



SANFORD C.
BERNSTEIN & CO.
STRATEGIC
DECISIONS
CONFERENCE 2010

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Chairman & CEO, Interpublic Group

June 3, 2010

FORWARD LOOKING STATEMENTS

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

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

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

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

IPG UPDATE

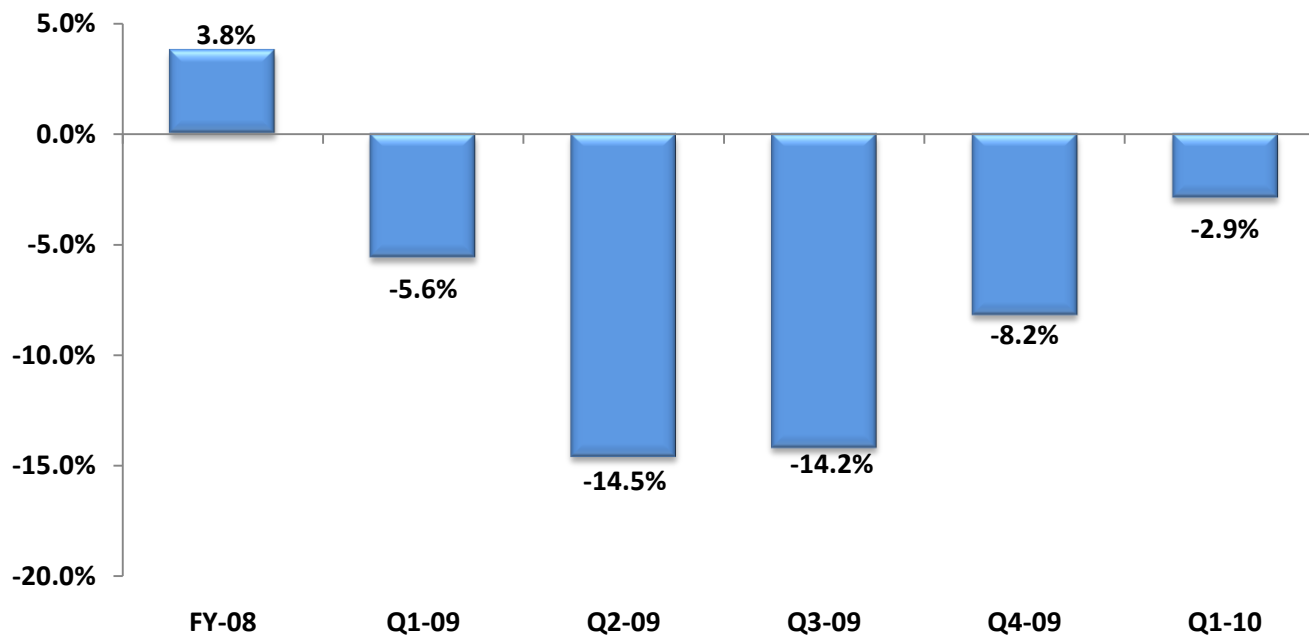
- Client marketing investment reflects greater confidence in the economic recovery
- Still room for caution due to differing macro conditions around the world – our Q1 revenue rose in U.S. and LatAm, but Europe still challenged
- We remain disciplined on costs and on track to achieve our full year margin objective
- We are deploying cash-on-hand to further enhance shareholder value

STRONG FINANCIAL FUNDAMENTALS

- Debt decreased approximately \$400 million 2008-09
- Can address approximately \$200 million November '10 maturity with cash-on-hand
- Recently repurchased \$304 million face value of our 5.25% convertible preferred shares
 - Annual savings of \$16 million dividends
 - Eliminated 22 million common share equivalents
- Expanded term credit revolver to \$650 million

QUARTERLY SNAPSHOT: IMPROVING REVENUE TREND

Organic Revenue Change



BROAD CLIENT SECTOR PARTICIPATION

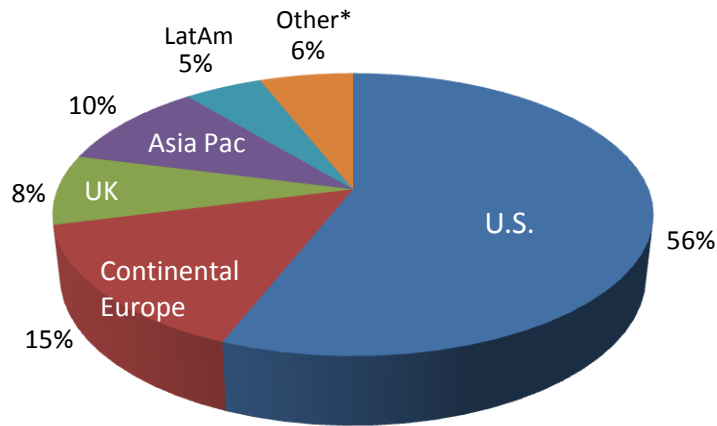
□ Full-year 2009 and □ Q1-10 Revenue Change
(year over year constant currency)



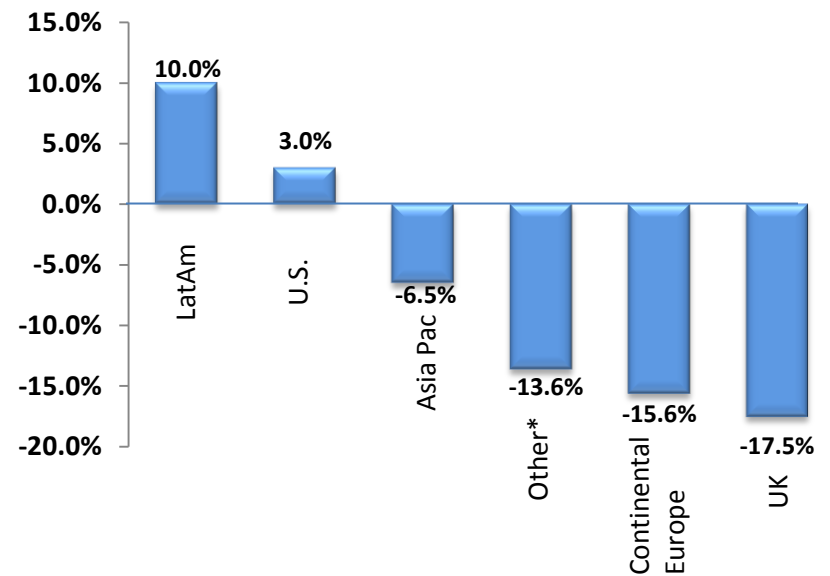
Based on Top 100 clients,
approximately 50% of total revenue

MACRO REMAINS FRONT-AND-CENTER

2009 Revenue Base



Q1-10 Organic Revenue Change by Region



*Other: Middle East, Africa, Canada

KEYS TO FULLY COMPETITIVE PROFITABILITY

2010

- “Normalized” severance expense
- Leverage on base payroll from ‘09 headcount actions
- Some incentive compensation offset



2011+

- Competitive organic revenue growth
- Leverage major expense components, led by improved utilization and efficiency

DRAMATIC CHANGES IN THE MEDIA LANDSCAPE

TRANSFORMING MARKETING SERVICES



“ New technologies, fragmented media, and a new generation of empowered consumers are rapidly changing the world of advertising ”

WE'RE SPENDING LESS TIME WITH MASS MEDIA...

Such as print, network TV and radio



... AND MORE WITH TARGETED AND INTERACTIVE PLATFORMS

Such as gaming, digital TV, mobile and social media



RATE OF MEDIA ADOPTION ACCELERATING

Time it took to reach 50 million consumers

Radio
38 yrs

TV
13 yrs

iPod
5 yrs

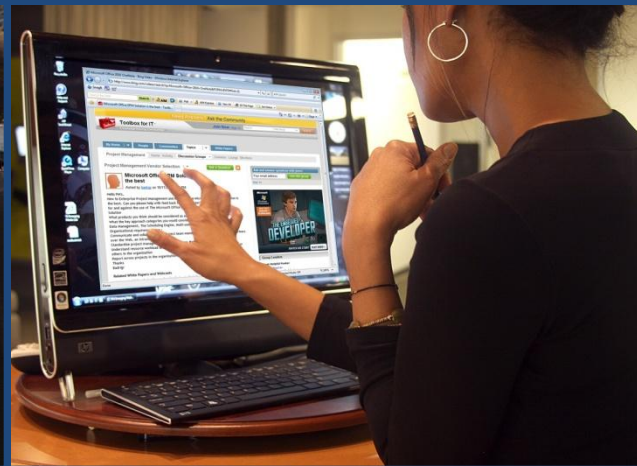
Facebook
3.5 yrs

Formspring.me
0.5 yrs

Devices **are all connected**

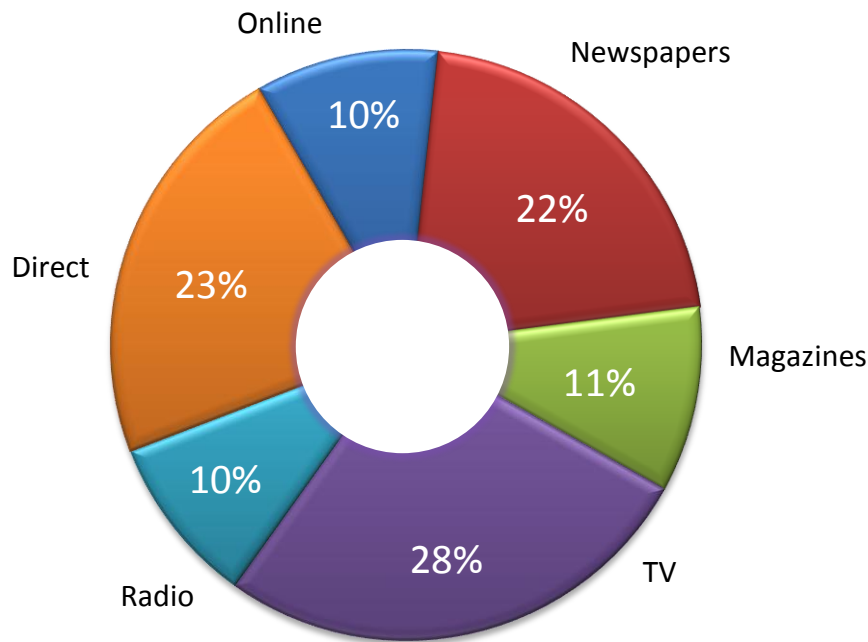
Consumer **needs and interests** are met in real time

Resulting **opportunities for brands** are exponential

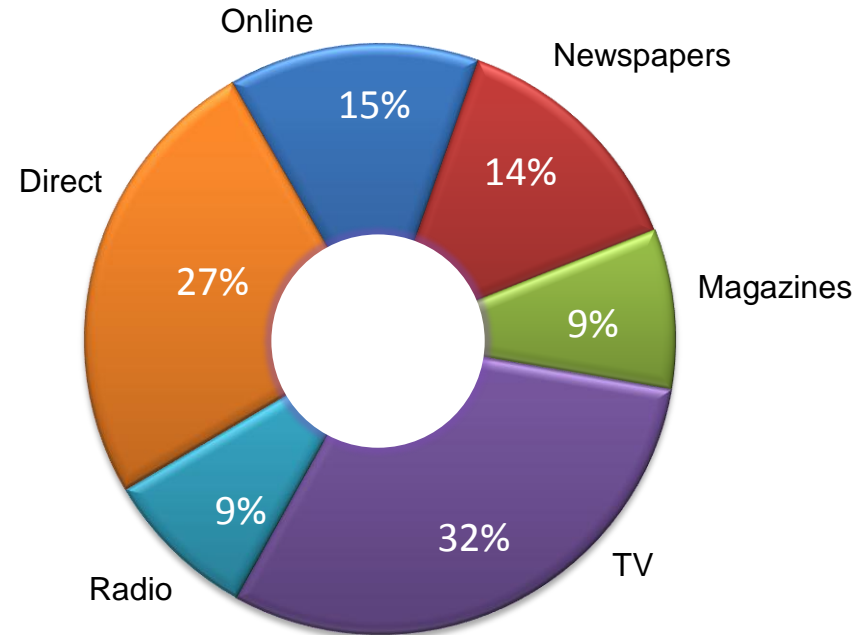


DIGITAL GAINING AT EXPENSE OF NEWSPAPERS

2007 Share of U.S. Ad Spend by Category

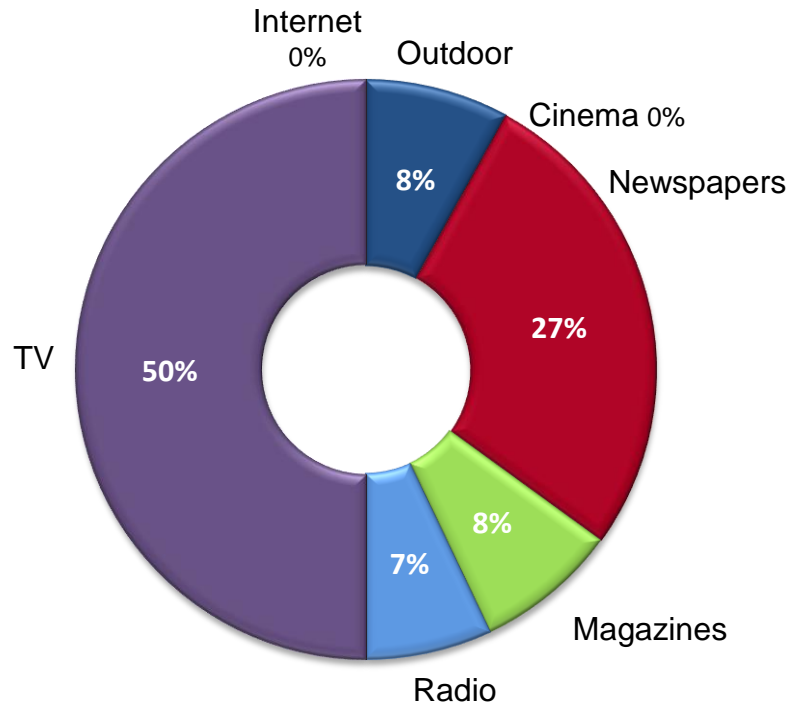


2010E Share of U.S. Ad Spend by Category

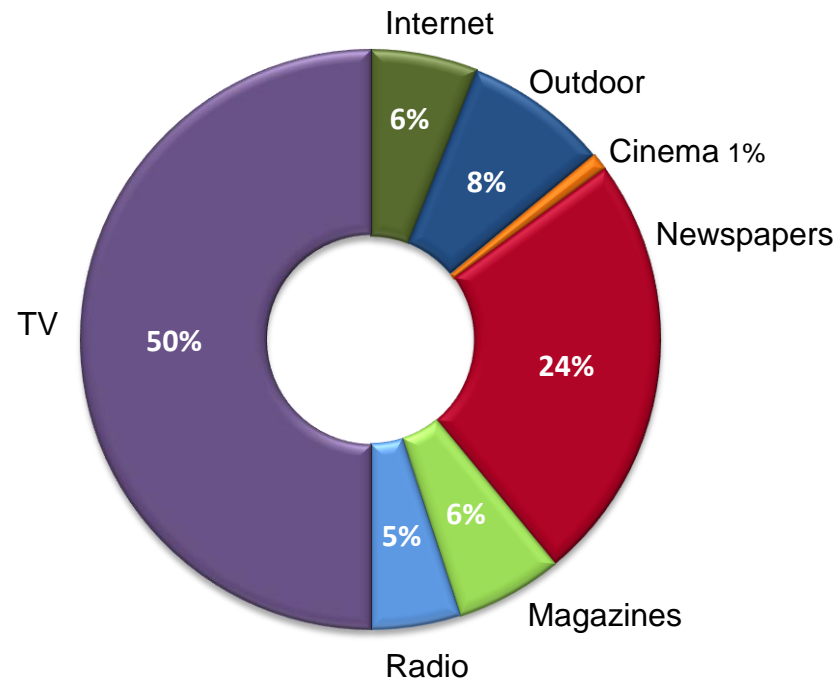


TREND HOLDS IN EMERGING MARKETS

**Emerging Markets:
Share of Each Medium in 2000**



**Emerging Markets:
Share of Each Medium in 2010E**



Source: UBS Global Media, July 2009. "Emerging Markets" includes all Eastern Europe nations and Russia; all Asia-Pacific countries except Japan, Korea, Taiwan, Hong Kong, Singapore, Australia and New Zealand; all of LatAm.

EVOLUTION OF MEDIA – NOT A ZERO SUM GAME

- “Traditional” media continue to have critical role to play
 - Television consumption still rising
 - Medium remains dominant for many demos / geographic markets
- “Emerging” media platforms work best when integrated into consumers’ overall media usage habits
 - “New” and “old” media are complementary
- Opportunity lies in delivering **custom integrated solutions**, uniquely suited to each brand and marketing challenge

NEW PATHWAYS FOR REACHING CONSUMERS

TRADITIONAL “PERSUASION” MODEL

marketer generated

awareness

interest

consideration

purchase



persuasion

MULTIPLE MODELS NOW AT WORK SIMULTANEOUSLY

marketer generated

user generated

awareness interest consideration purchase

opinions advocacy community

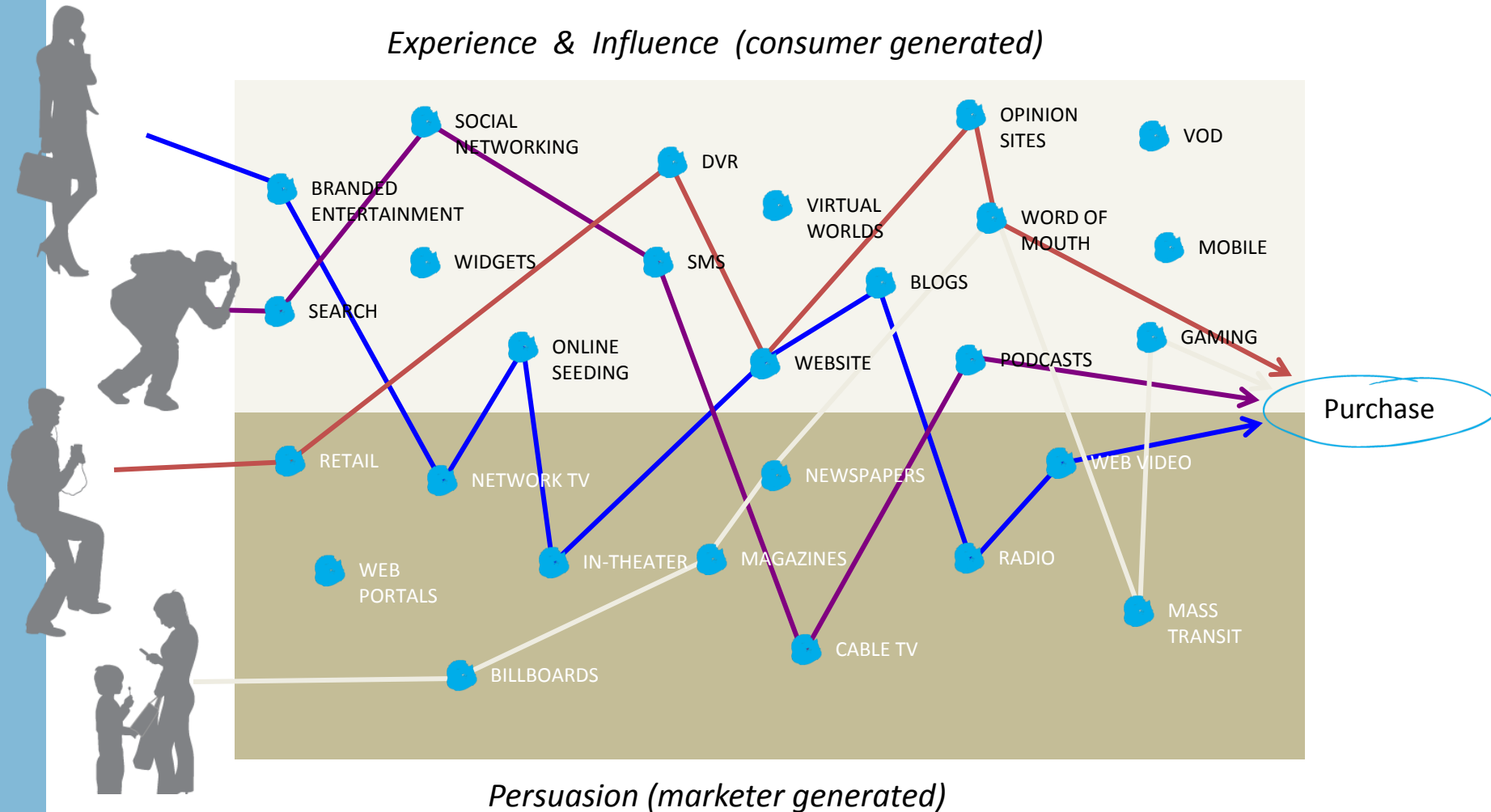
persuasion

influence

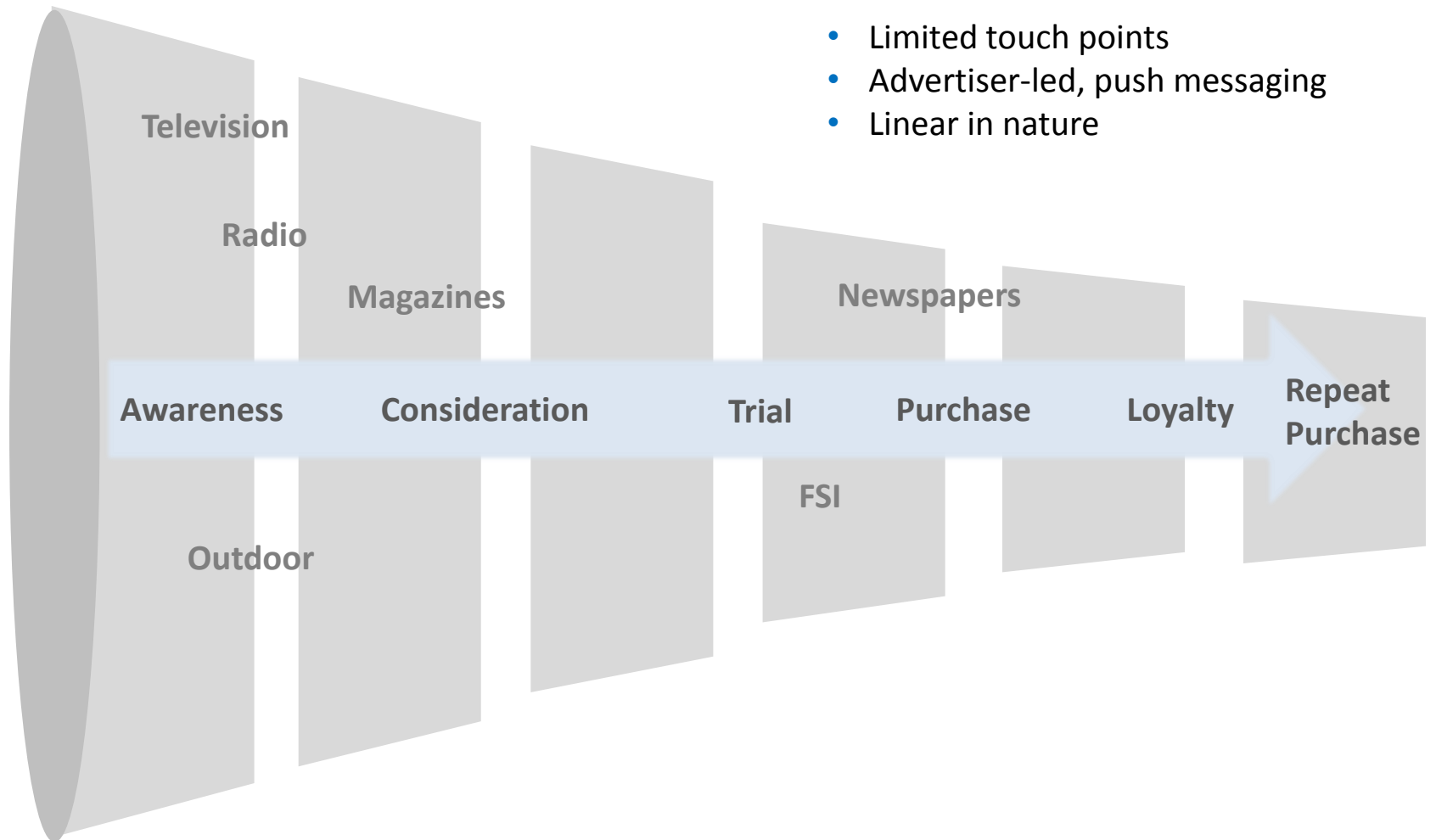


SAID ANOTHER WAY... CONVERSATION HAS BECOME PERSONALIZED

Experience & Influence (consumer generated)

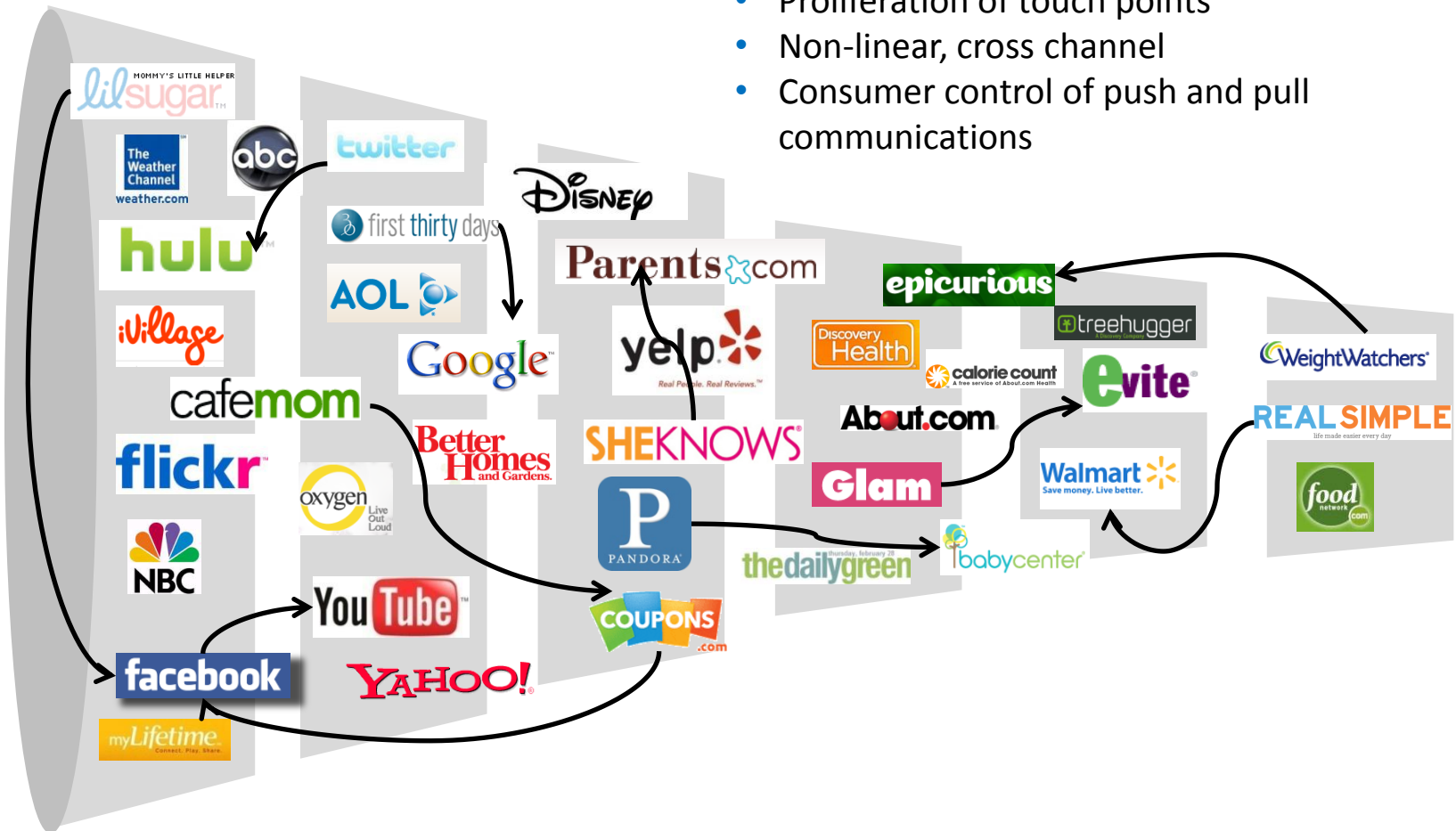


SO, THE TRADITIONAL MARKETING FUNNEL ...



IS TRANSFORMED INTO A PURCHASE JOURNEY

- Proliferation of touch points
- Non-linear, cross channel
- Consumer control of push and pull communications



NEW MARKETING IN ACTION

30 YEARS OF TELEVISION ADS IN THE SUPER BOWL



...TO A SOCIAL MEDIA PLATFORM



HUGE



Groundbreaking campaign brought Pepsi to the forefront of social media.

The *Refresh Project* redirects the client's \$20 million *Super Bowl* budget to fund consumer ideas for social progress using social media.



“PRICELESS” CAMPAIGN: THE BILLION DOLLAR IDEA

McCANN ERICKSON



“ There are some things money can't buy.
For everything else, there's MasterCard. ”

“PRICELESS”: WEB 1.0

MasterCard PRICELESS PEP TALKS FROM PEYTON MANNING

PRICELESS.COM MasterCard PRESENTS
PRICELESS PEP TALKS FROM PEYTON MANNING
 NEED A LITTLE PICK-ME-UP? PEYTON'S GOT A PEP TALK WITH YOUR NAME ON IT.

WHAT'S YOUR NAME? WHAT'S GOT YOU DOWN?

NEXT >

MICRO-SITE People could customize Pep Talks and send them to family and friends.

From: Rick
 Subject: Peyton Manning, your buddy Rick and MasterCard want to help you
 Date: December 11, 2007 @ 10:33 PM EST
 To: Ed. card@priceless.com

Having trouble viewing this e-mail? [Click here to view the web version.](#)

Hey Ed,
 Bad haircut got you down?
 This probably could use some hair care tips from Mr. Peyton Manning. He's got a great haircut.

Head over to priceless.com/peyton to see your personalized pep talk from Peyton Manning.

Keep smiling,
 Rick

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MOBILE People sent them to mobiles.

PRICELESS PEP TALKS FROM PEYTON MANNING

TV Ran on target programming.

Life
 Cate Wins Her Best and Seal
 K-11
 DOES 1988 WANT YOUR HAIRSTYLE BACK?
 PEYTON'S GOT A PEP TALK WITH YOUR NAME ON IT.

LifeLine
 Viewers give serious films short shrift

SEE THE PRICELESS.COM/PEYTON FOR A PERSONAL PEP TALK TO HELP YOU ACHIEVE

PRINT Although Peyton is a "Sports" celebrity, he was giving Pep Talks on everyday matters, so placements like the "Life" section of USA Today were utilized.

MensHealth.com
 ABS DIET SQUAT
 Video player showing a man performing an exercise.

SITE SPECIFIC RICH MEDIA Ran on key web sites. For instance, if someone was about to look at an abs workout video on menshealth.com, the "Abs" Pep Talk would play (Peyton: "Bummed about that gut...")

PEYTON'S GOT A PEP TALK WITH YOUR NAME ON IT.
 GET MORE PRICELESS ADVICE FROM PEYTON MANNING

PRESENTS **PRICELESS PEP TALKS FROM PEYTON MANNING**

LET PEYTON CHEER YOU UP.
 GET MORE PRICELESS ADVICE FROM PEYTON MANNING

SITE SPECIFIC BANNERS

EMAIL People sent them via email.

“PRICELESS”: WEB 2.0

McCANN ERICKSON



The *Priceless Picks* application lets consumers locate thousands of user-recommended “priceless” experiences, shops, and restaurants. Consumers also add their own right from their mobile device.

NEW MARKETING IN ACTION: KHAKIS

DOCKERS
SAN FRANCISCO



DRAFTFCB

Testosterone
levels in men have
dropped by 17% over
the last 20 years

Reawaken
your latent
masculinity

Men aren't
feeling
like men
anymore

Wear the Pants

WEAR THE PANTS: RESULTS



- The overall feedback to the campaign is both more positive and higher in volume than any Levi Strauss & Co. campaign to date
- Dockers generated the largest number of digital posts, gained the largest increase in Facebook fans and posted the highest number of searches on Google for 24 hours (during the Super Bowl)
- Retail and online sales up by over 200% since launch
- Expanded distribution – American Rag, Urban Outfitters and Nordstrom

NEW WAY OF MARKETING IS:

- **Personal**
- **Authentic**
- **Collaborative**
- **Experimental**
- **Accountable**
- **Playful**
- **Customizable**
- **Informative**
- **Generous**
- **Engaging**

INTERPUBLIC HAS
THE RIGHT TOOLS
FOR NEW
MARKETING

DIGITAL MARKETING PART OF EVERY IPG AGENCY

- Strong embedded capabilities
 - Within global agency and media networks
 - Across marketing services companies
 - At U.S. integrated independents
- World-class specialized assets
 - R/GA, MRM Worldwide, Emerging Media Lab, Reprise Media, HUGE, Ansible, Innovations, Area 23, etc.

IPG AGENCIES BEST-IN-CLASS



**MEDIA HOLDING COMPANY
OF THE YEAR**
MediaPost 2009

initiative
MEDIA AGENCY OF THE YEAR
Advertising Age 2008

UM
**US MEDIA AGENCY
OF THE YEAR**
Adweek 2009
A-LIST AGENCY
Advertising Age 2009

THE MARTIN AGENCY
US AGENCY OF THE YEAR
Adweek 2009

DRAFTFCB
A-LIST AGENCY
Advertising Age 2009

McCANNWorldgroup
• • • • •
LARGEST GLOBAL NETWORK
Advertising Age 2009



A-LIST AGENCY
Advertising Age 2008

Deutsch
A Lowe & Partners Company
**ADVERTISING AGENCY
OF THE YEAR**
Delaney Report 2009



AGENCY TO WATCH
Advertising Age 2009

WEBER SHANDWICK
PR AGENCY OF THE DECADE
Advertising Age 2009
GLOBAL PR AGENCY OF THE YEAR
Holmes Report 2009

DRAFTFCB
HEALTHCARE
AGENCY OF THE YEAR
MedAd News 2009



GolinHarris
LARGE PR AGENCY OF THE YEAR
PR Week 2009

R/GA
DIGITAL AGENCY OF THE DECADE
Advertising Age 2009

HUGE
AGENCY TO WATCH
Advertising Age 2009

INTEGRATED “BEST OF IPG” SOLUTIONS

- Increasing ability to deliver 360° marketing
 - Digital is at the core of all offerings
 - Best-in-class capabilities across all disciplines
- IPG has made “open architecture” a cornerstone of our offering
- Our integrated programs bring together custom teams from across the holding company:
 - Led by senior managers reporting to IPG
 - Investment in cross-disciplinary talent development
 - Incorporated into incentive programs at all levels

MARKETPLACE RESULTS: NEW BUSINESS WINS FOR IPG IN 2010



State Farm



Holiday Inn



L'ORÉAL

jetBlue
AIRWAYS®



Burberry



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