20,272	16,222	14,451
Stock bonus plans/ESOP	-	1,389	4,067
Provision for deferred income taxes	(12,941)	7,743	3,661
Noncash pension plan charges	-	16,700	-
Equity in net income of unconsolidated affiliates	(7,164)	(6,548)	(12,448)
Income applicable to minority interests	28,125	23,754	14,914
Translation losses/(gains)	1,847	(319)	3,262
Special compensation charges	-	31,553	-
Net gain on investments (34,737)	(44,626)	(35,211)	
Other 9,519 (11,092) 4,091			
Change in assets and liabilities, net of acquisitions:			
Receivables (243,966) (340,804) (291,351)			
Expenditures billable to clients (25,988) (46,512) (26,809)			
Prepaid expenses and other assets (38,613) (13,483) (39,188)			
Accounts payable and accrued expenses 305,076 296,849 302,676			
Accrued income taxes 20,108 2,311 27,015			
Deferred compensation and reserve for termination allowances 14,398 18,397 (13,503)			
Net cash provided by operating activities	504,705	277,393	277,101
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisitions, net (121,751) (90,297) (55,833)			
Capital expenditures (136,738) (107,065) (91,904)			
Proceeds from sales of assets 27,483 114,023 40,146			
Net proceeds from marketable securities 3,934 324 476			
Investment in unconsolidated affiliates (16,660) (8,371) 17,210			
Net cash used in investing activities (243,732) (91,386) (89,905)			
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase (decrease) in short-term borrowings 15,304 31,188 (28,450)			
Proceeds from long-term debt 12,253 256,337 152,058			
Payments of long-term debt (25,882) (31,223) (128,717)			
Proceeds from ESOP 7,420 - -			
Treasury stock acquired (164,928) (144,094) (86,949)			
Issuance of common stock 33,688 37,750 20,091			
Cash dividends - Interpublic (76,894) (61,242) (51,786)			
Cash dividends - pooled companies (2,847) (10,770) (6,933)			
Net cash (used in) provided by financing activities (201,886) 77,946 (130,686)			
Effect of exchange rates on cash and cash equivalents 11,604 (41,892) (2,554)			
Increase in cash and cash equivalents 70,691 222,061 53,956			
Cash and cash equivalents at beginning of year 738,112 516,051 462,095			
Cash and cash equivalents at end of year \$808,803 \$738,112 \$516,051			

The accompanying notes are an integral part of these financial statements.
 Information for 1996 and 1997 has been restated to reflect the aggregate effect of the acquisitions accounted for as poolings of interests.
 </TABLE

FINANCIAL STATEMENTS

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
 CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY AND COMPREHENSIVE INCOME
 (Dollars in thousands) FOR THE THREE-YEAR PERIOD ENDED DECEMBER 31, 1998

	Accumulated		Unamortized	Expense	Unearned	Common	Paid-In	Retained	Comprehensive	Treasury	of Restricted	ESOP
	Additional	Other										
BALANCES, DECEMBER 31, 1997	\$14,357	\$515,892	\$886,201	\$ (159,771)	\$ (171,088)	\$ (56,634)	\$ (7,420)	\$1,021,537				
Comprehensive income:												
Net income	\$309,905	\$ 309,905										
Adjustment for minimum pension liability				(23,405)	(23,405)							
Change in market value of securities available-for-sale				(2,516)	(2,516)							
Foreign currency translation adjustment		25,216		25,216								
Total comprehensive income		\$ 309,200										
Cash dividends - IPG	(76,894)			(76,894)								
Equity adjustments - pooled companies	(2,847)			(2,847)								
Awards of stock under Company plans:												
Achievement stock and incentive awards		274		110						384		
Restricted stock, net of forfeitures	63	36,619		(2,406)	(14,714)						19,562	
Employee stock purchases		26		13,325							13,351	
Exercise of stock options, including tax benefit		123		42,518							42,641	
Purchase of Company's own stock		(164,928)		(164,928)								
Issuance of shares for acquisitions		43,062		51,599							94,661	
Conversion of convertible debentures		3		1,002							1,005	
Payments from ESOP		7,420		7,420								
BALANCES, DECEMBER 31, 1998	\$14,572	\$ 652,692	\$1,116,365	\$ (160,476)	\$ (286,713)	\$ (71,348)	\$ -	\$1,265,092				

FINANCIAL STATEMENTS

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
 CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY AND COMPREHENSIVE INCOME
 (Dollars in thousands) FOR THE THREE-YEAR PERIOD ENDED DECEMBER 31, 1998

	Accumulated		Expense	Unearned	Retained	Comprehensive	Treasury	of Restricted	ESOP			
	Additional	Other									Common	Paid-In
BALANCES, DECEMBER 31, 1996	\$13,641		\$246,063	\$759,987	\$	(96,972)	\$	(49,082)	\$(47,350)	\$(7,800)	\$	818,487
Comprehensive income:												
Net income	\$200,378	\$	200,378									
Adjustment for minimum pension liability			(228)			(228)						
Change in market value of securities available-for-sale						12,405			12,405			
Foreign currency translation adjustment			(74,976)									
Total comprehensive income					\$137,579							
Cash dividends - IPG	(61,242)		(61,242)									
Equity adjustments- pooled companies			(12,922)			(12,922)						
Awards of stock under Company plans:												
Achievement stock and incentive awards		787		175		962						
Restricted stock, net of forfeitures		53		27,821		(3,664)		(9,284)		14,926		
Employee stock purchases				23	9,684				9,707			
Exercise of stock options, including tax benefit				138	40,855				40,993			
Purchase of Company's own stock				(144,094)		(144,094)						
Issuance of shares for acquisitions			49,877			25,577			75,454			
Conversion of convertible debentures			443	118,357					118,800			
Par value of shares issued for three-for-two stock split				59					59			
Payments from ESOP			380		380							
Special compensation charges		27,324			27,324							
Deferred stock bonus charges			(4,876)						(4,876)			
BALANCES, DECEMBER 31, 1997	\$14,357	\$	515,892	\$	886,201	\$(159,771)	\$(171,088)	\$(56,634)	\$(7,420)	\$1,021,537		

FINANCIAL STATEMENTS

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
 CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY AND COMPREHENSIVE INCOME
 (Dollars in thousands) FOR THE THREE-YEAR PERIOD ENDED DECEMBER 31, 1998

	Accumulated		Expense	Unearned	Retained	Comprehensive	Treasury	of Restricted	ESOP			
	Additional	Other									Common	Paid-In
BALANCES, DECEMBER 31, 1995	\$	8,963	\$234,007	\$609,683	\$	(106,280)	\$	-	\$(39,664)	\$(9,900)	\$	696,809
Comprehensive income:												
Net income	\$214,619	\$	214,619									
Adjustment for minimum pension liability			(3,891)			(3,891)						
Foreign currency translation adjustment						13,199						
Total comprehensive income					\$223,927							
Cash dividends - IPG			(51,786)			(51,786)						
Equity adjustments- pooled companies			(40,874)			(7,982)		40,874		(7,982)		
Awards of stock under Company plans:												
Achievement stock and incentive awards			331		103	434						
Restricted stock, net of forfeitures		49		22,831		(1,244)		(7,686)		13,950		
Employee stock purchases			19	7,273					7,292			
Exercise of stock options, including tax benefit			61	17,119					17,180			
Purchase of Company's own stock				(86,949)		(86,949)						
Issuance of shares for acquisitions			4,453			(1,866)			2,587			
Conversion of convertible debentures			2	923					925			
Par value of shares issued for three-for-two stock split				4,547		(4,547)			-			
Payments from ESOP			2,100		2,100							
BALANCES, DECEMBER 31, 1996	\$13,641	\$	246,063	\$759,987	\$	(96,972)	\$(49,082)	\$(47,350)	\$(7,800)	\$818,487		

The accompanying notes are an integral part of these financial statements.

Information for 1995, 1996 and 1997 has been restated to reflect the aggregate effect of the acquisitions accounted for as poolings of interests.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Company is a worldwide provider of advertising agency and related services. The Company conducts business through the following subsidiaries: McCann-Erickson WorldGroup, Ammirati Puris Lintas, The Lowe Group, Western Initiative Media Worldwide, DraftWorldwide, Allied Communications Group, Octagon, International Public Relations and other related companies. The Company also has arrangements through association with local agencies in various parts of the world. Other "marketing communications" activities conducted by the Company are market research, sales promotion, product development, direct marketing, telemarketing, public relations and other related services.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries, most of which are wholly owned. The Company also has certain investments in unconsolidated affiliates that are carried on the equity basis. The Company acquired five companies in 1998 which were accounted for as poolings of interests. The Company's consolidated financial statements, including the related notes, have been restated as of the earliest period presented to include the results of operations, financial position and cash flows of the 1998 pooled entities in addition to all prior pooled entities.

Short-term and Long-term Investments

The Company's investments in marketable and equity securities are categorized as available-for-sale securities, as defined by Statement of Financial Accounting Standards No. 115 (SFAS 115), "Accounting for Certain Investments in Debt and Equity Securities". Unrealized holding gains and losses are reflected as a net amount as a separate component of stockholders' equity until realized. The cost of securities sold is based on the average cost of securities when computing realized gains and losses.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Translation of Foreign Currencies

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

Commissions, Fees and Costs

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

Depreciation and Amortization

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

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

Long-lived Assets

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

The Company evaluates the recoverability of the carrying value of long-lived assets whenever events or changes in circumstances indicate that the net book value of an operation may not be recoverable. If the sum of projected future undiscounted cash flows of an operation is less than its carrying value, an impairment loss is recognized. The impairment loss is measured by the excess of the carrying value over fair value based on estimated discounted future cash flows or other valuation measures.

Income Taxes

Deferred income taxes reflect the impact of temporary differences between the amount of assets and liabilities recognized for financial reporting purposes and such amounts recognized for income tax purposes.

Earnings per Common and Common Equivalent Share

As further discussed in Note 3, the Company adopted Statement of Financial Accounting Standards No. 128 (SFAS 128), "Earnings Per Share", in the fourth quarter of 1997. Basic earnings per share is based on the weighted-average number of common shares outstanding during each year. Diluted earnings per share also includes common equivalent shares applicable to grants under the stock incentive and stock option plans and the assumed conversion of convertible subordinated debentures and notes, if they are determined to be dilutive.

Treasury Stock

Treasury stock is acquired at market value and is recorded at cost. Issuances are accounted for on a first-in, first-out basis.

Concentrations of Credit Risk

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

Segment Reporting

In June 1997, the Financial Accounting Standards Board (the "FASB") issued Statement of Financial Accounting Standards No. 131 (SFAS 131), "Disclosures about Segments of an Enterprise and Related Information," which changes the way public companies report financial and descriptive information about their operating segments. The Company provides advertising and many other closely related marketing communications services. All of these services fall within one reportable segment as defined in SFAS 131.

Retirement Plans

In February 1998, the FASB issued Statement of Financial Accounting Standards No. 132 (SFAS 132), "Employers' Disclosures about Pensions and Other Postretirement Benefits." SFAS 132 does not change the measurement or recognition of such plans, but does standardize the disclosure requirements for pensions and other postretirement benefits to the extent practicable. SFAS 132 also requires disclosures of additional information about changes in benefit obligations and fair values of plan assets, and eliminates certain other disclosures that were previously required. The Company has adopted SFAS 132 for its 1998 financial statements (See Note 8).

Reclassifications

Certain amounts for prior years have been reclassified to conform with current year presentation.

NOTE 2: STOCKHOLDERS' EQUITY

On May 19, 1997, the stockholders approved an increase in the number of authorized common shares from 150,000,000 shares to 225,000,000 shares. The stockholders also approved a three-for-two stock split, effected in the form of a 50% stock dividend paid on July 15, 1997 to stockholders of record as of June 27, 1997. The number of shares reserved for issuance pursuant to various plans under which stock is issued was increased by 50%. The three-for-two stock split has been reflected retroactively in the

consolidated financial statements and all per share data, shares, and market prices of the Company's common stock included in the consolidated financial statements and notes thereto have been adjusted to give effect to the stock split.

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

NOTE 3: EARNINGS PER SHARE

In the fourth quarter of 1997, the Company adopted SFAS 128, which specifies the method of computation, presentation and disclosure for earnings per share (EPS). SFAS 128 replaces the presentation of primary EPS with basic EPS and requires dual presentation of basic and diluted EPS. All prior period EPS data has been restated to comply with SFAS 128.

In accordance with SFAS 128, the following is a reconciliation of the components of the basic and diluted EPS computations for income available to common stockholders:

FOR THE YEAR ENDED DECEMBER 31,										
(Dollars in thousands										
except per share data)										
	1998	1997	1996	Per		Per		Per		
	Share	Share	Share	Shares	Amount	Income	Shares	Amount	Income	
	Income	Amount	Income							
BASIC EPS										
Income available to common stockholders		\$309,905	135,485,326	\$2.29	\$200,378	130,249,946	\$1.54	\$214,619	130,297,369	\$1.65
Effect of Dilutive Securities:										
Options	3,310,367		2,910,648		2,219,373					
Restricted stock	541		1,726,919		447	1,638,647	384	1,605,564		
3/4% Convertible subordinated debentures				2,660	5,929	4,010,291		6,410	4,466,502	
DILUTED EPS	\$310,446	140,525,272	\$2.21	\$206,754	138,809,532	\$1.49	\$221,413	138,588,808	\$1.60	

The computation of diluted EPS for 1998 and 1997 excludes the assumed conversion of the 1.80% Convertible Subordinated Notes (See Note 10), because they were antidilutive.

NOTE 4: ACQUISITIONS

The Company acquired a number of advertising and communications companies during the three-year period ended December 31, 1998. The aggregate purchase price, including cash and stock payments, was \$660 million, \$302 million and \$173 million in 1998, 1997 and 1996, respectively. The aggregate purchase price includes the value of stock issued for pooled companies.

In 1998, 7,478,267 shares of the Company's common stock were issued for acquisitions accounted for as poolings of interests. The companies pooled and the respective shares of the Company's common stock issued were: International Public Relations - 2,640,173 shares, Hill, Holliday, Connors, Cosmopolos, Inc. ("Hill Holliday") - 2,062,434 shares, The Jack Morton Company - 2,135,996 shares, Carmichael Lynch, Inc. - 486,904 shares and KBA Marketing - 152,760 shares.

The Company's consolidated financial statements, including the related notes, have been restated as of the earliest period presented to include the results of operations, financial position and cash flows of the above 1998 pooled entities in addition to all prior pooled entities. A gross income and net income reconciliation for the years ending December 31, 1997 and 1996 is summarized below:

Gross Income Net Income/(Loss)
(Dollars in thousands)

For the Year 1997:

As Reported	\$3,264,120	\$205,033
Pooled Companies	218,264	(4,655)
As Restated	\$3,482,384	\$200,378

For the Year 1996:

As Reported	\$2,786,655	\$211,113
Pooled Companies	197,244	3,506
As Restated	\$2,983,899	\$214,619

The "As Reported" balances shown above reflect amounts previously reported, which were restated to incorporate the results of three companies acquired in April 1998 as well as all prior pooled entities. The "As Restated" balances reflect the restatement for two companies pooled in the second half of 1998.

In 1998, the Company also paid \$140 million in cash and issued 1,359,252 shares of its common stock for acquisitions accounted for as purchases and equity investments. These acquisitions included Gillespie, Ryan McGinn, CSI, Flammini, Gingko and Defederico and Herrero Y Ochoa. The Company also recorded a liability for acquisition related deferred payments of \$24 million.

In 1997, the Company issued 4,059,255 shares of its common stock for acquisitions accounted for as poolings of interests. Some of the companies pooled and the respective shares of the Company's common stock issued were: Complete Medical Group - 708,789 shares, Integrated Communications Corporation - 585,054 shares, Advantage International - 579,206 shares and Ludgate - 539,459 shares. Additional companies accounted for as poolings of interests include Adler Boschetto Peebles, Barnett Fletcher, Davies Baron, Diefenbach Elkins, D.L. Blair, Rubin Barney & Birger, Inc. and Technology Solutions Inc.

In 1997, the Company also paid \$81 million in cash and issued 1,200,059 shares of its common stock for acquisitions accounted for as purchases and equity investments. These acquisitions included Marketing Corporation of America, Medialog, The Sponsorship Group, Kaleidoscope and Addis Wechsler (51% interest). The Company increased its interest in Campbell Mithun Esty by 25%. The Company also recorded a liability for acquisition related deferred payments of \$38 million.

In 1996, the Company issued 3,519,847 shares of its stock for acquisitions accounted for as poolings of interests. Pooled companies included DraftDirect- 2,736,914 shares, The Weber Group- 495,996 shares and Torre Renta Lazur- 286,937 shares.

During 1996, the Company paid \$57 million in cash and issued 190,653 shares of its common stock for acquisitions accounted for as purchases and equity investments. These acquisitions included Angotti Thomas Hedge, Jay Advertising, Media Inc., McAdams Healthcare, GGK (49% interest) and Goldberg Moser O'Neill (49% interest).

Deferred payments of both cash and shares of the Company's common stock for prior years' acquisitions were \$75 million, \$43 million, and \$20 million in 1998, 1997 and 1996, respectively.

During 1998, the Company sold a portion of its investments in Applied Graphics Technologies, Inc., CKS Group, Inc. and Lycos with combined proceeds of approximately \$20 million. These investments are being accounted for as available-for-sale securities, pursuant to the requirements of SFAS 115. During 1997, the Company sold its investment in All American Communications, Inc. for approximately \$77 million. During 1996, the Company sold its 50% investment in Mark Goodson Productions for approximately \$29 million, a portion of its investment in CKS Group, Inc. for \$37.6 million and its investment in Spotlink for \$11.7 million in shares of the purchaser's common stock.

NOTE 5: PROVISION FOR INCOME TAXES

The Company accounts for income taxes under Statement of Financial Accounting Standards No. 109 (SFAS 109), "Accounting for Income Taxes". SFAS 109 applies an asset and liability approach that requires the recognition of deferred tax assets and liabilities with respect to the expected future tax consequences of events that have been recognized in the consolidated financial statements and tax returns.

The components of income before provision for income taxes are as follows:

(Dollars in thousands)	1998	1997	1996
Domestic	\$292,931	\$174,177	\$178,717
Foreign	269,940	229,653	195,151
Total	\$562,871	\$403,830	\$373,868

The provision for income taxes consisted of:

(Dollars in thousands)	1998	1997	1996
Federal Income Taxes (Including Foreign Withholding Taxes):			
Current	\$105,049	\$ 68,920	\$ 59,414
Deferred	3,669	4,312	(78)
	108,718	73,232	59,336
State and Local Income Taxes:			
Current	21,285	22,350	20,759
Deferred	725	393	2,581
	22,010	22,743	23,340
Foreign Income Taxes:			
Current	118,612	87,233	72,949
Deferred	(17,335)	3,038	1,158
	101,277	90,271	74,107
Total	\$232,005	\$186,246	\$156,783

At December 31, 1998 and 1997 the deferred tax assets/(liabilities) consisted of the following items:

(Dollars in thousands)	1998	1997
Postretirement/postemployment benefits	\$ 46,394	\$ 40,978
Deferred compensation	34,285	25,468
Pension costs	13,715	12,094
Depreciation	(6,102)	(8,824)
Rent	(6,424)	(842)
Interest	4,598	2,056
Accrued reserves	8,569	11,708
Investments in equity securities	(10,677)	(1,375)
Tax loss/tax credit carryforwards	46,682	35,000
Other	(2,279)	(2,904)
Total deferred tax assets	128,761	113,359
Deferred tax valuation allowance	31,411	37,698
Net deferred tax assets	\$ 97,350	\$ 75,661

The valuation allowance of \$31.4 million and \$37.7 million at December 31, 1998 and 1997, respectively, represents a provision for uncertainty as to the realization of certain deferred tax assets, including U.S. tax credit

and net operating loss carryforwards in certain jurisdictions. The change during 1998 in the deferred tax valuation allowance primarily relates to changes in the deferred compensation tax item, net operating loss carryforwards and tax credits. At December 31, 1998, there was \$6.9 million of tax credit carryforwards with expiration periods through 2003 and net operating loss carryforwards with a tax effect of \$39.8 million with various expiration periods. The Company has concluded that based upon expected future results, it is more likely than not that the net deferred tax asset balance will be realized.

A reconciliation of the effective income tax rate as shown in the consolidated statement of income to the federal statutory rate is as follows:

	1998	1997	1996
Statutory federal income tax rate	35.0%	35.0%	35.0%
State and local income taxes, net of federal income tax benefit	3.7	4.1	3.0
Impact of foreign operations, including withholding taxes	0.4	0.3	1.0

Goodwill and intangible assets 2.8 2.7 2.4
 Effect of pooled companies (0.1) 3.9 1.1
 Other (0.6) 0.1 (0.6)
 Effective tax rate 41.2% 46.1% 41.9%

The total amount of undistributed earnings of foreign subsidiaries for income tax purposes was approximately \$497.6 million at December 31, 1998. No provision has been made for foreign withholding taxes or United States income taxes which may become payable if undistributed earnings of foreign subsidiaries were paid as dividends to the Company, since a major portion of these earnings has been reinvested in working capital and other business needs. The additional taxes on that portion of undistributed earnings which is available for dividends are not practicably determinable.

NOTE 6: SUPPLEMENTAL CASH FLOW INFORMATION

For purposes of the consolidated statement of cash flows, the Company considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

Income Tax and Interest Payments

Cash paid for income taxes was approximately \$193.9 million, \$126.9 million and \$106.9 million in 1998, 1997 and 1996, respectively. Interest payments were approximately \$37.2 million in 1998, \$31.2 million in 1997 and \$35.9 million in 1996.

Noncash Financing Activity

As more fully described in Note 10, during 1997 the Company redeemed all outstanding issues under the 3 3/4% Convertible Subordinated Debentures due 2002. Substantially all of the outstanding debentures were converted into approximately 4.3 million shares of the Company's common stock.

Acquisitions

As more fully described in Note 4, the Company issued 8,837,519 shares, 5,259,314 shares, and 3,710,500 shares of the Company's common stock in connection with acquisitions during 1998, 1997 and 1996, respectively. Details of businesses acquired in transactions accounted for as purchases were as follows:

1998	1997	1996	
(Dollars in thousands)			
Fair value of assets acquired	\$452,237	\$263,312	\$186,557
Liabilities assumed	184,187	89,686	106,289
Net assets acquired	268,050	173,626	80,268
Less: noncash consideration	86,446	76,794	7,568
Less: cash acquired	59,853	6,535	16,867
Net cash paid for acquisitions	\$121,751	\$ 90,297	\$ 55,833

The amounts shown above exclude acquisition related deferred payments due in subsequent years, but include cash deferred payments of \$55 million, \$30 million and \$18 million made during 1998, 1997 and 1996, respectively.

NOTE 7: INCENTIVE PLANS

The 1997 Performance Incentive Plan ("1997 PIP Plan"), approved by the Company's stockholders in May 1997, replaced the Company's Management Incentive Compensation Plan, Long-Term Performance Incentive Plan, 1996 Stock Incentive Plan and the 1986 Stock Incentive Plan ("Predecessor Plans"). Awards made under the Predecessor Plans remain subject to their terms and conditions. The 1997 PIP Plan includes the following types of awards: (1) stock options, (2) stock appreciation rights, (3) restricted stock, (4) phantom shares, (5) performance units and (6) management incentive compensation performance awards.

The maximum number of shares of the Company's common stock which may be granted in any year under the 1997 PIP Plan, excluding management incentive compensation performance awards, is equal to a base amount (1.85% of the total number of shares of the Company's common stock outstanding on the first day of the year) supplemented by additional shares as defined in the 1997 PIP Plan document. The 1997 PIP Plan also limits the number of shares available with respect to stock option and stock appreciation rights awards

made each year to any one participant as well as the number of shares available under certain types of awards.

The following discussion relates to transactions under the 1997 PIP Plan, the Predecessor Plans and other incentive plans. Except as otherwise noted, awards under the 1997 PIP Plan have terms similar to awards made under the respective Predecessor Plans.

Stock Options

The 1997 PIP Plan provides for the granting of either incentive stock options (ISO's) or nonstatutory options to purchase shares at the fair value of the Company's common stock on the date of grant. The Compensation Committee of the Board of Directors (the "Committee"), is responsible for determining the vesting terms and the exercise period of each grant within the limitations set forth in the 1997 PIP Plan document.

Outstanding options are generally granted at the fair market value of the Company's common stock on the date of grant and are exercisable based on a schedule determined by the Committee. Generally, options become exercisable between two and five years after the date of grant and expire ten years from the date of grant.

The Company also maintains a stock plan for outside directors. Under this plan, 300,000 shares of common stock of the Company are reserved for issuance. Stock options under this plan are awarded at the fair market value of the Company's common stock on the date the option is granted. Options generally become exercisable three years after the date of grant and expire ten years from the date of grant.

Following is a summary of stock option transactions during the three-year period ended December 31, 1998:

	Number of Shares	Weighted-Average Price Under Option Exercise	
Balance, December 31, 1995	9,937,152	\$18	
Exercisable, December 31, 1995	4,538,483		11
New Awards	3,503,580		31
Exercised	(907,866)		14
Cancelled	(466,923)		22
Balance, December 31, 1996	12,065,943		22
Exercisable, December 31, 1996	3,846,002		14
New Awards	2,210,980		38
Exercised	(1,733,559)		16
Cancelled	(521,160)		24
Balance, December 31, 1997	12,022,204		26
Exercisable, December 31, 1997	4,201,219		17
New Awards	3,949,191		64
Exercised	(1,495,003)		16
Cancelled	(618,748)		29
Balance, December 31, 1998	13,857,644		37
Exercisable, December 31, 1998	2,988,719		18

The following table summarizes information about stock options outstanding at December 31, 1998:

Weighted-Average Range of Exercise Prices	Weighted-Number Outstanding at 12/31/98	Weighted-Average Contractual Life	Weighted-Number Exercise Price	Weighted-Average Exercisable at 12/31/98	Weighted-Average Exercise Price
\$8.66 to \$19.99	2,349,972	3.25	\$16	2,343,222	\$16
20.00 to 29.99	2,675,726	6.04	22	624,047	22
30.00 to 34.99	3,235,123	7.44	32	21,450	32
35.00 to 69.19	5,596,823	9.34	56	-	-

Stock Appreciation Rights

The 1997 PIP Plan permits the Company to grant stock appreciation rights. A stock appreciation right entitles the holder to receive an amount equal

to the fair market value of a share of common stock of the Company on the date of exercise over a base price. No such awards have been made to date.

Restricted Stock

Various incentive plans, including the 1997 PIP Plan, incorporate the issuance of restricted stock subject to certain restrictions and vesting requirements determined by the Committee. The vesting period is generally five to seven years. No monetary consideration is paid by a recipient for a restricted stock award and the grant date fair value of these shares is amortized over the restriction periods. The Committee is authorized to direct that discretionary tax assistance payments may be made to recipients when the restrictions lapse. Such payments are expensed as awarded. At December 31, 1998, there were a total of 3,571,097 shares of restricted stock outstanding. During 1998, 1997 and 1996, the Company awarded 629,978 shares, 699,257 shares and 720,903 shares of restricted stock with a weighted-average grant date fair value of \$57.97, \$38.96 and \$31.14, respectively.

Restricted shares under the Outside Directors' Plan generally vest after five years. At December 31, 1998, there were 18,000 shares of restricted stock outstanding. During 1998, no shares were awarded under this Plan.

Phantom Shares

The 1997 PIP Plan permits the Company to grant phantom shares. A phantom share represents the right of the holder to receive an amount determined by the Committee based on the achievement of performance goals. No such grants have been made under the 1997 PIP Plan.

Performance Units

The 1997 PIP Plan and its predecessor, the Long-Term Performance Incentive Plan, permit the Company to grant performance units. Performance units represent the contractual right of the holder to receive a payment that becomes vested upon the attainment of performance objectives determined by the Committee.

Grants consisting of performance units have been awarded to certain key employees of the Company and its subsidiaries. The ultimate value of these performance units is contingent upon the annual growth in profits (as defined) of the Company, its operating components or both, over the 1995-1998 and 1997-2000 performance periods. The awards are generally paid in cash. The projected value of these units is accrued by the Company and charged to expense over the four-year performance period.

The Company expensed \$19.9 million in each of 1998 and 1997 and \$13.6 million in 1996 relating to performance units. As of December 31, 1998, the Company's liability for the 1995-1998 and 1997-2000 performance periods was \$54.7 million, which represents a proportionate part of the total estimated amounts payable for the two performance periods. The Company's liability to participants for the 1995-1998 performance period as of December 31, 1998 was approximately \$34.6 million.

Management Incentive Compensation Plan

Under the management incentive compensation component of the 1997 PIP Plan management incentive compensation awards are made to selected employees of the Company in the form of cash or stock, subject to the limitation that no individual may receive in excess of \$2 million and certain limitations on common shares issued.

Other Incentive Arrangements

Under the Employee Stock Purchase Plan (ESPP), employees may purchase common stock of the Company through payroll deductions not exceeding 10% of their compensation. The price an employee pays for a share of stock is 85% of the market price on the last business day of the month. The Company issued 262,153 shares, 281,852 shares and 279,879 shares during 1998, 1997 and 1996, respectively, under the ESPP. An additional 8,043,225 shares were reserved for issuance at December 31, 1998.

Under the Company's Achievement Stock Award Plan, awards may be made up to an aggregate of 1,872,000 shares of common stock together with cash awards to cover any applicable withholding taxes. The Company issued 4,305 shares, 10,130 shares and 8,505 shares during 1998, 1997 and 1996, respectively, under this Plan. The weighted-average fair value on the dates of grant in

1998, 1997 and 1996 was \$56.69, \$42.25 and \$30.86, respectively.

SFAS 123 Disclosures

The Company adopted Statement of Financial Accounting Standards No. 123 (SFAS 123), "Accounting for Stock-Based Compensation" in the fourth quarter of 1996. As permitted by the provisions of SFAS 123, the Company applies APB Opinion 25, "Accounting for Stock Issued to Employees", and related interpretations in accounting for its stock-based employee compensation plans. Accordingly, no compensation cost has been recognized for the Company's stock options or for shares purchased under the ESPP. The cost recorded for restricted stock and achievement stock awards in 1998, 1997 and 1996 was \$20.5 million, \$16.7 million and \$14.5 million, respectively. If compensation cost for the Company's stock option plans and its ESPP had been determined based on the fair value at the grant dates as defined by SFAS 123, the Company's pro forma net income and earnings per share would have been as follows:

	1998	1997	1996
(Dollars in thousands except per share data)			
Net Income As reported	\$309,905	\$200,378	\$214,619
Pro forma	\$295,059	\$190,542	\$207,633

Earnings Per Share

Basic As reported	\$2.29	\$1.54	\$1.65
Pro forma	\$2.18	\$1.46	\$1.59
Diluted As reported	\$2.21	\$1.49	\$1.60
Pro forma	\$2.10	\$1.42	\$1.55

For purposes of this pro forma information, the fair value of shares issued under the ESPP was based on the 15% discount received by employees. The weighted-average fair value (discount) on the date of purchase for stock purchased under this Plan was \$7.64, \$5.36 and \$4.60 in 1998, 1997 and 1996, respectively.

For purposes of this pro forma information, the fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions used for grants in 1998, 1997 and 1996, respectively: dividend yield of 0.95%, 1.3% and 1.41%; expected volatility of 19.17%, 19.17% and 20.71%; risk-free interest rate of 4.87%, 6.51% and 6.43%; and expected life of six years for each of the three years.

The weighted-average fair value on the dates of grant for options granted in 1998, 1997 and 1996 was \$17.70, \$11.83 and \$9.63, respectively. As required by SFAS 123, this pro forma information is based on stock awards beginning in 1995 and accordingly is not likely to be representative of the pro forma effects in future years because options vest over several years and additional awards generally are made each year.

Hill Holliday Compensation Plans

Hill Holliday had an Equity Participation Plan (the "EPP") for various members of management and certain agreements (the "Awards") with three key members of their management, which provided for participants to receive a portion of the proceeds in the event of the sale or merger of Hill

Holliday. As a result of the merger discussions initiated in November 1997 and the subsequent agreement entered into on February 19, 1998, Hill Holliday recognized \$26.0 million of compensation expense based on management's assessment that as of December 31, 1997, it was probable that the obligations under the EPP and the Awards would become payable. Also included in the special compensation charge was \$.9 million related to the value of certain compensatory stock options and \$.5 million related to other stock grants. The remaining balance of the special charge consisted of \$4.2 million of payments on a consulting and supplemental retirement agreement under which no future services are expected, \$1.0 million payable under an employment agreement in the event of the sale of Hill Holliday and \$1.0 million of other expenses.

Carmichael Lynch, Inc. Compensation Plans

Carmichael Lynch maintained an Employee Stock Ownership Program ("ESOP") which was funded by a loan in the original amount of \$10.5 million and contributions from Carmichael Lynch which were approximately \$.7 million in 1997 and \$2.4 million in 1996. At December 31, 1997, the loan had a balance of \$7.4 million, which was repaid from proceeds from the sale of Company stock received in the merger, and the Plan was terminated. Carmichael Lynch also had a deferred stock equivalent plan payable in cash or stock. In 1997, it was determined that the units would be paid in cash and accordingly the balance of \$4.9 million was reclassified from "Additional Paid in Capital" to "Deferred Compensation". At December 31, 1998, the outstanding units had been paid.

International Public Relations Compensation Plans

International Public Relations maintained several stock option plans, which will expire in early 1999, and a maximum of 60,000 shares of the Company's common stock may be issued on exercise of the options.

NOTE 8: RETIREMENT PLANS

Defined Benefit Pension Plans

Through March 31, 1998 the Company and certain of its domestic subsidiaries had a defined benefit plan ("Domestic Plan") which covered substantially all regular domestic employees. Effective April 1, 1998 this Plan was

curtailed, and participants with five or less years of service became fully vested in the Plan. Participants with five or more years of service as of March 31, 1998 retain their vested balances and participate in a new compensation plan. Under the new plan, each participant's account will be credited with an annual allocation, equal to the projected discounted pension benefit accrual plus interest, while they continue to work for the Company. Participants in active service will be eligible to receive up to ten years of allocations coinciding with the number of years of service with the Company after March 31, 1998. As a result of the change in the Domestic Plan, the Company recorded charges of approximately \$16.7 million in the fourth quarter of 1997.

The Company's policy was to fund pension costs as permitted by applicable tax regulations. Pension costs were determined by the projected unit credit method based upon career average pay. Funding requirements for the Domestic Plan were determined using the accrued benefit unit credit method. Under the "cash balance" formula, the participant's account balance was credited each year with an amount equal to the percentage of the year's annual compensation, plus interest credits.

The Company recorded a reduction to stockholders' equity for minimum pension liability of \$36.6 million, \$13.2 million and \$13.0 million in 1998, 1997 and 1996, respectively.

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

Net periodic pension costs for the Domestic Plan for 1998, 1997 and 1996 included the following components:

(Dollars in thousands)	1998	1997	1996
Service cost \$	16	\$ 4,179	\$ 4,057
Interest cost	9,841	10,567	10,248
Expected return on plan assets		(11,575)	(11,011)
Amortization of unrecognized transition obligation		-	1,887
		1,887	1,887

(Dollars in thousands)	1998	1997	1996
Amortization of prior service cost	-	(1,276)	(1,769)
Recognized actuarial loss		2,601	943
Curtailed charge	-	9,727	-
Net periodic pension cost \$	883	\$ 15,016	\$ 4,574

Net periodic pension costs for foreign pension plans for 1998, 1997 and 1996 included the following components:

(Dollars in thousands)	1998	1997	1996
Service cost	\$ 6,847	\$ 5,460	\$ 5,130
Interest cost	10,908	10,633	10,150
Expected return on plan assets	(9,437)	(10,537)	(9,112)
Amortization of unrecognized transition obligation		373	324
Amortization of prior service cost		482	552
Recognized actuarial (gain)	(70)	(1,440)	(2,026)
Other	-	-	(50)
Net periodic pension cost	\$ 9,103	\$ 4,992	\$ 5,368

The following table sets forth the change in the benefit obligation, the change in plan assets, the funded status and amounts recognized for the pension plans in the Company's consolidated balance sheet at December 31, 1998, and 1997:

(Dollars in thousands)	Domestic Pension Plan		Foreign Pension Plans	
	1998	1997	1998	1997
Change in benefit obligation				
Beginning obligation	\$134,347	\$139,142	\$179,016	\$165,654
Service cost	16	4,179	6,847	5,460
Interest cost	9,841	10,567	10,908	10,633
Benefits paid	(12,244)	(17,016)	(9,447)	(11,677)
Participant contributions	-	-	1,606	1,311
Actuarial losses	26,363	6,070	29,882	18,022
Curtailement	-	(8,595)	-	-
Currency effect	-	-	5,245	(10,387)
Other	-	(3,093)	-	-
Ending obligation	158,323	134,347	220,964	179,016
Change in plan assets				
Beginning fair value	115,943	112,284	145,942	136,575
Actual return on plan assets	11,932	14,346	17,363	18,309
Employer contributions	7,638	6,329	2,473	3,592
Participant contributions	-	-	1,606	1,311
Benefits paid	(12,244)	(17,016)	(9,447)	(11,677)
Currency effect	-	-	1,300	(4,427)
Other	-	2,738	2,259	-
Ending fair value	123,269	115,943	161,975	145,942
Funded status of the plans	(35,054)	(18,404)	(58,989)	(33,074)
Unrecognized net actuarial loss/(gain)	36,612	13,207	11,536	(12,711)
Unrecognized prior service cost	-	-	2,921	3,524
Unrecognized transition cost	-	-	3,796	2,980
Net amount recognized	\$ 1,558	\$(5,197)	\$(40,736)	\$(39,281)

At December 31, 1998 and 1997, the assets of the Domestic Plan and the foreign pension plans were primarily invested in fixed income and equity securities.

For the Domestic Plan, a discount rate of 6.75% in 1998, 7.25% in 1997 and 7.5% in 1996 and a salary increase assumption of 6% in 1998, 1997 and 1996 were used in determining the actuarial present value of the projected benefit obligation. The expected return on Domestic Plan assets was 10% in 1998, 1997 and 1996. For the foreign pension plans, discount rates ranging from 4.0% to 14% in 1998, 3.5% to 14% in 1997, and 5.5% to 12% in 1996 and salary increase assumptions ranging from 2.0% to 10% in 1998, 1997, and 1996, were used in determining the actuarial present value of the projected benefit obligation. The expected rates of return on the assets of the foreign pension plans ranged from 2.0% to 14% in 1998, 3.5% to 14% in 1997, and 4.0% to 12% in 1996.

The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for the Domestic Plan were \$158 million, \$158 million and \$123 million, respectively, as of December 31, 1998, and \$134 million, \$134 million, and \$116 million, respectively, as of December 31, 1997. The projected benefit obligation, accumulated benefit obligation, and fair

value of plan assets for the foreign pension plans with accumulated benefit obligations in excess of plan assets were \$81.4 million, \$74 million, and \$3.3 million respectively, as of December 31, 1998, and \$74 million, \$66 million, and \$4.7 million respectively, as of December 31, 1997.

Other Benefit Arrangements

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

In addition to the defined benefit plan described above, the Company also sponsors a defined contribution plan ("Savings Plan") that covers substantially all domestic employees of the Company and participating subsidiaries. The Savings Plan permits participants to make contributions on a pre-tax and/or after-tax basis. The Savings Plan allows participants to choose among several investment alternatives. The Company matches a portion of participants' contributions based upon the number of years of service. The Company contributed \$8.1 million, \$6.3 million and \$5.4 million to the Savings Plan in 1998, 1997 and 1996, respectively. One of

the 1998 pooled companies also had a defined contribution plan in which a percentage of the participants' contributions were matched. Contributions were \$.7 million, \$2.2 million and \$2.4 million in 1998, 1997 and 1996, respectively.

Postretirement Benefit Plans

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

The Company accrues the expected cost of postretirement benefits other than pensions over the period in which the active employees become eligible for such postretirement benefits.

The components of periodic expense for these postretirement benefits for 1998, 1997 and 1996 were as follows:

(Dollars in thousands)	1998	1997	1996
Service cost	\$ 682	\$ 612	\$ 610
Interest cost	3,082	2,958	2,824
Amortization of prior service cost		(934)	(934)
			(934)
Total periodic expense	\$2,830	\$2,636	\$2,500

The following table sets forth the change in benefit obligation, change in plan assets, funded status and amounts recognized for the Company's postretirement benefit plans in the consolidated balance sheet at December 31, 1998 and 1997:

	1998	1997
Change in benefit obligation		
Beginning obligation	\$41,637	\$38,757
Service cost	682	612
Interest cost	3,082	2,958
Participant contributions		77
Benefits paid	(1,695)	(1,958)
Actuarial (gain)/loss	(3,190)	1,179
Ending obligation	40,593	41,637
Change in plan assets		
Beginning fair value	-	-
Actual return on plan assets		-
Employer contributions	1,618	1,869
Participant contributions		77
Benefits paid	(1,695)	(1,958)
Ending fair value	-	-

Funded status of the plans	(40,593)	(41,637)
Unrecognized net actuarial gain	(5,195)	(2,004)
Unrecognized prior service cost	(2,829)	(3,763)
Net amount recognized	\$(48,617)	\$(47,404)

A discount rate of 6.75% in 1998, 7.25% in 1997 and 7.50% in 1996 and a salary increase assumption of 6.0% in 1998, 1997 and 1996 were used in determining the accumulated postretirement benefit obligation. An 8.0% and a 9.0% increase in the cost of covered health care benefits was assumed for 1998 and 1997, respectively. This rate is assumed to decrease incrementally to 5.5% in the year 2002 and remain at that level thereafter. The health care cost trend rate assumption does not have a significant effect on the amounts reported. For example, a 1% increase in the health care cost trend rate would increase the accumulated postretirement benefit obligation at December 31, 1998 by approximately \$2.8 million, and the combination of the service cost and the interest cost for 1998 by approximately \$.2 million. A 1% decrease in the health care cost trend rate would decrease the accumulated postretirement benefit obligation at December 31, 1998 by approximately \$3.2 million, and the combination of the service cost and the interest cost for 1998 by approximately \$.3 million.

Postemployment Benefits

In accordance with SFAS 112 "Employers' Accounting for Postemployment Benefits", the Company accrues costs relating to certain benefits including severance, worker's compensation and health care coverage over an employee's service life.

The Company's liability for postemployment benefits totaled \$50.3 million and \$56.7 million at December 31, 1998 and 1997, respectively, and is included in deferred compensation and reserve for termination allowances. The net periodic expense recognized in 1998, 1997 and 1996 was \$32.2 million, \$31.3 million and \$23.4 million, respectively.

NOTE 9: SHORT-TERM BORROWINGS

The Company and its domestic subsidiaries have lines of credit with various banks. These credit lines permit borrowings at fluctuating interest rates determined by the banks. Short-term borrowings by subsidiaries outside the United States principally consist of drawings against bank overdraft facilities and lines of credit. These borrowings bear interest at the prevailing local rates. Where required, the Company has guaranteed the repayment of these borrowings. Unused lines of credit by the Company and its subsidiaries at December 31, 1998 and 1997 aggregated \$458 million and \$432 million, respectively. The weighted-average interest rate on outstanding balances at December 31, 1998 was approximately 7.3%. Current maturities of long-term debt are included in the payable to banks balance.

NOTE 10: LONG-TERM DEBT

Long-term debt at December 31 consisted of the following:
(Dollars in thousands) 1998 1997

Convertible Subordinated Notes - 1.80%	\$207,927	\$201,768
Term loans - 6.45% to 7.91%		
(6.45% to 14.0% in 1997)	255,000	276,833
Germany mortgage note payable - 7.6%	31,680	29,846
Other mortgage notes payable and		
long-term loans - generally 2% to 10%	34,513	40,845
	529,120	549,292
Less: current portion	22,502	30,256
Long-term debt	\$506,618	\$519,036

On September 16, 1997, the Company issued \$250 million face amount of Convertible Subordinated Notes due 2004 ("2004 Notes") with a coupon rate of 1.80%. The 2004 Notes were issued at an original price of 80% of the face amount, generating proceeds of approximately \$200 million. The notes are convertible into 3.3 million shares of the Company's common stock at a conversion rate of 13.386 shares per \$1,000 face amount. These shares have been reserved for the conversion of the notes. The fair value of the 2004 Notes as of December 31, 1998 was approximately \$283 million and was determined by obtaining quotes from brokers.

In the fourth quarter of 1997, the Company redeemed its 3 3/4% Convertible Subordinated Debentures due 2002. Substantially all of the outstanding

debentures were converted into approximately 4.3 million shares of the Company's common stock.

The decrease in term loans during 1998 was primarily due to the payment of various loans with Prudential.

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

Long-term debt maturing over the next five years is as follows: 1999-\$22.5 million; 2000-\$24.0 million; 2001-\$25.5 million; 2002-\$61.5 million; 2003-\$30.4 million and \$365.2 million thereafter.

All material long-term debt is carried in the consolidated balance sheet at amounts which approximate fair values based upon current borrowing rates available to the Company unless otherwise disclosed.

NOTE 11: RESULTS BY QUARTER (UNAUDITED)

(Dollars in thousands except per share data)	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter	
	Restated	As Reported	Restated	As Reported	Restated	As Reported	Restated	As Reported
1998								
Gross income	\$831,183	\$775,300	\$1,032,242	\$972,363	\$910,530	\$861,448	\$1,194,773	
Operating expenses	752,956	700,567	807,560	751,522	804,912	759,869	981,730	
Interest expense	12,801	10,936	14,564	12,672	16,029	14,210	15,305	
Income before provision for income taxes	65,426	63,797	210,118	208,169	89,589	87,369	197,738	
Provision for income taxes	25,498	25,768	86,665	86,871	38,604	38,207	81,238	
Net equity interests	(2,189)	(2,189)	(4,942)	(4,945)	(3,997)	(4,000)	(9,833)	
Net income	\$ 37,739	\$ 35,840	\$ 118,511	\$ 116,353	\$ 46,988	\$ 45,162	\$ 106,667	
Per share data:								
Basic EPS	\$.28	\$.27	\$.87	\$.88	\$.35	\$.34	\$.79	
Diluted EPS	\$.27	\$.26	\$.84	\$.84	\$.34	\$.33	\$.76	
Cash dividends per share (IPG)		\$.130	\$.130	\$.150	\$.150	\$.150	\$.150	\$.150
Weighted-Average Shares:								
Basic	135,187,048	132,394,115	135,718,669	132,925,736	135,457,584	132,792,504	135,578,003	
Diluted	140,238,988	137,446,055	144,477,785	141,684,852	140,232,121	137,567,041	143,845,195	
Stock price:								
High	\$62 5/8	\$62 5/8	\$64 1/2	\$64 7/8	\$64 7/8	\$79 3/4		
Low	\$47 11/16	\$47 11/16	\$55 5/16	\$52 3/16	\$52 3/16	\$47		

NOTE 11: RESULTS BY QUARTER (UNAUDITED)

(Dollars in thousands except per share data)	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter	
	Restated	As Reported	Restated	As Reported	Restated	As Reported	Restated	As Reported
1997								
Gross income	\$730,068	\$679,297	\$881,316	\$825,358	\$787,151	\$732,959	\$1,083,849	\$1,026,506
Operating expenses	660,541	614,874	701,278	649,291	713,034	660,465	913,679	850,181
Special compensation charges	-	-	-	-	-	-	32,229	32,229
Interest expense	12,406	10,698	13,113	11,306	15,967	14,343	16,307	14,227
Income before provision for income taxes	57,121	53,725	166,925	164,761	58,150	58,151	121,634	129,869
Provision for income taxes	22,524	21,590	66,901	66,428	27,246	26,124	69,575	70,085
Net equity interests	(2,698)	(2,704)	(5,100)	(5,113)	(935)	(942)	(8,473)	(8,487)
Net income	\$ 31,899	\$ 29,431	\$ 94,924	\$ 93,220	\$ 29,969	\$ 31,085	\$ 43,586	\$ 51,297
Per share data:								
Basic EPS	\$.25	\$.23	\$.73	\$.73	\$.23	\$.24	\$.33	\$.40
Diluted EPS	\$.24	\$.23	\$.70	\$.70	\$.22	\$.24	\$.32	\$.38
Cash dividends per share (IPG)		\$.113	\$.113	\$.130	\$.130	\$.130	\$.130	\$.130
Weighted-Average Shares:								
Basic	129,527,439	126,734,506	129,954,447	127,161,514	129,871,194	127,078,261	131,646,705	128,853,772
Diluted	133,462,189	130,669,256	138,837,723	136,044,790	134,974,614	132,181,681	136,385,441	133,592,508
Stock price:								
High	\$36 5/8	\$36 5/8	\$41 3/8	\$51 3/8	\$51 3/8	\$52 1/2	\$52 1/2	
Low	\$32 1/4	\$32 1/4	\$35	\$41 1/2	\$41 1/2	\$45 1/4	\$45 1/4	

The "As Reported" balances reflect amounts previously reported, which incorporated the results of three companies acquired in April 1998 as well as all prior pooled entities. The "Restated" balances reflect the restatement for two companies pooled in the second half of 1998.

NOTE 12: GEOGRAPHIC AREAS

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

(Dollars in thousands)	1998	1997	1996
Total Assets:			

United States	\$3,506,826	\$3,229,797	\$2,500,938
International			
United Kingdom	676,664	664,698	556,485
All other Europe	1,760,551	1,107,774	1,139,166
Asia Pacific	558,532	583,975	558,504
Latin America	313,615	257,730	224,683
Other	126,635	139,469	140,151
Total International	3,435,997	2,753,646	2,618,989
Total Consolidated	\$6,942,823	\$5,983,443	\$5,119,927

Income From Commissions and Fees:

United States	\$1,925,030	\$1,670,555	\$1,325,167
International			
United Kingdom	387,618	301,883	244,066
All other Europe	880,919	748,720	723,329
Asia Pacific	325,758	348,707	338,416
Latin America	232,940	204,894	170,024
Other	92,075	78,017	73,415
Total International	1,919,310	1,682,221	1,549,250
Total Consolidated	\$3,844,340	\$3,352,776	\$2,874,417

Income Before Provision for Income Taxes:

United States	\$ 330,268	\$ 216,057	\$ 216,428
International			
United Kingdom	47,788	23,102	19,006
All other Europe	140,749	110,376	85,910
Asia Pacific	53,658	53,414	57,617
Latin America	50,473	48,067	35,578
Other	(1,366)	10,607	11,024
Total International	291,302	245,566	209,135

Items not allocated to operations,
principally interest expense:

United States	(37,337)	(41,880)	(37,711)
International	(21,362)	(15,913)	(13,984)
Total Consolidated	\$ 562,871	\$ 403,830	\$ 373,868

Commissions and fees are attributed to geographic areas based on where the services are performed.

The largest client of the Company contributed approximately 7% in 1998, 10% in 1997 and 9% in 1996 to income from commissions and fees. The Company's second largest client contributed approximately 5% in 1998, 6% in 1997 and 7% in 1996 to income from commissions and fees.

Dividends received from foreign subsidiaries were approximately \$51.1 million in 1998, \$40.8 million in 1997 and \$35.2 million in 1996.

Consolidated net income includes losses from exchange and translation of foreign currencies of \$3.2 million, \$5.6 million and \$4.1 million in 1998, 1997 and 1996, respectively.

NOTE 13: FINANCIAL INSTRUMENTS

Financial assets, which include cash and cash equivalents, marketable securities and receivables, have carrying values which approximate fair value. Long-term equity securities, included in other investments and miscellaneous assets in the Consolidated Balance Sheet, are deemed to be available-for-sale as defined by SFAS 115 and accordingly are reported at fair value, with net unrealized gains and losses reported within stockholders' equity. At December 31, 1998, long-term equity securities had a cost basis of \$73 million with a market value of \$91 million, and an unrealized pre-tax gain of \$18 million. At December 31, 1997, the cost basis was \$20 million with a market value of \$42 million, and an unrealized pre-tax gain of \$22 million.

Financial liabilities with carrying values approximating fair value include accounts payable and accrued expenses, as well as payable to banks and long-term debt. As of December 31, 1998, the 1.80% Convertible Subordinated Notes due 2004 had a cost basis of \$208 million with a market value of \$283 million. As of December 31, 1997, the cost basis was \$202 million with a market value of \$208 million. The fair values were determined by obtaining

quotes from brokers (refer to Note 10 for additional information on long-term debt).

The Company occasionally uses forwards and options to hedge a portion of its net investment in foreign subsidiaries and certain intercompany transactions in order to mitigate the impact of changes in foreign exchange rates on working capital. The notional value and fair value of all outstanding forwards and options contracts at the end of the year as well as the net cost of all settled contracts during the year were not significant.

The Company's management continuously evaluates and manages its exposure to foreign exchange, economic and political risks. The foreign exchange crisis in Asia had a minimal impact on the Company partly due to the agency systems' contingency plans that included active hedging, repatriation of cash, cost-cutting and limiting capital expenditures. Additionally, the Company believes that the more recent economic developments in Brazil will not have a significant impact.

In June 1998, the Financial Accounting Standards Board (the "FASB") issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS 133), which the Company is required to adopt effective January 1, 2000. SFAS 133 will require the Company to record all derivatives on the balance sheet at fair value. Changes in derivative fair values will either be recognized in earnings as offsets to the changes in fair value of related hedged assets, liabilities and firm commitments or, for forecasted transactions, deferred and later recognized in earnings. The impact of SFAS 133 on the Company's financial statements will depend on a variety of factors, including future interpretative guidance from the FASB, the future level of forecasted and actual foreign currency transactions, the extent of the Company's hedging

activities, the types of hedging instruments used and the effectiveness of such instruments. However, the Company does not believe the effect of adopting SFAS 133 will be material to its financial condition.

NOTE 14: COMMITMENTS AND CONTINGENCIES

At December 31, 1998 the Company's subsidiaries operating primarily outside the United States were contingently liable for discounted notes receivable of \$10.8 million.

The Company and its subsidiaries lease certain facilities and equipment. Gross rental expense amounted to approximately \$208 million for 1998, \$217 million for 1997 and \$208 million for 1996, which was reduced by sublease income of \$16 million in 1998, \$30.5 million in 1997 and \$29.1 million in 1996.

Minimum rental commitments for the rental of office premises and equipment under noncancellable leases, some of which provide for rental adjustments due to increased property taxes and operating costs for 1999 and thereafter, are as follows:

(Dollars in thousands) Gross Rental Sublease

Period Commitment Income

1999 \$187,472 \$16,969

2000 167,548 14,357

2001 149,724 12,030

2002 126,489 9,366

2003 108,302 4,948

2004 and thereafter 445,604 6,844

Certain of the Company's acquisition agreements provide for deferred payments by the Company, contingent upon future revenues or profits of the companies acquired.

The Company and certain of its subsidiaries are party to various tax examinations, some of which have resulted in assessments. The Company intends to vigorously defend any and all assessments and believes that

additional taxes (if any) that may ultimately result from the settlement of such assessments or open examinations would not have a material adverse effect on the consolidated financial statements.

SELECTED FINANCIAL DATA FOR FIVE YEARS

(Dollars in thousands except per share data)

	1998	1997	1996	1995	1994
Operating Data					
Gross income	\$ 3,968,728	\$ 3,482,384	\$ 2,983,899	\$ 2,606,467	\$ 2,350,809
Operating expenses	3,347,158	2,988,532	2,558,336	2,257,138	2,059,233
Restructuring charge	-	-	-	-	48,715
Write-down of goodwill and other related assets	-	-	-	38,687	-
Special compensation charge	-	-	32,229	-	-
Interest expense	58,699	57,793	51,695	47,940	41,500
Provision for income taxes	232,005	186,246	156,783	126,537	92,311
Income before effect of accounting change	309,905	200,378	214,619	134,311	108,767
Effect of accounting change<F1>	-	-	-	-	-
Net Income	\$ 309,905	\$ 200,378	\$ 214,619	\$ 134,311	\$ 74,442
Per Share Data					
Basic					
Income before effect of accounting change	\$	2.29	\$	1.54	\$
Effect of accounting change<F1>	-	-	-	-	-
Net Income	\$	2.29	\$	1.54	\$
Weighted-average shares	135,485,326	130,249,946	130,297,369	127,802,633	125,563,727
Diluted					
Income before effect of accounting change	\$	2.21	\$	1.49	\$
Effect of accounting change<F1>	-	-	-	-	-
Net Income	\$	2.21	\$	1.49	\$
Weighted-average shares	140,525,272	138,809,532	138,588,808	131,804,623	128,958,829
Financial Position					
Working capital	\$ 118,593	\$ 216,367	\$ 128,808	\$ 101,833	\$ 56,748
Total assets	6,942,823	5,983,443	5,119,927	4,631,912	4,090,906
Long-term debt	506,618	519,036	418,618	361,945	320,902
Book value per share	\$ 9.07	\$ 7.39	\$ 6.14	\$ 5.19	\$ 4.47

Other Data

Cash dividends (Interpublic)	\$ 76,894	\$ 61,242	\$ 51,786	\$ 46,124	\$ 40,360
Cash dividends per share (Interpublic)	\$.58	\$.50	\$.44	\$.40	\$.36
Number of employees	34,200	31,100	25,500	23,700	21,400

All periods prior to 1998 have been restated to reflect the aggregate effect of acquisitions accounted for as poolings of interests.

<F1> Reflects the cumulative effect of adopting SFAS 112, "Employers' Accounting for Postemployment Benefits."

<PAGE

VICE CHAIRMAN'S REPORT OF MANAGEMENT

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

Management maintains a system of internal accounting controls which provides reasonable assurance that, in all material respects, assets are maintained and accounted for in accordance with management's authorization, and transactions are recorded accurately in the books and records. To assure the effectiveness of the internal control system, the organizational structure provides for defined lines of responsibility and delegation of authority.

The Finance Committee of the Board of Directors, which is comprised of the Company's Chairman and Vice Chairman and three outside Directors, is responsible for defining these lines of

responsibility and delegating the authority to management to conduct the day-to-day financial affairs of the Company. In carrying out its duties, the Finance Committee primarily focuses on monitoring financial and operational goals and guidelines; approving and monitoring specific proposals for acquisitions; approving capital expenditures; working capital, cash and balance sheet management; and overseeing the hedging of foreign exchange, interest-rate and other financial risks. The Committee meets regularly to review presentations and reports on these and other financial matters to the Board. It also works closely with, but is separate from, the Audit Committee of the Board of Directors.

The Company has formally stated and communicated policies requiring of employees high ethical standards in their conduct of its business. As a further enhancement of the above, the Company's comprehensive internal audit program is designed for continual evaluation of the adequacy and effectiveness of its internal controls and measures adherence to established policies and procedures.

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

The Company is addressing the Year 2000 Compliance Project with the mobilization of required resources at the Corporate offices and all operating units. Project plans have been developed to assess and prioritize the operational applications, supplier and network compliance and required remediation. The Audit Committee is overseeing the timely implementation and completion of this project.

The independent accountants, PricewaterhouseCoopers LLP, were recommended by the Audit Committee of the Board of Directors and selected by the Board of Directors, and their appointment was ratified by the stockholders. The independent accountants have examined the financial statements of the Company and their opinion is presented on page 53.

NAME PERCENTAGE EXHIBIT 21
OF VOTING PAGE 1
SECURITIES MARCH 19, 1999
JURISDICTION OWNED BY
UNDER WHICH IMMEDIATE
ORGANIZED PARENT (%) IMMEDIATE PARENT

DOMESTIC:

The Interpublic Group of Companies, Inc. Delaware - -
(Registrant)
Casablanca Productions California 100 Registrant
Conan Entertainment LLC California 50 Western Int'l Syndication Corp.
Dailey & Associates, Inc. California 100 Registrant
Diefenbach-Elkins International, Inc. California 100 Registrant
D.L. Blair/West, Inc. California 100 D.L. Blair, Inc.
Eidolon Corporation California 100 Registrant
International Business Services, Inc. California 100 Infoplan Int'l, Inc.
Main Street Media, LLC California 100 Western Int'l Media Corp.
North Light, Ltd. California 100 Dailey & Associates, Inc.
Outdoor Advertising Group, Inc. California 100 Registrant
The Phillips-Ramsey Co. California 100 Registrant
Western International Media Corporation California 100 Registrant
Western International Syndication Corporation California 100 Registrant
Western Motivational Incentives Group California 100 Western Int'l Media Corp.
Western Traffic, Inc. California 100 Registrant
Momentum IMC Company Colorado 100 McCann-Erickson USA, Inc.
H & C

Holdings Limited Connecticut 100 Advantage Int'l Holdings Inc.
Advantage International Holdings, Inc. Delaware 100 Registrant
Ammirati Puris Lintas Canada Ltd. Delaware 100 Ammirati Puris Lintas Inc.
Ammirati Puris Lintas Inc. Delaware 100 Registrant
Ammirati Puris Lintas USA, Inc. Delaware 100 Registrant
Anderson & Lembke, Inc. Delaware 100 Registrant
Angotti, Thomas, Hedge, Inc. Delaware 100 Registrant
Asset Recovery Group, Inc. Delaware 100 Registrant
Business Science Research Corporation, Inc. Delaware 100 Registrant
Campbell-Ewald Company Delaware 100 Registrant

NAME PERCENTAGE EXHIBIT 21
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SECURITIES MARCH 19, 1999
JURISDICTION OWNED BY
UNDER WHICH IMMEDIATE
ORGANIZED PARENT (%) IMMEDIATE PARENT

DOMESTIC:

Campbell Mithun Esty LLC Delaware 75 Registrant
Columbian Advertising, Inc. Delaware 100 Registrant
Communications Services International Inc. Delaware 100 CSI Limited
DraftWorldwide, Inc. Delaware 100 Registrant
Global Event Marketing & Management (GEMM) Inc. Delaware 100 Registrant
Healthcare Capital, Inc. Delaware 100 McCann Healthcare, Inc.
HCG/ISO Inc. Delaware 100 Registrant
Hypermedia Solutions, LLC Delaware 55 The Coleman Group, LLC
Infoplan International, Inc. Delaware 100 Registrant
Interpublic Game Shows, Inc. Delaware 100 Registrant
International Cycling Productions Inc. Delaware 100 H & C Holdings Limited
Interpublic Television, Inc. Delaware 100 Registrant
Jack Tinker Advertising, Inc. Delaware 100 Registrant

Jay Advertising, Inc. Delaware 100 Registrant
Kaleidoscope Sports and Entertainment LLC Delaware 100 Registrant
LFS, Inc. Delaware 100 Registrant
Lowe Fox Pavlika Inc. Delaware 100 Lowe & Partners/SMS Inc.
Lowe & Partners/SMS Interactive Inc. Delaware 100 Lowe & Partners/SMS Inc.
LMMS-USA, Inc. Delaware 100 McCann-Erickson USA, Inc.
Market Reach Retail LLC Delaware 50 Skott, Inc.
MarketCorp Promotions, Inc. Delaware 100 DraftWorldwide, Inc.
Marketing Corporation of America Delaware 100 Registrant
McAvey & Grogan, Inc. Delaware 100 Registrant
McCann-Erickson USA, Inc. Delaware 100 Registrant
McCann-Erickson Corporation (S.A.) Delaware 100 Registrant
McCann-Erickson Corporation (International) Delaware 100 Registrant
McCann-Erickson (Paraguay) Co. Delaware 100 Registrant

NAME PERCENTAGE EXHIBIT 21
OF VOTING PAGE 3
SECURITIES MARCH 19, 1999
JURISDICTION OWNED BY
UNDER WHICH IMMEDIATE
ORGANIZED PARENT (%) IMMEDIATE PARENT

DOMESTIC:

McCann-Erickson Worldwide, Inc. Delaware 100 Registrant
McCann Healthcare, Inc. Delaware 100 McCann-Erickson USA, Inc.
McCann Worldwide Marketing Communications Co. Delaware 100 Registrant
Media Inc. Delaware 100 Registrant
Media Direct Partners, Inc. Delaware 100 Media, Inc.
Media Partnership Corporation Delaware 100 Registrant
Newspaper Services of America, Inc. Delaware 100 Registrant
Octagon Worldwide Inc. Delaware 100 Registrant
Octagon Worldwide Brazil Inc. Delaware 100 Octagon Worldwide Inc.
Player, LLC Delaware 51 Registrant
Player Development LLC Delaware 100 Player LLC
Player Management LLC Delaware 100 Player LLC
Regan, Campbell & Ward LLC Delaware 60 McCann-Erickson Worldwide
USA, Inc.
Skott, Inc. Delaware 100 Newspaper Services of
America, Inc.
Special Event Suppliers Inc. Delaware 100 H & C Holdings Limited
The Coleman Group, LLC Delaware 51 Interpublic Television, Inc.
The Coleman Group Worldwide LLC Delaware 100 Registrant
The Jack Morton Company Delaware 100 Registrant
The Lowe Group, Inc. Delaware 100 Lowe Worldwide Holdings B.V.
Thunder House Online Marketing Delaware 100 Registrant
Communications, Inc.
Weller & Klein Research, Inc. Delaware 100 Registrant
World Cycling Limited. Delaware 100 H & C holdings Limited
WPR Acquisition Corp. Delaware 100 McCann-Erickson USA, Inc.
Advantage International, Inc. District of 100 Advantage Int'l Holdings, Inc.
Columbia
Advantage Investments, Inc. District of 100 Advantage Int'l Holdings, Inc.
Columbia

NAME PERCENTAGE EXHIBIT 21
OF VOTING PAGE 4
SECURITIES MARCH 19, 1999
JURISDICTION OWNED BY
UNDER WHICH IMMEDIATE
ORGANIZED PARENT (%) IMMEDIATE PARENT

DOMESTIC:

Accentmarketing Corporation Florida 51 Registrant (51%) and individual Shareholder (49%)
 Ben Disposition, Inc. Florida 100 LFS, Inc.
 Rubin Barney & Birger, Inc. Florida 100 Registrant
 Championship Sports Marketing Inc. Georgia 70 The Sponsorship Group Limited
 Fitzgerald & Company Georgia 100 Registrant
 Creative Retail Environments Worldwide, Inc. Illinois 100 Kevin Berg & Associates, Inc.
 International Public Relations Illinois 100 Registrant
 Kevin Berg & Associates, Inc. Illinois 100 Registrant
 Quest Futures Group, Inc. Kansas 100 Registrant
 Adware Systems, Inc. Kentucky 100 McCann-Erickson USA, Inc.
 Hill, Holliday, Connors, Cosmopolos, Inc. Massachusetts 100 Registrant
 Lowe Grob Health & Science, Inc Massachusetts 80 Lowe Group Holdings Inc
 Neva Group, Inc. Massachusetts 100 Registrant
 Carmichael Lynch, Inc. Minnesota 100 Registrant
 Lawton Sport & Financial, Inc. Minnesota 100 Advantage International Inc
 C-E Communications Company Michigan 100 Registrant
 Biogenesis Communications, Inc. New Jersey 100 Registrant
 Curry, Martin and Schiavelli, Inc. New Jersey 100 Registrant
 Genquest, Biomedical Education Services, Inc. New Jersey 100 Biogenesis Communications, Inc.
 Global Healthcare Associates, Inc. New Jersey 100 Registrant
 Health Vizion Communications, Inc. New Jersey 100 Torre Lazur, Inc.
 Horizon Communications, Inc. New Jersey 100 McCann-Erickson USA, Inc.
 Integrated Communications Corp. New Jersey 100 Registrant
 Internal Oncology Network, Inc. New Jersey 100 Torre Lazur, Inc.
 Interpublic, Inc. New Jersey 100 Registrant
 MPE Communications, Inc. New Jersey 100 Registrant
 Pace, Inc. New Jersey 100 Registrant
 Sound Vision, Inc. New Jersey 100 Torre Lazur, Inc.

NAME PERCENTAGE EXHIBIT 21
 OF VOTING PAGE 5
 SECURITIES MARCH 19, 1999
 JURISDICTION OWNED BY
 UNDER WHICH IMMEDIATE
 ORGANIZED PARENT (%) IMMEDIATE PARENT
 DOMESTIC:

Spectral Fusion, Inc. New Jersey 100 Torre Lazur, Inc.
 Torre Lazur, Inc. New Jersey 100 Registrant
 ABP\DraftWorldwide, Inc. New York 100 Registrant
 D.L. Blair, Inc. New York 100 Registrant
 GDL, Inc. New York 100 The Lowe Group, Inc. (100% of Common
 Stock) and Goldschmidt Dunst &
 Lawson Corp. (100% of Preferred
 Stock)
 Goldschmidt Dunst & Lawson Corp. New York 100 The Lowe Group, Inc.
 Herbert Zeltner, Inc. New York 100 Registrant
 LCF&L, Inc. New York The Lowe Group, Inc. (99.9%) and
 GDL, Inc. (.1%)
 Lowe Group Holdings, Inc. New York 100 Registrant
 Lowe McAdams Healthcare Inc. New York 100 Lowe & Partners/SMS Inc.
 Lowe & Partners/SMS Inc. New York 100 Lowe International (16%), Lowe
 Worldwide Holdings B.V. (4%)
 and Registrant (80%)
 Ludgate Communications, Inc. New York 100 Ludgate Group Limited
 McCann Direct, Inc. New York 100 Registrant
 McCann-Erickson Marketing, Inc. New York 100 Registrant
 Promotion & Merchandising, Inc. New York 100 D.L. Blair, Inc.
 T.C. Promotions I, Inc. New York 100 Registrant
 T.C. Promotions II, Inc. New York 100 Registrant
 Technology Solutions, Inc. New York 100 Registrant
 The Gotham Group, Inc. New York 100 Registrant
 Western Trading LLC New York 55 Western International Media Corp.
 Long Haymes Carr, Inc. North Carolina 100 Registrant
 F&S Disposition, Inc. Ohio 100 Ammirati Puris Lintas Inc.
 Marketing Arts Corporation Virginia 100 The Martin Agency, Inc.

Cabell Eanes, Inc. Virginia 100 The Martin Agency, Inc.
The Martin Agency, Inc. Virginia 100 Lowe & Partners/SMS Inc.

NAME PERCENTAGE EXHIBIT 21
OF VOTING PAGE 6
SECURITIES MARCH 19, 1999
JURISDICTION OWNED BY
UNDER WHICH IMMEDIATE
ORGANIZED PARENT (%) IMMEDIATE PARENT

FOREIGN:

Interpublic S.A. de Publicidad Argentina 100 Registrant
IM Naya Argentina 50 Registrant
Adlogic Proprietary Limited Australia 50 Merchant Partners Australia Ltd.
Advantage International Pty. Limited Australia 80 Advantage Holdings Pty Limited
Advantage Holdings Pty. Ltd. Australia 100 Advantage Int'l Holdings, Inc.
Advantage International Racing Pty. Ltd. Australia 80 Advantage Holdings Pty Limited
Ammirati Puris Lintas Proprietary Limited Australia 100 Registrant
Ammirati Puris Lintas Melbourne Australia 100 Ammirati Puris Lintas Proprietary
Proprietary Limited Limited
CWFS Australia 100 McCann Australia (50%) and
McCann-Erickson Limited(50%)
CSI (Australia) Pty Limited Australia 100 CSI Limited
Harrison Advertising Pty Limited Australia 100 McCann-Erickson Advertising Ltd.
Impulse Art Proprietary Limited Australia 100 Ammirati Puris Lintas Prop. Ltd.
Interpublic Australia Proprietary Limited Australia 100 Registrant
Interpublic Limited Proprietary Limited Australia 100 Registrant
Lintas: Hakuhodo Pty. Limited Australia 50 Ammirati Puris Lintas Prop. Ltd.
Marplan Proprietary Limited Australia 100 Registrant
McCann-Erickson Advertising Pty. Limited Australia 100 Registrant
McCann-Erickson Sydney Proprietary Limited Australia 100 McCann-Erickson Advertising Ltd.
Merchant and Partners (Sydney) Pty. Ltd. Australia 100 Merchant and Partners Australia
Pty. Limited
Merchant and Partners Australia Pty. Limited Australia 100 Registrant
Round Australia Trial Pty Limited Australia 100 Advantage International Pty Ltd.
Universal Advertising Placement Pty. Limited Australia 100 McCann-Erickson Advertising Ltd.

NAME PERCENTAGE EXHIBIT 21
OF VOTING PAGE 7
SECURITIES MARCH 19, 1999
JURISDICTION OWNED BY
UNDER WHICH IMMEDIATE
ORGANIZED PARENT (%) IMMEDIATE PARENT

FOREIGN:

Ammirati Puris Lintas Werbeagentur Austria 70 Registrant
Gesellschaft m.b.H.
Campbell Ewald Werbeagentur Ges.m.b.H. Austria 100 Lowe Worldwide Holdings B.V.
Initiatives Media Werbemittlung Ges.m.b.H. Austria 100 Ammirati Puris Lintas Werbeagentur
Gesellschaft m.b.H.
McCann-Erickson Gesellschaft m.b.H. Austria 100 Registrant
Panmedia Holding AG Austria 51 Lowe International Holdings EV
Panmedia Werbeplanung AG Austria 100 Panmedia holding AG
PCS Werbeagentur Ges.m.b.H. Austria 100 Ammirati Puris Lintas Werbeagentur
Gesellschaft m.b.H.
A.C.E. Advertising Creation Marketing N.V. Belgium 100 Ammirati Puris Lintas Brussels S.A.
Advantage International S.A. Belgium 100 Advantage Int'l Holdings Inc.
Advertising Tractor S.A. Belgium 100 Draft Belgium Holding S.P.R.L. (80%)
and Karamba S.A. (20%)
Ammirati Puris Lintas Brussels S.A. Belgium 100 Ammirati Puris Lintas Holding B.V.
Direct Creations S.A. Belgium 100 Lowe Troost S.A.
Draft Belgium Holdings S.P.R.L. Belgium 100 DraftWorldwide Limited
Feedback S.P.R.L. Belgium 100 DraftWorldwide, Inc.
Initiative Media Brussels S.A. Belgium 100 Ammirati Puris Lintas Brussels S.A.

(96%) and Initiative Media (4%)
Initiative Media International S.A. Belgium 100 Lintas Holding B.V.
Karamba S.A. Belgium 100 Draft Belgium Holding S.P.R.L.
Lowe Troost S.A. Belgium 100 Lowe Worldwide Holdings B.V.
McCann-Erickson Co. S.A. Belgium 100 Registrant
P.R. International N.V. Belgium 100 Ammirati Puris Lintas Brussels S.A.
Programming Media International-PMI S.A. Belgium 100 Registrant
Promo Sapiens S.A. Belgium 100 Draft Belgium Holding S.P.R.L. (85%)
and Karamba S.A. (15%)

NAME PERCENTAGE EXHIBIT 21
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SECURITIES MARCH 19, 1999
JURISDICTION OWNED BY
UNDER WHICH IMMEDIATE
ORGANIZED PARENT (%) IMMEDIATE PARENT

FOREIGN:

Universal Media, S.A. Belgium 100 McCann-Erickson Co., S.A. (50%) and
Lowe Troost S.A. (50%)
The Advanced Marketing Centre S.A. Belgium 100 Draft Belgium Holding S.P.R.L. (0.2%)
and Karamba S.A. (99.8%)
Triad Assurance Limited Bermuda 100 Registrant
Ammirati Puris Lintas Ltda. Brazil 98.75 Registrant
DraftWorldwide Ltda. Brazil 66 DraftWorldwide, Inc.
DraftWorldwide Sao Paulo Ltda. Brazil 66 DraftWorldwide, Inc.
Interpublic Publicidade e Pesquisas Brazil 100 International Business Services, Inc.
Sociedade Limitada
McCann-Erickson Publicidade Ltda. Brazil 100 Registrant
MPMPPA Profissionais de Promocao Associados Ltda. Brazil 100 MPM Lintas Comunicacoes Ltda.
Octagon do Brazil Participacoes S/C Ltda Brazil 100 Octagon Worldwide Brazil Inc.
Universal Publicidade Ltda Brazil 100 Interpublic Publicidade
E Pesquisas Sociedade Ltda.
API Prism International Inc. Brit. Virgin 100 API Prism Limited
Islands
CSI Holdings S.A. Brit. Virgin 100 Communication Services Int'l
Islands (Holdings) S.A.
CSI International Holdings S.A. Brit. Virgin 100 CSI Holdings S.A.
Islands
Lowe Holdings BVI Limited Brit. Virgin 100 Lowe Group Holdings Inc.
Islands
Octagon Motorsports Limited Brit. Virgin 66.6 Octagon Worldwide Inc.
Islands
SBK Superbike International Limited Brit. Virgin 50 Octagon Motorsports Limited
Islands
Adware Systems Canada Inc. Canada 100 Adware Systems, Inc.
Ammirati Puris Lintas Canada Ltd. Canada 100 Registrant

NAME PERCENTAGE EXHIBIT 21
OF VOTING PAGE 9
SECURITIES MARCH 19, 1999
JURISDICTION OWNED BY
UNDER WHICH IMMEDIATE
ORGANIZED PARENT (%) IMMEDIATE PARENT

FOREIGN:

Diefenbach-Elkins Limited Canada 100 Diefenbach-Elkins
Durnan Communications Canada 100 Ammirati Puris Lintas Canada Ltd.
FSA Targeting Inc. Canada 100 Registrant
Gingko Direct Ltd. Canada 100 The Gingko Group Ltd.
Hawgtown Creative Ltd. Canada 100 DraftWorldwide, Inc.

ISOGROUP Canada, Inc. Canada 100 Registrant
 Lowe Investments Limited Canada 100 Lowe Group Holdings Inc. (54%)
 Lowe Worldwide Holdings BV (46%)
 MacLaren McCann Canada Inc. Canada 100 Registrant
 Promaction Corporation Canada 100 McCann-Erickson Advertising of Canada
 Promaction 1986 Inc. Canada 100 MacLaren McCann Canada, Inc.
 The Gingko Group Ltd. Canada 100 DraftWorldwide, Inc.
 The Medicine Group Limited Canada 51 Complete Medical Group Ltd.
 Tribu Lintas Inc. Canada 100 MacLaren McCann Canada, Inc.
 Ammirati Puris Lintas Chile S.A. Chile 100 Ammirati Puris Lintas Holding B.V.
 Dittborn, Urzueta y Asociados Marketing Chile 60 McCann-Erickson S.A. de Publicidad
 Directo S.A.
 Initiative Media Servicios de Medios Ltda. Chile 99 Ammirati Puris Lintas Chile S.A.
 Lowe (Chile) Holdings SA Chile 100 Lowe & Partners South America Holdings SA
 McCann-Erickson S.A. de Publicidad Chile 100 Registrant
 Ammirati Puris Lintas China China 50 Registrant & Shanghai Bang Da
 Advertising
 McCann-Erickson Guangming Advertising Limited China 51 McCann-Erickson Worldwide
 Ammirati Puris Lintas Colombia Colombia 100 Registrant
 Epoca S.A. Colombia 60 Registrant
 Harrison Publicidad De Colombia S.A. Colombia 100 Registrant
 Initiative Media Columbia S.A. Columbia 100 Ammirati Puris Lintas Columbia

NAME PERCENTAGE EXHIBIT 21
 OF VOTING PAGE 10
 SECURITIES MARCH 19, 1999
 JURISDICTION OWNED BY
 UNDER WHICH IMMEDIATE
 ORGANIZED PARENT (%) IMMEDIATE PARENT

FOREIGN:

McCann-Erickson Centroamericana Costa Rica 100 Registrant
 (Costa Rica) Ltda.
 McCann-Erickson Zagreb Croatia 100 McCann-Erickson International GmbH
 McCann-Erickson Prague
 Ammirati Lintas Praha Spol. S.R.O. Czech Republic 100 Ammirati Puris Lintas Deutschland GmbH
 McCann-Erickson Prague, Spol. S.R.O. Czech Republic 100 McCann-Erickson International GmbH
 Pool Media International srl Czech Republic 100 McCann-Erickson Prague, Spol. s.r.o.
 Femencom Limited Cyprus 100 Third Dimension Limited
 Ammirati Puris Lintas Denmark A/S Denmark 100 Ammirati Puris Lintas Holding B.V.
 Campbell-Ewald Aps Denmark 100 Registrant
 Initiative Universal Aps Denmark 100 Registrant
 Job A/S Denmark 100 Ammirati Puris Lintas Denmark
 McCann-Erickson A/S Denmark 100 Registrant
 Medialog A/S Denmark 100 Registrant
 Parafilm A/S Denmark 100 Registrant
 Progaganda, Reuther, Lund & Priesler Denmark 75 Registrant
 Reklamebureau Aps
 Signatur APS Denmark 100 Ammirati Puris Lintas Denmark A/S
 McCann-Erickson Dominicana, S.A. Dominican
 Republic 100 Registrant
 McCann-Erickson (Ecuador) Publicidad S.A. Ecuador 96 McCann-Erickson Corporation (Int'l)
 McCann-Erickson Centro Americana El Salvador 100 Registrant
 (El Salvador) S.A.
 Ammirati Puris Lintas Oy Finland 100 Lintas Holding B.V.
 Hasan & Partners Oy Finland 100 Registrant
 Lintas Service Oy Finland 100 Lintas Oy
 Lowe Brindfors Oy Finland 100 Lowe Sweden AB
 Lowe Brindfors Production Oy Finland 100 Lowe Brindfors Oy
 Mainostoinisto Ami Hasan & Company Oy Finland 100 Hasan & Partners, Inc.

NAME PERCENTAGE EXHIBIT 21
 OF VOTING PAGE 11
 SECURITIES MARCH 19, 1999

JURISDICTION OWNED BY
UNDER WHICH IMMEDIATE
ORGANIZED PARENT (%) IMMEDIATE PARENT

FOREIGN:

Mainostoinisto Womena - McCann Oy Finland 100 Registrant
McCann-Pro Oy Finland 100 Oy Liikemainonta-McCann AB
Oy Liikemainonta-McCann AB Finland 100 Registrant
PMI - Mediaporssi Oy Finland 66 Oy Liikemainonta-McCann AB (33%) and
Lintas Oy (33%)
Womena-Myyntinvauhdittajat Oy Finland 100 Oy Liikemainonta-McCann AB
Advantage International Sarl France 100 Advantage International Holdings Inc.
Alice SNC France 50 Lowe Alice S.A.
Ammirati Puris Lintas S.A. France 100 France C.C.P.M.
CDRG France France 74 McCann-Erickson France Holding Co.
Creation Sarl France 97.5 SP3 S.A.
Creative Marketing Service SAS France 100 France C.C.P.M.
DCI Pharma Sarl France 100 Zeta S.A.
D.L. Blair Europe SNC France 100 T.C. Promotions, I, Inc. (50%) and
T.C. Promotions II, Inc. (50%)
DraftDirect Worldwide Sante Sarl France 100 DraftWorldwide S.A.
DraftWorldwide S.A. France 100 DraftWorldwide Limited
E.C. Television/Paris, S.A. France 100 France C.C.P.M.
Fab + S.A. France 99.4 SP3 S.A.
France C.C.P.M. France 100 Ammirati Puris Lintas Holding B.V.
Huy Oettgen Oettgen S.A. France 100 DraftWorldwide S.A.
Infernal Sarl France 100 SP3 S.A.
Initiatives Media Paris S.A. France 100 France C.C.P.M.
Leuthe il-autre Agence France 85 McCann-Erickson (France) Holding Co.
Lowe Alice S.A. France 100 Lowe Worldwide Holdings B.V.
MacLaren Lintas S.A. France 100 France C.C.P.M.
McCann Communications France 75 McCann-Erickson (France) Holding Co.
McCann-Promotion S.A. France 99.8 McCann-Erickson (France) Holding Co.
McCann-Erickson (France) Holding Co. France 100 Registrant

NAME PERCENTAGE EXHIBIT 21
OF VOTING PAGE 12
SECURITIES MARCH 19, 1999
JURISDICTION OWNED BY
UNDER WHICH IMMEDIATE
ORGANIZED PARENT (%) IMMEDIATE PARENT

FOREIGN:

McCann-Erickson (Paris) S.A. France 100 McCann-Erickson (France) Holding Co.
McCann-Erickson Rhone Alpes S.A. France 100 McCann-Erickson (France) Holding Co.
McCann-Erickson Thera France France 74 CDRG Communications
MDEO France 80 McCann-Erickson France
Menu & Associates France 51 The Coleman Group Worldwide LLC
Pschitt S.A. France 100 Zeta S.A.
Publi Media Service France 50 Owned in quarters by McCann,
Ammirati Puris Lintas agencies in
France, Publicis and Idemedia
Slad France 60 McCann-Erickson (France) Holding Co.
SP3 S.A. France 100 McCann-Erickson (France) Holding Co.
Strateus France 72 France C.C.P.M.
Synthese Marketing S.A. France 100 DraftWorldwide S.A.
Universal Media S.A. France 100 McCann-Erickson (France) Holding Co.
Valefi France 55 McCann-Erickson (France) Holding Co.
Virtuelle France 60 Fieldplan Limited
Western International Media Holdings Sarl France 100 Alice SNC
Zeta S.A. France 100 DraftDirect Worldwide Sante Sarl
Adplus Werbeagentur GmbH Germany 100 Lowe & Partners GmbH Frankfurt
Advantage International AG Germany 100 Advantage International holdings Inc.
Ammirati Puris Lintas Deutschland GmbH Germany 100 Registrant
Ammirati Puris Lintas Service GmbH Germany 100 Ammirati Puris Lintas Deutschland GmbH
Ammirati Puris Lintas Hamburg GmbH Germany 100 Ammirati Puris Lintas Deutschland GmbH

Ammirati Puris Lintas S Communications GmbH Germany 100 Ammirati Puris Lintas Deutschland GmbH
Baader, Lang, Behnken Werbeagentur GmbH Germany 100 Ammirati Puris Lintas Deutschland GmbH
Creative Media Services GmbH Germany 100 Ammirati Puris Lintas Deutschland GmbH
DCM Dialog-Creation-Munchen Agentur fur Germany 80 M&V Agentur fur Dialogmarketing und
Dialogmarketing GmbH Verkaufsforderung GmbH
Draft Direct Worldwide Holdings GmbH Germany 100 DraftWorldwide Limited

NAME PERCENTAGE EXHIBIT 21
OF VOTING PAGE 13
SECURITIES MARCH 19, 1999
JURISDICTION OWNED BY
UNDER WHICH IMMEDIATE
ORGANIZED PARENT (%) IMMEDIATE PARENT

FOREIGN:

Hamall GmbH Germany 100 Lowe & Partners GmbH Frankfurt
Heinrich Hoffman & Partner GmbH Germany 100 Lowe & Partners GmbH Frankfurt
Initiativ Media GmbH Germany 100 Ammirati Puris Lintas Deutschland GmbH
Interpublic GmbH Germany 100 Registrant
K&S Marketing and Consultant GmbH Germany 100 Adplus GmbH
Kolitho Repro GmbH Germany 100 Peter Reincke Direkt-Marketing GmbH
Krakow McCann Werbeagentur GmbH Germany 100 McCann-Erickson Deutschland GmbH
Kreatives Direktmarketing Beteiligungs GmbH Germany 100 DraftWorldwide Limited
Lowe & Partners GmbH Dusseldorf Germany 100 Lowe Worldwide Holdings B.V. (75%)
and Registrant (25%)
Lowe & Partners GmbH Frankfurt Germany 100 Lowe & Partners GmbH Dusseldorf
Lowe & Partners GmbH Hamburg Germany 100 Lowe & Partners GmbH Dusseldorf
Mailpool Adressen-Management GmbH Germany 100 DraftDirect Worldwide Holdings GmbH Germany
Max W.A. Kramer GmbH Germany 100 Ammirati Puris Lintas Deutschland GmbH
McCann Direct GmbH Germany 100 McCann-Erickson Deutschland GmbH
McCann-Erickson Dusseldorf Germany 100 McCann-Erickson Deutschland
McCann-Erickson (International) GmbH Germany 100 Registrant
McCann-Erickson Deutschland GmbH Germany 100 McCann-Erickson (International) GmbH
McCann-Erickson Deutschland GmbH & Co.
Mgmt. Prop. KG (Partnership) Germany 100 Registrant
McCann-Erickson Scope GmbH Germany 100 McCann-Erickson Deutschland GmbH
McCann-Erickson Frankfurt GmbH Germany 100 McCann-Erickson Deutschland GmbH
McCann-Erickson Hamburg GmbH Germany 100 McCann-Erickson Deutschland GmbH
McCann-Erickson Management Property GmbH Germany 100 McCann-Erickson Deutschland GmbH (80%)
Interpublic GmbH (20%)
McCann-Erickson Nurnberg GmbH Germany 100 McCann-Erickson Deutschland GmbH
McCann-Erickson Thunderhouse Germany 100 Registrant
McCann-Erickson Service GmbH Germany 100 McCann-Erickson Deutschland GmbH
MCS Medizinischer Creativ Service, GmbH Germany 60 McCann-Erickson Deutschland GmbH

NAME PERCENTAGE EXHIBIT 21
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SECURITIES MARCH 19, 1999
JURISDICTION OWNED BY
UNDER WHICH IMMEDIATE
ORGANIZED PARENT (%) IMMEDIATE PARENT

FOREIGN:

M&V Agentur fur Dialogmarketing und Germany 82 DraftDirect Worldwide Holdings GmbH Germany
Verkaufsforderung GmbH
M&V Hamburg Agentur fur direkte und Germany 70 M&V Agentur fur Dialogmarketing und
Strategische Marketing-Kommunikation GmbH Verkaufsforderung GmbH
Peter Reincke Direkt-Marketing GmbH Germany 76 DraftDirect Worldwide Holdings GmbH Germany
PWS Germany 100 McCann-Erickson Deutschland GmbH
Scherer MRM Holding GmbH Germany 75 McCann-Erickson Deutschland
Scherer Team GmbH Germany 100 Scherer MRM Holding GmbH
Typo-Wenz Artwork GmbH Germany 100 Interpublic GmbH
Universalcommunication Media Intensiv GmbH Germany 100 Interpublic GmbH

Unterstuetzungskasse der H.K. Germany 100 McCann-Erickson (International) GmbH
McCann Company GmbH
Wolff & Partner, Kreatives Direktmarketing GmbH Germany 100 DraftDirect Worldwide Holdings GmbH Germany
Ammirati Puris Lintas Advertising Company S.A. Greece 100 Interpublic Ltd. (95%), Fieldplan Ltd.
(5%)
Ammirati Puris Lintas Worldwide Greece 100 Interpublic Limited
Advertising (Hellas) L.L.C.
Ashley And Holmes S.A. Greece 51 Interpublic
International Media Advertising S.C.A. Greece 100 Fieldplan Ltd.
McCann-Erickson Athens S.A. Greece 100 Registrant
Sprint Advertising S.A. Greece 51 Fieldplan Limited
Initiative Media Advertising S.A. Greece 100 Fieldplan Limited
Universal Media Hellas S.A. Greece 100 McCann-Erickson (International) GmbH
Publicidad McCann-Erickson Centroamericana Guatemala 100 Registrant
(Guatemala), S.A.
McCann-Erickson Centroamericana S. de R.L. Honduras 100 Registrant
(Honduras)
Anderson & Lembke Asia Limited Hong Kong 100 Anderson & Lembke, Inc.

NAME PERCENTAGE EXHIBIT 21
OF VOTING PAGE 15
SECURITIES MARCH 19, 1999
JURISDICTION OWNED BY
UNDER WHICH IMMEDIATE
ORGANIZED PARENT (%) IMMEDIATE PARENT

FOREIGN:

API Prism Limited Hong Kong 85 The Sponsorship Group Limited
Ammirati Puris Lintas Hong Kong Limited Hong Kong 54 Lintas Holdings B.V. (54%) and
Wilson Chan (46%)
Communications Services International Asia Hong Kong 100 CSI International Holdings S.A.
Pacific Limited
Dailey International enterprises Ltd. Hong Kong 100 Registrant (50%), Ammirati Puris
Lintas (50%)
Dailey Investments Limited Hong Kong 100 Registrant (50%), Ammirati Puris
Lintas (50%)
DraftWorldwide Limited Hong Kong 100 DraftWorldwide, Inc.
Infoplan (Hong Kong) Limited Hong Kong 100 McCann-Erickson (HK) Limited
Lowe & Partners/Live Limited Hong Kong 74 Lowe Group Holdings Inc.
Ludgate Asia Ltd. Hong Kong 100 Ludgate Group Limited
McCann-Erickson, Guangming Ltd. Hong Kong 100 Registrant
McCann-Erickson (HK) Limited Hong Kong 100 Registrant
Prism Golf Management Limited Hong Kong 50 API Prism Limited
Prism Holdings Limited Hong Kong 100 API Prism Limited
Ammirati Puris Lintas Budapest Reklam Es Hungary 100 Ammirati Puris Lintas Deutschland GmbH
Marketing Kommunikacios Kft (90%) and Ammirati Puris Lintas
Hamburg GmbH (10%)
Initiative Media Hungary Hungary 100 Lintas Budapest
McCann Communications Budapest KFT Hungary 100 Registrant
McCann-Erickson Interpress International Hungary 100 Registrant
Advertising Agency Ltd.
Associate Corp. Consl. (India) Pvt.Ltd. India 99.60 McCann-Erickson (India) Private Ltd.
Karishma Advertising Ltd. India 99.95 Lintas India Ltd.
McCann-Erickson (India) Pvt. India 60 McCann-Erickson Worldwide Inc.
Quadrant Communications Pvt. Ltd. India 50 Lintas India Limited (50%) and
Pratibha Advertising (50%)

NAME PERCENTAGE EXHIBIT 21
OF VOTING PAGE 16
SECURITIES MARCH 19, 1999
JURISDICTION OWNED BY
UNDER WHICH IMMEDIATE
ORGANIZED PARENT (%) IMMEDIATE PARENT

FOREIGN:

Result Services Private Ltd. India 99.10 McCann-Erickson (India) Private Ltd.
McCann-Erickson, Limited Ireland 100 Registrant
Ammirati Puris Lintas Milano S.p.A. Italy 100 Ammirati Puris Lintas Holding B.V.
Centro Media Planning-Buying-Booking S.r.l. Italy 100 Ammirati Puris Lintas Milano S.p.A.
Chorus Media Srl Italy 51 Pirella Gottsche Lowe S.p.A.
DraftWorldwide Italia Srl. Italy 100 DraftWorldwide, Inc.
Exel S.R.L. Italy 99 Ammirati Puris Lintas S.P.A.
Initiative Media S.R.L. Italy 100 Ammirati Puris Lintas S.P.A.
Infoplan Italiana S.P.A. Italy 100 Registrant
McCann-Erickson Italiana S.p.A. Italy 100 Registrant
McCann Marketing Communications S.p.A. Italy 100 McCann-Erickson Italiana S.p.A.
Octagon Motorsport Srl. Italy 100 Inka AG
Pirella Gottsche Lowe S.p.A. Italy 95 Lowe Worldwide Holdings B.V.
Pool Media International (P.M.I.) S.r.l. Italy 100 Registrant (95%) and Business Science
Research Corp (5%)
SBK Motorsport Srl Italy 100 SBK Superbike International Limited
Spring S.R.L. Italy 99 Ammirati Puris Lintas S.P.A.
Universal S.R.L. Italy 100 Registrant
Universal Media Srl Italy 100 McCann-Erickson Italiana S.p.A.
Ammirati Puris Lintas S.A. Ivory Coast 67 France C.C.P.M.
McCann-Erickson Ivory Coast Ivory Coast 98.80 McCann-Erickson France
Nelson Ivory Coast Ivory Coast 100 McCann-Erickson France
McCann-Erickson (Jamaica) Limited Jamaica 100 Registrant
Ammirati Puris Lintas K.K. Japan 100 Ammirati Puris Lintas Nederland B.V.
Hakuhodo Lintas K.K. Japan 50 Registrant
Infoplan, Inc. Japan 100 McCann-Erickson Inc.
K.K. Momentum Japan 100 McCann-Erickson Inc.
K.K. Standard McIntyre Japan 50 McCann-Erickson Healthcare, Inc.
McCann-Erickson Inc. Japan 100 Registrant

NAME PERCENTAGE EXHIBIT 21
OF VOTING PAGE 17
SECURITIES MARCH 19, 1999
JURISDICTION OWNED BY
UNDER WHICH IMMEDIATE
ORGANIZED PARENT (%) IMMEDIATE PARENT

FOREIGN:

Third Dimension Limited Jersey 100 Registrant
McCann-Erickson (Kenya) Limited Kenya 73 Registrant
Communication Services (International) Luxembourg 100 Registrant
Holdings S.A.
Inka AG Luxembourg 100 Octagon Motorsport Limited
API Sponsorship SDM.BHD Malaysia 100 API Sponsorship Canada Ltd. (50%) and
The Sponsorship Group Ltd. (50%)
DraftWorldwide Sdn. Bhd. Malaysia 98.8 DraftWorldwide, Inc.
Initiative Media (M) Sdn. Bhd. Malaysia 100 Ammirati Puris Lintas (Malaysia)
Sdn. Bhd.
McCann-Erickson (Malaysia) Sdn. Bhd. Malaysia 100 Registrant
Mutiarra-McCann (Malaysia) Sdn. Bhd. Malaysia 83.50 Registrant
Universal Communication Sdn. Bhd. Malaysia 100 McCann-Erickson (Malaysia) Sdn. Bhd.
Lowe Mauritius Limited Mauritius 100 Lowe Group Holdings Inc.
Ammirati Puris Lintas S.A. de C.V. Mexico 100 Registrant
Corporacion Interpublic Mexicana, S.A. de C.V. Mexico 100 Registrant and Inversionistas Asociados,
S.A. de C.V.
Inversionistas Asociados, S.A. De C.V. Mexico 100 Registrant
Initiative Media, S.a. de C.V. Mexico 100 Registrant
Initiative Media Mexico Mexico 100 Ammirati Puris Lintas Mexico
Inversionistas Asociados, S.A. De C.V. Mexico 100 Registrant
Lowe & Partners/SMS De Mexico, S.A. Mexico 74 Interpublic Holding Company SA de CV
Publicidad Nortena, S. De R.L. De C.V. Mexico 100 Registrant
CSI International SAM Monaco 100 Communication Services International
(Holdings) S.A.
Advantage International Benelux B.V. Netherlands 75 Advantage International Holdings Inc.
Ammirati Puris Lintas Direct B.V. Netherlands 80 Ammirati Puris Lintas Nederland B.V.
Ammirati Puris Lintas Holding B.V. Netherlands 100 Registrant
Ammirati Puris Lintas Nederland B.V. Netherlands 100 IPG Nederland B.V.

NAME PERCENTAGE EXHIBIT 21
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SECURITIES MARCH 19, 1999
JURISDICTION OWNED BY
UNDER WHICH IMMEDIATE
ORGANIZED PARENT (%) IMMEDIATE PARENT

FOREIGN:

Anderson & Lembke Europe B.V. Netherlands 100 Anderson & Lembke, Inc.
CSI International B.V. Netherlands 100 CSI International N.V.
Data Beheer B.V. Netherlands 100 Data Holding B.V.
Data Holding B.V. Netherlands 100 IPG Nederland B.V.
Gold Reclame En Marketing Advisers B.V. Netherlands 100 IPG Nederland B.V.
Initiative Media Programming B.V. Netherlands 100 Ammirati & Puris Lintas B.V.
IPG Nederland B.V. Netherlands 100 Registrant
ISOGROUP Europe BV Netherlands 100 Registrant
Lowe Digital B.V. Netherlands 80 Lowe Direct (22.5%), Lowe Kuiper
& Schouten (57.5%)
Lowe Direct B.V. Netherlands 60 Lowe Kuiper & Schouten
Lowe Holland B.V. Netherlands 100 Lowe Worldwide Holdings B.V.
Lowe International Holdings B.V. Netherlands 100 Registrant
Lowe Kuiper & Schouten B.V. Netherlands 100 Lowe Worldwide Holdings B.V.
Lowe Worldwide Holdings B.V. Netherlands 100 Poundhold Ltd.
McCann-Erickson (Nederland) B.V. Netherlands 100 IPG Nederland B.V.
Octagon Worldwide Holdings B.V. Netherlands 100 Octagon Worldwide Inc
Pacific Investments Trust BV Netherlands 100 SBK Superbike International Limited
P. Strating Promotion B.V. Netherlands 100 IPG Nederland B.V.
Programming Media International B.V. Netherlands 100 Registrant
Reclame-Adviesbureau Via B.V. Netherlands 100 IPG Nederland B.V.
Roomijsfabriek "De Hoop" B.V. Netherlands 100 Ammirati Puris Lintas Holding B.V.
Universal Media B.V. Netherlands 100 IPG Nederland B.V.
Western International Media Holdings B.V. Netherlands 100 Lowe Group Holdings, Inc. (52%),
Ammirati Puris Lintas (38%), and
Western Media (10%)
Zet Zet B.V. Netherlands 100 Data Gold B.V.
Ammirati Puris Lintas (NZ) Limited New Zealand 51 Registrant
Initiative Media (NZ) Limited New Zealand 99 Ammirati Puris Lintas (NZ) Ltd.

NAME PERCENTAGE EXHIBIT 21
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SECURITIES MARCH 19, 1999
JURISDICTION OWNED BY
UNDER WHICH IMMEDIATE
ORGANIZED PARENT (%) IMMEDIATE PARENT

FOREIGN:

McCann-Erickson Limited New Zealand 100 Registrant
Pritchard Wood-Quadrant Limited New Zealand 100 Registrant
Universal Media Limited New Zealand 100 McCann-Erickson Limited
Digit A/S Norway 100 JBR/McCann/A/S
JBR Film A/S Norway 100 JBR Reklamebyra A/S
JBR McCann A/S Norway 100 McCann-Erickson A/S
JBR McCann Signatur A/S Norway 100 McCann-Erickson A/S
JBR Purkveien A/S Norway 100 McCann-Erickson A/S
JBR Riddeersvoldgate A.S. Norway 100 McCann-Erickson A/S
Lowe Norway A/S Norway 100 Lowe Sweden AB
Lowe & Partners Norway A/S Norway 66.6 Lowe Norway A/S
McCann-Erickson A/S Norway 100 McCann-Erickson Marketing
Scandinavian Design Group AS Norway 75 McCann-Erickson AS
Showproduksjon AS Norway 100 McCann-Erickson AS
Epoca McCann S.A. Panama 100 Registrant
Ammirati Puris Lintas Manila Philippines 58 Registrant
H.K. McCann Communications Company, Inc. Philippines 100 McCann-Erickson (Philippines) Inc.
McCann-Erickson (Philippines), Inc. Philippines 58 Registrant (30%), Business Science
Research Corp. (28%)
McCann Group of Companies, Inc. Philippines 100 Registrant

Ammirati Puris Lintas Warszawa Sp. Poland 100 Ammirati Puris Lintas Deutschland GmbH
IM Warsaw Poland 100 Ammirati Puris Lintas Warsaw
ITI McCann-Erickson International Advertising Poland 50 McCann-Erickson International GmbH
McCann Communications - Poland Poland 100 Registrant
McCann-Erickson Prague Spol. s.r.o. Poland 100 McCann-Erickson International GmbH
Ammirati Puris Lintas, Lda. Portugal 100 Interpublic SGPS/Lda.
Iniciativas De Meios-Actividades Publicitarias, Portugal 98 Ammirati Puris Lintas, Ltda.
Limitada
Interpublic SGPS/Lda Portugal 100 Registrant

NAME PERCENTAGE EXHIBIT 21
OF VOTING PAGE 20
SECURITIES MARCH 19, 1999
JURISDICTION OWNED BY
UNDER WHICH IMMEDIATE
ORGANIZED PARENT (%) IMMEDIATE PARENT

FOREIGN:

Kramaidem-Publicidade E Marketing, S.A. Portugal 100 Registrant
Lowe Portuguesa Publicidade a Estudos de Portugal 100 Interpublic SGPS/Lda
Mercado, S.A.
McCann-Erickson/Portugal Limitada Portugal 100 Interpublic SGPS/Lda
MKM Markimage, Marketing E Imagem, S.A. Portugal 100 McCann-Erickson Portugal
Publicidade Ltda.
Universal Media Publicidade, Limitada Portugal 100 McCann-Erickson/Portugal Limitada
Ammirati Puris Lintas Puerto Rico, Inc. Puerto Rico 100 Ammirati Puris Lintas, Inc.
McCann-Erickson, Dublin Limited Republic of 100 Registrant
Ireland
B.V. McCann-Erickson Romania Romania 70 Registrant
McCann-Erickson Moscow Russia 100 McCann-Erickson International GmbH
Ammirati Puris Lintas (Singapore) Pte. Ltd. Singapore 100 Registrant
Draftworldwide Pte. Ltd. Singapore 60 DraftWorldwide, Inc.
Lowe & Partners/Monsoon Advertising Pte. Ltd. Singapore 80 Lowe Group Holdings Inc.
McCann-Erickson (Singapore) Singapore 100 Registrant
CPM Slovakia SRO Slovak Rep 50 Panmedia Werbeplanung GmbH
McCann-Erickson Bratislava Slovak Rep. 100 McCann-Erickson Prague Spol. s.r.o.
Adsearch Proprietary Limited South Africa 100 Registrant
Ammirati Puris Lintas (Proprietary) Limited South Africa 100 Ammirati Puris Lintas Holding B.V. (76%)
Registrant (24%)
Advantage Sports Marketing (Pty) Limited South Africa 95 The Sponsorship Group Limited
Advantage Sponsorship Pty Limited South Africa 100 Advantage Sports Marketing Pty. Limited
API Sportshows Limited South Africa 50 Advantage Sports Marketing Pty. Limited
Campbell-Ewald Proprietary Limited South Africa 100 McCann-Erickson South Africa
Proprietary Limited
Column Communications CC South Africa 100 Ammirati Puris Lintas (Proprietary) Ltd.
Fibre Design Communication (Proprietary) ltd. South Africa 100 Registrant
McCann Cape Town (Proprietary) Limited South Africa 100 McCann Group

NAME PERCENTAGE EXHIBIT 21
OF VOTING PAGE 21
SECURITIES MARCH 19, 1999
JURISDICTION OWNED BY
UNDER WHICH IMMEDIATE
ORGANIZED PARENT (%) IMMEDIATE PARENT

FOREIGN:

McCann Durban (Proprietary) Limited South Africa 100 McCann Group
McCann-Erickson Promotions (Proprietary) Ltd. South Africa 100 Registrant
McCann-Erickson South Africa (Pty.) South Africa 100 Registrant
Ltd. ("McCann Group")
McCann International (Proprietary) Limited South Africa 100 McCann Group
McCann South Africa Proprietary Limited South Africa 100 McCann-Erickson Johannesburg
(Proprietary) Limited

McCann-Erickson Johannesburg (Proprietary) South Africa 100 McCann-Erickson South Africa Limited (Proprietary) Limited
 McCannix Proprietary Limited South Africa 100 McCann-Erickson Johannesburg (Proprietary) Limited
 Media Initiative (Proprietary) Limited South Africa 100 Ammirati Puris Lintas (Proprietary) Limited
 PULA API (Pty) Limited South Africa 100 Advantage Sports Marketing Pty Ltd.
 The Loose Cannon Company Proprietary Limited South Africa 100 McCann-Erickson South Africa Proprietary Limited
 Universal Media (Proprietary) Limited South Africa 100 McCann Group
 Lintas Korea, Inc. South Korea 100 Registrant
 McCann-Erickson, Inc. South Korea 51 McCann-Erickson Marketing, Inc.
 Ammirati Puris Lintas S.A. Spain 100 Ammirati Puris Lintas Holding B.V.
 Cachagua S.A. Spain 100 The Interpublic Group of Companies de Espana S.A.
 Clarin, S.A. Spain 100 McCann-Erickson S.A.
 Coleman Schmidlin & Partner S.A. Spain 71 Coleman Group Worldwide, LLC
 Common Sense Publicidad Y Diseno, S.A. Spain 80 McCann-Erickson S.A.
 Directing MRM S.A. Spain 99.99 The Interpublic Group of Companies de Espana S.A.
 DraftDirect Worldwide S.A. Spain 70 DraftWorldwide Limited
 Encuadre S.A. Spain 67 Clarin, S.A.

NAME PERCENTAGE EXHIBIT 21
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 SECURITIES MARCH 19, 1999
 JURISDICTION OWNED BY
 UNDER WHICH IMMEDIATE
 ORGANIZED PARENT (%) IMMEDIATE PARENT

FOREIGN:

Events & Programming International Spain 100 The Interpublic Group of Companies de Consultancy, S.A. (EPIC) Espana S.A.
 Iniciativas de Medios, S.A. Spain 100 Ammirati Puris Lintas, S.A.
 Lowe & Partners Espana S.A. Spain 98 Lowe Worldwide Holdings B.V. (91%)
 Lowe Int'l Holdings B.V. (7%)
 McCann-Erickson S.A. Spain 100 The Interpublic Group of Companies de Espana S.A.
 McCann-Erickson Barcelona S.A. Spain 100 The Interpublic Group of Companies de Espana S.A.
 Pool Media International S.A. Spain 100 The Interpublic Group of Companies de Espana S.A.
 The Interpublic Group of Companies de Espana Spain 100 Registrant
 Universal Media S.A. Spain 100 McCann-Erickson S.A.
 Valmorisco Communications Spain 100 The Interpublic Group of Companies de Espana S.A.
 Western International Media SA Spain 100 Western Int'l Media Holdings BV
 Advantage International AB Sweden 100 Advantage Int'l Holdings Inc.
 Ammirati Puris Lintas Shoppen AB Sweden 100 Ammirati Puris Lintas AB
 Ammirati Puris Lintas AB Sweden 100 Ammirati Puris Lintas Holding B.V.
 Anderson & Lembke AB Sweden 100 Anderson & Lembke, Inc.
 Infoplan AB Sweden 100 McCann-Erickson AB
 Large Medium AB Sweden 50 Lowe Sweden AB
 Lowe Sweden AB Sweden 100 Lowe International Holdings B.V.
 Lowe Brindfors Annonsbyra AB Sweden 91 Lowe Sweden AB
 McCann Annonsbyra AB Sweden 100 McCann-Erickson AB
 McCann Annonsbyra I Malmoe AB Sweden 100 McCann-Erickson AB
 McCann-Erickson AB Sweden 100 Registrant
 Message Plus Media AB Sweden 100 Lowe Sweden AB

NAME PERCENTAGE EXHIBIT 21

OF VOTING PAGE 23
SECURITIES MARCH 19, 1999
JURISDICTION OWNED BY
UNDER WHICH IMMEDIATE
ORGANIZED PARENT (%) IMMEDIATE PARENT

FOREIGN:

PMI Initiative Universal Media AB Sweden 100 Ammirati Puris Lintas AB (50%)
McCann-Erickson AB (50%)
Ronnberg & McCann A.B. Sweden 100 McCann-Erickson AB
Message Plus digital AB Sweden 100 Lowe Sweden AB
Advantage AG. Switzerland 100 Advantage Int'l Holdings, Inc.
Bosch & Butz Werbeagentur AG Switzerland 80 Lowe International Holdings B.V.
Coleman Schmidlin Partner AG Switzerland 71 Coleman Group Worldwide LLC
Fisch Meier Direkt AG Switzerland 100 Ammirati Puris Lintas Deutschland GmbH
Fisch Meier Promotion AG Switzerland 100 Fisch Meier Direkt AG
Get Neue Gestaltungstechnik AG Switzerland 100 Bosch & Butz Werbeagentur
Lowe GSK AG Switzerland 80 Lowe International Holdings BV
Initiative Media Western AG Switzerland 100 Western Int'l Media Holdings BV
Initiative Media Switzerland Switzerland 100 Ammirati Puris Lintas Holding B.V.
McCann-Erickson S.A. Switzerland 100 Registrant
McCann-Erickson Services S.A. Switzerland 100 Registrant
P.C.M. Marketing AG Switzerland 100 Ammirati Puris Lintas Deutschland GmbH
Pool Media-PMI S.A. Switzerland 100 Registrant
Target Group AG Switzerland 51 McCann-Erickson
Unimedia S.A. Switzerland 100 Registrant
Ammirati Puris Lintas Taiwan Ltd. Taiwan 100 Registrant
McCann-Erickson Communications Group Co. Ltd. Taiwan 100 Registrant
Ammirati Puris Lintas (Thailand) Ltd. Thailand 100 Registrant
McCann-Erickson (Thailand) Ltd. Thailand 100 Registrant
Lintas Gulf Limited U.A.E. 51 Ammirati Puris Lintas Worldwide Limited
McCann-Erickson (Trinidad) Limited Trinidad 100 Registrant
Adam Turkey 80 The Lowe Group
Grafika Lintas Reklamcilik A.S. Turkey 51 Registrant
Initiative Media Istanbul Turkey 70 Registrant
Link Ajams Limited Sirketi Turkey 100 PARS

NAME PERCENTAGE EXHIBIT 21
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SECURITIES MARCH 19, 1999
JURISDICTION OWNED BY
UNDER WHICH IMMEDIATE
ORGANIZED PARENT (%) IMMEDIATE PARENT

FOREIGN:

Lowe Adam Tanitim Hizmetleri AS Turkey Turkey 80 Lowe International Holdings B.V.
McCann-Direct Reklam Tanitama Servisleri A.S. Turkey 100 PARS
PARS McCann-Erickson Reklamcilik A.S. ("PARS") Turkey 100 Registrant
Universal Media Planlama Ve Dagitim Turkey 100 PARS
Addison Whitney Worldwide Ltd. United Kingdom 100 Interpublic Limited (50%), Business
Science Research (50%)
Addition Communications Limited United Kingdom 100 SP Group Limited
Addition Marketing Group Limited United Kingdom 100 SP Group Limited
Advantage International Limited United Kingdom 100 Interpublic Limited
Adware Systems Limited United Kingdom 100 Orkestra Limited
Ammirati Puris Lintas Limited United Kingdom 100 Interpublic Limited
Ammirati Puris Lintas International Limited United Kingdom 100 Interpublic Limited
Ammirati Puris Lintas Worldwide Limited United Kingdom 100 Interpublic Limited (50%), Business
Science Research (50%)
API Consulting Limited United Kingdom 100 The Sponsorship Group Limited
API Personality Management Limited United Kingdom 100 The Sponsorship Group Limited
API Soccer Limited United Kingdom 100 The Sponsorship Group Limited
API Sponsorship Canada Limited United Kingdom 100 The Sponsorship Group Limited
API Sponsorship Europe Limited United Kingdom 100 The Sponsorship Group Limited
API Sponsorship USA Limited United Kingdom 100 The Sponsorship Group Limited
API Sponsorship Limited United Kingdom 100 The Sponsorship Group Limited

API Sports Media Limited United Kingdom 100 The Sponsorship Group Limited
API Television Limited United Kingdom 100 The Sponsorship Group Limited
Artel Studios Limited United Kingdom 100 Stowe, Bowden, Wilson Limited
Barnett Fletcher Promotions Company Limited United Kingdom 100 Interpublic Limited
Brand Matters Limited United Kingdom 100 Registrant
Brilliant Pictures Limited United Kingdom 100 Still Price Court Twivy D'Souza
Lintas Group Limited
Brompton Advertising Ltd. United Kingdom 100 The Brompton Group Ltd.

NAME PERCENTAGE EXHIBIT 21
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SECURITIES MARCH 19, 1999
JURISDICTION OWNED BY
UNDER WHICH IMMEDIATE
ORGANIZED PARENT (%) IMMEDIATE PARENT

FOREIGN:

Brompton Promotions Ltd. United Kingdom 100 The Brompton Group Ltd.
Bureau of Commercial Information Limited United Kingdom 100 Registrant
Bureau of Commercial Research Limited United Kingdom 100 Registrant
Business Geographics United Kingdom 70 International Poster Management Ltd.
Campbell-Ewald Limited United Kingdom 100 Interpublic Limited (50%), Business
Science Research (50%)
CM Lintas International Ltd. United Kingdom 100 Interpublic Limited
Coachouse Ltd. United Kingdom 100 McCann-Erickson Manchester Limited
Coleman Planet & Partners Limited United Kingdom 71 Registrant
Colourwatch Group Limited United Kingdom 100 Lowe International Limited
Complete Congress Services Limited United Kingdom 67 Complete Medical Group Limited
Complete Exhibition Services Ltd. United Kingdom 80 Complete Medical Group Limited
Complete Healthcare Training Limited United Kingdom 75 Complete Medical Group Limited
Complete Market Research Limited United Kingdom 75 Complete Medical Group Limited
Complete Medical Communications International Ltd. United Kingdom 85 Complete Medical Group Limited
Complete Medical Communications (UK) Limited United Kingdom 80 Complete Medical Group Limited
Complete Medical Group Ltd. United Kingdom 100 Interpublic Limited
CSI Limited United Kingdom 100 Third Dimension Limited
Davies/Baron Limited United Kingdom 100 Interpublic Limited
Decifer Limited United Kingdom 100 Lowe International Limited
Design Principles Limited United Kingdom 100 Marketing Principles Limited
Diagnosis Limited CMC house United Kingdom 80 Complete Medical Group Limited
DraftWorldwide Limited United Kingdom 100 Interpublic Limited
Epic (Events & Programming International United Kingdom 100 Interpublic Limited
Consultancy) Limited
Fieldplan Ltd. United Kingdom 100 Interpublic Limited
Gotham Limited United Kingdom 100 Interpublic Limited
Grand Slam Millennium Television Limited United Kingdom 100 The Sponsorship Group Limited
Grand Slam Sports Limited United Kingdom 100 The Sponsorship Group Limited

NAME PERCENTAGE EXHIBIT 21
OF VOTING PAGE 26
SECURITIES MARCH 19, 1999
JURISDICTION OWNED BY
UNDER WHICH IMMEDIATE
ORGANIZED PARENT (%) IMMEDIATE PARENT

FOREIGN:

Harrison Advertising (International) Limited United Kingdom 100 Interpublic Limited
H.K. McCann Limited United Kingdom 100 McCann Erickson Advertising Ltd.
Initiative Media Limited United Kingdom 100 Interpublic Limited
Initiative Media London Limited United Kingdom 99.5 Still Price Court Twivy D'Souza
Lintas Group Limited
Interfocus Group Limited United Kingdom 75 Lowe International limited

Interfocus Network Ltd. United Kingdom 100 Interfocus Group Ltd.
International Poster Management Ltd. United Kingdom 100 Interpublic Limited
Interpublic Limited United Kingdom 100 Registrant
Interpublic Pension Fund Trustee United Kingdom 100 Interpublic Limited
Company Limited
J V Knightsbridge Travel Limited United Kingdom 50 Lowe International limited
LHSB Management Services Ltd. United Kingdom 100 Lowe International Limited
Lintas W.A. Limited United Kingdom 100 Interpublic Limited
Lovell Vass Boddey Limited United Kingdom 100 DraftWorldwide Limited
Lowe Azure Limited United Kingdom 100 Lowe International limited
Lowe Digital Limited United Kingdom 100 Lowe International Limited
Lowe Direct Limited United Kingdom 75 Lowe International Limited
Lowe Fusion Limited United Kingdom 100 Lowe International limited
Lowe Howard-Spink Ltd. United Kingdom 100 Lowe International Limited
Lowe & Howard-Spink Media Limited United Kingdom 100 Lowe International Limited
Lowe International Limited United Kingdom 100 Interpublic Limited
Lowe & Partners Financial Limited United Kingdom 100 Lowe International Limited
Lowe & Partners UK Limited United Kingdom 100 Lowe International limited
Lowe Plus Limited United Kingdom 100 Lowe International limited
Ludcom PLC United Kingdom 100 Ludgate Group Limited

NAME PERCENTAGE EXHIBIT 21
OF VOTING PAGE 27
SECURITIES MARCH 19, 1999
JURISDICTION OWNED BY
UNDER WHICH IMMEDIATE
ORGANIZED PARENT (%) IMMEDIATE PARENT

FOREIGN:

Ludgate Bachard Limited United Kingdom 100 Ludgate Group Limited
Ludgate Communications Limited United Kingdom 100 Ludgate Group Limited
Ludgate Design Limited United Kingdom 100 Ludgate Group Limited
Ludgate Group Limited United Kingdom 100 Interpublic Limited
Ludgate Laud Limited United Kingdom 100 Ludgate Group Limited
MLS Soccer Limited United Kingdom 100 The Sponsorship Group Limited
Marketing Principles Direct Limited United Kingdom 100 Marketing Principles Limited
Marketing Principles Limited United Kingdom 75% Registrant
Matter of Fact Communications Limited United Kingdom 100 McCann-Erickson Bristol Limited
McCann Communications Limited United Kingdom 100 Interpublic Limited
McCann Direct Limited United Kingdom 100 Interpublic Limited
McCann-Erickson Advertising Limited United Kingdom 100 Interpublic Limited
McCann-Erickson Belfast Limited United Kingdom 100 McCann-Erickson United Kingdom Limited
McCann-Erickson Bristol Limited United Kingdom 100 McCann-Erickson United Kingdom Limited
McCann-Erickson Central Limited United Kingdom 100 McCann-Erickson United Kingdom Limited
McCann-Erickson Manchester Limited United Kingdom 100 McCann-Erickson United Kingdom Limited
McCann-Erickson Payne, Golley Ltd. United Kingdom 75.9 McCann-Erickson United Kingdom Limited
McCann-Erickson Scotland Limited United Kingdom 100 McCann-Erickson United Kingdom Limited
McCann-Erickson United Kingdom Limited United Kingdom 100 Interpublic Limited
McCann-Erickson Wales United Kingdom 100 McCann-Erickson Payne Golley
McCann-Erickson Payne Golley Limited United Kingdom 100 McCann-Erickson United Kingdom Limited
McCann-Erickson Scotland Limited United Kingdom 100 McCann-Erickson United Kingdom Limited
McCann Media Limited United Kingdom 100 McCann-Erickson Bristol
McCann Properties Limited United Kingdom 100 McCann-Erickson United Kingdom Limited
MSW Management Limited United Kingdom 100 The Sponsorship Group Limited
Neva Europe Limited United Kingdom 100 Registrant
Octagon Worldwide Limited United Kingdom 100 Interpublic Limited
Orbit International (1990) Ltd. United Kingdom 100 Lowe International Limited

NAME PERCENTAGE EXHIBIT 21
OF VOTING PAGE 28
SECURITIES MARCH 19, 1999
JURISDICTION OWNED BY
UNDER WHICH IMMEDIATE
ORGANIZED PARENT (%) IMMEDIATE PARENT

FOREIGN:

Orchestra Ltd. United Kingdom 100 Interpublic Limited
Packaging Brands Limited United Kingdom 100 Registrant
Packaging Matters Limited United Kingdom 100 Registrant
Planet Packaging Consultants, Ltd. United Kingdom 71 The Coleman Group Worldwide LLC
Poundhold Ltd. United Kingdom 100 Lowe International Limited
P.R. Principles Limited United Kingdom 100 Marketing Principles limited
Pritchard Wood and Partners Limited United Kingdom 100 Interpublic Limited (50%), Business
Science Research (50%)
Research Matters Limited United Kingdom 100 Registrant
Royds London Limited United Kingdom 100 McCann-Erickson United Kingdom Ltd.
Salesdesk Limited United Kingdom 100 Orchestra Ltd.
Smithfield Lease Limited United Kingdom 100 Lowe International Limited
Sports Management Limited United Kingdom 100 The Sponsorship Group Limited
SP Group Limited United Kingdom 100 Interpublic Limited
Still Price Court Twivy D'Souza Lintas Limited United Kingdom 100 SP Group Limited
Stowe, Bowden, Wilson Limited United Kingdom 100 McCann-Erickson United Kingdom Ltd.
Talbot Television Limited United Kingdom 100 Fremantle International Inc.
Tavistock Advertising Limited United Kingdom 100 Lowe International Limited
Team GB Limited United Kingdom 100 The Sponsorship Group Limited
The Barnett Fletcher Promotions Company, Ltd. United Kingdom 100 Registrant
The Below the Line Agency Limited United Kingdom 100 Interpublic Limited
The Big Events Company Limited United Kingdom 100 CSI Limited
The Brompton Group Ltd. United Kingdom 100 Lowe International Limited
The Championship Group Limited United Kingdom 100 The Sponsorship Group Limited
The Howland Street Studio Ltd. United Kingdom 100 Interpublic Limited
The Line Limited United Kingdom 100 SP Group Limited
The Lowe Group Limited United Kingdom 100 Lowe International Limited
The Medicine Group (Education) Ltd. United Kingdom 60 Complete Medical Group Ltd.
The Really Big Promotions Company Limited United Kingdom 100 Interpublic Limited

NAME PERCENTAGE EXHIBIT 21
OF VOTING PAGE 29
SECURITIES MARCH 19, 1999
JURISDICTION OWNED BY
UNDER WHICH IMMEDIATE
ORGANIZED PARENT (%) IMMEDIATE PARENT

FOREIGN:

The Sponsorship Group Limited United Kingdom 100 Interpublic Limited
Tinker and Partners Limited United Kingdom 100 Interpublic Limited
Tweak Limited United Kingdom 100 SP Group Limited
Two Six Seven Limited United Kingdom 100 Lowe International limited
Universal Advertising Limited United Kingdom 100 Interpublic Limited
Universal Communications Worldwide Limited United Kingdom 100 Interpublic Limited
Virtual Reality Sports Limited United Kingdom 100 The Sponsorship Group Limited
Washington Soccer Limited United Kingdom 100 The Sponsorship Group Limited
Weber Europe Limited United Kingdom 100 Interpublic Limited
Western International Media Limited. United Kingdom 100 Lowe International Limited
Western International Media Europe Limited. United Kingdom 100 Lowe International Limited
WIMC UK Limited United Kingdom 100 Interpublic Limited
Octagon Motorsports Marketing Limited. United Kingdom 100 Octagon Motorsports Limited
Lingfield S.A. (S.A.F.I.) Uruguay 100 Registrant
Lowe & Partners South America Holdings, S.A. Uruguay 100 Lowe Group Holdings, Inc.
McCann-Erickson Latin America, S.A. Uruguay 100 Registrant
Rockdone Corporation S.A. (S.A.F.I.) Uruguay 100 Universal Publicidade S.A. (safi)
Steffen Corporation Uruguay 100 Ammirati Puris Lintas Brasil
Universal Publicidad S.A. (S.A.F.I.) Uruguay 100 McCann-Erickson Publicidade Ltda.
McCann-Erickson Publicidad De Venezuela, S.A. Venezuela 100 Registrant
Afamal Advertising (Rhodesia) Private Limited Zimbabwe 100 Registrant
Lintas (Private) Limited Zimbabwe 80 Fieldplan Ltd.

A number of inactive subsidiaries and other subsidiaries, all of which considered in the aggregate as a single subsidiary would not constitute

a significant subsidiary, are omitted from the above list.

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

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 of The Interpublic Group of Companies, Inc. (the "Company"), of our report dated February 19, 1999, appearing in the 1998 Annual Report to Stockholders which is incorporated in this Annual Report on Form 10-K: Registration Statements No. 2-79071; No. 2-43811; No. 2-56269; No. 2-61346; No. 2-64338; No. 2-67560; No. 2-72093; No. 2-88165; No. 2-90878; No. 2-97440 and No. 33-28143, relating variously to the Stock Option Plan (1971), the Stock Option Plan (1981), the Stock Option Plan (1988) and the Achievement Stock Award Plan of the Company; Registration Statements No. 2-53544; No. 2-91564; No. 2-98324; No. 33-22008; No. 33-64062 and No. 33-61371, relating variously to the Employee Stock Purchase Plan (1975), the Employee Stock Purchase Plan (1985) and the Employee Stock Purchase Plan of the Company (1995); Registration Statements No. 33-20291 and No. 33-2830 relating to the Management Incentive Compensation Plan of the Company; Registration Statements No. 33-5352; No. 33-21605; No. 333-4747 and No. 333-23603 relating to the 1986 Stock Incentive Plan, the 1986 United Kingdom Stock Option Plan and the 1996 Stock Incentive Plan, of the Company; Registration Statements No. 33-10087 and No. 33-25555 relating to the Long-Term Performance Incentive Plan of the Company; Registration Statement No. 333-28029 relating to The Interpublic Outside Directors' Stock Incentive Plan of the Company; and Registration Statement No. 33-42675 relating to the 1997 Performance Incentive Plan of the Company. We also consent to the incorporation by reference of our report on the Financial Statement Schedule, which appears above.

PRICEWATERHOUSECOOPERS LLP
New York, New York
March 26, 1999

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the following Registration Statements on Form S-8 of The Interpublic Group of Companies, Inc. ("IPG" or the "Company"), of our report dated February 3, 1999, included in this Annual Report on Form 10-K, with respect to the consolidated financial statements of International Public Relations plc for the years ended December 31, 1997 and October 31, 1996 (not separately presented herein), which statements are included in the consolidated financial statements of IPG.

(Registration Statements No. 2-79071, No. 2-43811, No. 2-56269, No. 2-61346, No. 2-64338, No. 2-67560, No. 2-72093, No. 2-88165, No. 2-90878, No. 2-97440, and No. 33-28143, relating variously to the Stock Option Plan (1971), the Stock Option Plan (1981), the Stock Option Plan (1988) and the Achievement Stock Award Plan of the Company, Registration Statements No. 2-53544, No. 2-91564, No. 2-98324, No. 33-22008, No. 33-64062, and No. 33-61371; relating variously to the Employee Stock Purchase Plan (1975), the Employee Stock Purchase Plan (1985) and the Employee Stock Purchase Plan of the Company (1995); Registration Statements No. 33-20291 and No. 33-2830 relating to the Management Incentive Compensation Plan of the Company. Registration Statements No. 33-5352, No. 33-21605, No. 333-4747, and No. 333-23603 relating to the 1986 Stock Incentive Plan, the 1986 United Kingdom Stock Option Plan and the 1996 Stock Incentive Plan, of the Company; Registration Statements No. 33-10087 and No. 33-25555 relating to the Long-Term Performance Incentive Plan of the Company; Registration Statement No. 333-28029 relating to The Interpublic Outside Directors' Stock Incentive Plan of the Company; Registration Statement No. 33-42675 relating to the 1997 Performance Incentive Plan of the Company).

Ernst & Young
London, England
March 24, 1999

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the following Registration Statements on Form S-8 of The Interpublic Group of Companies, Inc. ("IPG" or the "Company"), of our report dated March 13, 1998, included in the Company's 1998 Annual Report on Form 10-K, with respect to the consolidated financial statements of Hill, Holliday, Connors, Cosmopolos, Inc. for the twelve-month period ended December 31, 1997 (not separately presented), which statements are included in the consolidated financial statements of IPG in its Annual Report on Form 10-K for the year ended December 31, 1998,; Registration Statements No. 2-79071; No. 2-43811; No. 2-56269; No. 2-61346; No. 2-64338; No. 2-67560; No. 2-72093; No. 2-88165; No. 2-90878; No. 2-97440 and No. 33-28143, relating variously to the Stock Option Plan (1971), the Stock Option Plan (1981), the Stock Option Plan (1988) and the Achievement Stock Award Plan of the Company; Registration Statements No. 2-53544; No. 2-91564; No. 2-98324; No. 33-22008; No. 33-64062 and No. 33-61371, relating variously to the Employee Stock Purchase Plan (1975), the Employee Stock Purchase Plan (1985) and the Employee Stock Purchase Plan (1995) of the Company; Registration Statements No. 33-20291 and No. 33-2830 relating to the Management Incentive Compensation Plan of the Company; Registration Statements No. 33-5352; No. 33-21605; No. 333-4747 and No. 333-23603 relating to the 1986 Stock Incentive Plan, the 1986 United Kingdom Stock Option Plan and the 1996 Stock Incentive Plan of the Company; Registration Statements No. 33-10087 and No. 33-25555 relating to the Long-Term Performance Incentive Plan of the Company; Registration Statement No. 333-28029 relating to The Interpublic Outside Directors' Stock Incentive Plan of the Company; and Registration Statement No. 33-42675 relating to the 1997 Performance Incentive Plan of the Company.

/s/Ernst & Young LLP

Boston, Massachusetts
March 24, 1999

EXHIBIT 24
POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each individual whose signature appears below constitutes and appoints PHILIP H. GEIER, JR., EUGENE P. BEARD, FREDERICK MOLZ and NICHOLAS J. CAMERA, and each of them, as true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution, for him, and in his name, place and stead, in any and all capacities, to sign the Report on Form 10-K for the year ended December 31, 1998, for The Interpublic Group of Companies, Inc., S.E.C. File No. 1-6686, and any and all amendments and supplements thereto and all other instruments necessary or desirable in connection therewith, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission and the New York Stock Exchange, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requested and necessary to be done in and about the premises as fully to all intents and purposes as he might do or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Dated: March 25, 1999

PHILIP H. GEIER, JR. JOHN J. DOONER, JR.
PHILIP H. GEIER, JR. JOHN J. DOONER, JR.

EUGENE P. BEARD FRANK B. LOWE
EUGENE P. BEARD FRANK B. LOWE

FRANK J. BORELLI LEIF H. OLSEN
FRANK J. BORELLI LEIF H. OLSEN

REGINALD K. BRACK MARTIN F. PURIS
REGINALD K. BRACK MARTIN F. PURIS

JILL M. CONSIDINE ALLEN QUESTROM
JILL M. CONSIDINE ALLEN QUESTROM

J. PHILLIP SAMPER
J. PHILLIP SAMPER

THE INTERPUBLIC GROUP OF COMPANIES, INC.

CERTIFIED RESOLUTIONS

I, Nicholas J. Camera, Secretary of The Interpublic Group of Companies, Inc. (the "Corporation"), hereby certify that the resolutions attached hereto were duly adopted on March 25, 1999 by the Board of Directors of the Corporation and that such resolutions have not been amended or revoked.

WITNESS my hand and the seal of the Corporation this 25th day of March, 1999.

NICHOLAS J. CAMERA
NICHOLAS J. CAMERA

THE INTERPUBLIC GROUP OF COMPANIES, INC.
MEETING OF THE BOARD OF DIRECTORS

RESOLUTIONS RE FROM 10-K

RESOLVED, that the Chairman of the Board and President and the Vice Chairman-Finance and Operations of the Corporation be, and each of them hereby is, authorized to execute and deliver on behalf of the Corporation an annual report on Form 10-K for the year ended December 31, 1998, in the form presented to this meeting with such changes therein as either of them with the advice of the General Counsel shall approve; and further

RESOLVED, that the Chairman of the Board and President in his capacity as Chief Executive Officer, the Vice Chairman-Finance and Operations in his capacity as Chief Financial Officer, and the Vice President and Controller in his capacity as Chief Accounting Officer of the Corporation be, and each of them hereby is, authorized to execute such annual report on Form 10-K; and further

RESOLVED, that the officers of the Corporation be and each of them hereby is, authorized and directed to file such annual report on Form 10-K, with all the exhibits thereto and any

other documents that may be necessary or desirable in connection therewith, after its execution by the foregoing officers and by a majority of this Board of Directors, with the Securities and Exchange Commission and the New York Stock Exchange; and further

RESOLVED, that the officers and directors of the Corporation who may be required to execute such annual report on Form 10-K be, and each of them hereby is, authorized to execute a power of attorney in the form submitted to this meeting appointing Philip H. Geier, Jr., Eugene P. Beard, Frederick Molz and Nicholas J. Camera, and each of them, severally, his or her true and lawful attorneys and agents to act in his or her name, place and stead, to execute said annual report on Form 10-K and any and all amendments and supplements thereto and all other instruments necessary or desirable in connection therewith; and further

RESOLVED, that the signature of any officer of the Corporation required by law to affix his signature to such annual report on Form 10-K or to any amendment or supplement thereto and such additional documents as they may deem necessary or advisable in connection therewith, may be affixed by said officer personally or by any attorney-in-fact duly constituted in writing by said officer to sign his name thereto; and further

RESOLVED, that the officers of the Corporation be, and each of them hereby is, authorized to execute such amendments or supplements to such annual report on Form 10-K and such additional documents as they may deem necessary or advisable in connection with any such amendment or supplement and to file the foregoing with the Securities and Exchange Commission and the New York Stock Exchange; and further

RESOLVED, that the officers of the Corporation be, and each of them hereby is, authorized to take such actions and to execute such other documents, agreements or instruments as may be necessary or desirable in connection with the foregoing.

<ARTICLE> 5

<LEGEND>

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE BALANCE SHEET AND THE INCOME STATEMENT AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO FINANCIAL STATEMENTS. THE EPS PRIMARY NUMBER BELOW REFLECTS THE BASIC EARNINGS PER SHARE AS REQUIRED BY FINANCIAL ACCOUNTING STANDARDS NUMBER 128.

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<MULTIPLIER> 1,000

<PERIOD-TYPE>	3-MOS	3-MOS
<FISCAL-YEAR-END>	DEC-31-1998	DEC-31-1997
<PERIOD-END>	MAR-31-1998	MAR-31-1997
<CASH>	488,102	441,917
<SECURITIES>	45,868	42,690
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<PP&E>	653,371	581,707
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<TOTAL-ASSETS>	5,807,336	5,179,420
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<TOTAL-COSTS>	765,757	672,947
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<INTEREST-EXPENSE>	12,801	12,406
<INCOME-PRETAX>	65,426	57,121
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<CHANGES>	0	0
<NET-INCOME>	37,739	31,899
<EPS-PRIMARY>	.28	.25
<EPS-DILUTED>	.27	.24

<ARTICLE> 5

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE BALANCE SHEET AND THE INCOME STATEMENT AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO FINANCIAL STATEMENTS. THE EPS PRIMARY NUMBER BELOW REFLECTS THE BASIC EARNINGS PER SHARE AS REQUIRED BY FINANCIAL ACCOUNTING STANDARDS NUMBER 128.

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<MULTIPLIER> 1,000

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<FISCAL-YEAR-END>	DEC-31-1998	DEC-31-1997
<PERIOD-END>	JUN-30-1998	JUN-30-1997
<CASH>	638,991	422,209
<SECURITIES>	55,575	52,383
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<ALLOWANCES>	47,189	25,699
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<COMMON>	14,483	13,820
<OTHER-SE>	1,125,192	850,875
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<TOTAL-REVENUES>	1,863,425	1,611,384
<CGS>	0	0
<TOTAL-COSTS>	1,587,881	1,387,338
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<INTEREST-EXPENSE>	27,365	25,519
<INCOME-PRETAX>	275,544	224,046
<INCOME-TAX>	112,163	89,425
<INCOME-CONTINUING>	156,250	126,823
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<NET-INCOME>	156,250	126,823
<EPS-PRIMARY>	1.15	.98
<EPS-DILUTED>	1.11	.94

<ARTICLE> 5

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE BALANCE SHEET AND THE INCOME STATEMENT AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO FINANCIAL STATEMENTS. THE EPS PRIMARY NUMBER BELOW REFLECTS THE BASIC EARNINGS PER SHARE AS REQUIRED BY FINANCIAL ACCOUNTING STANDARDS NUMBER 128.

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<MULTIPLIER> 1,000

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<FISCAL-YEAR-END>	DEC-31-1998	DEC-31-1997
<PERIOD-END>	SEP-30-1998	SEP-30-1997
<CASH>	623,777	456,732
<SECURITIES>	46,440	47,679
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<CURRENT-ASSETS>	4,362,123	3,695,483
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<TOTAL-ASSETS>	6,309,527	5,354,294
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<OTHER-SE>	1,161,208	834,994
<TOTAL-LIABILITY-AND-EQUITY>	6,309,527	5,354,294
<SALES>	0	0
<TOTAL-REVENUES>	2,773,955	2,398,535
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<TOTAL-COSTS>	2,408,822	2,116,339
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<LOSS-PROVISION>	0	0
<INTEREST-EXPENSE>	43,394	41,486
<INCOME-PRETAX>	365,133	282,196
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<INCOME-CONTINUING>	203,238	156,792
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<NET-INCOME>	203,238	156,792
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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE BALANCE SHEET AND THE INCOME STATEMENT AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO FINANCIAL STATEMENTS. THE EPS PRIMARY NUMBER BELOW REFLECTS THE BASIC EARNINGS PER SHARE AS REQUIRED BY FINANCIAL ACCOUNTING STANDARDS NUMBER 128.

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<MULTIPLIER> 1,000

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<PERIOD-END>	DEC-31-1997	DEC-31-1996
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<SECURITIES>	31,944	36,940
<RECEIVABLES>	3,104,606	2,796,783
<ALLOWANCES>	44,110	37,049
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<TOTAL-ASSETS>	5,983,443	5,119,927
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<COMMON>	14,357	13,641
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<TOTAL-REVENUES>	3,482,384	2,983,899
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<TOTAL-COSTS>	3,078,554	2,610,031
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<ARTICLE> 5

<LEGEND>

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE BALANCE SHEET AND THE INCOME STATEMENT AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO FINANCIAL STATEMENTS. THE EPS PRIMARY NUMBER BELOW REFLECTS THE BASIC EARNINGS PER SHARE AS REQUIRED BY FINANCIAL ACCOUNTING STANDARDS NUMBER 128.

</LEGEND>

<MULTIPLIER> 1,000

<PERIOD-TYPE>	12-MOS	
<FISCAL-YEAR-END>		DEC-31-1998
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<CASH>		808,803
<SECURITIES>		31,733
<RECEIVABLES>		3,522,616
<ALLOWANCES>		53,093
<INVENTORY>		0
<CURRENT-ASSETS>		4,776,945
<PP&E>		745,265
<DEPRECIATION>		420,864
<TOTAL-ASSETS>		6,942,823
<CURRENT-LIABILITIES>		4,658,352
<BONDS>		207,927
<PREFERRED-MANDATORY>		0
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<COMMON>		14,572
<OTHER-SE>		1,265,092
<TOTAL-LIABILITY-AND-EQUITY>		6,942,823
<SALES>		0
<TOTAL-REVENUES>		3,968,728
<CGS>		0
<TOTAL-COSTS>		3,405,857
<OTHER-EXPENSES>		0
<LOSS-PROVISION>		0
<INTEREST-EXPENSE>		58,699
<INCOME-PRETAX>		562,871
<INCOME-TAX>		232,005
<INCOME-CONTINUING>		309,905
<DISCONTINUED>		0
<EXTRAORDINARY>		0
<CHANGES>		0
<NET-INCOME>		309,905
<EPS-PRIMARY>		2.29
<EPS-DILUTED>		2.21