

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

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

Date of report (Date of earliest event reported): October 21, 2016

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.)

909 Third Avenue, New York, New York	10022
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: 212-704-1200

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On October 21, 2016, The Interpublic Group of Companies, Inc. (i) issued a press release, a copy of which is attached hereto as Exhibit 99.1 and incorporated by reference herein, announcing its results for the third quarter and first nine months of 2016, (ii) held a conference call to discuss the foregoing results and (iii) posted an investor presentation, a copy of which is attached hereto as Exhibit 99.2 and incorporated by reference herein, on its website in connection with the conference call.

Item 9.01. Financial Statements and Exhibits.

Exhibit 99.1: Press release dated October 21, 2016 (furnished pursuant to Item 2.02)

Exhibit 99.2: Investor presentation dated October 21, 2016 (furnished pursuant to Item 2.02)

SIGNATURES

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

Date: October 21, 2016

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By: /s/ Andrew Bonzani

Name: Andrew Bonzani

Title: Senior Vice President, General Counsel and Secretary



FOR IMMEDIATE RELEASE

New York, NY (October 21, 2016)

**Interpublic Announces Third Quarter and
First Nine Months 2016 Results**

- *Third quarter reported revenue increase of 3.0% and organic revenue increase of 4.3%*
- *Third quarter operating margin of 10.8% compared to 10.3% in the prior-year period and operating income growth of 8.0% to \$207.2 million*
- *Third quarter diluted earnings per share was \$0.32, and \$0.31 as adjusted for below-the-line items, an increase of 15% from adjusted Q3-15*
- *First nine months reported revenue increase of 3.0%, organic revenue increase of 4.8%, and operating profit increase of 9.0%*
- *First nine months diluted earnings per share was \$0.71, and \$0.64 as adjusted for below-the-line items, an increase of 16% from the comparable adjusted prior-year results*
- *Company upgrades full-year organic revenue growth target range to 4%-5% and affirms it is on track to deliver operating margin increase of 50 basis points or more for the full-year*

Summary

Revenue

- Third quarter 2016 revenue increased 3.0% to \$1.92 billion, compared to \$1.87 billion in the third quarter of 2015, with an organic revenue increase of 4.3% compared to the prior-year period. This was comprised of an organic increase of 1.8% in the U.S. and 8.1% internationally.
- First nine months 2016 revenue increased 3.0% to \$5.58 billion, compared to \$5.42 billion in the first nine months of 2015, with an organic revenue increase of 4.8% compared to the prior-year period. This was comprised of an organic revenue increase of 4.8% in the U.S. and 4.9% internationally.

Operating Results

- Operating income in the third quarter of 2016 was \$207.2 million, compared to \$191.9 million in 2015. Operating margin was 10.8% for the third quarter of 2016, compared to 10.3% in 2015.
- For the first nine months of 2016, operating income was \$452.9 million, compared to \$415.5 million in 2015. Operating margin was 8.1% for the first nine months of 2016, compared to 7.7% for the first nine months of 2015.

Net Results

- Third quarter 2016 net income available to IPG common stockholders was \$128.6 million, resulting in basic and diluted earnings per share of \$0.32. This compares to net income available to IPG common stockholders a year ago of \$74.9 million, resulting in basic and diluted earnings per share of \$0.18.
- As adjusted to primarily exclude a non-operating pre-tax gain of \$3.9 million on the sale of businesses, which is chiefly non-cash, in "Other (Expense) Income, net," adjusted net income available to IPG common stockholders would be \$124.4 million and adjusted diluted earnings per share would be \$0.31 for the third quarter 2016. This compares to adjusted net income available to IPG common stockholders a year ago of \$110.2 million, and adjusted diluted earnings per share of \$0.27.
- First nine months 2016 net income available to IPG common stockholders was \$290.9 million, resulting in earnings of \$0.73 per basic share and \$0.71 per diluted share. This compares to net income available to IPG common stockholders a year ago of \$194.3 million, resulting in basic and diluted earnings per share of \$0.47.
- First nine months results include a non-operating pre-tax loss of \$16.1 million on the sales of businesses, in "Other (Expense) Income, net," which is chiefly non-cash. The income tax provision includes valuation allowance reversals of \$12.2 million as a consequence of the disposition of certain businesses, a benefit of \$10.5 million related to the adoption of the Financial Accounting Standards Board Accounting Standards Update 2016-09, and a benefit of \$23.4 million related to the conclusion and settlement of a tax examination of previous years. Excluding these items, net income available to IPG common stockholders would be \$260.5 million, resulting in diluted earnings per share of \$0.64. This compares to adjusted net income available to IPG common stockholders a year ago of \$229.6 million, and adjusted diluted earnings per share of \$0.55.

"The quarter reflected solid revenue and profit increases, with positive momentum from a broad range of our creative, marketing services and media offerings," said Michael I. Roth, Interpublic's Chairman and CEO. "Our digital capabilities also continued to be very significant drivers of growth, which demonstrates that we remain highly relevant in today's complex media and marketing landscape. Operationally, we once again demonstrated the ability to manage expenses effectively, a key priority for us. Going forward, the overall tone of business remains solid and, in light of the strength of our offerings and our organic revenue performance through nine months, we believe it's appropriate to raise our full-year organic growth target to a range of 4 to 5 percent. We also feel that we remain well-positioned to achieve 2016 operating margin expansion of 50 basis points or more. Combined with the strength of our balance sheet and our proven commitment to robust capital return programs, which have been a source of significant value creation, this will allow us to further enhance shareholder value."

Operating Results

Revenue

Revenue of \$1.92 billion in the third quarter of 2016 increased 3.0% compared with the same period in 2015. During the quarter, the effect of foreign currency translation was negative 1.7%, the impact of net acquisitions was positive 0.4%, and the resulting organic revenue increase was 4.3%.

Revenue of \$5.58 billion in the first nine months of 2016 increased 3.0% compared with the first nine months of 2015. During the first nine months of 2016, the effect of foreign currency translation was negative 2.1%, the impact of net acquisitions was positive 0.3%, and the resulting organic revenue increase was 4.8%.

Operating Expenses

Total operating expenses increased 2.5% in the third quarter of 2016 from a year ago, compared with revenue growth of 3.0%, and increased 2.5% in the first nine months of 2016 from a year ago, compared with revenue growth of 3.0%.

During the third quarter of 2016, salaries and related expenses were \$1.23 billion, an increase of 2.2% compared to the same period in 2015. During the first nine months of 2016, salaries and related expenses were \$3.73 billion, an increase of 2.9% compared to the same period in 2015.

Staff cost ratio, which is total salaries and related expenses as a percentage of total revenue, was 63.9% in the third quarter of 2016 compared to 64.4% in the same period in 2015, and was 66.8% in the first nine months of 2016 compared to 66.9% in the same period in 2015.

During the third quarter of 2016, office and general expenses were \$486.2 million, an increase of 3.1% compared to the same period in 2015. During the first nine months of 2016, office and general expenses were \$1,400.5 million, an increase of 1.5% compared to the same period in 2015.

Office and general expenses remained flat at 25.3% of total revenue in the third quarter of 2016 compared to the same period in 2015, and were 25.1% in the first nine months of 2016 compared to 25.5% in the same period in 2015.

Non-Operating Results and Tax

Net interest expense of \$17.0 million increased by \$1.3 million in the third quarter of 2016 compared to the same period in 2015. For the first nine months of 2016, net interest expense of \$52.7 million increased by \$8.0 million compared to the same period in 2015.

The income tax provision in the third quarter of 2016 was \$63.8 million on income before income taxes of \$196.3 million, compared to a provision of \$61.1 million on income before income taxes of \$139.0 million in the same period in 2015.

The income tax provision in the first nine months of 2016 was \$91.9 million on income before income taxes of \$389.1 million, compared to a provision of \$137.4 million on income before income taxes of \$334.4 million in the same period in 2015. The provision includes a \$12.2 million benefit from valuation allowance reversals as a consequence of the disposition of certain businesses, a \$10.5 million benefit from the early adoption of the Financial Accounting Standards Board Accounting Standards Update (ASU) 2016-09, Stock Compensation, and a \$23.4 million benefit related to the conclusion and settlement of a tax examination of previous years.

Balance Sheet

At September 30, 2016, cash, cash equivalents and marketable securities totaled \$894.6 million, compared to \$1.51 billion at December 31, 2015 and \$881.2 million at September 30, 2015. Total debt was \$1.74 billion at September 30, 2016, compared to \$1.76 billion at December 31, 2015.

Share Repurchase Program and Common Stock Dividend

During the third quarter of 2016, the company repurchased 3.5 million shares of its common stock at an aggregate cost of \$80.8 million and an average price of \$23.01 per share, including fees. During the first nine months of 2016, the company repurchased 8.5 million shares of its common stock at an aggregate cost of \$193.3 million and an average price of \$22.69 per share, including fees.

During the third quarter of 2016, the company declared and paid a common stock cash dividend of \$0.15 per share, for a total of \$59.5 million.

For more information concerning the company's financial results, please refer to the accompanying slide presentation available on our website, www.interpublic.com.

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About Interpublic

Interpublic is one of the world's leading organizations of advertising agencies and marketing services companies. Major global brands include BPN, CRAFT, FCB (Foote, Cone & Belding), FutureBrand, Golin, Huge, Initiative, Jack Morton Worldwide, MAGNA, McCann, Momentum, MRM//McCann, MullenLowe Group, Octagon, R/GA, UM and Weber Shandwick. Other leading brands include Avrett Free Ginsberg, Campbell Ewald, Carmichael Lynch, Deutsch, Hill Holliday, ID Media and The Martin Agency. For more information, please visit www.interpublic.com.

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Cautionary Statement

This release contains forward-looking statements. Statements in this release 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 under Item 1A, Risk Factors, in our most recent Annual Report on Form 10-K. 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 under Item 1A, *Risk Factors*, in our most recent Annual Report on Form 10-K.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED SUMMARY OF EARNINGS
THIRD QUARTER REPORT 2016 AND 2015
(Amounts in Millions except Per Share Data)
(UNAUDITED)

	Three months ended September 30,		
	2016	2015	Fav. (Unfav.) % Variance
Revenue:			
United States	\$ 1,165.9	\$ 1,138.5	2.4 %
International	756.3	727.0	4.0 %
Total Revenue	<u>1,922.2</u>	<u>1,865.5</u>	<u>3.0 %</u>
Operating Expenses:			
Salaries and Related Expenses	1,228.8	1,202.2	(2.2)%
Office and General Expenses	486.2	471.4	(3.1)%
Total Operating Expenses	<u>1,715.0</u>	<u>1,673.6</u>	<u>(2.5)%</u>
Operating Income	<u>207.2</u>	<u>191.9</u>	<u>8.0 %</u>
Operating Margin %	10.8%	10.3%	
Expenses and Other Income:			
Interest Expense	(21.7)	(21.3)	
Interest Income	4.7	5.6	
Other Income (Expense), Net	6.1	(37.2)	
Total (Expenses) and Other Income	<u>(10.9)</u>	<u>(52.9)</u>	
Income Before Income Taxes	196.3	139.0	
Provision for Income Taxes	63.8	61.1	
Income of Consolidated Companies	<u>132.5</u>	<u>77.9</u>	
Equity in Net Income of Unconsolidated Affiliates	0.2	0.1	
Net Income	<u>132.7</u>	<u>78.0</u>	
Net Income Attributable to Noncontrolling Interests	(4.1)	(3.1)	
Net Income Available to IPG Common Stockholders	<u>\$ 128.6</u>	<u>\$ 74.9</u>	
Earnings Per Share Available to IPG Common Stockholders:			
Basic	\$ 0.32	\$ 0.18	
Diluted	\$ 0.32	\$ 0.18	
Weighted-Average Number of Common Shares Outstanding:			
Basic	397.7	407.6	
Diluted	407.9	415.5	
Dividends Declared Per Common Share	\$ 0.15	\$ 0.12	

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED SUMMARY OF EARNINGS
THIRD QUARTER REPORT 2016 AND 2015
(Amounts in Millions except Per Share Data)
(UNAUDITED)

	Nine months ended September 30,		
	2016	2015	Fav. (Unfav.) % Variance
Revenue:			
United States	\$ 3,426.2	\$ 3,254.4	5.3 %
International	2,155.9	2,163.2	(0.3)%
Total Revenue	<u>5,582.1</u>	<u>5,417.6</u>	<u>3.0 %</u>
Operating Expenses:			
Salaries and Related Expenses	3,728.7	3,622.6	(2.9)%
Office and General Expenses	1,400.5	1,379.5	(1.5)%
Total Operating Expenses	<u>5,129.2</u>	<u>5,002.1</u>	<u>(2.5)%</u>
Operating Income	<u>452.9</u>	<u>415.5</u>	<u>9.0 %</u>
Operating Margin %	8.1%	7.7%	
Expenses and Other Income:			
Interest Expense	(68.8)	(62.5)	
Interest Income	16.1	17.8	
Other Expense, Net	(11.1)	(36.4)	
Total (Expenses) and Other Income	<u>(63.8)</u>	<u>(81.1)</u>	
Income Before Income Taxes	389.1	334.4	
Provision for Income Taxes	91.9	137.4	
Income of Consolidated Companies	<u>297.2</u>	<u>197.0</u>	
Equity in Net (Loss) Income of Unconsolidated Affiliates	(1.6)	0.6	
Net Income	<u>295.6</u>	<u>197.6</u>	
Net Income Attributable to Noncontrolling Interests	(4.7)	(3.3)	
Net Income Available to IPG Common Stockholders	<u>\$ 290.9</u>	<u>\$ 194.3</u>	
Earnings Per Share Available to IPG Common Stockholders:			
Basic	\$ 0.73	\$ 0.47	
Diluted	\$ 0.71	\$ 0.47	
Weighted-Average Number of Common Shares Outstanding:			
Basic	399.5	409.7	
Diluted	408.8	417.0	
Dividends Declared Per Common Share	\$ 0.45	\$ 0.36	

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
RECONCILIATION OF ADJUSTED RESULTS
(Amounts in Millions except Per Share Data)
(UNAUDITED)

	Three Months Ended September 30, 2016			
	As Reported	Gain on Sale of Business	Adoption of ASU 2016-09	Adjusted Results
Income Before Income Taxes	\$ 196.3	\$ 3.9		\$ 192.4
Provision for Income Taxes	63.8		\$ 0.3	64.1
Effective Tax Rate	32.5%			33.3%
Equity in Net Income of Unconsolidated Affiliates	0.2			0.2
Net Income Attributable to Noncontrolling Interests	(4.1)			(4.1)
Net Income Available to IPG Common Stockholders	\$ 128.6	\$ 3.9	\$ 0.3	\$ 124.4

Weighted-Average Number of Common Shares Outstanding - Basic	397.7			397.7
Add: Effect of Dilutive Securities				
Restricted Stock, Stock Options and Other Equity Awards	10.2		1.6	8.6
Weighted-Average Number of Common Shares Outstanding - Diluted	407.9		1.6	406.3

Earnings Per Share Available to IPG Common Stockholders:							
Basic	\$ 0.32	\$ 0.01	\$ 0.00	\$ 0.31			
Diluted	\$ 0.32	\$ 0.01	\$ 0.00	\$ 0.31			

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
RECONCILIATION OF ADJUSTED RESULTS
(Amounts in Millions except Per Share Data)
(UNAUDITED)

	Nine Months Ended September 30, 2016						Adjusted Results
	As Reported	Net Losses on Sales of Businesses	Valuation Allowance Reversals	Adoption of ASU 2016-09	Settlement of Certain Tax Positions		
Income Before Income Taxes	\$ 389.1	\$ (16.1)					\$ 405.2
Provision for Income Taxes	91.9	0.4	\$ 12.2	\$ 10.5	\$ 23.4		138.4
Effective Tax Rate	23.6%						34.2%
Equity in Net Loss of Unconsolidated Affiliates	(1.6)						(1.6)
Net Income Attributable to Noncontrolling Interests	(4.7)						(4.7)
Net Income Available to IPG Common Stockholders	\$ 290.9	\$ (15.7)	\$ 12.2	\$ 10.5	\$ 23.4		\$ 260.5

Weighted-Average Number of Common Shares Outstanding - Basic	399.5						399.5
Add: Effect of Dilutive Securities							
Restricted Stock, Stock Options and Other Equity Awards	9.3			1.6			7.7
Weighted-Average Number of Common Shares Outstanding - Diluted	408.8			1.6			407.2

Earnings Per Share Available to IPG Common Stockholders:

Basic	\$ 0.73	\$ (0.04)	\$ 0.03	\$ 0.03	\$ 0.06	\$ 0.65
Diluted	\$ 0.71	\$ (0.04)	\$ 0.03	\$ 0.03	\$ 0.06	\$ 0.64

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
RECONCILIATION OF ADJUSTED RESULTS
(Amounts in Millions except Per Share Data)
(UNAUDITED)

	Three Months Ended September 30, 2015		
	As Reported	Loss on Sales of Businesses ¹	Ex - Loss on Sales of Businesses
Income Before Income Taxes	\$ 139.0	\$ (38.0)	\$ 177.0
Provision for Income Taxes	61.1	2.7	63.8
Effective Tax Rate	44.0%		36.0%
Equity in Net Income of Unconsolidated Affiliates	0.1		0.1
Net Income Attributable to Noncontrolling Interests	(3.1)		(3.1)
Net Income Available to IPG Common Stockholders	\$ 74.9	\$ (35.3)	\$ 110.2
Weighted-Average Number of Common Shares Outstanding - Basic	407.6		407.6
Add: Effect of Dilutive Securities			
Restricted Stock, Stock Options and Other Equity Awards	7.9		7.9
Weighted-Average Number of Common Shares Outstanding - Diluted	415.5		415.5
Earnings Per Share Available to IPG Common Stockholders:			
Basic	\$ 0.18	\$ (0.09)	\$ 0.27
Diluted	\$ 0.18	\$ (0.09)	\$ 0.27

1 Includes losses on completed dispositions of businesses and the classification of certain assets as held for sale.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
RECONCILIATION OF ADJUSTED RESULTS
(Amounts in Millions except Per Share Data)
(UNAUDITED)

	Nine Months Ended September 30, 2015		
	As Reported	Loss on Sales of Businesses ¹	Ex - Loss on Sales of Businesses
Income Before Income Taxes	\$ 334.4	\$ (38.0)	\$ 372.4
Provision for Income Taxes	137.4	2.7	140.1
Effective Tax Rate	41.1%		37.6%
Equity in Net Income of Unconsolidated Affiliates	0.6		0.6
Net Income Attributable to Noncontrolling Interests	(3.3)		(3.3)
Net Income Available to IPG Common Stockholders	\$ 194.3	\$ (35.3)	\$ 229.6
Weighted-Average Number of Common Shares Outstanding - Basic	409.7		409.7
Add: Effect of Dilutive Securities			
Restricted Stock, Stock Options and Other Equity Awards	7.3		7.3
Weighted-Average Number of Common Shares Outstanding - Diluted	417.0		417.0
Earnings Per Share Available to IPG Common Stockholders:			
Basic	\$ 0.47	\$ (0.09)	\$ 0.56
Diluted	\$ 0.47	\$ (0.08)	\$ 0.55

¹ Includes losses on completed dispositions of businesses and the classification of certain assets as held for sale.



Interpublic Group

THIRD QUARTER 2016 EARNINGS CONFERENCE CALL

October 21, 2016



Overview – Third Quarter 2016

- Total revenue increased 3.0% in Q3 and 3.0% for the 9M YTD
 - Organic growth was 4.3% in Q3 and 4.8% for the 9M YTD
- Operating margin was 10.8% in Q3, an improvement of 50 bps
- Q3 diluted EPS was \$0.32, and was \$0.31 as adjusted for below-the-line items, an increase of 15% from comparable Q3-15
- Repurchased 3.5 million shares in Q3, using \$81 million

Operating Performance

	Three Months Ended September 30,	
	2016	2015
<i>Revenue</i>	\$ 1,922.2	\$ 1,865.5
Salaries and Related Expenses	1,228.8	1,202.2
Office and General Expenses	486.2	471.4
<i>Operating Income</i>	207.2	191.9
Interest Expense	(21.7)	(21.3)
Interest Income	4.7	5.6
Other Income (Expense), net	6.1	(37.2)
<i>Income Before Income Taxes</i>	196.3	139.0
Provision for Income Taxes	63.8	61.1
Equity in Net Income of Unconsolidated Affiliates	0.2	0.1
<i>Net Income</i>	132.7	78.0
Net Income Attributable to Noncontrolling Interests	(4.1)	(3.1)
<i>Net Income Available to IPG Common Stockholders</i>	\$ 128.6	\$ 74.9
<i>Earnings per Share Available to IPG Common Stockholders:</i>		
Basic	\$ 0.32	\$ 0.18
Diluted	\$ 0.32	\$ 0.18
<i>Weighted-Average Number of Common Shares Outstanding:</i>		
Basic	397.7	407.6
Diluted	407.9	415.5
<i>Dividends Declared per Common Share</i>	\$ 0.15	\$ 0.12

Revenue

	Three Months Ended		Nine Months Ended	
	\$	% Change	\$	% Change
September 30, 2015	\$ 1,865.5		\$ 5,417.6	
Total change	56.7	3.0%	164.5	3.0%
Foreign currency	(31.0)	(1.7%)	(115.9)	(2.1%)
Net acquisitions/(divestitures)	8.2	0.4%	19.8	0.3%
Organic	79.5	4.3%	260.6	4.8%
September 30, 2016	\$ 1,922.2		\$ 5,582.1	

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2016		2015		2016		2015	
			Total	Organic	Total	Organic	Total	Organic
IAN	\$ 1,503.2	\$ 1,484.1	1.3%	3.0%	\$ 4,453.3	\$ 4,351.3	2.3%	4.7%
CMG	\$ 419.0	\$ 381.4	9.9%	9.4%	\$ 1,128.8	\$ 1,066.3	5.9%	5.3%

Integrated Agency Networks ("IAN"): McCann Worldgroup, FCB (Foote, Cone & Belding), MullenLowe Group, IPG Mediabrands, our digital specialist agencies and our domestic integrated agencies
 Constituency Management Group ("CMG"): Weber Shandwick, Golin, Jack Morton, FutureBrand, Octagon and our other marketing service specialists

Page 4 See reconciliation of segment organic revenue change on pages 18 and 19.

(\$ in Millions)



Geographic Revenue Change

	Three Months Ended September 30, 2016		Nine Months Ended September 30, 2016	
	Total	Organic	Total	Organic
United States	2.4%	1.8%	5.3%	4.8%
International	4.0%	8.1%	(0.3%)	4.9%
United Kingdom	5.2%	16.4%	1.7%	7.1%
Continental Europe	3.7%	8.3%	(1.4%)	3.2%
Asia Pacific	0.5%	(1.4%)	(2.9%)	(0.8%)
Latin America	6.0%	17.8%	(3.8%)	15.4%
All Other Markets	8.1%	5.6%	6.6%	6.7%
Worldwide	3.0%	4.3%	3.0%	4.8%

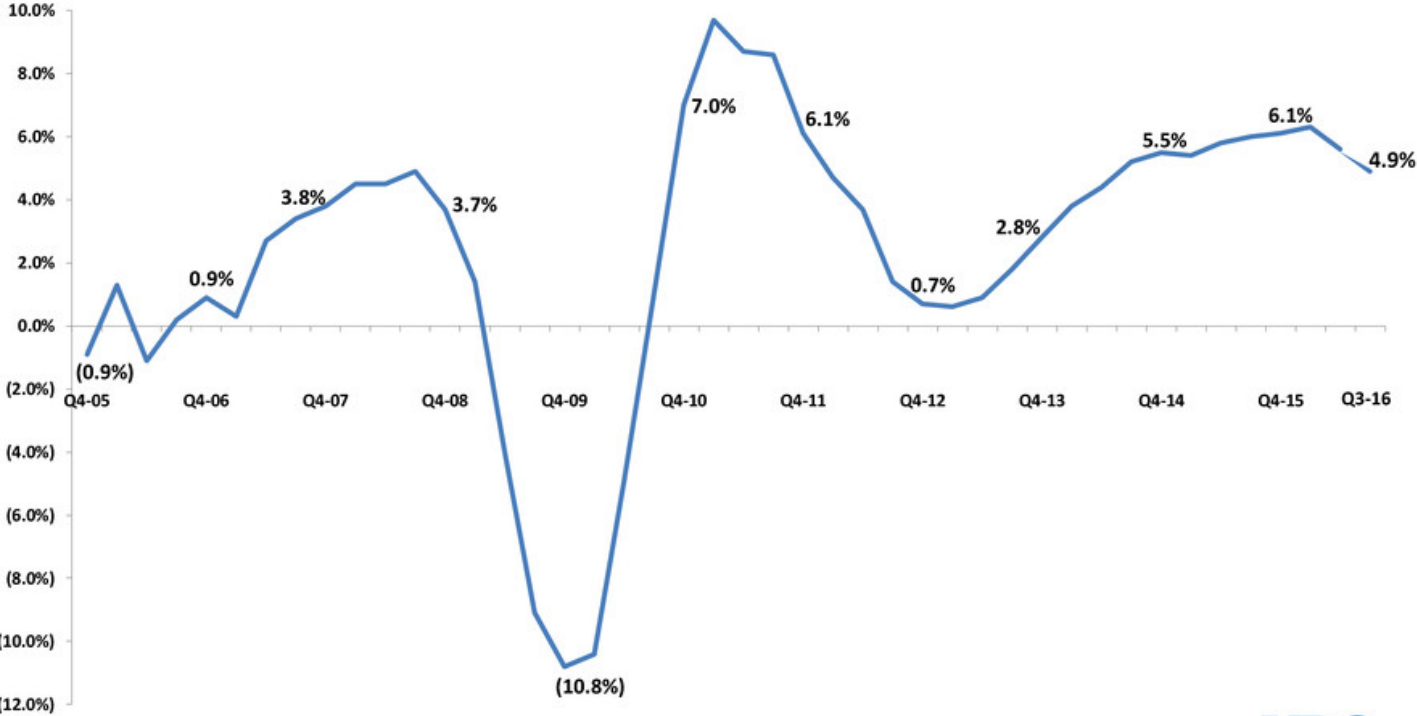
"All Other Markets" includes Canada, Africa and the Middle East.

Page 5 See reconciliation of organic revenue change on pages 18 and 19.



Organic Revenue Growth

Trailing Twelve Months



Operating Expenses

	2016		2015		Change			
					\$	Total	Organic	
Salaries & Related								
Three Months Ended September 30,	\$	1,228.8	\$	1,202.2	\$	26.6	2.2%	3.5%
<i>% of Revenue</i>		63.9%		64.4%				
Three months severance	\$	13.0	\$	15.0	\$	(2.0)	(13.3%)	
<i>% of Revenue</i>		0.7%		0.8%				
Nine Months Ended September 30,	\$	3,728.7	\$	3,622.6	\$	106.1	2.9%	4.9%
<i>% of Revenue</i>		66.8%		66.9%				
Nine months severance	\$	56.0	\$	49.2	\$	6.8	13.8%	
<i>% of Revenue</i>		1.0%		0.9%				
Office & General								
Three Months Ended September 30,	\$	486.2	\$	471.4	\$	14.8	3.1%	5.6%
<i>% of Revenue</i>		25.3%		25.3%				
Three months occupancy expense (ex-D&A)	\$	127.0	\$	122.4	\$	4.6	3.8%	
<i>% of Revenue</i>		6.6%		6.6%				
Nine Months Ended September 30,	\$	1,400.5	\$	1,379.5	\$	21.0	1.5%	4.2%
<i>% of Revenue</i>		25.1%		25.5%				
Nine months occupancy expense (ex-D&A)	\$	379.0	\$	354.4	\$	24.6	6.9%	
<i>% of Revenue</i>		6.8%		6.5%				

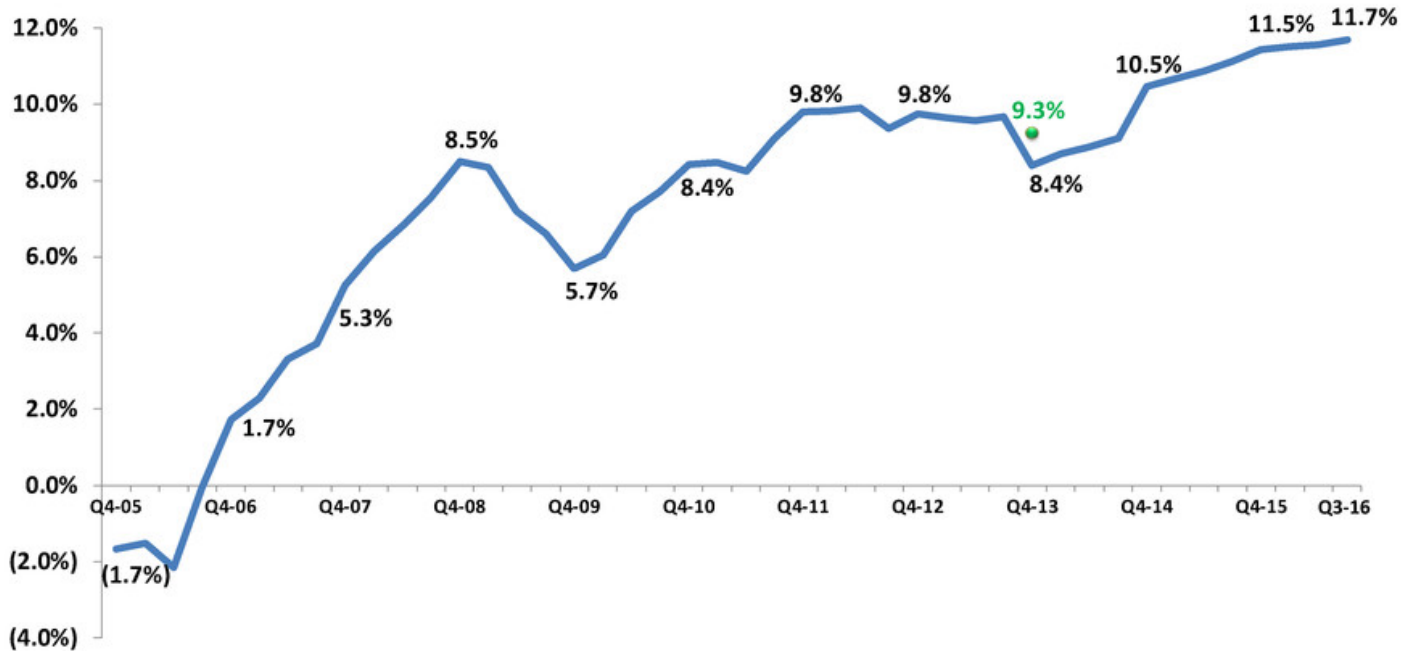
Page 7 See reconciliation of organic measures on pages 18 and 19.

(\$ in Millions)



Operating Margin

Trailing Twelve Months



For the twelve months ended December 31, 2013, reported operating income of \$598.3 includes our Q4 2013 restructuring charge of \$60.6. Excluding this charge, adjusted operating income was \$658.9, and adjusted operating margin is represented in green.

Adjusted Diluted Earnings Per Share

	Three Months Ended September 30, 2016			
	As Reported	Gain on Sale of Business ⁽¹⁾	Adoption of ASU 2016-09 ⁽²⁾	Adjusted Results
Income Before Income Taxes	\$ 196.3	\$ 3.9		\$ 192.4
Provision for Income Taxes	63.8		\$ 0.3	64.1
Effective Tax Rate	32.5%			33.3%
Diluted EPS Components:				
Net Income Available to IPG Common Stockholders	\$ 128.6	\$ 3.9	\$ 0.3	\$ 124.4
Weighted-Average Number of Common Shares Outstanding	407.9		1.6	406.3
Earnings Per Share Available to IPG Common Stockholders	\$ 0.32	\$ 0.01	\$ 0.00	\$ 0.31

⁽¹⁾ During the three months ended September 30, 2016, we recorded a gain on the sale of a business in our international markets.

⁽²⁾ In 2016 we early adopted Financial Accounting Standards Board Accounting Standards Update 2016-09.

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See full reconciliation of adjusted diluted earnings per share on pages 22 and 23.

(\$ in Millions)



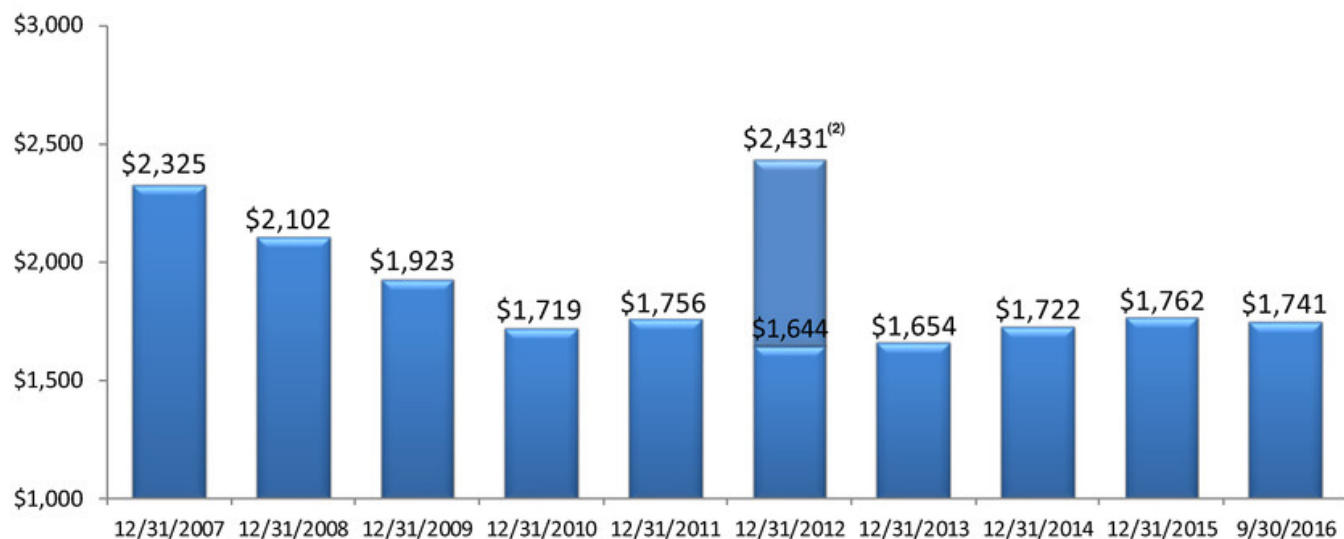
Balance Sheet – Current Portion

	September 30, 2016	December 31, 2015	September 30, 2015
CURRENT ASSETS:			
Cash and cash equivalents	\$ 891.6	\$ 1,502.9	\$ 874.3
Marketable securities	3.0	6.8	6.9
Accounts receivable, net	3,714.4	4,361.0	3,848.3
Expenditures billable to clients	1,843.7	1,594.4	1,590.2
Other current assets	280.5	228.0	349.1
Total current assets	\$ 6,733.2	\$ 7,693.1	\$ 6,668.8
CURRENT LIABILITIES:			
Accounts payable	\$ 6,025.9	\$ 6,672.0	\$ 5,753.4
Accrued liabilities	629.0	760.3	688.9
Short-term borrowings	133.0	150.1	128.3
Current portion of long-term debt	24.5	1.9	2.0
Total current liabilities	\$ 6,812.4	\$ 7,584.3	\$ 6,572.6

Cash Flow

	Three Months Ended September 30,	
	2016	2015
NET INCOME	\$ 133	\$ 78
OPERATING ACTIVITIES		
Depreciation & amortization	61	56
Deferred taxes	6	(34)
Non-cash (gain) loss on sales of businesses	(4)	38
Other non-cash items	7	8
Change in working capital, net	318	155
Change in other non-current assets & liabilities	(1)	(19)
Net cash provided by Operating Activities	520	282
INVESTING ACTIVITIES		
Capital expenditures	(51)	(31)
Acquisitions, net of cash acquired	(14)	(6)
Other investing activities	-	(4)
Net cash used in Investing Activities	(65)	(41)
FINANCING ACTIVITIES		
Net decrease in short-term bank borrowings	(83)	(26)
Repurchase of common stock	(81)	(70)
Common stock dividends	(60)	(48)
Acquisition-related payments	(8)	(4)
Distributions to noncontrolling interests	(4)	(5)
Exercise of stock options	-	1
Other financing activities	2	-
Net cash used in Financing Activities	(234)	(152)
Currency Effect	(2)	(63)
Increase in Cash & S/T Marketable Securities	\$ 219	\$ 26

Total Debt (1)



(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.

Summary

- Solid performance against FY-16 financial objectives
- Sustained traction from key strategic initiatives
 - Quality of our agency offerings, creative talent, embedded digital, and “open architecture” solutions
 - Performance in high-growth disciplines
 - Effective expense management
- Focus is on continued growth and margin improvement
- Financial strength continues to be a source of value creation



Interpublic Group

Appendix



Operating Performance

	Nine Months Ended September 30,	
	2016	2015
<i>Revenue</i>	\$ 5,582.1	\$ 5,417.6
Salaries and Related Expenses	3,728.7	3,622.6
Office and General Expenses	1,400.5	1,379.5
<i>Operating Income</i>	452.9	415.5
Interest Expense	(68.8)	(62.5)
Interest Income	16.1	17.8
Other Expense, net	(11.1)	(36.4)
<i>Income Before Income Taxes</i>	389.1	334.4
Provision for Income Taxes	91.9	137.4
Equity in Net (Loss) Income of Unconsolidated Affiliates	(1.6)	0.6
<i>Net Income</i>	295.6	197.6
Net Income Attributable to Noncontrolling Interests	(4.7)	(3.3)
<i>Net Income Available to IPG Common Stockholders</i>	\$ 290.9	\$ 194.3
<i>Earnings per Share Available to IPG Common Stockholders:</i>		
Basic	\$ 0.73	\$ 0.47
Diluted	\$ 0.71	\$ 0.47
<i>Weighted-Average Number of Common Shares Outstanding:</i>		
Basic	399.5	409.7
Diluted	408.8	417.0
<i>Dividends Declared per Common Share</i>	\$ 0.45	\$ 0.36

Cash Flow

	Nine Months Ended September 30,	
	2016	2015
NET INCOME	\$ 296	\$ 198
OPERATING ACTIVITIES		
Depreciation & amortization	181	170
Deferred taxes	2	(34)
Non-cash loss on sales of businesses	16	38
Other non-cash items	42	26
Change in working capital, net	(500)	(588)
Change in other non-current assets & liabilities	(72)	(48)
Net cash used in Operating Activities	(35)	(238)
INVESTING ACTIVITIES		
Capital expenditures	(114)	(81)
Acquisitions, net of cash acquired	(48)	(6)
Other investing activities	(10)	(4)
Net cash used in Investing Activities⁽¹⁾	(172)	(91)
FINANCING ACTIVITIES		
Repurchase of common stock	(193)	(172)
Common stock dividends	(180)	(147)
Acquisition-related payments	(37)	(32)
Net (decrease) increase in short-term bank borrowings	(26)	29
Tax payments for employee shares withheld ⁽²⁾	(23)	(17)
Distributions to noncontrolling interests	(11)	(13)
Exercise of stock options	10	12
Excess tax benefit from share-based payment arrangements ⁽²⁾	-	9
Other financing activities	1	2
Net cash used in Financing Activities	(459)	(329)
Currency Effect	51	(128)
Decrease in Cash & S/T Marketable Securities	\$ (615)	\$ (786)

⁽¹⁾ Excludes net purchases, sales and maturities of short-term marketable securities. See reconciliation on page 21.

⁽²⁾ As part of the adoption of FASB ASU 2016-09, we have reclassified the tax payments for employee shares withheld balance into Financing Activities in both periods presented. This amount was previously included in Change in working capital, net in Operating Activities. Additionally, the excess tax benefit from share-based payment arrangements amount is now reflected within Net Income for Q3 2016, as prospective adoption was required.

Depreciation and Amortization

	2016				
	Q1	Q2	Q3	Q4	YTD 2016
Depreciation and amortization of fixed assets and intangible assets	\$ 38.0	\$ 39.8	\$ 39.7		\$ 117.5
Amortization of restricted stock and other non-cash compensation	23.1	16.8	19.1		59.0
Net amortization of bond discounts and deferred financing costs	1.4	1.4	1.4		4.2
	2015				
	Q1	Q2	Q3	Q4	FY 2015
Depreciation and amortization of fixed assets and intangible assets	\$ 38.7	\$ 39.5	\$ 38.1	\$ 40.7	\$ 157.0
Amortization of restricted stock and other non-cash compensation	16.8	16.4	16.5	20.6	70.3
Net amortization of bond discounts and deferred financing costs	1.4	1.4	1.4	1.6	5.8

Reconciliation of Organic Measures

	Three Months Ended September 30, 2015	Components of Change			Three Months Ended September 30, 2016	Change	
		Foreign Currency	Net Acquisitions / (Divestitures)	Organic		Organic	Total
Segment Revenue							
IAN	\$ 1,484.1	\$ (23.5)	\$ (1.2)	\$ 43.8	\$ 1,503.2	3.0%	1.3%
CMG	381.4	(7.5)	9.4	35.7	419.0	9.4%	9.9%
Total	\$ 1,865.5	\$ (31.0)	\$ 8.2	\$ 79.5	\$ 1,922.2	4.3%	3.0%
Geographic							
United States	\$ 1,138.5	\$ -	\$ 7.1	\$ 20.3	\$ 1,165.9	1.8%	2.4%
International	727.0	(31.0)	1.1	59.2	756.3	8.1%	4.0%
United Kingdom	165.4	(24.9)	6.4	27.1	174.0	16.4%	5.2%
Continental Europe	142.3	(0.1)	(6.4)	11.8	147.6	8.3%	3.7%
Asia Pacific	216.9	2.9	1.1	(3.0)	217.9	(1.4%)	0.5%
Latin America	97.7	(7.1)	(4.4)	17.4	103.6	17.8%	6.0%
All Other Markets	104.7	(1.8)	4.4	5.9	113.2	5.6%	8.1%
Worldwide	\$ 1,865.5	\$ (31.0)	\$ 8.2	\$ 79.5	\$ 1,922.2	4.3%	3.0%
Expenses							
Salaries & Related	\$ 1,202.2	\$ (18.2)	\$ 2.6	\$ 42.2	\$ 1,228.8	3.5%	2.2%
Office & General	471.4	(7.8)	(3.8)	26.4	486.2	5.6%	3.1%
Total	\$ 1,673.6	\$ (26.0)	\$ (1.2)	\$ 68.6	\$ 1,715.0	4.1%	2.5%

Reconciliation of Organic Measures

	Nine Months Ended September 30, 2015	Components of Change			Nine Months Ended September 30, 2016	Change	
		Foreign Currency	Net Acquisitions / (Divestitures)	Organic		Organic	Total
Segment Revenue							
IAN	\$ 4,351.3	\$ (96.5)	\$ (5.9)	\$ 204.4	\$ 4,453.3	4.7%	2.3%
CMG	1,066.3	(19.4)	25.7	56.2	1,128.8	5.3%	5.9%
Total	\$ 5,417.6	\$ (115.9)	\$ 19.8	\$ 260.6	\$ 5,582.1	4.8%	3.0%
Geographic							
United States	\$ 3,254.4	\$ -	\$ 16.9	\$ 154.9	\$ 3,426.2	4.8%	5.3%
International	2,163.2	(115.9)	2.9	105.7	2,155.9	4.9%	(0.3%)
United Kingdom	487.0	(43.1)	16.7	34.7	495.3	7.1%	1.7%
Continental Europe	474.8	(3.9)	(18.1)	15.3	468.1	3.2%	(1.4%)
Asia Pacific	636.4	(14.9)	1.5	(5.3)	617.7	(0.8%)	(2.9%)
Latin America	265.7	(40.5)	(10.3)	40.8	255.7	15.4%	(3.8%)
All Other Markets	299.3	(13.5)	13.1	20.2	319.1	6.7%	6.6%
Worldwide	\$ 5,417.6	\$ (115.9)	\$ 19.8	\$ 260.6	\$ 5,582.1	4.8%	3.0%
Expenses							
Salaries & Related	\$ 3,622.6	\$ (76.1)	\$ 5.4	\$ 176.8	\$ 3,728.7	4.9%	2.9%
Office & General	1,379.5	(33.0)	(3.3)	57.3	1,400.5	4.2%	1.5%
Total	\$ 5,002.1	\$ (109.1)	\$ 2.1	\$ 234.1	\$ 5,129.2	4.7%	2.5%

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	
12/31/05	\$ 6,387.0	\$ 40.4	\$ (107.4)	\$ (56.2)	\$ 6,263.8
3/31/06	6,323.8	(10.9)	(132.6)	81.5	6,261.8
6/30/06	6,418.4	(8.8)	(157.5)	(68.5)	6,183.6
9/30/06	6,335.9	(13.9)	(140.4)	15.6	6,197.2
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
3/31/14	6,992.4	(89.9)	51.2	263.1	7,216.8
6/30/14	7,032.9	(80.6)	51.6	308.1	7,312.0
9/30/14	7,062.9	(53.5)	74.3	369.0	7,452.7
12/31/14	7,122.3	(75.5)	95.3	395.0	7,537.1
3/31/15	7,216.8	(125.7)	98.4	386.1	7,575.6
6/30/15	7,312.0	(223.5)	85.3	426.5	7,600.3
9/30/15	7,452.7	(336.2)	58.3	449.9	7,624.7
12/31/15	7,537.1	(408.5)	23.7	461.5	7,613.8
3/31/16	7,575.6	(388.5)	11.9	480.8	7,679.8
6/30/16	7,600.3	(315.6)	10.8	426.1	7,721.6
9/30/16	7,624.7	(237.5)	16.4	374.7	7,778.3

Reconciliation of Investing Cash Flow

	Nine Months Ended September 30,	
	2016	2015
INVESTING ACTIVITIES		
Net cash used in Investing Activities per presentation	\$ (172)	\$ (91)
Net purchases, sales and maturities of short-term marketable securities, net	4	-
Net cash used in Investing Activities as reported	\$ (168)	\$ (91)

Reconciliation Adjusted Results - QTD ⁽¹⁾

	Three Months Ended September 30, 2016			
	As Reported	Gain on Sale of Business	Adoption of ASU 2016-09	Adjusted Results
Income Before Income Taxes	\$ 196.3	\$ 3.9		\$ 192.4
Provision for Income Taxes	63.8		\$ 0.3	64.1
Effective Tax Rate	32.5%			33.3%
Equity in Net Income of Unconsolidated Affiliates	0.2			0.2
Net Income Attributable to Noncontrolling Interests	(4.1)			(4.1)
Net Income Available to IPG Common Stockholders - Basic and Diluted	\$ 128.6	\$ 3.9	\$ 0.3	\$ 124.4
Weighted-Average Number of Common Shares Outstanding - Basic	397.7			397.7
Add: Effect of Dilutive Securities				
Restricted Stock, Stock Options and Other Equity Awards	10.2		1.6	8.6
Weighted-Average Number of Common Shares Outstanding - Diluted	407.9		1.6	406.3
Earnings Per Share Available to IPG Common Stockholders - Basic	\$ 0.32	\$ 0.01	\$ 0.00	\$ 0.31
Earnings Per Share Available to IPG Common Stockholders - Diluted	\$ 0.32	\$ 0.01	\$ 0.00	\$ 0.31

(1) The following table reconciles our reported results to our adjusted non-GAAP results that exclude the gain on sale of a business in our international markets and the effect of the adoption of ASU 2016-09. 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.

Reconciliation Adjusted Results - YTD ⁽¹⁾

	Nine Months Ended September 30, 2016					
	As Reported	Net Losses on Sales of Businesses	Valuation Allowance Reversals	Adoption of ASU 2016-09	Settlement of Certain Tax Positions	Adjusted Results
Income Before Income Taxes	\$ 389.1	\$ (16.1)				\$ 405.2
Provision for Income Taxes	91.9	0.4	\$ 12.2	\$ 10.5	\$ 23.4	138.4
Effective Tax Rate	23.6%					34.2%
Equity in Net Loss of Unconsolidated Affiliates	(1.6)					(1.6)
Net Income Attributable to Noncontrolling Interests	(4.7)					(4.7)
Net Income Available to IPG Common Stockholders - Basic and Diluted	\$ 290.9	\$ (15.7)	\$ 12.2	\$ 10.5	\$ 23.4	\$ 260.5
Weighted-Average Number of Common Shares Outstanding - Basic	399.5					399.5
Add: Effect of Dilutive Securities						
Restricted Stock, Stock Options and Other Equity Awards	9.3			1.6		7.7
Weighted-Average Number of Common Shares Outstanding - Diluted	408.8			1.6		407.2
Earnings Per Share Available to IPG Common Stockholders - Basic	\$ 0.73	\$ (0.04)	\$ 0.03	\$ 0.03	\$ 0.06	\$ 0.65
Earnings Per Share Available to IPG Common Stockholders - Diluted	\$ 0.71	\$ (0.04)	\$ 0.03	\$ 0.03	\$ 0.06	\$ 0.64

- (1) The following table reconciles our reported results to our adjusted non-GAAP results that exclude the net losses on sales of businesses in our international markets, valuation allowance reversals as a result of the disposition of businesses in Continental Europe, the effect of the adoption of ASU 2016-09 and the release of reserves related to the conclusion and settlement of a tax examination of previous tax years. 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.

Reconciliation of Loss on Sales of Businesses ⁽¹⁾

	Three Months Ended September 30, 2015			Nine Months Ended September 30, 2015		
	As Reported	Loss on Sales of Businesses	Ex - Loss on Sales of Businesses	As Reported	Loss on Sales of Businesses	Ex - Loss on Sales of Businesses
Income Before Income Taxes	\$ 139.0	\$ (38.0)	\$ 177.0	\$ 334.4	\$ (38.0)	\$ 372.4
Provision for Income Taxes	61.1	2.7	63.8	137.4	2.7	140.1
Effective Tax Rate	44.0%		36.0%	41.1%		37.6%
Equity in Net Income of Unconsolidated Affiliates	0.1		0.1	0.6		0.6
Net Income Attributable to Noncontrolling Interests	(3.1)		(3.1)	(3.3)		(3.3)
Net Income Available to IPG Common Stockholders - Basic and Diluted	\$ 74.9	\$ (35.3)	\$ 110.2	\$ 194.3	\$ (35.3)	\$ 229.6
Weighted-Average Number of Common Shares Outstanding - Basic	407.6		407.6	409.7		409.7
Add: Effect of Dilutive Securities						
Restricted Stock, Stock Options and Other Equity Awards	7.9		7.9	7.3		7.3
Weighted-Average Number of Common Shares Outstanding - Diluted	415.5		415.5	417.0		417.0
Earnings Per Share Available to IPG Common Stockholders - Basic	\$ 0.18	\$ (0.09)	\$ 0.27	\$ 0.47	\$ (0.09)	\$ 0.56
Earnings Per Share Available to IPG Common Stockholders - Diluted	\$ 0.18	\$ (0.09)	\$ 0.27	\$ 0.47	\$ (0.08)	\$ 0.55

⁽¹⁾ During Q3 2015, we recorded losses on sales of businesses in our international markets, primarily in Latin America and Continental Europe. This amount includes losses on completed dispositions and the classification of certain assets as held for sale.



Interpublic Group

Metrics Update

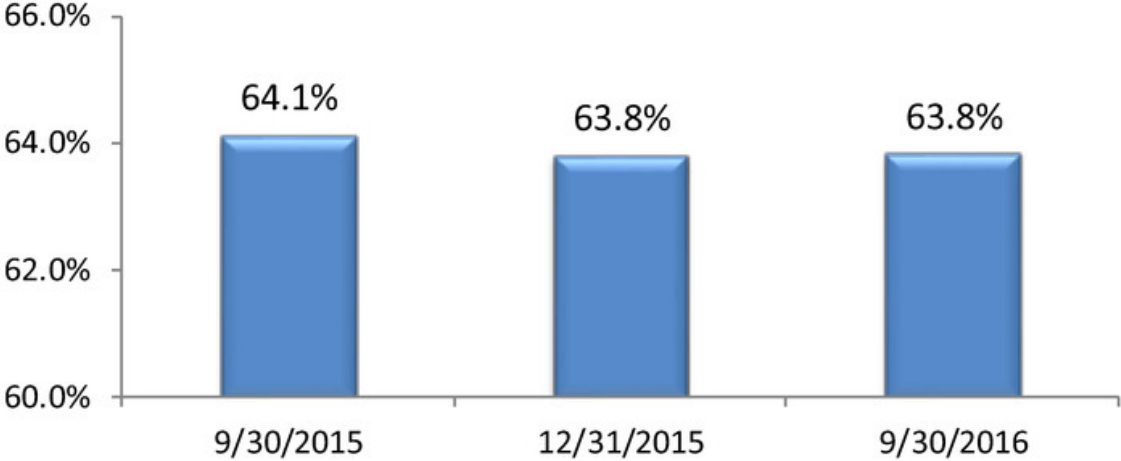


Metrics Update

Category	Metric
SALARIES & RELATED (% of revenue)	Trailing Twelve Months Base, Benefits & Tax Incentive Expense Severance Expense Temporary Help
OFFICE & GENERAL (% of revenue)	Trailing Twelve Months Professional Fees Occupancy Expense (ex-D&A) T&E, Office Supplies & Telecom All Other O&G
FINANCIAL	Available Liquidity \$1.0 Billion 5-Year Credit Facility Covenants

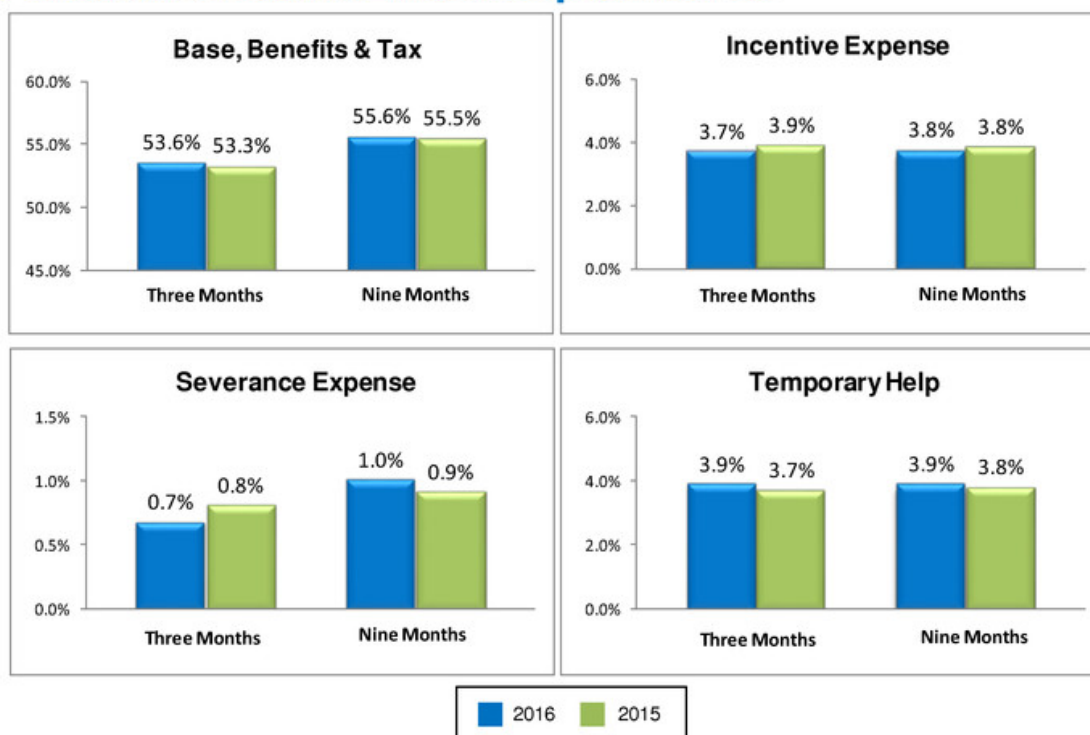
Salaries & Related Expenses

% of Revenue, Trailing Twelve Months



Salaries & Related Expenses (% of Revenue)

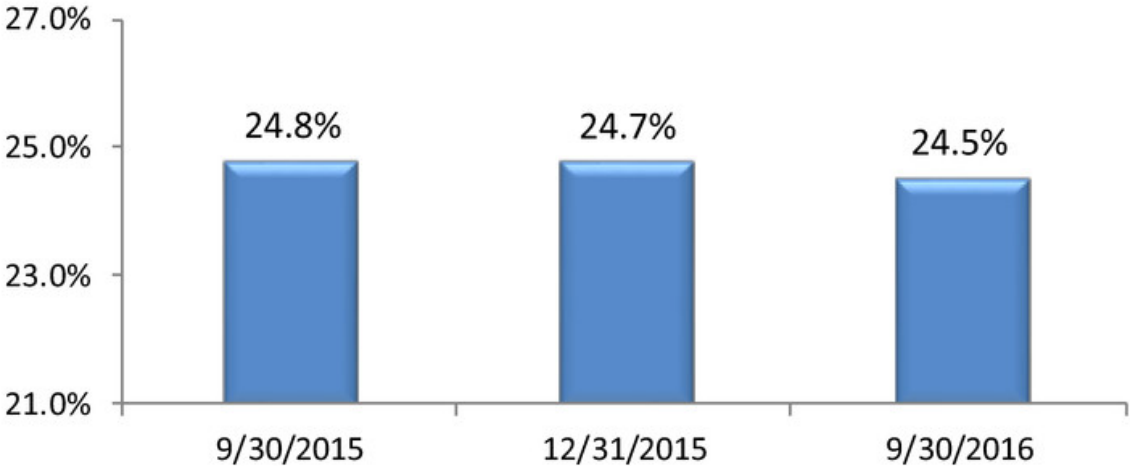
Three and Nine Months Ended September 30



"All Other Salaries & Related," not shown, was 2.0% and 2.7% for the three months ended September 30, 2016 and 2015, respectively, and 2.5% and 2.9% for the nine months ended September 30, 2016 and 2015, respectively.

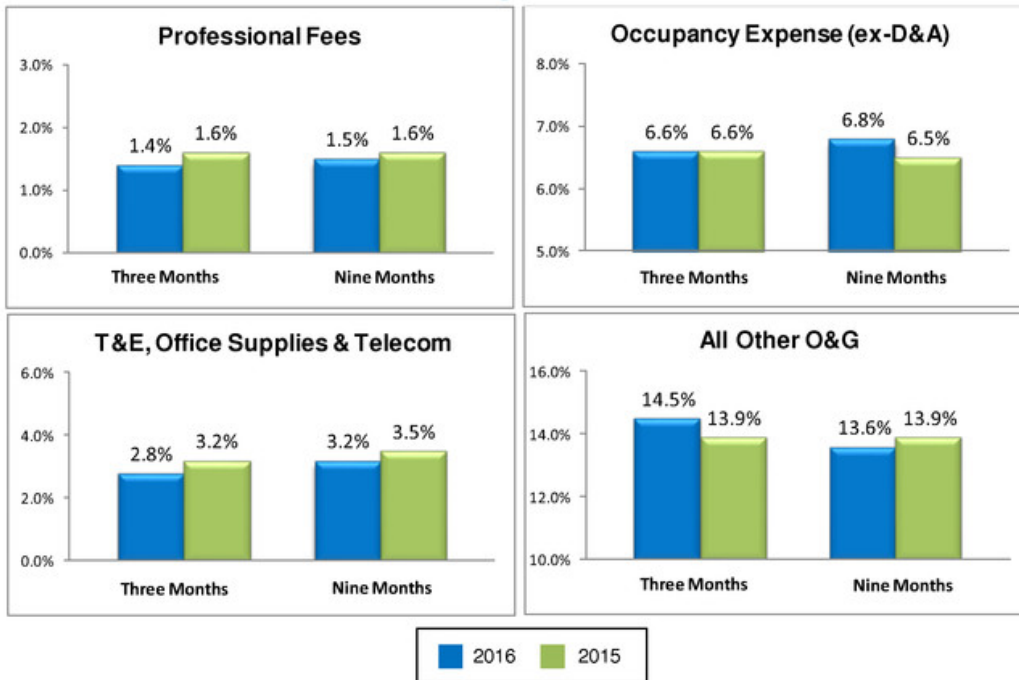
Office & General Expenses

% of Revenue, Trailing Twelve Months



Office & General Expenses (% of Revenue)

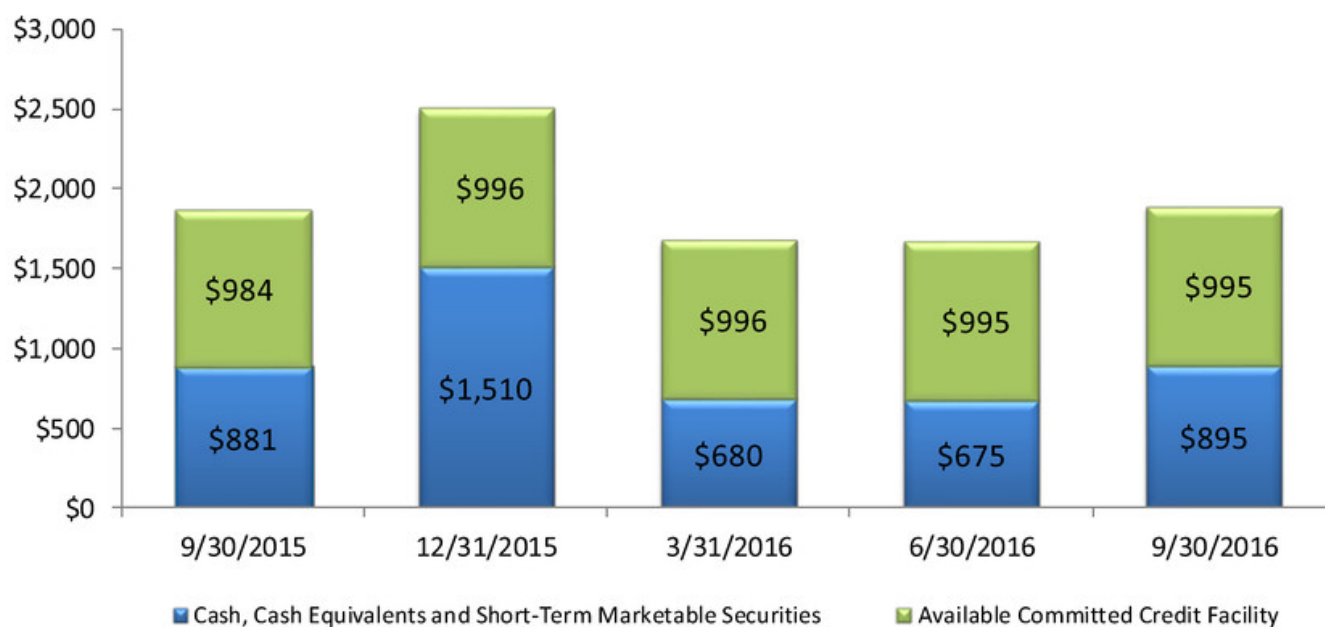
Three and Nine Months Ended September 30



"All Other O&G" primarily includes production expenses and, to a lesser extent, depreciation and amortization, bad debt expense, adjustments to contingent acquisition obligations, foreign currency losses (gains), spending to support new business activity, net restructuring and other reorganization-related charges (reversals), long-lived asset impairments and other expenses.

Available Liquidity

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



\$1.0 Billion 5-Year Credit Facility Covenants

<u>Covenants</u>	<u>Last Twelve Months Ending September 30, 2016</u>
I. Interest Coverage Ratio (not less than):	5.00x
Actual Interest Coverage Ratio:	18.19x
II. Leverage Ratio (not greater than):	3.50x
Actual Leverage Ratio:	1.52x
<u>Interest Coverage Ratio - Interest Expense Reconciliation</u>	<u>Last Twelve Months Ending September 30, 2016</u>
Interest Expense:	\$92.1
- Interest income	21.1
- Other	7.9
Net interest expense ⁽¹⁾ :	<u>\$63.1</u>
<u>EBITDA Reconciliation</u>	<u>Last Twelve Months Ending September 30, 2016</u>
Operating Income:	\$909.3
+ Depreciation and amortization	237.8
+ Other non-cash charges	0.5
EBITDA ⁽¹⁾ :	<u>\$1,147.6</u>

Page 32 (1) Calculated as defined in the Credit Agreement.

(\$ in Millions)



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.

