



Interpublic Group

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# **FOURTH QUARTER & FULL YEAR 2013 EARNINGS CONFERENCE CALL**

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February 14, 2014

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# Overview

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- Q4 organic revenue growth was 3.7%
  - U.S. organic growth was 6.9%
  - International organic growth was 0.5%
- Q4 operating income was \$385 million and operating margin was 18.1%, before restructuring charge of \$61 million
- Full year operating margin was 9.3% before restructuring charge
- Diluted EPS for the full year was \$0.61 and, ex-restructuring and Q3 charge for early debt redemption, was \$0.78
- Repurchased 32 million shares during 2013 - diluted share count decreased 8%
- Increased quarterly dividend 27% and authorized new \$300 million share repurchase program

# Operating Performance

	<b>Three Months Ended December 31,</b>	
	<b>2013</b>	<b>2012</b>
<i>Revenue</i>	\$ 2,122.7	\$ 2,063.3
Salaries and Related Expenses	1,199.6	1,133.8
Office and General Expenses	538.1	519.7
<i>Operating Income before Restructuring Charges</i>	385.0	409.8
<i>Operating Margin % before Restructuring Charges</i>	18.1%	19.9%
Restructuring and Other Reorganization-Related Charges (Reversals), net	60.6	(0.1)
<i>Operating Income</i>	324.4	409.9
<i>Operating Margin %</i>	15.3%	19.9%
Interest Expense	(24.7)	(36.6)
Interest Income	6.7	8.1
Other Income, net	7.7	95.4
<i>Income Before Income Taxes</i>	314.1	476.8
Provision for Income Taxes	103.2	140.5
Equity in Net Income of Unconsolidated Affiliates	1.2	0.8
<i>Net Income</i>	212.1	337.1
Net Income Attributable to Noncontrolling Interests	(19.0)	(20.9)
<i>Net Income Attributable to IPG</i>	193.1	316.2
Dividends on Preferred Stock	-	(2.9)
<i>Net Income Available to IPG Common Stockholders</i>	\$ 193.1	\$ 313.3
<i>Earnings per Share Available to IPG Common Stockholders:</i>		
Basic	\$ 0.45	\$ 0.74
Diluted	\$ 0.44	\$ 0.68
<i>Weighted-Average Number of Common Shares Outstanding:</i>		
Basic	425.1	423.7
Diluted	435.2	466.0
<i>Dividends Declared per Common Share</i>	\$ 0.075	\$ 0.060

# Revenue

	Three Months Ended		Twelve Months Ended	
	\$	% Change	\$	% Change
<b>December 31, 2012</b>	<b>\$ 2,063.3</b>		<b>\$ 6,956.2</b>	
Total change	59.4	2.9%	166.1	2.4%
Foreign currency	(27.3)	(1.3%)	(80.4)	(1.1%)
Net acquisitions/(divestitures)	10.2	0.5%	50.3	0.7%
Organic	76.5	3.7%	196.2	2.8%
<b>December 31, 2013</b>	<b>\$ 2,122.7</b>		<b>\$ 7,122.3</b>	

	Three Months Ended				Twelve Months Ended			
	December 31,				December 31,			
			Change				Change	
	2013	2012	Total	Organic	2013	2012	Total	Organic
<b>IAN</b>	\$ 1,747.9	\$ 1,728.8	1.1%	2.2%	\$ 5,795.6	\$ 5,728.5	1.2%	1.7%
<b>CMG</b>	\$ 374.8	\$ 334.5	12.0%	11.7%	\$ 1,326.7	\$ 1,227.7	8.1%	7.8%

Integrated Agency Networks (“IAN”): McCann Worldgroup, Drafftcb, Lowe & Partners, IPG Mediabrands, our digital specialist agencies and our domestic integrated agencies  
 Constituency Management Group (“CMG”): Weber Shandwick, GolinHarris, Jack Morton, FutureBrand, Octagon and our other marketing service specialists

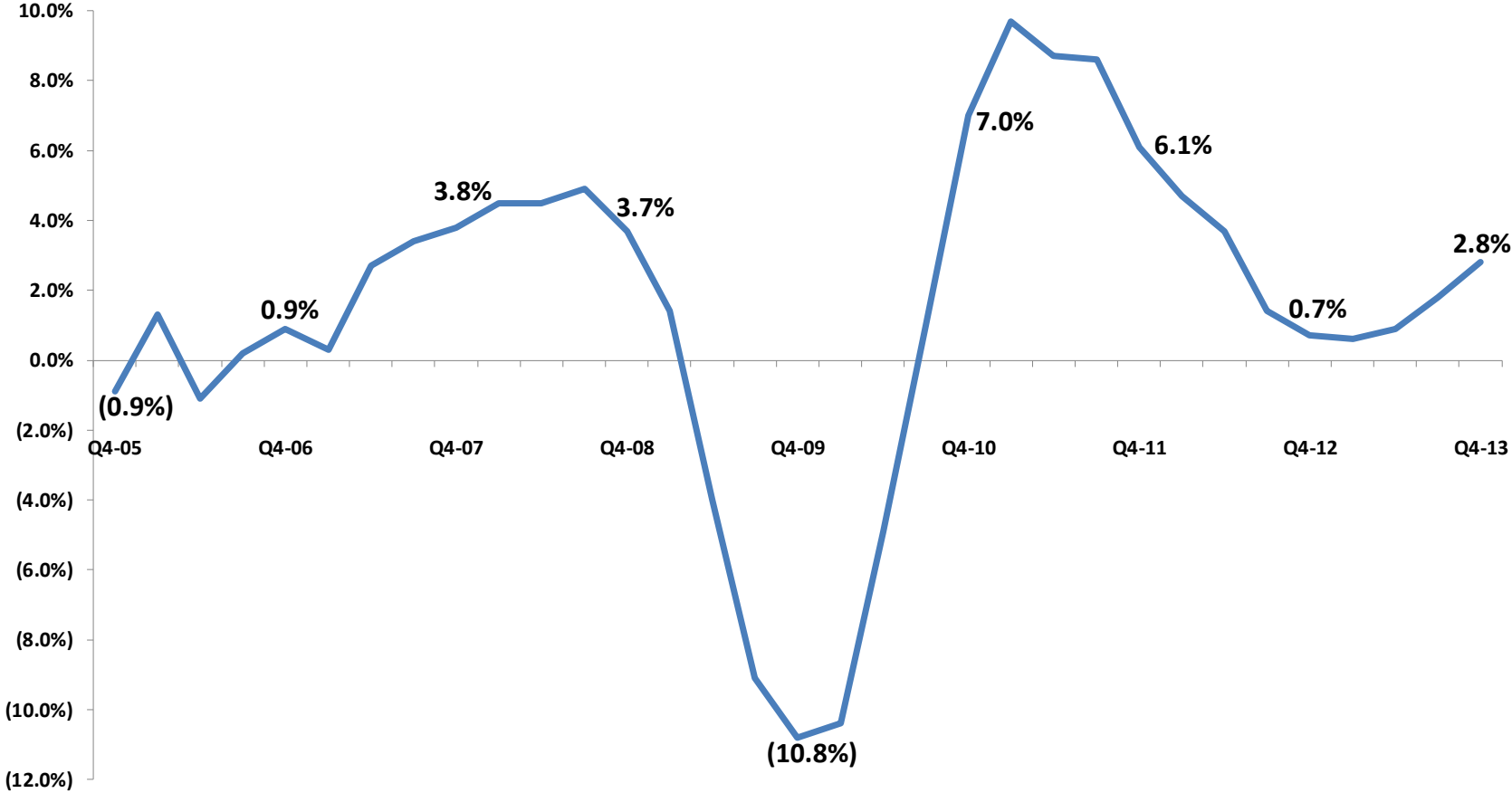
# Geographic Revenue Change

	Three Months Ended December 31, 2013		Twelve Months Ended December 31, 2013	
	Total	Organic	Total	Organic
United States	7.0%	6.9%	4.4%	3.7%
International	(1.3%)	0.5%	(0.1%)	1.7%
United Kingdom	4.0%	4.3%	(0.6%)	0.8%
Continental Europe	0.1%	(4.3%)	(2.7%)	(5.9%)
Asia Pacific	0.6%	5.3%	3.7%	6.4%
Latin America	(2.6%)	4.5%	3.2%	10.2%
All Other Markets	(10.4%)	(6.3%)	(4.7%)	(0.4%)
<b>Worldwide</b>	<b>2.9%</b>	<b>3.7%</b>	<b>2.4%</b>	<b>2.8%</b>

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

# Organic Revenue Growth

## Trailing Twelve Months



# Expenses (1)

## Salaries & Related

	2013	2012	Change		
			\$	Total	Organic
Three Months Ended December 31,	\$ 1,199.6	\$ 1,133.8	\$ 65.8	5.8%	6.5%
<i>% of Revenue</i>	56.5%	55.0%			
Three months severance	\$ 12.0	\$ 32.6	\$ (20.6)	(63.2%)	
<i>% of Revenue</i>	0.6%	1.6%			
Twelve Months Ended December 31,	\$ 4,545.5	\$ 4,391.9	\$ 153.6	3.5%	3.8%
<i>% of Revenue</i>	63.8%	63.1%			
Twelve months severance	\$ 80.8	\$ 91.3	\$ (10.5)	(11.5%)	
<i>% of Revenue</i>	1.1%	1.3%			

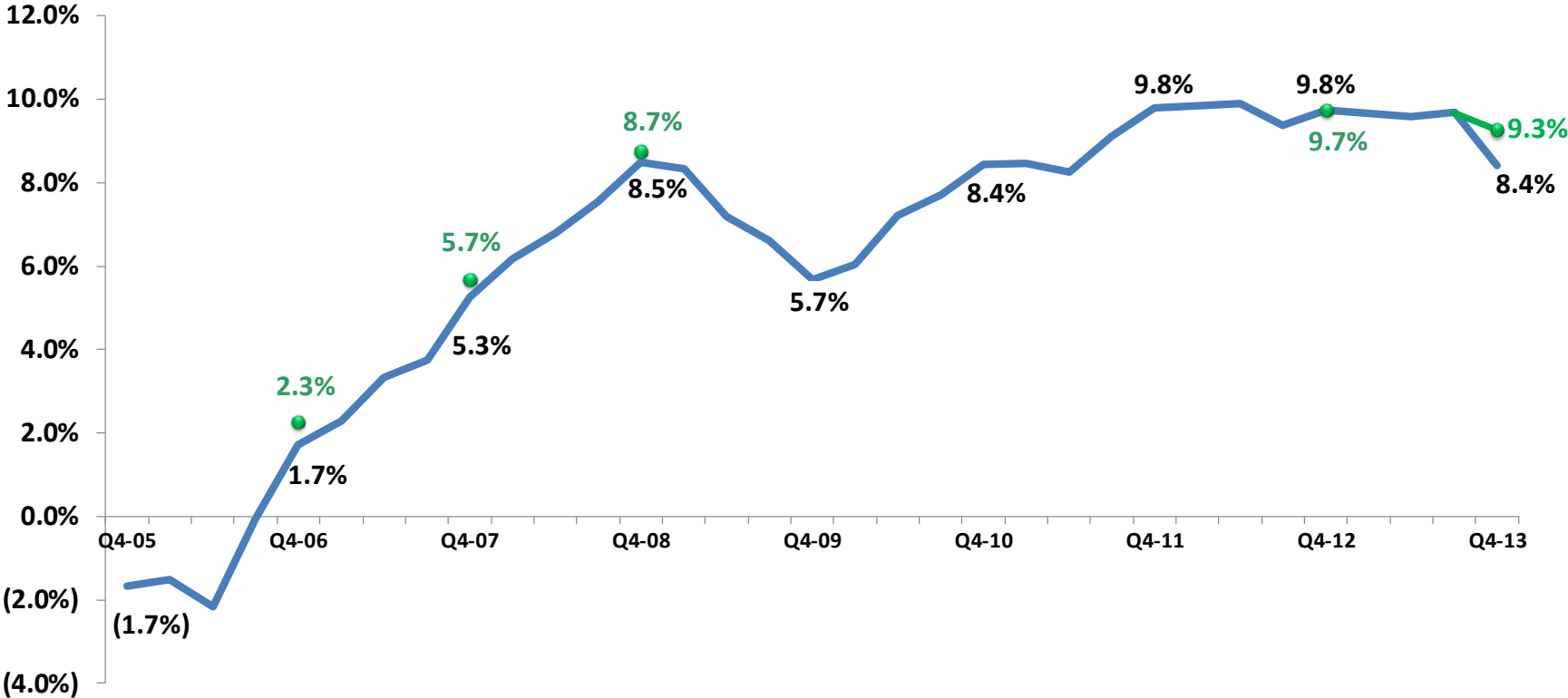
## Office & General

	2013	2012	Change		
			\$	Total	Organic
Three Months Ended December 31,	\$ 538.1	\$ 519.7	\$ 18.4	3.5%	4.7%
<i>% of Revenue</i>	25.3%	25.2%			
Three months occupancy expense (ex-D&A)	\$ 132.3	\$ 126.5	\$ 5.8	4.6%	
<i>% of Revenue</i>	6.2%	6.1%			
Twelve Months Ended December 31,	\$ 1,917.9	\$ 1,887.2	\$ 30.7	1.6%	2.5%
<i>% of Revenue</i>	26.9%	27.1%			
Twelve months occupancy expense (ex-D&A)	\$ 503.6	\$ 489.5	\$ 14.1	2.9%	
<i>% of Revenue</i>	7.1%	7.0%			

(1) Does not include severance and lease termination costs included in restructuring and other reorganization-related charges (reversals), net.

# Operating Margin

## Trailing Twelve Months



Operating margin before restructuring and other reorganization-related charges (reversals), net that differs from reported operating margin is represented in green.





# Balance Sheet – Current Portion

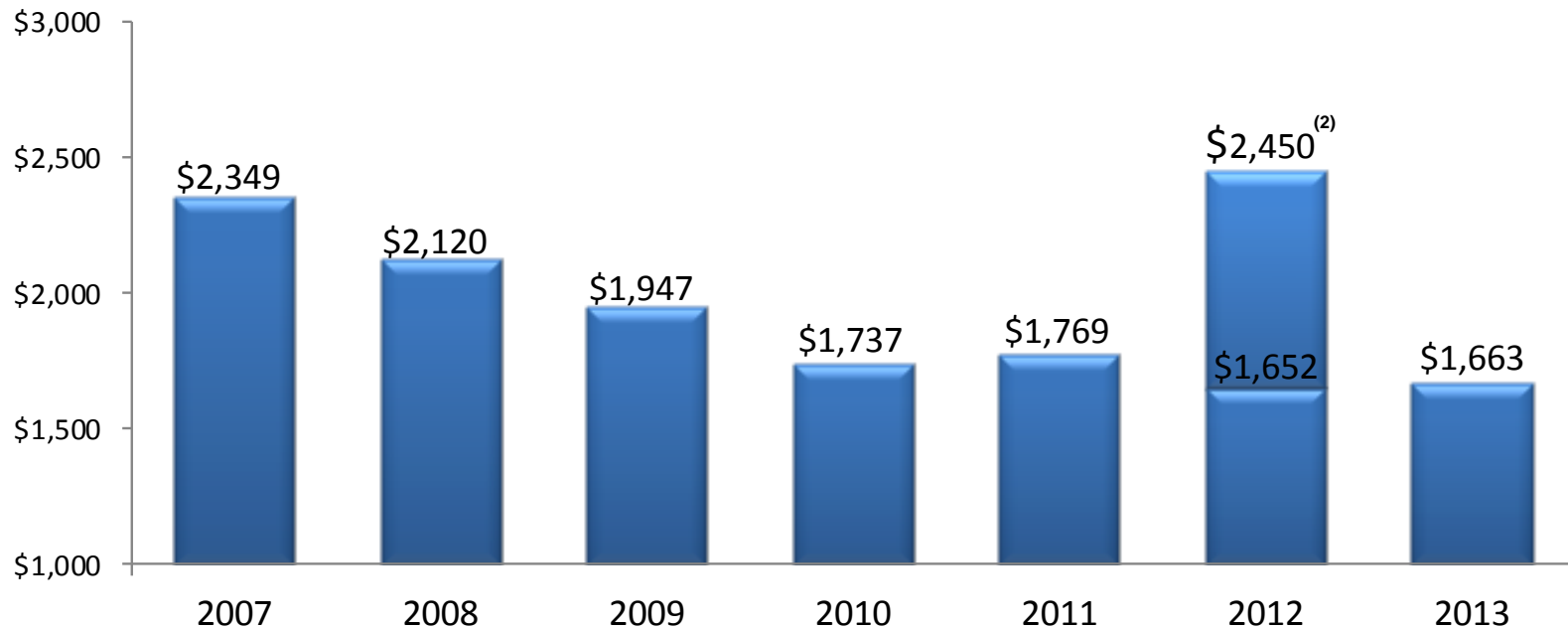
	December 31, 2013	December 31, 2012
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 1,636.8	\$ 2,574.8
Marketable securities	5.3	16.0
Accounts receivable, net	4,565.4	4,496.6
Expenditures billable to clients	1,536.4	1,318.8
Other current assets	340.1	332.1
<b>Total current assets</b>	<b>\$ 8,084.0</b>	<b>\$ 8,738.3</b>
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 6,914.2	\$ 6,584.8
Accrued liabilities	718.4	728.2
Short-term borrowings	179.1	172.1
Current portion of long-term debt	353.6	216.6
<b>Total current liabilities</b>	<b>\$ 8,165.3</b>	<b>\$ 7,701.7</b>

# Cash Flow

	Three Months Ended December 31,	
	2013	2012
<b>NET INCOME</b>	\$ 212	\$ 337
<b>OPERATING ACTIVITIES</b>		
Depreciation & amortization	53	47
Deferred taxes	40	136
Gain on sale of an investment	-	(94)
Other non-cash items	13	6
Change in working capital, net	657	408
Other non-current assets & liabilities	48	(38)
<b>Net cash provided by Operating Activities</b>	<b>1,023</b>	<b>802</b>
<b>INVESTING ACTIVITIES</b>		
Capital expenditures	(81)	(70)
Acquisitions & deferred payments, net	(14)	(5)
Business & investment purchases/sales, net	(2)	97
<b>Net cash (used in) provided by Investing Activities <sup>(1)</sup></b>	<b>(97)</b>	<b>22</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from issuance of long-term debt	-	798
Repurchase of common stock	(201)	(150)
Common stock dividends	(32)	(25)
Net decrease in short-term bank borrowings	(8)	(33)
Distributions to noncontrolling interests	(5)	(5)
Preferred stock dividends	(3)	(3)
Other financing activities	(7)	(12)
<b>Net cash (used in) provided by Financing Activities</b>	<b>(256)</b>	<b>570</b>
Currency Effect	(33)	(5)
<b>Increase in Cash &amp; S/T Marketable Securities</b>	<b>\$ 637</b>	<b>\$ 1,389</b>

# Total Debt <sup>(1)</sup>

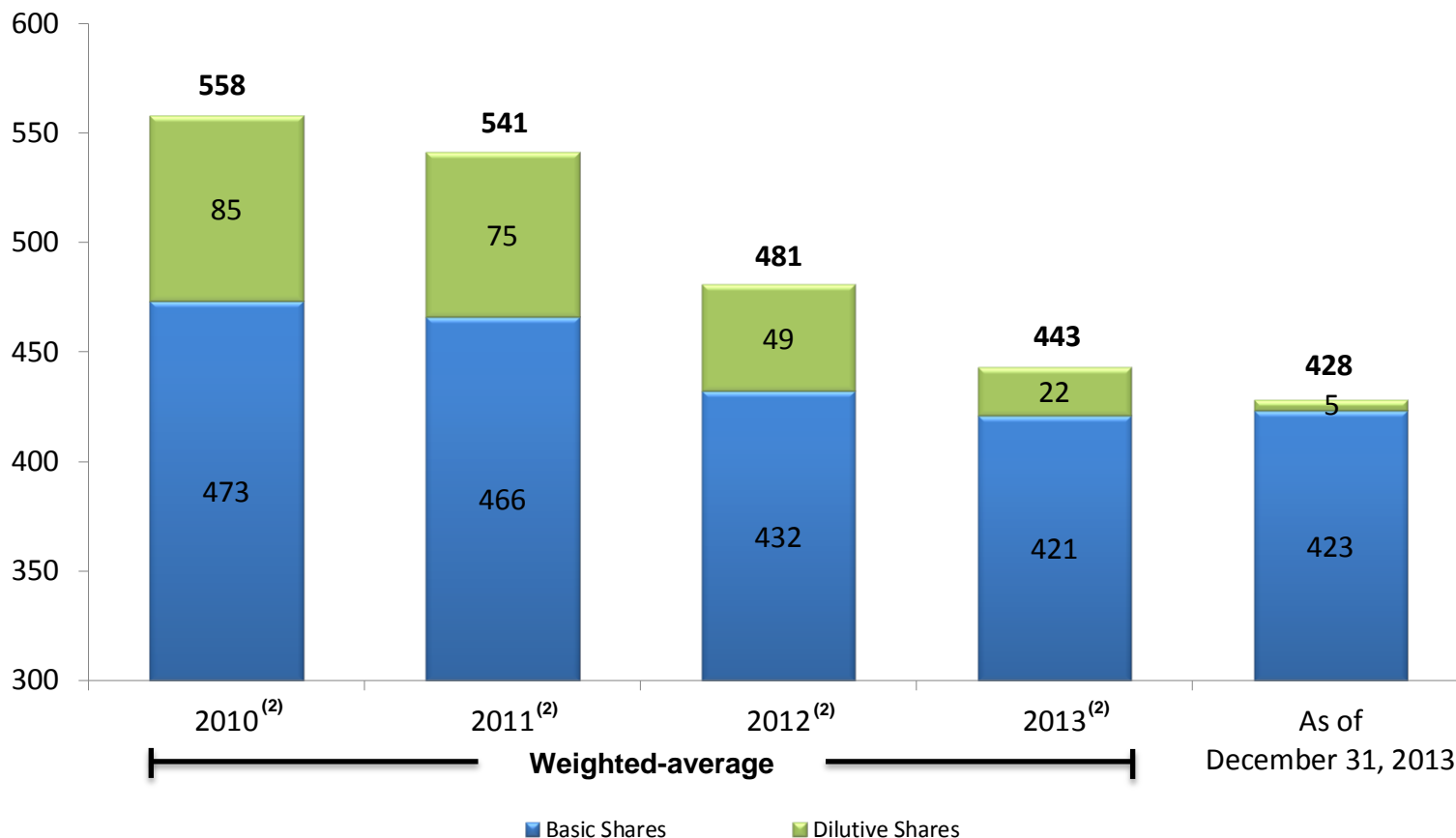
December 31,



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

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

# Total Shares: Basic and Eligible for Dilution <sup>(1)</sup>



(1) Includes basic common shares outstanding, restricted shares and in-the-money stock options, and convertible debt and preferred stock eligible for dilution.

(2) Equals weighted-average shares outstanding as defined above for the twelve months ending December 31st for the periods presented.

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# Summary

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- Year concluded with strong growth in the US
- Enter new year in solid competitive position
  - Quality of our agency offerings
  - Strength in high growth disciplines/regions
  - New business record
- Focus is on margin improvement – Q4 actions to manage Europe will benefit '14 margin expansion
- Financial strength continues to be a source of value creation
  - Eliminated last two convertible securities
  - Lowered cost of debt
  - Significant share count reduction
  - Raised dividend and authorized new share repurchase program



Interpublic Group

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# Appendix

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# Operating Performance

	Twelve Months Ended December 31,	
	2013	2012
<i>Revenue</i>	\$ 7,122.3	\$ 6,956.2
Salaries and Related Expenses	4,545.5	4,391.9
Office and General Expenses	1,917.9	1,887.2
<i>Operating Income before Restructuring Charges</i>	658.9	677.1
<i>Operating Margin % before Restructuring Charges</i>	9.3%	9.7%
Restructuring and Other Reorganization-Related Charges (Reversals), net	60.6	(1.2)
<i>Operating Income</i>	598.3	678.3
<i>Operating Margin %</i>	8.4%	9.8%
Interest Expense	(122.7)	(133.5)
Interest Income	24.7	29.5
Other (Expense) Income, net	(32.3)	100.5
<i>Income Before Income Taxes</i>	468.0	674.8
Provision for Income Taxes	181.2	213.3
Equity in Net Income of Unconsolidated Affiliates	2.1	3.1
<i>Net Income</i>	288.9	464.6
Net Income Attributable to Noncontrolling Interests	(21.0)	(17.9)
<i>Net Income Attributable to IPG</i>	267.9	446.7
Dividends on Preferred Stock	(8.7)	(11.6)
<i>Net Income Available to IPG Common Stockholders</i>	\$ 259.2	\$ 435.1
<i>Earnings per Share Available to IPG Common Stockholders:</i>		
Basic	\$ 0.62	\$ 1.01
Diluted	\$ 0.61	\$ 0.94
<i>Weighted-Average Number of Common Shares Outstanding:</i>		
Basic	421.1	432.5
Diluted	429.6	481.4
<i>Dividends Declared per Common Share</i>	\$ 0.30	\$ 0.24

# Cash Flow

	<b>Twelve Months Ended December 31,</b>	
	<b>2013</b>	<b>2012</b>
<b>NET INCOME</b>	\$ 289	\$ 465
<b>OPERATING ACTIVITIES</b>		
Depreciation & amortization	209	194
Deferred taxes	69	104
Gain on sale of an investment	-	(94)
Non-cash loss on early extinguishment of debt	15	-
Other non-cash items	17	28
Change in working capital, net	(10)	(293)
Other non-current assets & liabilities	4	(47)
<b>Net cash provided by Operating Activities</b>	<b>593</b>	<b>357</b>
<b>INVESTING ACTIVITIES</b>		
Capital expenditures	(173)	(169)
Acquisitions & deferred payments, net	(62)	(146)
Business & investment purchases/sales, net	(1)	108
<b>Net cash used in Investing Activities <sup>(1)</sup></b>	<b>(236)</b>	<b>(207)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from issuance of long-term debt	-	1,045
Purchase of long-term debt	(602)	(402)
Repurchase of common stock	(482)	(351)
Common stock dividends	(126)	(103)
Exercise of stock options	47	11
Acquisition-related payments	(28)	(37)
Distributions to noncontrolling interests	(15)	(17)
Preferred stock dividends	(12)	(12)
Net increase in short-term bank borrowings	5	13
Other financing activities	1	(16)
<b>Net cash (used in) provided by Financing Activities</b>	<b>(1,212)</b>	<b>131</b>
Currency Effect	(94)	(6)
<b>(Decrease) Increase in Cash &amp; S/T Marketable Securities</b>	<b>\$ (949)</b>	<b>\$ 275</b>



# Depreciation and Amortization

	2013				
	Q1	Q2	Q3	Q4	FY 2013
Depreciation and amortization of fixed assets and intangible assets	\$ 38.2	\$ 39.2	\$ 40.5	\$ 39.5	\$ 157.4
Amortization of restricted stock and other non-cash compensation	15.5	9.4	8.0	10.2	43.1
Net amortization of bond discounts and deferred financing costs	1.4	2.6	1.4	3.2	8.6
	2012				
	Q1	Q2	Q3	Q4	FY 2012
Depreciation and amortization of fixed assets and intangible assets	\$ 34.6	\$ 36.8	\$ 37.4	\$ 38.9	\$ 147.7
Amortization of restricted stock and other non-cash compensation	16.7	12.7	8.3	6.8	44.5
Net amortization of bond (premiums) discounts and deferred financing costs	(1.7)	1.0	1.0	1.5	1.8

# Reconciliation of Organic Measures

	Three Months Ended December 31, 2012	Components of Change			Three Months Ended December 31, 2013	Change	
		Foreign Currency	Net Acquisitions / (Divestitures)	Organic		Organic	Total
<b>Segment Revenue</b>							
IAN	\$ 1,728.8	\$ (25.3)	\$ 7.1	\$ 37.3	\$ 1,747.9	2.2%	1.1%
CMG	334.5	(2.0)	3.1	39.2	374.8	11.7%	12.0%
Total	<u>\$ 2,063.3</u>	<u>\$ (27.3)</u>	<u>\$ 10.2</u>	<u>\$ 76.5</u>	<u>\$ 2,122.7</u>	<u>3.7%</u>	<u>2.9%</u>
<b>Geographic</b>							
United States	\$ 1,032.5	\$ -	\$ 0.9	\$ 71.6	\$ 1,105.0	6.9%	7.0%
International	1,030.8	(27.3)	9.3	4.9	1,017.7	0.5%	(1.3%)
United Kingdom	171.3	0.5	(1.0)	7.3	178.1	4.3%	4.0%
Continental Europe	279.8	9.4	3.0	(12.0)	280.2	(4.3%)	0.1%
Asia Pacific	253.3	(18.3)	6.4	13.4	254.8	5.3%	0.6%
Latin America	155.8	(12.0)	0.9	7.0	151.7	4.5%	(2.6%)
All Other Markets	170.6	(6.9)	-	(10.8)	152.9	(6.3%)	(10.4%)
Worldwide	<u>\$ 2,063.3</u>	<u>\$ (27.3)</u>	<u>\$ 10.2</u>	<u>\$ 76.5</u>	<u>\$ 2,122.7</u>	<u>3.7%</u>	<u>2.9%</u>
<b>Expenses</b>							
Salaries & Related	\$ 1,133.8	\$ (12.2)	\$ 4.3	\$ 73.7	\$ 1,199.6	6.5%	5.8%
Office & General	519.7	(8.7)	2.6	24.5	538.1	4.7%	3.5%
Total	<u>\$ 1,653.5</u>	<u>\$ (20.9)</u>	<u>\$ 6.9</u>	<u>\$ 98.2</u>	<u>\$ 1,737.7</u>	<u>5.9%</u>	<u>5.1%</u>

# Reconciliation of Organic Measures

	Twelve Months Ended December 31, 2012	Components of Change			Twelve Months Ended December 31, 2013	Change	
		Foreign Currency	Net Acquisitions / (Divestitures)	Organic		Organic	Total
<b>Segment Revenue</b>							
IAN	\$ 5,728.5	\$ (73.2)	\$ 40.4	\$ 99.9	\$ 5,795.6	1.7%	1.2%
CMG	1,227.7	(7.2)	9.9	96.3	1,326.7	7.8%	8.1%
Total	<b>\$ 6,956.2</b>	<b>\$ (80.4)</b>	<b>\$ 50.3</b>	<b>\$ 196.2</b>	<b>\$ 7,122.3</b>	<b>2.8%</b>	<b>2.4%</b>
<b>Geographic</b>							
United States	\$ 3,803.6	\$ -	\$ 26.4	\$ 142.6	\$ 3,972.6	3.7%	4.4%
International	3,152.6	(80.4)	23.9	53.6	3,149.7	1.7%	(0.1%)
United Kingdom	572.0	(7.0)	(1.2)	4.5	568.3	0.8%	(0.6%)
Continental Europe	823.1	23.0	2.7	(48.2)	800.6	(5.9%)	(2.7%)
Asia Pacific	838.1	(43.6)	21.0	53.4	868.9	6.4%	3.7%
Latin America	450.1	(32.7)	1.4	45.7	464.5	10.2%	3.2%
All Other Markets	469.3	(20.1)	-	(1.8)	447.4	(0.4%)	(4.7%)
Worldwide	<b>\$ 6,956.2</b>	<b>\$ (80.4)</b>	<b>\$ 50.3</b>	<b>\$ 196.2</b>	<b>\$ 7,122.3</b>	<b>2.8%</b>	<b>2.4%</b>
<b>Expenses</b>							
Salaries & Related	\$ 4,391.9	\$ (40.3)	\$ 28.2	\$ 165.7	\$ 4,545.5	3.8%	3.5%
Office & General	1,887.2	(27.3)	10.2	47.8	1,917.9	2.5%	1.6%
Total	<b>\$ 6,279.1</b>	<b>\$ (67.6)</b>	<b>\$ 38.4</b>	<b>\$ 213.5</b>	<b>\$ 6,463.4</b>	<b>3.4%</b>	<b>2.9%</b>

# Reconciliation of Organic Revenue Growth

Last Twelve Months Ending	Beginning of Period Revenue	Components of Change During the Period			End of Period Revenue
		Foreign Currency	Net Acquisitions / (Divestitures)	Organic	
12/31/06	\$ 6,263.8	\$ 20.7	\$ (165.5)	\$ 57.8	\$ 6,176.8
3/31/07	6,261.8	78.4	(147.2)	16.0	6,209.0
6/30/07	6,183.6	102.4	(124.7)	166.6	6,327.9
9/30/07	6,197.2	137.3	(110.9)	209.2	6,432.8
12/31/07	6,176.8	197.5	(70.7)	233.1	6,536.7
3/31/08	6,209.0	217.8	(45.9)	280.6	6,661.5
6/30/08	6,327.9	244.8	(12.6)	282.4	6,842.5
9/30/08	6,432.8	237.4	32.8	317.2	7,020.2
12/31/08	6,536.7	71.5	87.6	243.0	6,938.8
3/31/09	6,661.5	(88.3)	114.7	91.9	6,779.8
6/30/09	6,842.5	(286.2)	139.2	(275.3)	6,420.2
9/30/09	7,020.2	(390.1)	115.2	(636.4)	6,108.9
12/31/09	6,938.8	(251.6)	69.1	(748.9)	6,007.4
3/31/10	6,779.8	(88.2)	36.0	(705.4)	6,022.2
6/30/10	6,420.2	59.1	2.0	(316.9)	6,164.4
9/30/10	6,108.9	117.7	9.6	60.1	6,296.3
12/31/10	6,007.4	63.3	17.0	419.6	6,507.3
3/31/11	6,022.2	21.0	18.2	583.7	6,645.1
6/30/11	6,164.4	61.5	12.4	535.8	6,774.1
9/30/11	6,296.3	119.1	(7.7)	539.5	6,947.2
12/31/11	6,507.3	122.2	(8.6)	393.7	7,014.6
3/31/12	6,645.1	92.9	(1.4)	310.0	7,046.6
6/30/12	6,774.1	(14.3)	14.5	247.3	7,021.6
9/30/12	6,947.2	(117.2)	39.7	95.8	6,965.5
12/31/12	7,014.6	(147.6)	41.8	47.4	6,956.2
3/31/13	7,046.6	(143.7)	48.2	41.3	6,992.4
6/30/13	7,021.6	(111.4)	56.9	65.8	7,032.9
9/30/13	6,965.5	(80.3)	49.5	128.2	7,062.9
12/31/13	6,956.2	(80.4)	50.3	196.2	7,122.3

# Reconciliation of Adjusted Operating Margin

<u>Last Twelve Months Ending</u>	<u>Operating Income</u>	<u>Restructuring and Other Reorganization-Related Charges (Reversals), net</u>	<u>Adjusted Operating Income</u>
12/31/06	\$ 106.0	\$ 34.5	\$ 140.5
12/31/07	344.3	25.9	370.2
12/31/08	589.7	17.1	606.8
12/31/12	678.3	(1.2)	677.1
12/31/13	598.3	60.6	658.9

# Reconciliation of Investing Cash Flow

	<u>Three Months Ended December 31,</u>		<u>Twelve Months Ended December 31,</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b>INVESTING ACTIVITIES</b>				
Net cash (used in) provided by Investing Activities per presentation	\$ (97)	\$ 22	\$ (236)	\$ (207)
Purchase, sale and maturities of short-term marketable securities, net	-	(3)	11	(3)
<b>Net cash (used in) provided by Investing Activities</b>	<b>\$ (97)</b>	<b>\$ 19</b>	<b>\$ (225)</b>	<b>\$ (210)</b>

# Reconciliation of Adjusted Results <sup>(1)</sup>

	Three Months Ended December 31, 2013			Twelve Months Ended December 31, 2013			
	As Reported	Restructuring Charges	Adjusted Results	As Reported	Restructuring Charges	Loss on Early Extinguishment of Debt (2)	Adjusted Results
Operating Income	\$ 324.4	\$ (60.6)	\$ 385.0	\$ 598.3	\$ (60.6)		\$ 658.9
<b>Operating Margin %</b>	<b>15.3%</b>		<b>18.1%</b>	<b>8.4%</b>			<b>9.3%</b>
Income Before Income Taxes	314.1	(60.6)	374.7	468.0	(60.6)	\$ (45.2)	573.8
Provision for Income Taxes	(103.2)	9.7	(112.9)	(181.2)	9.7	16.9	(207.8)
<b>Effective Tax Rate</b>	<b>32.9%</b>		<b>30.1%</b>	<b>38.7%</b>			<b>36.2%</b>
Equity in Net Income of Unconsolidated Affiliates	1.2		1.2	2.1			2.1
Net Income Attributable to Noncontrolling Interests	(19.0)		(19.0)	(21.0)			(21.0)
Dividends on Preferred Stock	-		-	(8.7)			(8.7)
<b>Net Income Available to IPG Common Stockholders - Basic</b>	<b>\$ 193.1</b>	<b>\$ (50.9)</b>	<b>\$ 244.0</b>	<b>\$ 259.2</b>	<b>\$ (50.9)</b>	<b>\$ (28.3)</b>	<b>\$ 338.4</b>
Adjustments: Effect of Dilutive Securities							
Interest on 4.75% Notes	-		-	0.8			0.8
Dividends on Preferred Stock	-		-	-			8.7
<b>Net Income Available to IPG Common Stockholders - Diluted</b>	<b>\$ 193.1</b>		<b>\$ 244.0</b>	<b>\$ 260.0</b>			<b>\$ 347.9</b>
<b>Weighted-Average Number of Common Shares Outstanding - Basic</b>	<b>425.1</b>		<b>425.1</b>	<b>421.1</b>			<b>421.1</b>
Add: Effect of Dilutive Securities							
Restricted Stock, Stock Options and Other Equity Awards	6.9		6.9	5.2			5.2
4.75% Notes	-		-	3.3			3.3
Preferred Stock Outstanding	3.2		3.2	-			13.7
<b>Weighted-Average Number of Common Shares Outstanding - Diluted</b>	<b>435.2</b>		<b>435.2</b>	<b>429.6</b>			<b>443.3</b>
<b>Earnings Per Share Available to IPG Common Stockholders - Basic</b>	<b>\$ 0.45</b>		<b>\$ 0.57</b>	<b>\$ 0.62</b>			<b>\$ 0.80</b>
<b>Earnings Per Share Available to IPG Common Stockholders - Diluted</b>	<b>\$ 0.44</b>	<b>\$ (0.12)</b>	<b>\$ 0.56</b>	<b>\$ 0.61</b>	<b>\$ (0.11)</b>	<b>\$ (0.06)</b>	<b>\$ 0.78</b>

(1) The following table reconciles our reported results for the three and twelve months ended December 31, 2013 to our adjusted non-GAAP results that exclude the impact of restructuring charges and the loss on early extinguishment of debt. Management believes the resulting comparisons provide useful supplemental data that, while not a substitute for GAAP measures, allow for greater transparency in the review of our financial and operational performance.

(2) Loss on early extinguishment of debt of \$45.2 included a redemption premium of \$30.0, the write-off of the remaining unamortized discount of \$7.3 and unamortized debt issuance cost of \$7.9.

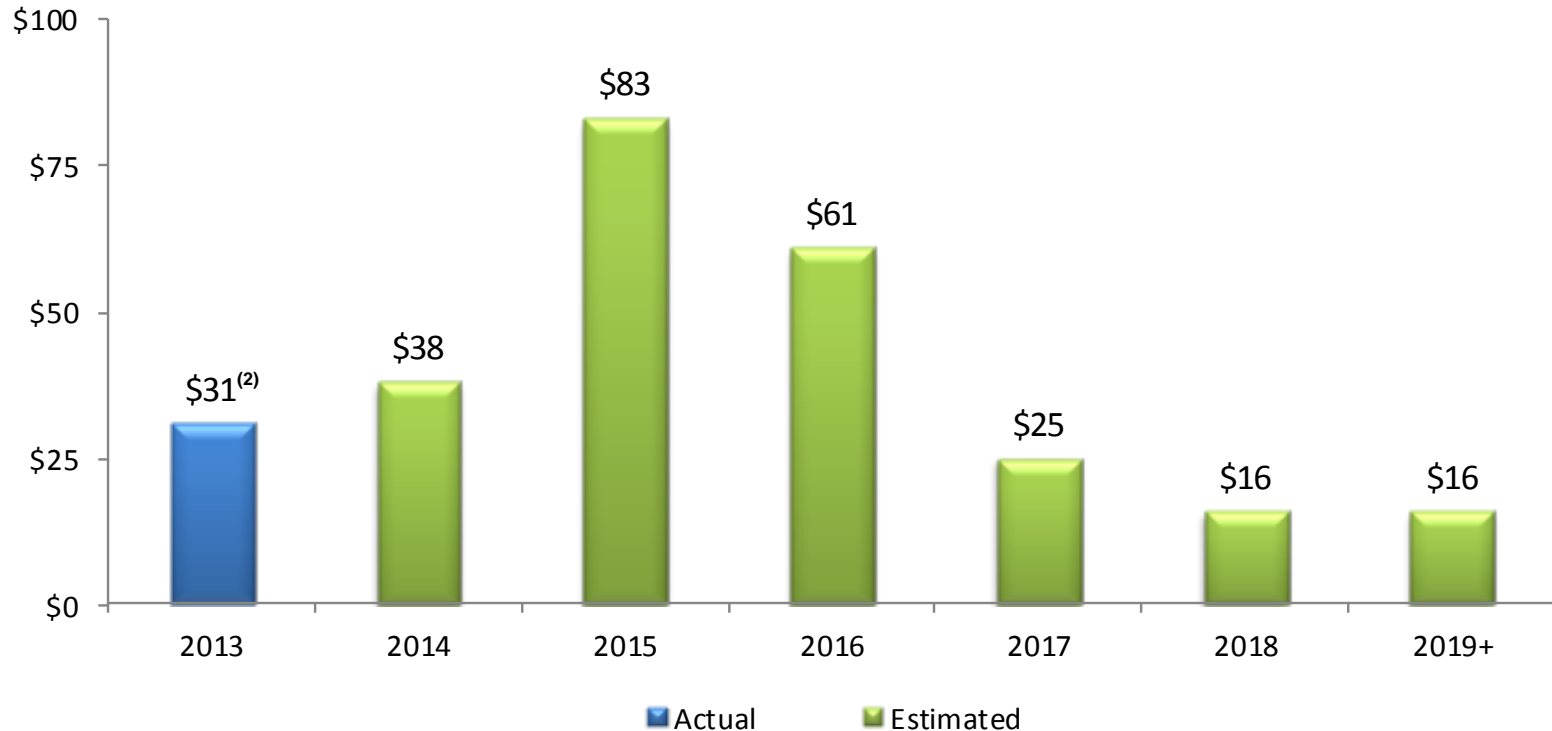
# Reconciliation of Facebook Transaction <sup>(1)</sup>

	Three Months Ended December 31, 2012			Twelve Months Ended December 31, 2012		
	As Reported	Facebook	Ex - Facebook	As Reported	Facebook	Ex - Facebook
Income Before Income Taxes	\$ 476.8	\$ 93.6	\$ 383.2	\$ 674.8	\$ 93.6	\$ 581.2
Provision for Income Taxes	(140.5)	(36.4)	(104.1)	(213.3)	(36.4)	(176.9)
<b>Effective Tax Rate</b>	<b>29.5%</b>		<b>27.2%</b>	<b>31.6%</b>		<b>30.4%</b>
Equity in Net Income of Unconsolidated Affiliates	0.8		0.8	3.1		3.1
Net Income Attributable to Noncontrolling Interests	(20.9)		(20.9)	(17.9)		(17.9)
Dividends on Preferred Stock	(2.9)		(2.9)	(11.6)		(11.6)
<b>Net Income Available to IPG Common Stockholders - Basic</b>	<b>\$ 313.3</b>	<b>\$ 57.2</b>	<b>\$ 256.1</b>	<b>\$ 435.1</b>	<b>\$ 57.2</b>	<b>\$ 377.9</b>
Adjustments: Effect of Dilutive Securities						
Interest on 4.25% Notes	-		-	0.3		0.3
Interest on 4.75% Notes	1.0		1.0	4.1		4.1
Dividends on Preferred Stock	2.9		2.9	11.6		11.6
<b>Net Income Available to IPG Common Stockholders - Diluted</b>	<b>\$ 317.2</b>		<b>\$ 260.0</b>	<b>\$ 451.1</b>		<b>\$ 393.9</b>
<b>Weighted-Average Number of Common Shares Outstanding - Basic</b>	<b>423.7</b>		<b>423.7</b>	<b>432.5</b>		<b>432.5</b>
Add: Effect of Dilutive Securities						
Restricted Stock, Stock Options and Other Equity Awards	8.5		8.5	7.2		7.2
4.25% Notes	-		-	7.9		7.9
4.75% Notes	16.9		16.9	16.9		16.9
Preferred Stock Outstanding	16.9		16.9	16.9		16.9
<b>Weighted-Average Number of Common Shares Outstanding - Diluted</b>	<b>466.0</b>		<b>466.0</b>	<b>481.4</b>		<b>481.4</b>
<b>Earnings Per Share Available to IPG Common Stockholders - Basic</b>	<b>\$ 0.74</b>		<b>\$ 0.60</b>	<b>\$ 1.01</b>		<b>\$ 0.87</b>
<b>Earnings Per Share Available to IPG Common Stockholders - Diluted</b>	<b>\$ 0.68</b>	<b>\$ 0.12</b>	<b>\$ 0.56</b>	<b>\$ 0.94</b>	<b>\$ 0.12</b>	<b>\$ 0.82</b>

(1) The following table reconciles our reported results for the three and twelve months ended December 31, 2012 to our adjusted non-GAAP results that exclude the impact of our sale in November 2012 of our remaining holdings in Facebook Inc. Management believes the resulting comparisons provide useful supplemental data that, while not a substitute for GAAP measures, allow for greater transparency in the review of our financial and operational performance.



# Acquisition Payment Obligations <sup>(1)</sup>



(1) Amounts include payments relating to transactions with consolidated subsidiaries where we increase our ownership interests, which are classified within the financing section of the Consolidated Statement of Cash Flows, rather than the investing section. Included in the amounts above, compensation expense was \$2 for the twelve months ended December 31, 2013 and is currently estimated to be negligible for the periods thereafter.

(2) For 2013, we made payments of \$29 relating to transactions with consolidated subsidiaries.



Interpublic Group

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# Metrics Update

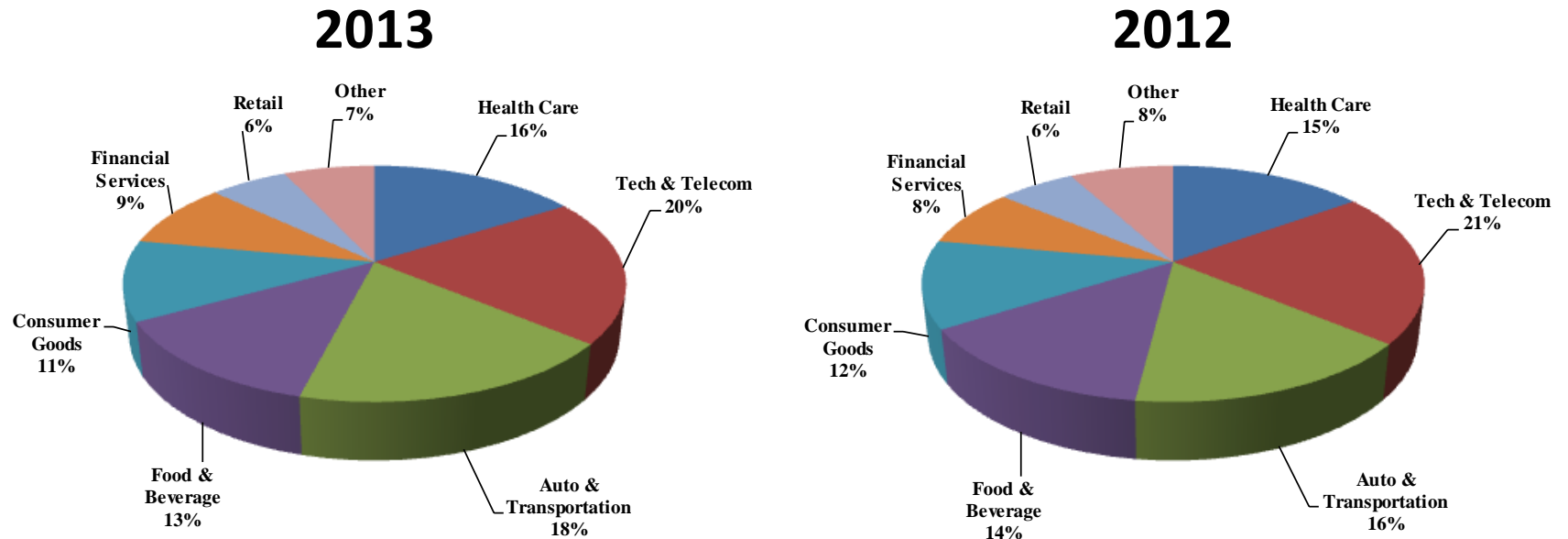
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# Metrics Update

<b>Category</b>	<b>Metric</b>
REVENUE	By Client Sector
SALARIES & RELATED (% of revenue)	Twelve Months Ended Base, Benefits & Tax Incentive Expense Severance Expense Temporary Help
OFFICE & GENERAL (% of revenue)	Twelve Months Ended Professional Fees Occupancy Expense (ex-D&A) T&E, Office Supplies & Telecom All Other O&G
REAL ESTATE	Total Square Feet
FINANCIAL	Available Liquidity \$1.0 Billion 5-Year Credit Facility Covenants

# Revenue By Client Sector

## Top 100 Clients for the years ended December 31



Approximately 55% of consolidated revenue

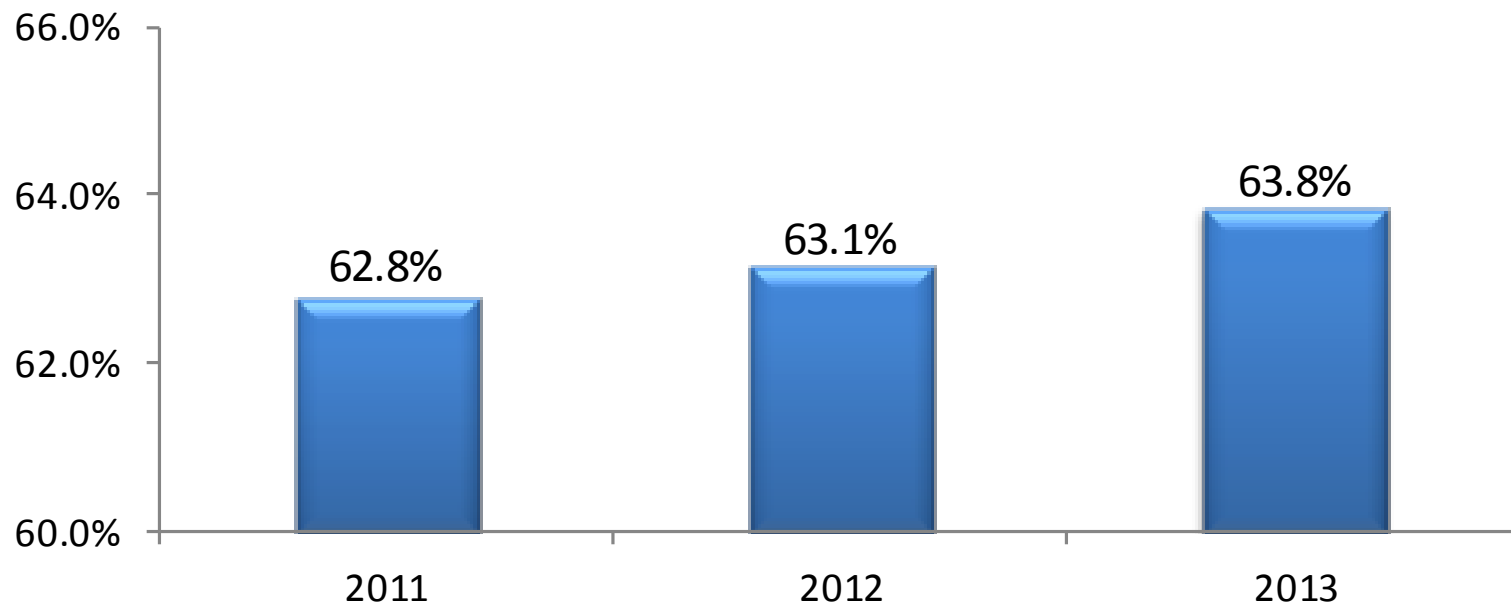
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# Salaries & Related Expenses

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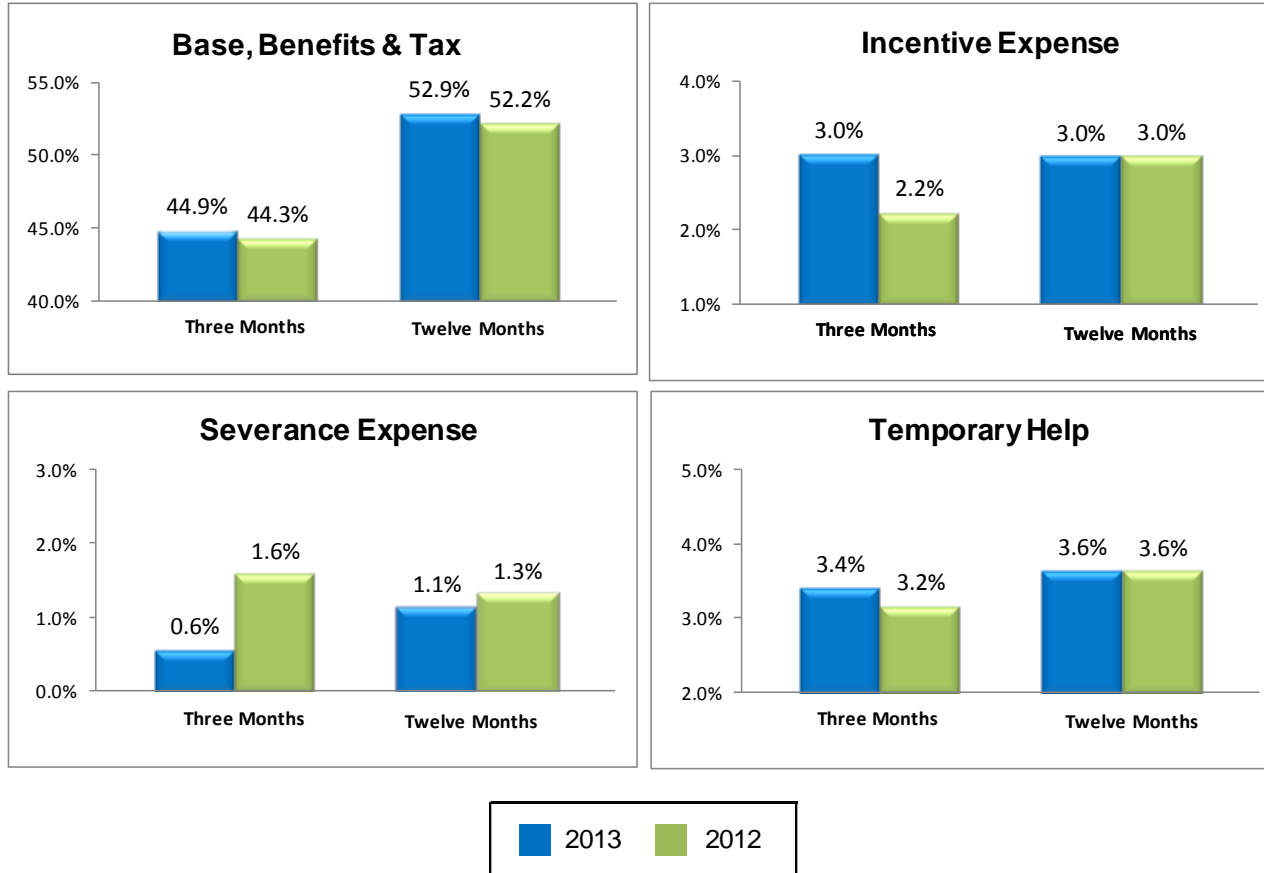
Twelve Months Ended December 31

## % of Revenue



# Salaries & Related Expenses (% of Revenue)

## Three and Twelve Months Ended December 31



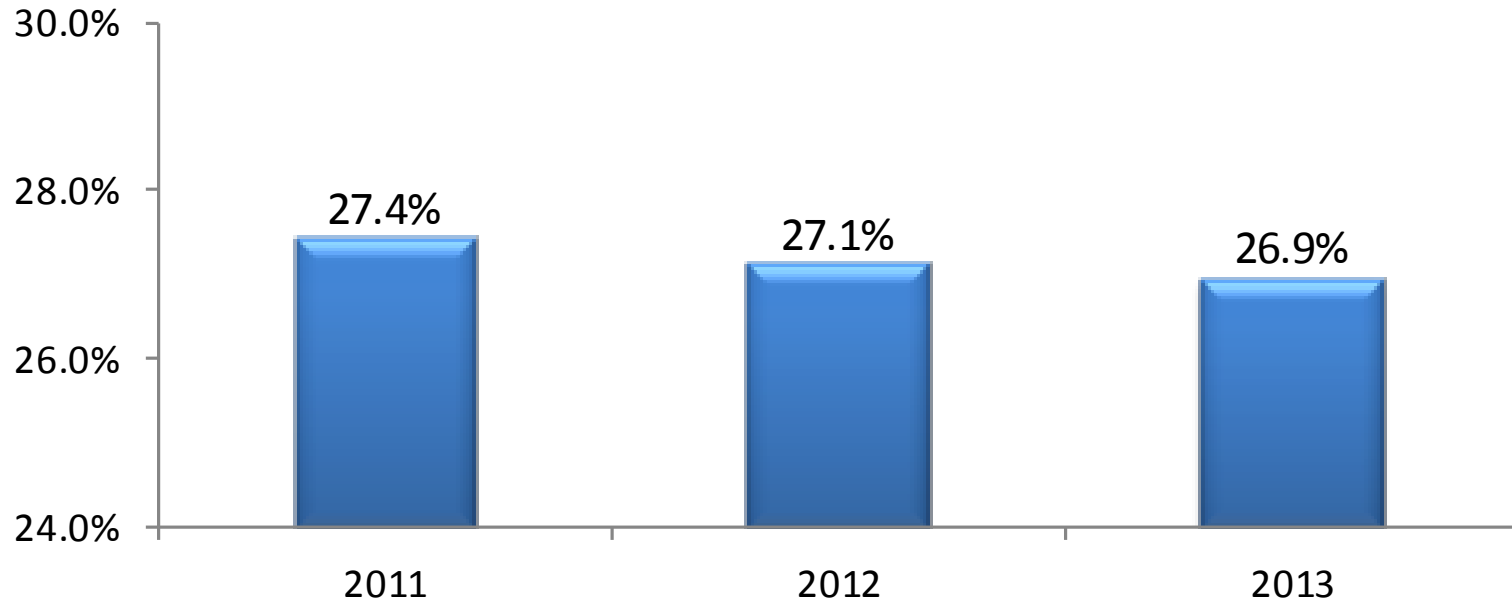
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# Office & General Expenses

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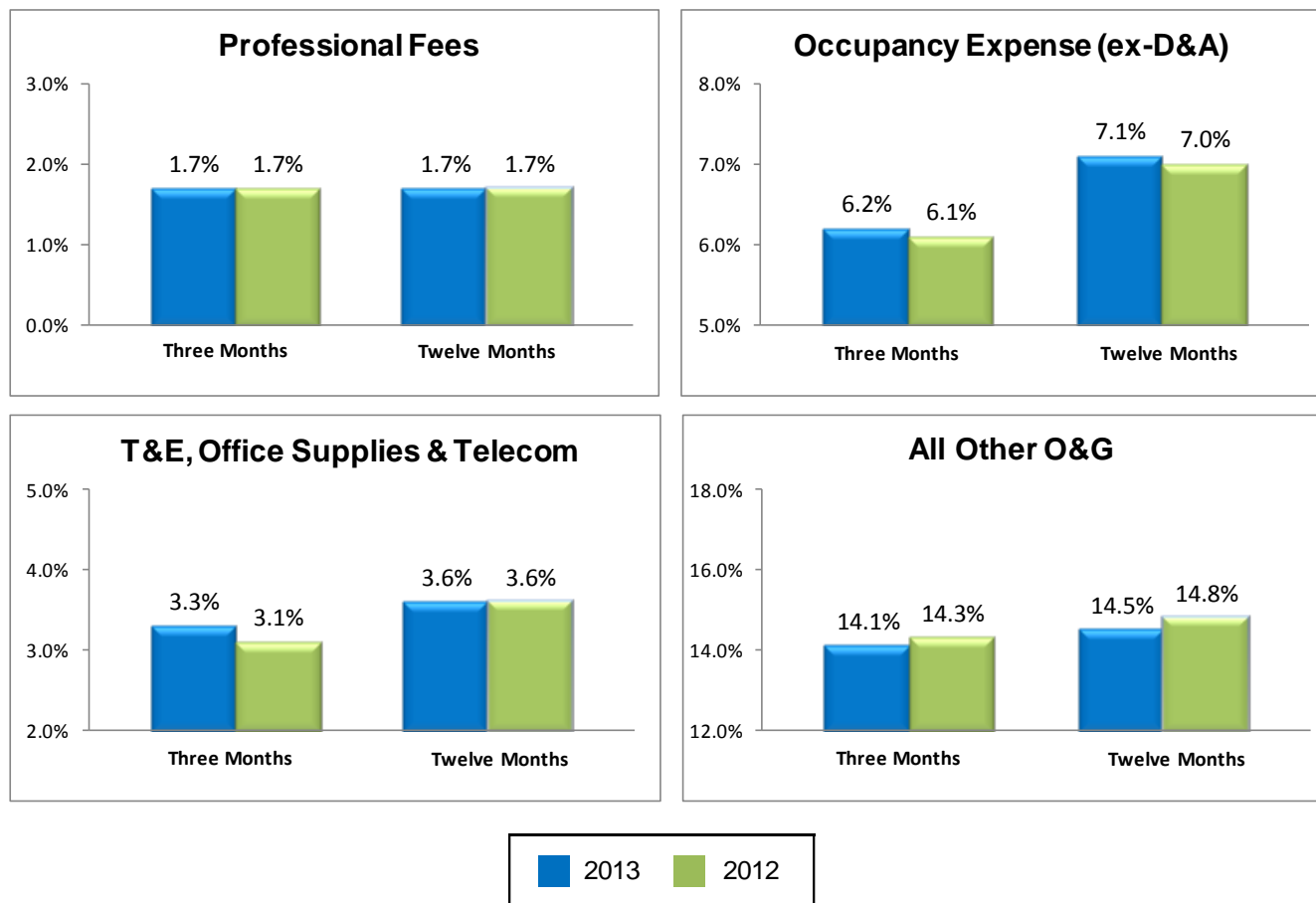
Twelve Months Ended December 31

## % of Revenue



# Office & General Expenses (% of Revenue)

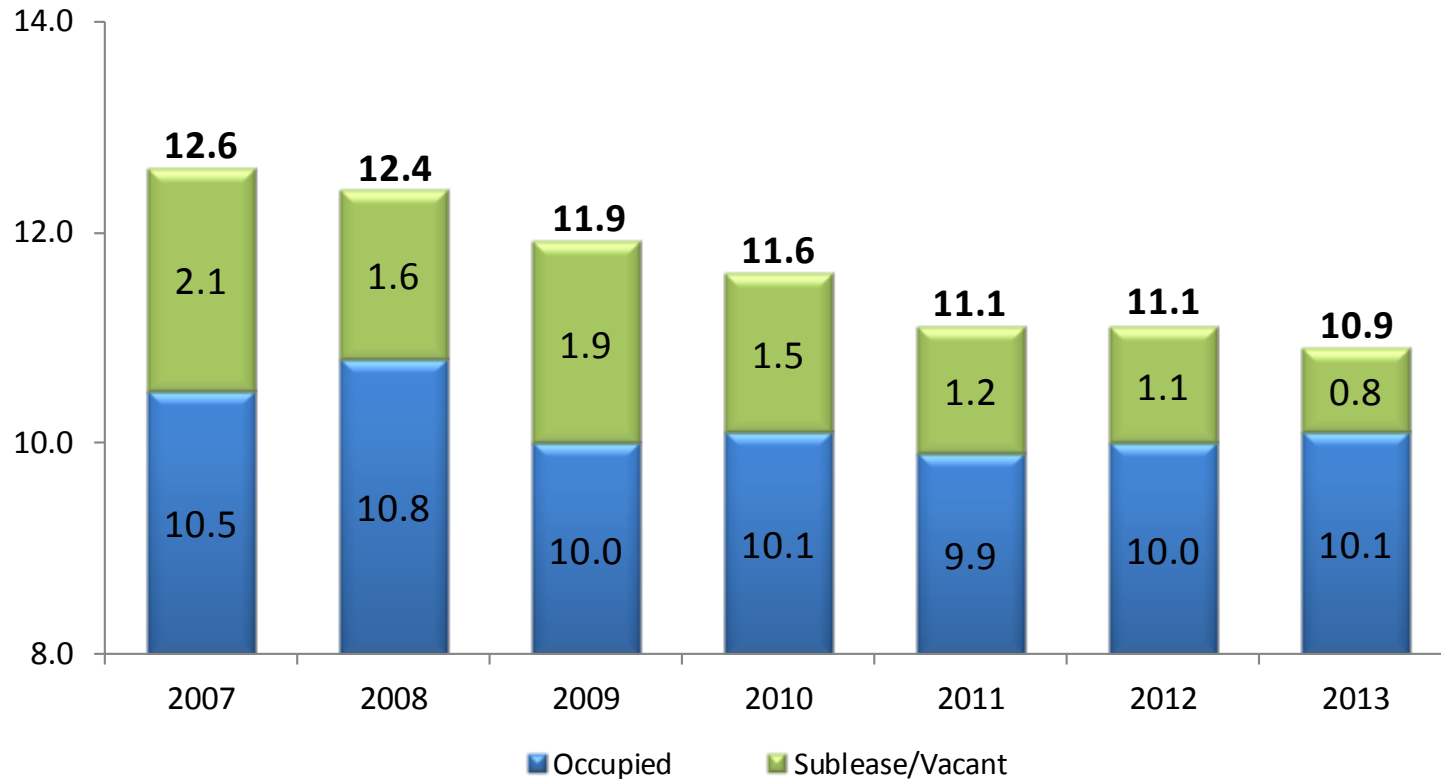
## Three and Twelve Months Ended December 31





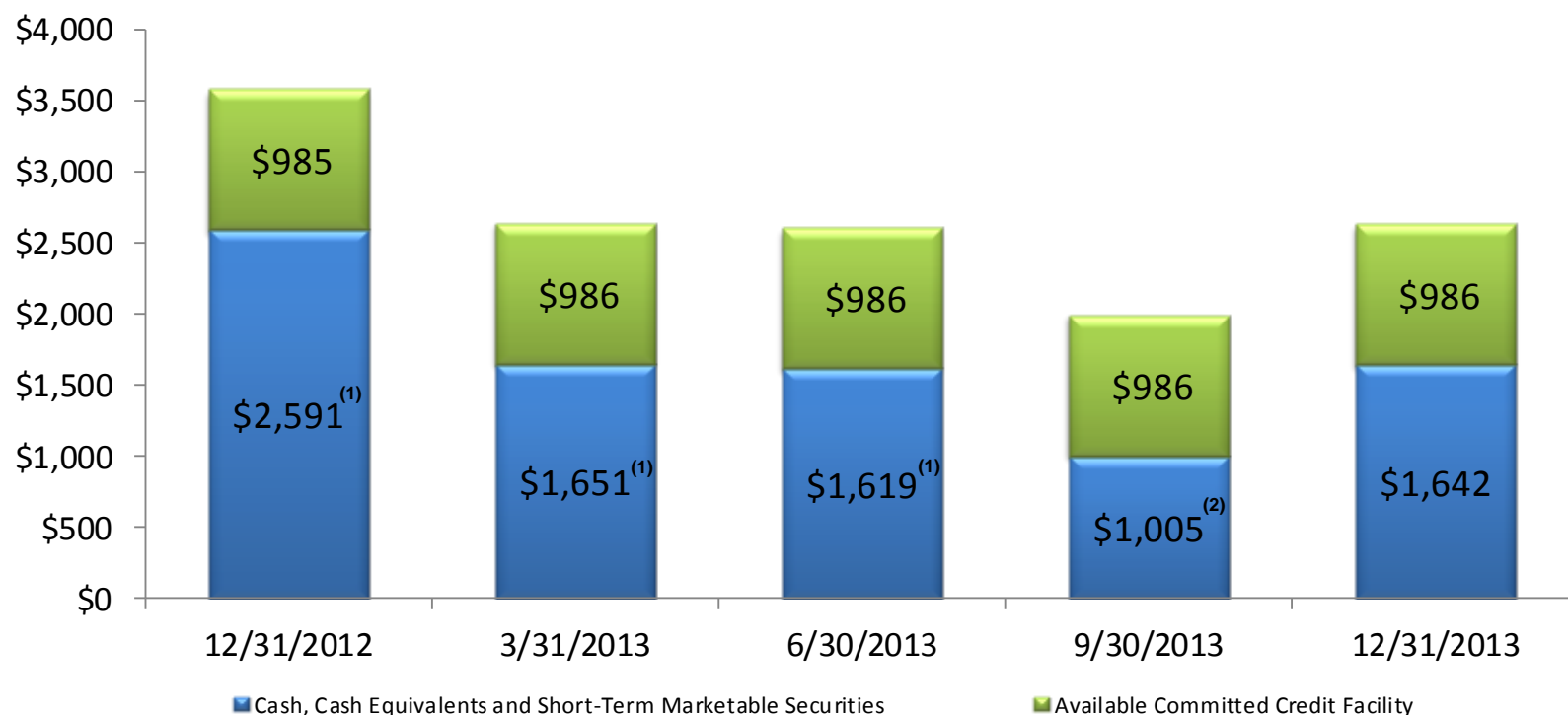
# Real Estate

## Total Square Feet as of December 31,



# Available Liquidity

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



(1) Includes net proceeds from our November 2012 debt issuances of \$800 aggregate principal amount of Senior Notes, which pre-funded our plan to address our capital structure in 2013.

(2) In July 2013, we used \$630 to redeem \$600 aggregate principal amount of our 10.00% Notes at 105%.

# \$1.0 Billion 5-Year Credit Facility Covenants

<u>Covenants</u>	<u>Twelve Months Ending December 31, 2013</u>
I. Interest Coverage Ratio (not less than):	5.00x
Actual Interest Coverage Ratio:	8.51x
II. Leverage Ratio (not greater than):	3.25x
Actual Leverage Ratio:	2.08x
<u>Interest Coverage Ratio - Interest Expense Reconciliation</u>	<u>Twelve Months Ending December 31, 2013</u>
Interest Expense:	\$122.7
- Interest income	24.7
- Other	12.6
+ Preferred stock dividends	8.7
Net interest expense as defined:	<u>\$94.1</u>
<u>EBITDA Reconciliation</u>	<u>Twelve Months Ending December 31, 2013</u>
Operating Income:	\$598.3
+ Depreciation and amortization	200.5
+ Other non-cash charges	1.7
EBITDA as defined:	<u>\$800.5</u>

# Cautionary Statement

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

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

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

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