

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

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

Date of report (Date of earliest event reported): August 13, 2002

The Interpublic Group of Companies, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware

1-6686

13-1024020

(State or Other Jurisdiction
of Incorporation)

(Commission File
Number)

(IRS Employer
Identification No.)

1271 Avenue of the Americas, New York, New York

10020

(Address of Principal Executive Offices)

(Zip Code)

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

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

Item 9. Regulation FD Disclosure.

On August 13, 2002, The Interpublic Group of Companies, Inc., in connection with a telephone conference with investors, made available via the internet a slide show relating to its second quarter 2002 results. The text contained in this slide show is attached hereto as Exhibit 99.1.

SIGNATURES

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

THE INTERPUBLIC GROUP OF
COMPANIES, INC.

Date: August 14, 2002

By: /s/ Nicholas J. Camera

Nicholas J. Camera
SENIOR VICE PRESIDENT,
GENERAL COUNSEL AND
SECRETARY

The
Interpublic
Group of Companies, Inc.

Second Quarter 2002
Conference Call Notes

August 13, 2002

Conference Call Agenda

- I. Introduction
- II. Accounting Issue and Restatement
- III. Second Quarter Financials
- IV. Outlook and Guidance
- V. Questions and Answers

Overview

Chronology

- o New procedures put in place in 1H 02 gave rise to findings
- o Issues largely concentrated in one agency in one region
- o Evaluated the extent of problem, and the size of problem, and what steps were necessary to prevent recurrence

What Is It?

- o Imbalance in intercompany accounts, arising when one office does work on behalf of another
- o In providing service to multinational clients, numerous coordination centers generate thousands of small dollar transactions within the company
- o In any given period, amounts involved were not material. However, cumulative effect of these imbalances over multiple years required this restatement

Overview (continued)

Findings

- o While the \$68.5 million restatement is the total charge, the review of procedures and personnel will continue
- o Accounting effects are final
- o No impact on cash flow or future performance
- o New management in place in this region since January 1
- o Further personnel or procedural changes, if necessary, will be made at completion of the review

Restated Earnings (1997-2002)

(\$ Millions)

A. Years	Impact of Restatement				
	2001	2000	1999	1998	1997
Net income (loss) - as reported	\$ (505.3)	\$ 420.3	\$ 359.4	\$ 374.2	\$ 168.7
Adjustments	(5.9)	(6.8)	(5.6)	(4.8)	(4.0)
Net income (loss) - as restated	(511.2)	413.5	353.8	369.4	164.7
Earnings (loss) per share - as reported	\$ (1.37)	\$ 1.14	\$ 0.99	\$ 1.04	\$ 0.49
Earnings (loss) per share - as restated	\$ (1.39)	\$ 1.12	\$ 0.97	\$ 1.03	\$ 0.48

B. Quarters	2001		2002
	Q1	Q2	Q1
Net income (loss) - as reported	\$ (28.8)	\$ (110.2)	\$ 66.7
Adjustments	(0.6)	(2.9)	(0.8)
Net income - as restated	(29.4)	(113.1)	65.9
Earnings (loss) per share - as reported	\$ (0.08)	\$ (0.30)	\$ 0.18
Earnings (loss) per share - as restated	\$ (0.08)	\$ (0.31)	\$ 0.17

Second Quarter 2002

- o EPS \$.31 vs. pro forma \$.30
 - FAS 142 adjusted 2Q `01 was \$.39
 - Octagon/other impacted EPS by (\$0.05) per share
- o Organic operating costs decline \$135 million
 - Cost reductions on schedule
- o Revenue down 8.4% to \$1,613 MM
 - Sequential improvement over 1Q `02
 - Constant dollar revenue down 10.7%
 - Q2 revenue environment weaker than planned
- o Revenue remains volatile
- o New Business performance excellent
 - Strong start in third quarter

Summary
Second Quarter Results

(Restated; excludes restructuring charges and other unusual items)

(\$ Millions)

	2002	2001	Change %	Adjusted FAS 142 2Q '01
	-----	-----	-----	-----
Revenue	\$ 1,613.0	\$ 1,760.4	(8.4%)	\$1,760.4
Operating Costs	1,322.2	1,424.2	(7.2%)	1,424.2
EBITDA	290.8	336.2	(13.5%)	336.2
Margin %	18.0%	19.1%		19.1%
Depreciation	50.0	52.3	(4.4%)	52.3
Amortization of Intangibles	2.3	42.2	(94.5%)	1.0
Income from Operations	238.5	241.7	(1.3%)	282.9
Margin %	14.8%	13.7%		16.1%
Net Income	117.0	114.1	2.5%	149.2
Diluted EPS	.31	.30	3.3%	.39

Summary
 First Half Results

(Restated; excludes restructuring charges and other unusual items)

(\$ Millions)

	2002	2001	Change %	Adjusted FAS 142 2Q '01
	-----	-----	-----	-----
Revenue	\$ 3,033.1	\$ 3,435.6	(11.7%)	3,435.6
Operating Costs	2,553.3	2,852.2	(10.5%)	2,852.2
EBITDA	479.8	583.4	(17.8%)	583.4
Margin %	15.8%	17.0%		17.0%
Depreciation	98.7	104.1	(5.2%)	104.1
Amortization of Intangibles	3.8	84.1	(95.5%)	1.9
Income from Operations	377.3	395.2	(4.5%)	477.4
Margin %	12.4%	11.5%		13.9%
Net Income	182.9	190.0	(3.7%)	260.4
Diluted EPS	.48	.50	(4.0%)	.69

Second Quarter 2002:
Components of Revenue Change

Effects of:	Growth %
Organic	(9.5%)
Merger-Related Losses	(0.7%)
Currency Translation	2.3%
Net Dispositions	(0.5%)

	(8.4%)
	=====

First Half 2002:
Components of Revenue Change

Effects of:	Growth %
Organic	(10.9%)
Merger-Related Losses	(0.9%)
Currency Translation	0.7%
Net Dispositions	(0.6%)
	<u>(11.7%)</u>
	=====

Second Quarter 2002:
Components of Change

(Restated; before Non-Recurring Items)

(\$ Millions)

2ND QTR	2001 Pro Forma FAS 141/142	Currency	Net Dispositions	Loss of Chrysler/ Pepsi Brands	Organic	Octagon/ Other	2002 Results
Revenue	\$1,760.4	\$45.1	\$(11.9)	\$(13.9)	\$(154.1)	\$(12.6)	\$1,613.0
Operating Expenses	1,477.5	42.2	(10.7)	(9.3)	(135.2)	10.0	1,374.5
Operating Income	282.9	2.9	(1.2)	(4.6)	(18.9)	(22.6)	238.5
Operating Margin Change	-	(0.3%)	0.1%	(0.2)%	0.4%	(1.3)%	-
Operating Margin	16.1%	15.8%	15.9%	15.7%	16.1%	14.8%	14.8%
Diluted EPS	0.39	-	-	(0.01)	(0.02)	(0.05)	0.31

June YTD 2002:
Components of Change

(Restated; before Non-Recurring Items)

(\$ Millions)

JUNE YTD	2001 Pro Forma FAS 141/142	Currency	Net Dispositions	Loss of Chrysler/ Pepsi Brands	Organic	Octagon/ Other	2002 Results
Revenue	\$3,435.6	\$26.4	\$ (30.0)	\$ (32.6)	\$(351.8)	\$(14.5)	\$3,033.1
Operating Expenses	2,958.2	24.6	(30.3)	(18.4)	(286.7)	8.4	2,655.8
Operating Income	477.4	1.8	0.3	(14.2)	(65.1)	(22.9)	377.3
Operating Margin Change	-	(0.1%)	0.2%	(0.3%)	(0.6%)	(0.7)%	-
Operating Margin	13.9%	13.8%	14.0%	13.7%	13.1%	12.4%	12.4%
Diluted EPS	0.69	-	-	(0.02)	(0.10)	(0.09)	0.48

Octagon

Before non-recurring costs

	2Q'02	2Q'01	Variance
	-----	-----	-----
Revenue	\$ 57.2	\$ 69.8	\$ (12.6)
Operating Expense	66.7	56.7	(10.0)
Operating Income	(9.5)	13.1	(22.6)
Operating Margin	(16.5%)	18.8%	-
Other Income (Expense)	(16.4)	-	(16.4)
Pretax Income	(25.9)	13.1	(39.0)
Net Income	(17.1)	9.9	(27.0)
EPS	(.04)	.03	(.07)

Diluted EPS Calculation

(Restated)

(\$ Millions)

	1Q02	2Q02	2QYTD
Net Income	\$ 65.9	\$ 117.0	\$ 182.9
Add-Backs:			
Interest & Discount on Convertible Notes (1.80%)	N/A	2.0	N/A
Net Income Including Add-Backs	\$ 65.9	\$ 119.0	\$ 182.9
Basic Shares	373.0	375.7	374.3
Add-Backs:			
Conversion of 1.80% Notes	N/A	6.7	N/A
Stock Options and Restricted Stock	6.8	6.7	6.8
Total Shares (MM)	379.8	389.1	381.1
Diluted EPS	\$.17	\$.31	\$.48

N/A = Anti Dilutive

Pro Forma EBITDA Margin Trend

Restated

	'00	'01	'02
Third Quarter	17.7%	14.4%	
Fourth Quarter	20.1%	19.1%	
First Quarter		14.8%	13.3%
Second Quarter		19.1%	18.0%*

*Excluding Octagon, pro forma EBITDA Margin is 19.1%

Selected Cash Flow Items

(\$ Millions)

	Six Months Ended	
	June 30, 2002	June 30, 2001
Depreciation and Amortization of Fixed Assets	\$ 98.7	\$104.1
Amortization of Intangible Assets	3.8	84.1
Acquisitions	206.5	142.4
Capital Expenditures	81.9	124.7

Revenue by Discipline

(\$ Millions)

	Second Quarter Revenue				
	2002	% of Rev	2001	% of Rev	% Change
Marketing Communications	\$ 420.8	26.0%	\$ 462.2	26.3%	(9.0%)
Marketing Intelligence	124.0	7.7%	113.4	6.4%	9.4%
Marketing Services	110.8	6.9%	129.6	7.4%	(14.5%)
Total Marketing and Communication Services	655.6	40.6%	705.2	40.1%	(7.0%)
Advertising & Media	957.4	59.4%	1,055.2	59.9%	(9.3%)
Total Revenue	\$1,613.0	100.0%	\$1,760.4	100.0%	(8.4%)

Revenue by Discipline

(\$ Millions)

	First Half Revenue				
	2002	% of Rev	2001	% of Rev	% Change
Marketing Communications	\$ 805.5	26.5%	\$ 908.2	26.4%	(11.3%)
Marketing Intelligence	226.4	7.5%	218.9	6.4%	3.4 %
Marketing Services	200.2	6.6%	233.2	6.8%	(14.1%)
Total Marketing and Communication Services	1,232.1	40.6%	1,360.3	39.6%	(9.4%)
Advertising & Media	1,801.0	59.4%	2,075.3	60.4%	(13.2%)
Total Revenue	\$3,033.1	100.0%	\$3,435.6	100.0%	(11.7%)

Revenue by Region
Second Quarter 2002

(\$ Millions)

	Revenue	% Total	% Change	% Change Constant \$	% Change Organic
Europe	\$ 497.1	30.8%	4.0%	(8.2%)	(7.4%)
Latin America	63.2	3.9%	(22.4%)	(0.2%)	(2.7%)
Asia/Other	146.7	9.1%	(5.2%)	(5.4%)	(4.1%)
Canada	40.0	2.5%	(5.3%)	(4.4%)	(0.4%)
	-----	-----	-----	-----	-----
Total International	747.0	46.3%	(1.3%)	(6.8%)	(6.1%)
Total Domestic	866.0	53.7%	(13.7%)	(13.7%)	(12.3%)
	-----	-----	-----	-----	-----
Total Revenue	\$1,613.0	100.0%	(8.4%)	(10.7%)	(9.5%)
	=====	=====	=====	=====	=====
Trend	Q1 `02: Domestic - (18%); International - (10%) (-8%) constant				
	Q4 `01: Domestic - (19%); International - (12%) (-7%) constant				

Revenue by Region
Year-to-Date 2002

(\$ Millions)

	Revenue	% Total	% Change	% Change Constant \$	% Change Organic
Europe	\$ 869.3	28.7%	(2.5%)	(8.6%)	(8.2%)
Latin America	128.3	4.2%	(16.9%)	-	(2.5%)
Asia/Other	263.7	8.7%	(7.9%)	(6.2%)	(5.4%)
Canada	75.7	2.5%	(8.0%)	(6.6%)	(2.6%)
Total International	1,337.0	44.1%	(5.5%)	(7.2%)	(6.8%)
Total Domestic	1,696.1	55.9%	(16.1%)	(16.1%)	(13.9%)
Total Revenue	\$3,033.1	100.0%	(11.7%)	(12.4%)	(10.9%)

2002 Net New Business

(\$ Millions)

Key Wins

Burger King

Conoco

De Vry University

Glaxo Smithkline

Ricoh

American Standard

H&R Block

Eli Lilly

CVS

Thomas Cook

Marriott

Mars

Total Wins

\$1,131.4

Total Losses

- 257.8

Net New Business

\$ 873.6

Selected Balance Sheet Items

(Restated)

(\$ Millions)

	June 30, 2002	March 31, 2002	December 31, 2001	September 30, 2001
Cash & Cash Equivalents	\$ 537.3	\$ 575.1	\$ 935.2	\$ 685.6
Total Debt	2,976.3	2,893.9	2,933.7	3,125.9
Debt as % of Capital	56.6%	59.1%	60.2%	63.1%
Stockholders' Equity	2,283.7	2,000.5	1,940.0	1,826.4

Outlook and Guidance - 2002

- o Revenue outlook remains volatile
- o Full year EPS estimated at \$1.25 - 1.35
- o Third quarter revenue estimated to decline 5 - 7%

Restructuring Update

 (\$ Millions)

	Total Approved	Non-Cash	Cash Paid			Accrual
			Q4 `01	Q1 `02	Q2 `02	
Severance	\$297.5	-	\$143.5	\$59.6	\$34.6	\$ 59.8
Lease Termination	180.1	-	41.4	17.7	15.6	105.4
Leasehold Improvement	77.5	77.5	-	-	-	-
Transaction costs	37.2	5.7	31.5	-	-	-
Other costs	53.3	21.1	13.8	4.0	2.1	12.3
Total	\$645.6	\$104.3	\$230.2	\$81.3	\$52.3	\$177.5

Cautionary Statement

This document contains forward-looking statements. Interpublic's representatives may also make forward-looking statements orally from time to time. Statements in this document that are not historical facts, including statements about Interpublic's beliefs and expectations, particularly regarding recent business and economic trends, the integration of acquisitions and restructuring costs, constitute forward-looking statements. These statements are based on current plans, estimates and projections, and therefore undue reliance should not be placed on them. Forward-looking statements speak only as of the date they are made, and Interpublic undertakes no obligation to update publicly any of them in light of new information or future events.

Forward-looking statements involve inherent risks and uncertainties. A number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Such factors include, but are not limited to, those associated with the effects of national and regional economic conditions, Interpublic's ability to attract new clients and retain existing clients, the financial success of Interpublic's clients, developments from changes in the regulatory and legal environment for advertising and marketing and communications services companies around the world, and the successful completion and integration of acquisitions which complement and expand Interpublic's business capabilities.

One of Interpublic's business strategies is to acquire businesses that complement and expand Interpublic's current business capabilities. Accordingly, Interpublic is usually engaged in evaluating potential acquisition candidates. Interpublic is frequently engaged in a number of preliminary discussions that may result in one or more substantial acquisitions. These acquisition opportunities require confidentiality and from time to time give rise to bidding scenarios that require quick responses by Interpublic. Although there is uncertainty that any of these discussions will result in definitive agreements or the completion of any transactions, the announcement of any such transaction may lead to increased volatility in the trading price of Interpublic's securities.

Moreover, the success of recent or contemplated future acquisitions will depend on the effective integration of newly-acquired businesses into Interpublic's current operations. Important factors for integration include realization of anticipated synergies and cost savings and the ability to retain and attract new personnel and clients.

This document also contains financial information calculated on a "pro forma" basis, such as results before taking into account certain types of items. In addition, Interpublic's representatives may from time to time refer to "pro forma" financial information. Because "pro forma" financial information by its very nature departs from traditional accounting conventions, this information should not be viewed as a substitute for the information prepared by Interpublic in accordance with Generally Accepted Accounting Principles, including the balance sheets and statements of income and cash flow contained in Interpublic's quarterly and annual reports filed with the SEC on Forms 10-Q and 10-K.

Investors should evaluate any statements made by Interpublic in light of these important factors.

Appendix: 2001 Quarterly Results
Restated for FAS 142

(Excludes one time charges and restructuring items)

	1Q	2Q	3Q	4Q	Year
Revenue	\$1,675.2	\$1,760.4	\$1,622.7	\$1,736.5	\$6,794.9
EBITDA	247.2	336.2	233.5	331.7	1,148.6
Margin %	14.8%	19.1%	14.4%	19.1%	16.9%
Depreciation	51.8	52.3	52.2	53.6	209.9
Amortization of Intangibles	0.9	1.0	1.0	1.0	3.9
Income from Operations	194.5	282.9	180.3	277.1	934.8
Margin %	11.6%	16.1%	11.1%	16.0%	13.8%
Net Income	111.2	149.2	89.4	148.2	498.0
EPS	.30	.39	.24	.39	1.32