

INTERPUBLIC GROUP OF COMPANIES INC
Form 424B5
December 17, 2003

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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-109384

PROSPECTUS SUPPLEMENT
(To Prospectus Dated November 20, 2003)

22,398,400 Shares

Common Stock

We are offering 22,398,400 shares of our common stock, par value \$0.10 per share, by this prospectus supplement and the accompanying prospectus. We will receive all of the net proceeds from the sale of these shares of our common stock.

Our common stock is listed on the New York Stock Exchange under the symbol "IPG." On December 16, 2003, the last reported sale price of our common stock was \$13.77 per share.

Concurrently with this offering, we are offering, by means of a separate prospectus supplement, 6,500,000 shares of our Series A mandatory convertible preferred stock (or 7,475,000 shares if the underwriters exercise in full their over-allotment option). However, neither offering is contingent upon the consummation of the other offering.

Investing in our common stock involves risks. See "Risk Factors" beginning on page S-5 of this prospectus supplement and on page 3 of the accompanying prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public offering price	\$ 13.50000	\$ 302,378,400
Underwriting discounts and commissions	\$ 0.64125	\$ 14,362,974
Proceeds, before expenses, to us	\$ 12.85875	\$ 288,015,426

The underwriters may also purchase up to 3,359,760 shares of our common stock from us at the public offering price, less underwriting discounts and commissions, within 30 days of the date of this prospectus supplement. The underwriters may exercise this option only to cover over-allotments, if any.

The underwriters are offering the shares of our common stock as set forth in "Underwriting." Delivery of the shares of our common stock will be made on or about December 19, 2003.

Citigroup**JPMorgan****UBS Investment Bank****Banc of America Securities LLC****Barclays Capital****HSBC****Morgan Stanley****ING Financial Markets****McDonald Investments Inc.**

December 16, 2003

We have not authorized any dealer, salesman or other person to give any information or to make any representation other than those contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. You must not rely upon any information or representation not contained or incorporated by reference in this prospectus supplement or the accompanying prospectus. This prospectus supplement and the accompanying prospectus do not constitute an offer to sell or the solicitation of an offer to buy any securities other than the registered securities to which they relate, nor do this prospectus supplement and the accompanying prospectus constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information contained in this prospectus supplement and the accompanying prospectus is accurate as of the dates on their respective covers. When we deliver this prospectus supplement and the accompanying prospectus or make a sale pursuant to this prospectus supplement and the accompanying prospectus, we are not implying that the information is current as of the date of the delivery or sale.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document contains two parts. The first part consists of this prospectus supplement, which describes the specific terms of this offering and the securities offered. The second part, the accompanying prospectus, provides more general information, some of which may not apply to this offering. If the description of the offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

Before purchasing any securities, you should carefully read both this prospectus supplement and the accompanying prospectus, together with the additional information described under the heading "Where You Can Find More Information."

You should rely only on the information we provide or incorporate by reference in this prospectus supplement and the accompanying prospectus. We have not authorized anyone to provide you with different or additional information. We are offering to sell the securities offered by this prospectus supplement, and seeking offers to buy these securities, only in jurisdictions where offers and sales are permitted. The information contained in this prospectus supplement is accurate only as of the date of this prospectus supplement, regardless of the time of delivery of this prospectus supplement or any sales of the securities.

Unless otherwise indicated, all references in this prospectus supplement to "we," "us," "our" or "Interpublic" refers to The Interpublic Group of Companies, Inc. and its subsidiaries.

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SUMMARY

This summary may not contain all of the information that may be important to you. You should read this entire prospectus supplement, the accompanying prospectus and those documents incorporated by reference into this document, including the risk factors and the financial data and related notes, before making an investment decision.

The Interpublic Group of Companies, Inc.

Interpublic is a group of advertising and specialized marketing and communications services companies that together represent one of the largest resources of advertising and marketing expertise in the world. With offices and other affiliations in more than 130 countries, we had revenues of approximately \$5.7 billion and net income of approximately \$99.5 million in 2002. For the nine months ended September 30, 2003, we had revenues of approximately \$4.2 billion and a net loss of approximately \$349.2 million, compared to revenues of approximately \$4.2 billion and net income of approximately \$79.2 million for the nine months ended September 30, 2002.

In the last five years, we have grown to become one of the world's largest groups of global marketing services companies, providing our clients with communications and marketing expertise in three broad areas:

Advertising, which includes advertising and media management;

Marketing Communications, which includes direct marketing, database management and customer relationship management, public relations, sales promotion, event marketing, on-line marketing, corporate and brand identity, brand consultancy and healthcare marketing; and

Marketing Services, which includes sports and entertainment marketing, corporate meetings and events, retail marketing, and other marketing and business services.

We seek to be the best in quality and a leading competitor in all of these areas.

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We are currently organized into four global operating groups. Three of these groups, McCann-Erickson WorldGroup, The FCB Group and The Partnership, provide a comprehensive array of global communications and marketing services. Each offers a distinctive range of solutions for our clients. The fourth global operating group, The Interpublic Sports & Entertainment Group, focuses on sports marketing and event planning activities. In addition to these groups, Interpublic also includes a group of leading stand-alone companies that provide their clients with a full range of advertising and/or marketing communications services.

We believe this organizational structure allows us to provide comprehensive solutions for clients, enables stronger organic growth among all our operating companies and allows us to bring improved operating efficiencies to our organization.

Our principal executive office is located at 1271 Avenue of the Americas, New York, New York 10020. Our telephone number at that address is (212) 399-8000.

Recent Developments

In our quarterly report on Form 10-Q for the quarter ended September 30, 2003, filed with the Securities and Exchange Commission ("SEC") on November 14, 2003, we announced the following developments:

Long-Lived Asset Impairment

During the three and nine months ended September 30, 2003, we recorded charges of \$222.7 million and \$244.8 million, respectively, related to the impairment of long-lived assets at

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our Octagon and Motorsports businesses. These amounts include \$1.7 million and \$14.4 million, respectively, of current capital expenditure outlays that we are contractually required to spend to upgrade and maintain a number of our existing Motorsports racing facilities, as well as an impairment of assets at other Motorsports entities.

Litigation Charges

During the three months ended September 30, 2003, we recorded litigation charges of \$127.6 million for various legal matters. The principal amount of the charges relates to our current estimate of amounts that may be payable, which we currently believe would be paid primarily in shares of our common stock.

Restructuring

During the second quarter of 2003, we announced that we would undertake restructuring initiatives in response to softness in demand for advertising and marketing services. The pre-tax restructuring charges of \$142.4 million (\$95.4 million after tax) incurred to date include severance costs of \$103.4 million and lease terminations of \$39 million. In addition, a charge of \$9.1 million was incurred in the three months ended September 30, 2003 related to acceleration of amortization of leasehold improvements on premises to be vacated in the future. This charge was included in office and general expenses in our consolidated statements of operations. The total amount of pre-tax charges we expect to incur, through the first half of 2004, is up to approximately \$250 million. We expect that the restructuring charges recorded to date will result in cash payments of \$136.2 million to be paid in 2003 (\$101.1 million), 2004 (\$22.4 million) and 2005 and thereafter (\$12.7 million). Further actions in the 2003 restructuring program are currently underway and will continue through the first half of 2004.

For more information on these items, please refer to our quarterly report on Form 10-Q for the quarter ended September 30, 2003.

On December 8, 2003, we filed amended quarterly reports on Forms 10-Q/A for each of the first, second and third quarters of 2003 to restate the presentation of certain items in the consolidated statement of cash flows for each of the applicable periods.

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As disclosed in the Form 10-Q/A for the third quarter of 2003, the principal changes to the consolidated statement of cash flows for the nine months ended September 30, 2003 were to reduce the amount presented as capital expenditures (in investing activities) and to reclassify debt issuance costs from investing activities to financing activities. The change in cash paid for capital expenditures reduced the amount presented as capital expenditures by \$44.2 million and increased the amounts presented as cash used in the line items related to "other non-current assets and liabilities" (in operating activities) and "other investments in less than majority owned affiliates and miscellaneous assets" (in investing activities). The change in debt issuance costs related to \$27.5 million that had been presented as investing activities and have now been presented as financing activities. The net result of the changes was to increase the net cash used in operating activities from continuing operations for the nine months ended September 30, 2003 by \$10.0 million, increase cash provided by investing activities for the nine months ended September 30, 2003 by \$37.5 million and increase cash used in financing activities from continuing operations for the nine months ended September 30, 2003 by \$27.5 million. As disclosed in the Forms 10-Q/A for each of the first and second quarters of 2003, the consolidated statements of cash flows for the three months ended March 31, 2003 and the six months ended June 30, 2003 were only restated to reclassify debt issuance costs.

The restatements of the consolidated statements of cash flows had no impact on net income (loss) nor earnings (loss) per share nor cash and cash equivalents nor any other balance sheet amounts. See "Risk Factors We are still implementing our plan to improve our internal controls" in the

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accompanying prospectus. For more information on these items, please refer to the applicable quarterly reports on Form 10-Q/A.

In our current reports on Form 8-K filed with the SEC on November 21, 2003, December 1, 2003 and December 5, 2003, respectively, we announced the following developments:

On November 18, 2003, Modem Media, Inc. announced that it had filed a registration statement with the SEC for the proposed offering of Modem Media common shares in an underwritten public offering by us and two other Modem Media stockholders. We are offering for sale under that registration statement approximately 7 million shares of Modem Media common stock. In addition, we have granted the underwriters in that offering the right to purchase up to an additional 1,080,000 shares to cover over-allotments.

On December 1, 2003, we disposed of all of the approximately 11.7 million shares of Taylor Nelson Sofres plc ("TNS") stock that we received as consideration for the sale of NFO WorldGroup, Inc. to TNS. We have received approximately \$40.7 million in exchange for the sale of the shares of TNS stock. We no longer hold any shares of TNS stock.

On December 5, 2003, we announced that we have reached an agreement to settle the consolidated class action shareholder suits currently pending in federal district court in New York. We are also working to complete the settlement of the other pending lawsuits relating to our 2002 earnings restatements within this same settlement package. The settlement is subject to the execution of a definitive settlement agreement and to approval from the federal district court judge. Under the terms of the proposed settlement, we will pay \$115 million, of which \$20 million will be paid in cash and \$95 million in shares of our common stock at a value of \$14.50 per share (which translates into 6,551,725 shares). We also agreed that, should the price of our common stock fall below \$8.70 per share before final approval of the settlement, we will either, at our sole discretion, issue additional shares of common stock or pay cash so that the consideration for the stock portion of the settlement will have a total value of \$57 million. As disclosed above, we recorded estimated litigation charges of \$127.6 million during the three months ended September 30, 2003, which covered the amount of the settlement and includes \$12.6 million for an unrelated legal settlement.

For more information on these items, please refer to the applicable current report on Form 8-K.

Furthermore, we continue to have commitments under certain motorsports leasing and event contractual arrangements. As of September 30, 2003, the aggregate undiscounted amount of payments we are committed to make under these arrangements is approximately \$460 million. This amount relates to payments through 2015 principally under an executory contract and an operating lease and assumes payments over the maximum remaining term of the relevant agreements. This obligation has not been reduced by any future revenues to be generated from the arrangements. Based on the historical revenues of Motorsports' operations and taking into account the arrangements described above, we expect that this business will continue to have significant, cumulative operating losses over the life of the arrangements. Therefore, we are continuing to explore various options with respect to reducing our continuing financial exposure to these arrangements, one or more of which may involve a

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cash disbursement in the order of \$200 million, approximating the present value of such obligations. We have obtained amendments to certain definitions in our revolving credit facilities to reduce the impact of such cash disbursement and the resulting accounting charge on our financial covenant calculations.

In addition, we own motorsports assets, primarily consisting of four racetracks in the United Kingdom. We are continuing to evaluate strategic alternatives related to these assets. The book value of these assets was approximately \$60 million at September 30, 2003, and this amount may not be fully recoverable depending upon the strategy ultimately followed. We have obtained amendments to certain definitions in our revolving credit facilities to exclude from the financial covenant calculations any writedown of these assets that may result from the strategy we ultimately follow.

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The Offering

Issuer	The Interpublic Group of Companies, Inc.
Common stock offered	22,398,400 shares of our common stock, par value \$0.10 per share.
Common stock outstanding after this offering, not including the over-allotment option	414,839,483 shares. ⁽¹⁾
Over-allotment option	We have granted the underwriters an option to purchase up to 3,359,760 shares of our common stock to cover over-allotments, if any. If the underwriters exercise in full their over-allotment option, we will offer an aggregate of 25,758,160 shares and we will have approximately 418.2 million shares of our common stock outstanding after this offering.
Use of proceeds	We intend to use the net proceeds from this offering of common stock and the concurrent offering of our Series A mandatory convertible preferred stock and other sources of liquidity to redeem our 1.80% convertible subordinated notes due 2004, to meet any cash requirements arising out of the matters discussed under "Recent Developments" and for other general corporate purposes. See "Use of Proceeds."
New York Stock Exchange symbol	"IPG."
Concurrent offering	Concurrently with this offering, we are offering, by means of a separate prospectus supplement, 6,500,000 shares of our Series A mandatory convertible preferred stock, or 7,475,000 shares if the underwriters in that offering exercise in full their over-allotment option, each with a liquidation preference of \$50.00 per share. However, neither of these offerings is contingent upon the consummation of the other offering.

(1)

The total number of shares of our common stock outstanding after this offering excludes:

Approximately 6.5 million shares issuable upon the exercise of currently outstanding stock options;

Approximately 24.1 million shares reserved for issuance upon the conversion of our Series A mandatory convertible preferred stock;

Approximately 64.4 million shares reserved for issuance upon the conversion of the 4.50% convertible senior notes due 2023;

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Approximately 16.0 million shares reserved for issuance upon the conversion of the zero coupon convertible senior notes due 2021;

Approximately 6.7 million shares reserved for issuance upon the conversion of the 1.80% convertible subordinated notes due 2004;

Approximately 6.4 million shares issuable upon the conversion of the 1.87% convertible subordinated notes due 2006; and

Approximately 3.4 million shares issuable upon exercise of the underwriters' over-allotment option.

Unless otherwise stated, all information contained in this prospectus supplement assumes that the underwriters do not exercise their over-allotment option.

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RISK FACTORS

You should consider carefully the following risks in addition to the risk factors, starting on page 3 in the accompanying prospectus, as well as all the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus, including the "Special Note Regarding Forward-Looking Statements and Other Factors" in this prospectus supplement and accompanying prospectus, before deciding to invest in the securities.

Risks Related to the Offering

Our common stock price may be volatile.

From the beginning of 2002 to December 16, 2003, the reported high and low prices for our common stock ranged from a low of \$8.01 per share to a high of \$34.89 per share. The market price of our common stock will likely continue to fluctuate in response to a number of factors including the following, many of which are beyond our control:

quarterly fluctuations in our operating and financial results;

changes in financial estimates and recommendations by financial analysts;

developments related to litigation or the SEC investigation that involves us;

dispositions, acquisitions and financings;

changes in the ratings of our notes or other securities;

fluctuations in the stock price and operating results of our competitors; and

general conditions in the advertising, marketing and communications services industries.

In addition, the stock markets in general, including the New York Stock Exchange, experience price and trading fluctuations. These fluctuations may result in volatility in the market prices of securities that could be unrelated or disproportionate to changes in operating

performance. These broad market fluctuations may adversely affect the market price of our common stock.

The market price of our common stock and our earnings per share could be reduced if our 4.5% convertible senior notes were to be immediately convertible or if we were to issue additional equity or convertible securities.

If the 20-consecutive-trading day average closing price of our common stock equals or exceeds \$14.90 per share, holders of our 4.5% convertible senior notes due 2023 have the right to convert those notes into shares of our common stock. If all holders of the 4.5% notes were to convert their notes, we would have to issue approximately 64.4 million additional shares of common stock, which would result in substantial dilution to the equity interests of holders of our common stock. Public resales of our common stock following conversions of the 4.5% notes or other convertible securities could depress the prevailing market price of our common stock. Even prior to the time of actual conversions of the 4.5% notes, the perception of a significant market "overhang" resulting from the existence of our obligation to honor the conversions, as well as any perception of market overhang resulting from our ability to issue equity, convertible debt or preferred stock or similar securities under the registration statement under which the common stock is being offered, could depress the market price of our common stock. Additionally, for purposes of calculating diluted earnings per share, if the 20-consecutive-trading-day average closing price of our common stock equals or exceeds \$14.90 per share, accounting rules require us to assume conversion of all outstanding 4.5% notes for each of the days in the reporting period for which the average closing price per share equals or exceeds that level, which could reduce our reported earnings per share for that period.

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Furthermore, on December 5, we announced that we have reached an agreement to settle the consolidated class action shareholder suits currently pending in federal district court in New York. We are also working to complete the settlement of the other pending lawsuits relating to our 2002 earnings restatements within this same settlement package. Under the terms of the proposed settlement, we will issue 6,551,725 shares of our common stock. Should the price of our common stock fall below \$8.70 per share before final approval of the settlement, we will either, at our sole discretion, issue additional shares of common stock or pay cash so that the consideration for the stock portion of the settlement will have a total value of \$57 million. Any issuance of common stock under the proposed settlement would also result in dilution to the equity interests of the holders of our common stock. Please see "Summary Recent Developments" for more information.

Assuming we sell 6,500,000 shares of Series A mandatory convertible preferred stock, referred to as Series A mandatory convertible preferred stock in this prospectus supplement, in our concurrent offering (or 7,475,000 shares if the underwriters exercise in full their over-allotment option) concurrently with this offering, an additional 19,732,700 to 24,074,050 shares of common stock (or an additional 22,692,605 to 27,685,158 shares of common stock if the underwriters exercise in full their over-allotment option) will be issuable upon conversion of the Series A mandatory convertible preferred stock based on the conversion rate in effect on the conversion date. See "Description of Concurrent Financing Transactions." In connection with these offerings, we and our directors have entered into the lock-up agreements described under the caption "Underwriting."

Provisions in our charter document and Delaware law could make it more difficult to acquire our company.

Our restated certificate of incorporation, as amended, and bylaws, as amended, contain provisions that may discourage, delay or prevent a third party from acquiring us, even if doing so would be beneficial to our stockholders. Our restated certificate of incorporation, as amended, and bylaws, as amended, limit who may call special meetings of stockholders to the board of directors or the holders of a majority of outstanding shares of capital stock entitled to vote at such meetings and establish advance notice requirements for proposing matters that can be acted upon by stockholders at stockholder meetings. Our restated certificate of incorporation, as amended, and the bylaws, as amended, provide that the bylaws may be altered, amended or repealed by the board of directors.

Pursuant to our certificate of incorporation, the board of directors may by resolution establish one or more series of preferred stock, having such number of shares, designation, relative voting rights, dividend rates, liquidation or other rights, preferences and limitations as may be fixed by the board of directors without any further stockholder approval. Such rights, preferences, privileges and limitations as may be established could have the effect of impeding or discouraging the acquisition of control of Interpublic.

In addition, Section 203 of the Delaware General Corporation Law may discourage, delay or prevent a change in control by prohibiting us from engaging in a business combination with an interested stockholder for a period of three years after the person becomes an interested stockholder.

We may not pay cash dividends on our common stock in the future.

We paid no dividends on our common stock in the first three quarters of 2003. Our future dividend policy will be determined on a quarter-by-quarter basis and will depend on earnings, financial condition, capital requirements and other factors. It will also be subject to the restrictions under our revolving credit facilities, which limit our ability to declare or pay dividends. Under these facilities, our future earnings performance will determine the permitted levels of dividend payments (currently the permitted level of dividend payments for our common stock, other distributions to our stockholders and share buybacks is \$25 million annually) and all limitations on dividend payments expire when earnings before interest, taxes, depreciation and amortization (EBITDA), as defined in the credit facilities,

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exceed \$1.3 billion for four consecutive quarters. In addition, under the terms of our Series A mandatory convertible preferred stock, we are restricted from paying any cash dividends on our common stock if we are not current in our dividend payments with respect to our Series A mandatory convertible preferred stock.

Our issuance of preferred stock could adversely affect holders of our common stock.

After giving effect to the concurrent offering of our Series A mandatory convertible preferred stock, our board of directors is authorized to issue additional series of shares of preferred stock without any action on the part of our stockholders. Our board of directors also has the power, without stockholder approval, to set the terms of any such series of shares of preferred stock that may be issued, including voting rights, dividend rights, preferences over our common stock with respect to dividends or if we liquidate, dissolve or wind up our business and other terms. If we issue preferred stock in the future that has preference over our common stock with respect to the payment of dividends or upon our liquidation, dissolution or winding up, or if we issue preferred stock with voting rights that dilute the voting power of our common stock, the rights of holders of our common stock or the market price of our common stock could be adversely affected.

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**SPECIAL NOTE REGARDING
FORWARD-LOOKING STATEMENTS AND OTHER FACTORS**

This document contains forward-looking statements. Our representatives may also make forward-looking statements orally from time to time. Statements in this document that are not historical facts, including statements about our beliefs and expectations, particularly regarding recent business and economic trends, the impact of litigation, dispositions, impairment charges, the integration of acquisitions and restructuring costs, 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 this section. 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. These factors include, but are not limited to, those associated with the effects of global, national and regional economic and political conditions, our ability to attract new clients and retain existing clients, the financial success of our 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 our business capabilities.

Our liquidity could be adversely affected if we are unable to access capital or to raise proceeds from asset sales. In addition, we could be adversely affected by developments in connection with the purported class actions and derivative suits that we are defending or the SEC investigation relating to the restatement of our financial statements. Our financial condition and future results of operations could also be adversely affected if we recognize additional impairment charges due to future events or in the event of other adverse accounting-related developments.

At any given time we may be engaged in a number of preliminary discussions that may result in one or more acquisitions or dispositions. These opportunities require confidentiality and from time to time give rise to bidding scenarios that require quick responses by us. Although there is uncertainty that any of these discussions will result in definitive agreements or the completion of any transactions, the announcement of any of these transactions may lead to increased volatility in the trading price of our securities.

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The success of recent or contemplated future acquisitions will depend on the effective integration of newly-acquired businesses into our 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.

Investors should evaluate any statements made by us in light of these important factors and the factors contained in the "Risk Factors" section in this prospectus supplement and the accompanying prospectus.

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USE OF PROCEEDS

We intend to use the net proceeds from the sale of the common stock of \$287.4 million, or \$330.6 million if the underwriters exercise in full their over-allotment option, together with the net proceeds from the concurrent offering of our Series A mandatory convertible preferred stock, in each case after deducting estimated underwriting discounts and offering expenses, and existing sources of liquidity:

to redeem our 1.80% convertible subordinated notes due 2004 for an aggregate redemption price of \$244.6 million plus accrued and unpaid interest;

to meet cash requirements that may arise out of the matters discussed under "Summary Recent Developments;" and

for repayment of other indebtedness, working capital and other general corporate purposes.

Additionally, the net proceeds may be invested in short-term marketable securities, primarily cash equivalents. This offering is not contingent upon the consummation of the concurrent offering of our Series A mandatory convertible preferred stock.

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DESCRIPTION OF CONCURRENT FINANCING TRANSACTIONS

Offering of Series A Mandatory Convertible Preferred Stock

Concurrently with this offering, we are offering, by means of a separate prospectus supplement, 6,500,000 shares of our Series A mandatory convertible preferred stock (or 7,475,000 shares if the underwriters in that offering exercise in full their over-allotment option), each with a liquidation preference of \$50 per share. However, neither of these offerings is contingent upon the consummation of the other offering.

We will pay annual dividends on each share of our Series A mandatory convertible preferred stock in the amount of \$2.6875. Dividends will be cumulative from the date of issuance. Dividends will be payable to the extent that dividends are not prohibited or restricted under our revolving credit facilities, assets are legally available to pay dividends and our board of directors or an authorized committee of our board declares a dividend payable, and we may pay dividends in cash, shares of our common stock, or any combination of cash and common stock, in our sole discretion, every quarter. Shares of our common stock used to pay dividends will be delivered to the transfer agent to be sold on the holders' behalf, resulting in net cash proceeds to be distributed to the holders in an amount equal to the cash dividends otherwise payable. The first dividend payment, if declared, will be made on March 15, 2004.

On December 15, 2006, each share of our Series A mandatory convertible preferred stock will automatically convert, subject to adjustments described in the related prospectus supplement, into between 3.0358 and 3.7037 shares of our common stock, depending on the then-current market price of our common stock. At any time prior to December 15, 2006, holders of the Series A mandatory convertible preferred stock may elect to convert each share of their Series A mandatory convertible preferred stock, subject to the adjustments described in the related prospectus supplement, into 3.0358 shares of our common stock. If the closing price per share of our common stock exceeds \$24.71 for at least 20 trading days within a period of 30 consecutive trading days, we may elect, subject to certain limitations described in the related prospectus supplement,

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to cause the conversion of all, but not less than all, of the shares of Series A mandatory convertible preferred stock then outstanding for shares of our common stock at a conversion rate of 3.0358 shares of our common stock for each share of our Series A mandatory convertible preferred stock.

Redemption of 2004 Convertible Notes

We intend to use a portion of the proceeds from this offering and the concurrent offering of our Series A mandatory convertible preferred stock to redeem the entire outstanding aggregate principal amount of our 1.80% Convertible Subordinated Notes due 2004 at a redemption price of 96.7% of the principal amount plus accrued and unpaid interest, as set forth in the indenture under which the 2004 notes were issued. As of December 16, 2003, the outstanding principal amount of the 2004 notes was \$243.7 million. We expect to send out a notice of redemption to holders of the 2004 notes on or about the closing of this offering, and the 2004 notes will be redeemed after the required period, which will be not less than 30 days nor more than 60 days following the date of the notice. If the Series A mandatory convertible preferred stock offering is not consummated, we intend to finance the redemption of the 2004 notes solely from the proceeds of this offering. See "Use of Proceeds."

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CAPITALIZATION

The following table sets forth our consolidated cash and cash equivalents, short-term debt, long-term debt and stockholders' equity as of September 30, 2003 and as adjusted to give effect to this offering of 22,398,400 shares of our common stock and the concurrent offering of 6,500,000 shares of our Series A mandatory convertible preferred stock, in each case including estimated related expenses and underwriting discounts and commissions and assuming no exercise of the underwriters' over-allotment option, and the application of the net proceeds from both of the offerings. See "Use of Proceeds." The actual data are derived from our unaudited financial statements. You should read this table in conjunction with "Summary Selected Financial Data," which appears elsewhere in this prospectus supplement, and our unaudited consolidated financial statements and related notes and the discussion of our liquidity and capital resources as of September 30, 2003 incorporated by reference in this prospectus supplement and the accompanying prospectus.

	Actual	September 30, 2003 As adjusted ⁽¹⁾	As adjusted ⁽²⁾
(unaudited, in millions)			
Current Assets:			
Cash and cash equivalents	\$ 695.5	\$ 740.9	\$ 1,054.8
Short-term debt:			
Loans payable	\$ 83.9	\$ 83.9	\$ 83.9
Zero-Coupon Convertible Senior Notes due 2021	1.0	1.0	1.0
Convertible Subordinated Notes 1.80%, due 2004	242.0		
Long-term debt:			
Payable to financial institutions	30.6	30.6	30.6
Notes 7.25%, due 2011	500.0	500.0	500.0
Notes 7.875%, due 2005	525.1	525.1	525.1
Convertible Subordinated Notes 1.87%, due 2006	335.3	335.3	335.3
Convertible Senior Notes 4.50%, due 2023	800.0	800.0	800.0
Stockholders' equity:			
Preferred stock, no par value shares authorized: 20,000,000 actual shares issued: none and 6,500,000 shares as adjusted, liquidation preference of \$50.00 per share			313.9
Common stock, \$0.10 par value shares authorized: 800,000,000 actual shares issued: 391,968,559 and 414,366,959 shares as adjusted ⁽³⁾	39.2	41.4	41.4
Additional paid-in capital	1,752.6	2,037.8	2,037.8

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	Actual	September 30, 2003 As adjusted ⁽¹⁾	As adjusted ⁽²⁾
Retained earnings	508.8	508.8	508.8
Accumulated other comprehensive loss, net of tax	(274.5)	(274.5)	(274.5)
	<u>2,026.1</u>	<u>2,313.5</u>	<u>2,627.4</u>
Less:			
Treasury stock, at cost: 2003: 300,000 shares; 2002: 3,100,000 shares	(11.3)	(11.3)	(11.3)
Unamortized deferred compensation	(73.7)	(73.7)	(73.7)
	<u>1,941.1</u>	<u>2,228.5</u>	<u>2,542.4</u>
Total stockholders' equity	<u>1,941.1</u>	<u>2,228.5</u>	<u>2,542.4</u>
Total capitalization	<u>\$ 4,459.0</u>	<u>\$ 4,504.4</u>	<u>\$ 4,818.3</u>

(1) As adjusted to give effect to this offering, assuming there is no concurrent offering of our Series A mandatory convertible preferred stock.

(2) As adjusted to give effect to this offering and the concurrent offering of our Series A mandatory convertible preferred stock at a purchase price of \$50.00 per share.

(3) The share information for our common stock excludes:

Approximately 6.5 million shares issuable upon the exercise of currently outstanding stock options;

Approximately 24.1 million shares reserved for issuance upon the conversion of our Series A mandatory convertible preferred stock;

Approximately 64.4 million shares reserved for issuance upon the conversion of the 4.50% convertible senior notes due 2023;

Approximately 16.0 million shares reserved for issuance upon the conversion of the zero coupon convertible senior notes due 2021;

Approximately 6.7 million shares reserved for issuance upon the conversion of the 1.80% convertible subordinated notes due 2004; and

Approximately 6.4 million shares issuable upon the conversion of the 1.87% convertible subordinated notes due 2006.

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Our common stock is listed and traded on the New York Stock Exchange ("NYSE") under the symbol "IPG." The following table provides, for the calendar quarters indicated, the high and low closing sales prices per share on the NYSE for the periods shown below as reported on the NYSE and dividends per share paid during those periods. The last reported sale price for our common stock on the NYSE on December 16, 2003 was \$13.77 per share.

Period	NYSE Sale Price		Dividends on Common Stock
	High	Low	
2001:			
First Quarter	47.19	32.50	.095
Second Quarter	38.85	27.79	.095
Third Quarter	30.46	19.30	.095
Fourth Quarter	31.00	19.50	.095
2002:			
First Quarter	34.56	27.20	.095
Second Quarter	34.89	23.51	.095
Third Quarter	24.67	13.40	.095
Fourth Quarter	17.05	11.25	.095 ⁽¹⁾
2003:			
First Quarter	15.38	8.01	(1)
Second Quarter	14.55	9.30	(1)
Third Quarter	15.44	12.94	(1)
Fourth Quarter (through December 16, 2003)	\$ 16.41	\$ 13.55	(1)

(1) Dividend declared on November 1, 2002 was in respect of third quarter 2002 results. No dividend in respect of fourth quarter 2002 results was declared. No dividend has subsequently been declared.

As of December 15, 2003, there were approximately 21,634 registered holders of our common stock. As of November 28, 2003, we had approximately 392.4 million shares of common stock outstanding.

Dividend Policy

We paid no dividend in the three quarters of 2003. Our future dividend policy will be determined on a quarter-by-quarter basis and will depend on earnings, financial condition, capital requirements and other factors. It will also be subject to the restrictions under our revolving credit facilities, which limit our ability to declare or pay dividends. Under these facilities, our future earnings performance will determine the permitted levels of dividend payments (currently the permitted level of dividend payments for our common stock, other distributions to our stockholders and share buybacks is \$25 million annually) and all limitations on dividend payments expire when earnings before interest, taxes, depreciation and amortization (EBITDA), as defined in the credit facilities, exceed \$1.3 billion for four consecutive quarters. In addition, under the terms of our Series A mandatory convertible preferred stock, we are restricted from paying any cash dividends on our common stock if we are not current in our dividend payments with respect to our Series A mandatory convertible preferred stock. See "Risk Factors" We may not pay cash dividends on our common stock in the future."

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SUMMARY SELECTED FINANCIAL DATA

The following table sets forth summary selected financial data concerning us for each of the last three years, as well as for the nine months ended September 30, 2003 and September 30, 2002. These data, insofar as they relate to each of the years 2000 through 2002, have been derived from our financial statements, including the consolidated balance sheets at December 31, 2002 and 2001 and the related consolidated statements of income and of cash flows for the three years ended December 31, 2002 and the notes thereto which are incorporated by reference in this

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prospectus supplement and the accompanying prospectus. Our annual financial statements, except as they relate to Deutsch, Inc. and subsidiary and affiliates as of and for the year ended December 31, 2000, and True North Communications Inc. as of and for the year ended December 31, 2000 have been audited by PricewaterhouseCoopers LLP, independent accountants, and, insofar as they relate to Deutsch, Inc. and subsidiary and affiliates, and True North Communications Inc., by J.H. Cohn LLP and Arthur Andersen LLP, respectively, independent accountants. Arthur Andersen LLP has ceased operations. The data for the nine months ended September 30, 2003 and 2002 have been derived from unaudited consolidated financial statements which are also incorporated by reference in this prospectus supplement and the accompanying prospectus and which, in the opinion of management, include all adjustments necessary for a fair statement of the results for the unaudited interim periods. The following summary selected financial data should be read in conjunction with our consolidated financial statements and notes to our consolidated financial statements incorporated by reference in this prospectus supplement and the accompanying prospectus.

SUMMARY SELECTED FINANCIAL DATA FOR THREE YEARS⁽¹⁾
(Amounts in Millions, Except Per Share Amounts and Number of Employees)

	As of or for the Nine Months Ended		As of or for the Year Ended December 31,		
	09/30/2003	09/30/2002	2002	2001	2000
OPERATING DATA					
Revenue	\$ 4,234.0	\$ 4,196.2	\$ 5,737.5	\$ 6,352.7	\$ 6,728.5
Salaries and related expenses	(2,544.0)	(2,474.1)	(3,350.0)	(3,620.9)	(3,845.7)
Office and general expenses	(1,392.1)	(1,328.4)	(1,880.4)	(1,896.1)	(1,782.6)
Amortization of intangible assets	(9.1)	(6.5)	(8.9)	(164.6)	(136.0)
Restructuring and other merger-related costs	(142.4)	(12.1)	(12.1)	(634.5)	(159.1)
Long-lived asset impairment and other charges	(244.8)	(118.7)	(127.1)	(303.1)	
Investment impairment	(42.2)	(21.1)	(39.7)	(210.8)	
Debt prepayment penalty	(24.8)				
Litigation charges	(127.6)				
Interest expense	(128.4)	(108.9)	(145.6)	(164.6)	(126.3)
Interest income	27.6	20.9	29.8	41.8	57.5
Other income	1.3	9.6	7.9	13.7	42.6
(Provision for) benefit of income taxes	(36.3)	(79.6)	(117.9)	66.1	(332.1)
Income applicable to minority interest	(19.4)	(22.1)	(30.5)	(29.4)	(42.2)
Equity in net income (loss) of unconsolidated affiliates	(2.2)	3.1	5.0	(0.4)	(18.2)
Income (loss) from continuing operations	(450.4)	58.3	68.0	(550.1)	386.4
Income from discontinued operations ⁽²⁾	101.2	20.9	31.5	15.6	6.4
Net income (loss)	\$ (349.2)	\$ 79.2	\$ 99.5	\$ (534.5)	\$ 392.8
PER SHARE DATA					
Basic					
Continuing operations	\$ (1.17)	\$ 0.16	\$ 0.18	\$ (1.49)	\$ 1.07
Discontinued operations ⁽²⁾	0.26	0.06	0.08	0.04	0.02
Total	\$ (0.91)	\$ 0.21 ⁽³⁾	\$ 0.26	\$ (1.45)	\$ 1.09
Weighted-average shares	384.0	375.3	376.1	369.0	359.6
Diluted					
Continuing operations	\$ (1.17)	\$ 0.15	\$ 0.18	\$ (1.49)	\$ 1.04
Discontinued operations ⁽²⁾	0.26	0.05	0.08	0.04	0.02
Total	\$ (0.91)	\$ 0.21 ⁽³⁾	\$ 0.26	\$ (1.45)	\$ 1.06
Weighted-average shares	384.0	381.1	381.3	369.0	370.6
FINANCIAL POSITION					
Working capital	\$ (294.9)	N/A ⁽⁴⁾	\$ (767.5)	\$ (78.3)	\$ (421.7)
Total assets	\$ 11,272.1	N/A ⁽⁴⁾	\$ 11,793.7	\$ 11,375.3	\$ 12,253.6
Total long-term debt	\$ 2,191.0	N/A ⁽⁴⁾	\$ 1,817.7	\$ 2,480.6	\$ 1,531.8
Book value per share	\$ 4.95	N/A ⁽⁴⁾	\$ 5.44	\$ 4.86	\$ 6.38

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	As of or for the Nine Months Ended		As of or for the Year Ended December 31,		
OTHER DATA					
Cash dividends	\$	109.0	\$	145.6	\$ 109.1
Cash dividends per share	\$.285	\$.38	\$.37
Number of employees		43,500		47,500	46,900 50,400 58,500

- (1) These data are consistent with the restated financial data in our consolidated financial statements contained in our current report on Form 8-K filed with the SEC on September 9, 2003. See Note 16 to our consolidated financial statements in that Form 8-K for more information.
- (2) This relates to our July 10, 2003 disposition of NFO WorldGroup, Inc., as described in Note 3 to our consolidated financial statements contained in our current report on Form 8-K filed with the SEC on September 9, 2003.
- (3) Does not total due to rounding.
- (4) The summary selected financial data as of September 30, 2002 under the heading "FINANCIAL POSITION" are not available as they were not reclassified after our disposition of NFO WorldGroup, Inc. See Note 3 to our consolidated financial statements contained in our current report on Form 8-K filed with the SEC on September 9, 2003 for more information regarding that transaction.

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INTERPUBLIC

Interpublic is a group of advertising and specialized marketing and communications services companies that together represent one of the largest resources of advertising and marketing expertise in the world. With offices and other affiliations in more than 130 countries, we had revenues of approximately \$5.7 billion and net income of approximately \$99.5 million in 2002. For the nine months ended September 30, 2003, we had revenues of approximately \$4.2 billion and a net loss of approximately \$349.2 million, compared to revenues of approximately \$4.2 billion and net income of approximately \$79.2 million for the nine months ended September 30, 2002.

Advertising and Specialized Marketing and Communications Services Businesses

In the last five years, we have grown to become one of the world's largest groups of global marketing services companies, providing our clients with communications and marketing expertise in three broad areas:

Advertising, which includes advertising and media management;

Marketing Communications, which includes direct marketing, database management and customer relationship management, public relations, sales promotion, event marketing, on-line marketing, corporate and brand identity, brand consultancy and healthcare marketing; and

Marketing Services, which includes sports and entertainment marketing, corporate meetings and events, retail marketing and other marketing and business services.

We seek to be the best in quality and a leading competitor in all of these areas.

We are currently organized into four global operating groups. Three of these groups, McCann-Erickson WorldGroup, The FCB Group and The Partnership, provide a comprehensive array of global communications and marketing services. Each offers a distinctive range of solutions for our clients. The fourth global operating group, The Interpublic Sports & Entertainment Group, focuses on sports marketing and event planning activities. In addition to these groups, Interpublic also includes a group of leading stand-alone companies that provide their clients with a full range of advertising and/or marketing communications services.

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We believe this organizational structure allows us to provide comprehensive solutions for clients, enables stronger organic growth among all our operating companies and allows us to bring improved operating efficiencies to our organization.

A brief description of our current four global operating groups follows:

McCann-Erickson WorldGroup was founded on the global strength and quality of McCann, one of the world's leading advertising agencies. It includes companies spanning advertising, media, customer relationship management, events, sales promotion, public relations, on-line marketing communications and healthcare communications. Launched in late 1997, McCann-Erickson WorldGroup has expanded rapidly to become one of the world's leading networked marketing communications groups, now working with more than 25 key worldwide clients in three or more disciplines and with more than 40 U.S. clients in two or more disciplines. McCann-Erickson WorldGroup includes the following companies:

McCann-Erickson Worldwide (advertising),

Universal McCann Worldwide (media planning and buying),

MRM Partners Worldwide (direct marketing and customer relationship management),

Momentum Worldwide (entertainment, event and promotional marketing), and

Torre Lazur McCann Healthcare Worldwide (healthcare advertising and marketing).

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The FCB Group is a single global integrated network centered on Foote, Cone & Belding Worldwide and its advertising, direct marketing and sales promotion capabilities. This group also includes the following specialized services:

FCBi (direct and digital marketing),

Marketing Drive Worldwide (integrated promotional marketing),

R/GA (web design and development),

FCB HealthCare (healthcare marketing), and

The Hacker Group (customer acquisition direct marketing).

The Partnership, a global, client-driven creative leader, is anchored on the quality advertising reputation of Lowe & Partners Worldwide. The Partnership provides collaboration across a global group of independently managed networks with creative and executional capabilities across all disciplines. The partners seek to preserve their uniqueness while creating the ability to interconnect seamlessly to better service clients. Partner companies include:

Lowe & Partners Worldwide (advertising),

Lowe Healthcare Worldwide (healthcare marketing),

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Draft (direct and promotional marketing),

Zipatoni (promotional marketing),

Mullen (advertising), and

Dailey & Associates (advertising).

The Interpublic Sports & Entertainment Group focuses on sports marketing and event planning activities. IPG Sports & Entertainment was formed during the second quarter of 2002 through a carve-out from our other operating groups of related operations. It includes:

Octagon (sports marketing),

Motorsports,

Jack Morton Worldwide, and

Entertainment PR (Bragman Nyman Cafarelli and PMK/HBH).

We are currently evaluating the manner in which IPG Sports & Entertainment and its component parts are managed and reported.

Independent Agencies. Interpublic also includes a group of leading stand-alone companies that provide their clients with a full range of advertising and/or marketing communications services and partner with our global operating groups as needed. These include:

Campbell Ewald,

Deutsch,

Hill Holliday,

The Martin Agency,

Carmichael-Lynch,

Gotham,

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MAGNA Global (advertising media negotiations and television program development),

Weber Shandwick Worldwide, Golin/Harris International and DeVries Public Relations (public relations), and

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Initiative Media (media planning and buying).

In addition to domestic operations, we provide services for clients whose business is international in scope as well as for clients whose business is restricted to a single country or a small number of countries. Revenue for 2002 and 2001 is presented below by major geographic area:

	Year Ended December 31,	
	2002	2001
	(in millions)	
United States	\$ 3,313.6	\$ 3,708.0
International		
United Kingdom	584.5	615.8
All other Europe	986.8	1,024.6
Asia Pacific	384.7	439.0
Latin America	266.4	345.6
Other	201.5	219.7
	\$ 2,423.9	\$ 2,644.7
	\$ 5,737.5	\$ 6,352.7

Sources of Revenue

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

Like other agencies, we are primarily responsible for paying the media with respect to firm contracts for advertising time or space placed on behalf of our clients. Our practice generally is to pay media charges only once we have received funds from our clients, and in some instances we agree with the media that we will be solely liable to pay the media only after the client has paid us for the media charges. We make serious efforts to reduce the risk from a client's nonpayment including by generally carrying out credit clearances and requiring in some cases payment of media by the clients in advance.

We also receive commissions from clients for planning and supervising work done by outside contractors in connection with the physical preparation of finished print advertisements and the production of television and radio commercials and other forms of advertising. This commission is customarily 17.65% of the outside contractor's net charge, which is the same as 15.0% of the outside contractor's total charges including commission. With the increasing use of negotiated fees, the terms

on which outstanding contractors' charges are billed are subject to wide variations and even include, in some instances, the replacement of commissions with negotiated flat fees.

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We also derive revenue from other activities, including the planning and placement in media of advertising produced by unrelated advertising agencies; the maintenance of specialized media placement facilities; the creation and publication of brochures, billboards, point of sale materials and direct marketing pieces for clients; the planning and carrying out of specialized marketing research; the management of public relations campaigns; the creation and management of special events, meetings and shows at which clients' products are featured; and the design and implementation of interactive programs for special marketing needs.

Clients

The five clients that made the largest revenue contribution in 2002 accounted individually for approximately 1.8% to 8.1% of our revenue and in the aggregate accounted for approximately 16.4% of our revenue. Twenty of our clients accounted for approximately 29% of our revenue. Based on revenue, as of December 31, 2002, our largest clients included Coca-Cola, General Motors Corporation, Johnson & Johnson, Nestle and Unilever. While the loss of the entire business of one of our largest clients might have a material adverse effect upon our business, we believe that it is very unlikely that the entire business of any of these clients would be lost at the same time, because we represent several different brands or divisions of each of these clients in a number of geographical markets in each case through more than one of our agency systems.

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

Our agencies have written contracts with many of their clients. As is customary in the industry, these contracts provide for termination by either party on relatively short notice, usually 90 days but sometimes shorter or longer. In 2002, however, 21% of revenue was derived from clients that had been associated with one or more of our agencies or their predecessors for 20 or more years.

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CERTAIN U.S. INCOME TAX CONSIDERATIONS FOR NON-U.S. HOLDERS

The following is a summary of certain U.S. federal income tax consequences relevant to the purchase, ownership, and disposition of our common stock. The following summary is based upon current provisions of the Internal Revenue Code of 1986 (the "Code"), Treasury regulations and judicial or administrative authority, all of which are subject to change, possibly with retroactive effect. State, local and foreign tax consequences are not summarized, nor are tax consequences to special classes of investors including, but not limited to, tax-exempt organizations, insurance companies, banks or other financial institutions, dealers in securities, persons liable for the alternative minimum tax, traders in securities that elect to use a mark-to-market method of accounting for their securities holdings, and persons that will hold our common stock as a position in a hedging transaction, "straddle," "conversion transaction" or other risk reduction transaction. Tax consequences may vary depending upon the particular status of an investor. The summary is limited to non-U.S. holders (as defined below) who purchase our common stock pursuant to this offering and who will hold our common stock as a "capital asset." Each potential investor should consult with its own tax adviser as to the federal, state, local, foreign and any other tax consequences of the purchase, ownership, conversion, and disposition of our common stock.

A non-U.S. holder is a holder of our common stock that is not a "U.S. person." A "U.S. person" means a person that is for U.S. federal income tax purposes:

- (i) an individual who is a citizen or resident of the United States;
- (ii) a corporation or partnership created or organized in or under the laws of the United States or of any State or political subdivision thereof or therein, including the District of Columbia (other than a partnership that is not treated as a U.S. person under applicable Treasury regulations);
- (iii) an estate the income of which is subject to U.S. federal income tax regardless of the source thereof; or
- (iv) a trust if (1) a U.S. court is able to exercise primary supervision over the trust's administration and (2) one or more U.S. persons have the authority to control all of the trust's substantial decisions.

Dividends

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Generally, dividends paid to a non-U.S. holder with respect to our common stock will be subject to a 30% U.S. withholding tax, or such lower rate as may be specified by an applicable tax treaty, unless the dividends are (i) effectively connected with a trade or business carried on by the non-U.S. holder within the United States (and the non-U.S. holder provides the payor with a Form W-8ECI) or (ii) if a tax treaty applies, attributable to a U.S. permanent establishment maintained by the non-U.S. holder. Dividends effectively connected with such trade or business or attributable to such permanent establishment will generally be subject to U.S. federal income tax on a net basis at applicable individual or corporate rates and, in the case of a non-U.S. holder which is a corporation, may be subject to a "branch profits tax" at a 30% rate or such lower rate as may be specified by an applicable income tax treaty.

Dispositions

A non-U.S. holder generally will not be subject to U.S. federal income or withholding tax on gain realized on the sale, exchange or redemption of our common stock so long as:

the gain is not effectively connected with a U.S. trade or business of the holder (or if a tax treaty applies, the gain is not attributable to a U.S. permanent establishment maintained by such non-U.S. holder); and

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in the case of a nonresident alien individual, such holder is not present in the United States for 183 or more days in the taxable year of the sale or disposition and certain other conditions are met.

Information reporting and backup withholding on non-U.S. holders

Payment of dividends, and the tax withheld with respect thereto, is subject to information reporting requirements. These information reporting requirements apply regardless of whether withholding was reduced or eliminated by an applicable income tax treaty or withholding was not required because the dividends were effectively connected with a trade or business in the United States conducted by the non-U.S. holder. Copies of the information returns reporting such dividends and withholding may also be made available under the provisions of an applicable income tax treaty or agreement to the tax authorities in the country in which the non-U.S. holder resides. U.S. backup withholding will generally apply on payment of dividends to non-U.S. holders unless such non-U.S. holders furnish to the payor a Form W-8BEN (or other applicable form), or otherwise establish an exemption.

Payment by a U.S. office of a broker of the proceeds of a sale of our common stock is subject to both backup withholding and information reporting unless the non-U.S. holder, or beneficial owner thereof, as applicable, certifies that it is a non-U.S. holder on Form W-8BEN, or otherwise establishes an exemption. Subject to exceptions, backup withholding and information reporting generally will not apply to a payment of proceeds from the sale of our common stock if such sale is effected through a foreign office of a broker.

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UNDERWRITING

We are offering the shares of our common stock described in this prospectus supplement through the underwriters named below. Citigroup Global Markets Inc., J.P. Morgan Securities Inc. and UBS Securities LLC are acting as the representatives of the underwriters. We have entered into an underwriting agreement with the representatives. Subject to the terms and conditions of the underwriting agreement, each of the underwriters has severally agreed to purchase the number of shares of common stock listed next to its name in the following table:

Underwriters	Number of Shares
Citigroup Global Markets Inc.	5,599,600
J.P. Morgan Securities Inc.	5,599,600
UBS Securities LLC	5,599,600

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Underwriters	Number of Shares
Banc of America Securities LLC	1,287,908
Barclays Capital Inc.	1,287,908
HSBC Securities (USA) Inc.	1,287,908
Morgan Stanley & Co. Incorporated	1,287,908
ING Financial Markets LLC	223,984
McDonald Investment Inc., A KeyCorp Company	223,984
Total	22,398,400

The underwriting agreement provides that the underwriters must buy all of the shares of our common stock if they buy any of them. However, the underwriters are not required to take or pay for the shares of common stock covered by the underwriters' over-allotment option described below.

Our common stock is offered subject to a number of conditions, including:

receipt and acceptance of our common stock by the underwriters, and

the underwriters' right to reject orders in whole or in part.

In connection with this offering, certain of the underwriters or securities dealers may distribute prospectus supplements electronically.

Over-Allotment Option

We have granted the underwriters an option to buy up to 3,359,760 additional shares of our common stock. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with this offering. The underwriters have 30 days from the date of this prospectus supplement to exercise this option. If the underwriters exercise this option, they will each purchase additional shares of our common stock approximately in proportion to the amounts specified in the table above.

Commissions and Discounts

Shares of common stock sold by the underwriters to the public will initially be offered at the public offering price set forth on the cover of this prospectus supplement. Any shares sold by the underwriters to securities dealers may be sold at a discount of up to \$0.3645 per share from the public offering price. Any of these securities dealers may resell any shares purchased from the underwriters to other brokers or dealers at a discount of up to \$0.10 per share from the public offering price. If all the shares are not sold at the public offering price, the representatives may change the offering price and the other selling terms. Sales of shares made outside of the United States may be made by affiliates of the underwriters. Upon execution of the underwriting agreement, the underwriters will be obligated to

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purchase the shares at the prices and upon the terms stated therein, and, as a result, will thereafter bear any risk associated with changing the offering price to the public or other selling terms.

The following table shows the per share and total underwriting discounts and commissions we will pay to the underwriters assuming both no exercise and full exercise of the underwriters' option to purchase up to an additional 3,359,760 shares:

	No Exercise	Full Exercise
Per Share	\$ 0.64125	\$ 0.64125
Total	\$ 14,362,974	\$ 16,517,420

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We estimate that the total expenses of this offering and the concurrent offering of Series A mandatory convertible preferred stock payable by us, not including the underwriting discounts and commissions, will be approximately \$1.1 million.

No Sales of Similar Securities

We and our directors have agreed that, for a period of 90 days from the date of this prospectus supplement, neither we nor they will, without the prior consent of Citigroup Global Markets Inc., J.P. Morgan Securities Inc. and UBS Securities LLC, offer or sell (or enter into any agreement to offer or sell), directly or indirectly, any shares of common stock or any securities convertible into, or exchangeable for, shares of common stock, file or participate in the filing of a registration statement with the SEC in respect of each common stock or securities, or publicly announce an intention to effect one of these transactions, except under limited circumstances. At any time and without public notice, Citigroup Global Markets Inc., J.P. Morgan Securities Inc. and UBS Securities LLC may, in their sole discretion, release all or some of the securities from these lock-up agreements.

Indemnification

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act. If we are unable to provide this indemnification, we will contribute to payments the underwriters may be required to make in respect of those liabilities.

Stock Exchange Listing

Our common stock is listed on the New York Stock Exchange under the symbol "IPG."

Price Stabilization, Short Positions

In connection with this offering, the underwriters may engage in activities that stabilize, maintain or otherwise affect the price of our common stock including:

stabilizing transactions;

short sales;

purchases to cover positions created by short sales;

imposition of penalty bids; and

syndicate covering transactions.

Stabilizing transactions consist of bids or purchases made for the purpose of preventing or retarding a decline in the market price of our common stock while this offering is in progress. These transactions may also include making short sales of our common stock, which involves the sale by the underwriters of a greater number of shares of our common stock than they are required to purchase in this offering. Short sales may be "covered" shorts, which are short positions in an amount not greater

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than the underwriters' over-allotment option referred to above, or may be "naked" shorts, which are short positions in excess of that amount.

The underwriters may close out any covered short position by either exercising their over-allotment option, in whole or in part, or by purchasing shares of common stock in the open market. In making this determination, the underwriters will consider, among other things, the price of shares of common stock available for purchase in the open market as compared to the price at which they may purchase shares of common stock through the over-allotment option.

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Naked short sales are in excess of the over-allotment option. The underwriters must close out any naked short position by purchasing shares of our common stock in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market that could adversely affect investors who purchased in this offering.

The underwriters also may impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares of our common stock sold by or for the account of that underwriter in stabilizing or short covering transactions.

As a result of these activities, the price of our common stock may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the underwriters at any time. The underwriters may carry out these transactions on the New York Stock Exchange, in the over-the-counter market or otherwise.

Other Relationships

The underwriters and their affiliates have provided and may provide from time to time in the future certain commercial banking, financial advisory and investment banking services in the ordinary course of their business for us for which they receive customary fees.

Certain of the underwriters are taking part in a concurrent offering, by means of a separate prospectus supplement, of our Series A mandatory convertible preferred stock. Certain of the underwriters or their affiliates are lenders and/or agents under our revolving credit facilities, as well as certain committed and uncommitted lines of credit and as such, may receive repayment of any amounts outstanding, from time to time, under these facilities or lines of credit from the net proceeds of this and the concurrent offering (although we have no current intention to repay any amounts so outstanding from the net proceeds of this and the concurrent offering). See "Use of Proceeds." In addition, certain of the underwriters have acted as initial purchasers in prior offerings of our debt securities. They have received customary fees and commissions for these transactions.

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LEGAL MATTERS

The validity of the common stock will be passed upon for us by Nicholas J. Camera, Esq., Senior Vice President, General Counsel and Secretary of Interpublic and by Cleary, Gottlieb, Steen & Hamilton, New York, New York. Shearman & Sterling LLP, New York, New York, will pass upon certain legal matters relating to the common stock for the underwriters.

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WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any document that we file at the SEC's public reference room located at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Our SEC filings are also available to the public from the SEC's web site at <http://www.sec.gov>, and at the offices of the New York Stock Exchange. For further information on obtaining copies of our public filings at the New York Stock Exchange, you should call (212) 656-5060.

This prospectus "incorporates by reference" information that we have filed with the SEC under the Securities Exchange Act of 1934. This means that we are disclosing important information to you by referring you to those documents. Information contained in any subsequently filed document, to the extent it modifies information in this prospectus or in any document incorporated by reference in this prospectus, will automatically update and supersede the information originally in this prospectus or incorporated by reference in this prospectus. We incorporate by reference the following documents listed below (filed under SEC File Number 001-06686) and any future filings with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act (other than information furnished under Items 9 or 12 of Form 8-K), until the termination of the offering of securities offered by this prospectus:

Our Annual Report on Form 10-K for the year ended December 31, 2002 (Film Number 03625573);

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Our Quarterly Reports on Form 10-Q or 10-Q/A for the quarters ended March 31, 2003 (Film Numbers 03703335 and 031043015), June 30, 2003 (Film Numbers 03845132 and 031043020) and September 30, 2003 (Film Numbers 031002857 and 031043023); and

Our Current Reports on Form 8-K or 8-K/A (other than information furnished under Items 9 or 12 of Form 8-K) filed January 16, 2003 (Film Number 03515791), January 17, 2003 (Film Number 03518395), February 12, 2003 (Film Number 03555480), February 28, 2003 (Film Number 03586341), March 7, 2003 (Film Number 03596932), March 11, 2003 (Film Number 03599801), March 18, 2003 (Film Number 03607631), April 9, 2003 (Film Number 03643899), May 8, 2003 (Film Number 03688534), June 18, 2003 (Film Number 03748904), July 2, 2003 (Film Number 03772329), July 24, 2003 (Film Number 03800476), August 12, 2003 (Film Number 03838236), August 14, 2003 (Film Number 03843258), August 20, 2003 (Film Number 03858341), September 9, 2003 (Film Number 03887907), September 10, 2003 (Film Number 03889049), November 12, 2003 (Film Number 03995005), November 21, 2003 (Film Number 031018021), December 1, 2003 (Film Number 031030694), December 5, 2003 (Film Number 031040777) and December 8, 2003 (Film Number 031043026).

You may request a copy of these filings at no cost, by writing or telephoning our subsidiary, Financial Relations Board, at the following address:

Financial Relations Board
640 Fifth Avenue, 5th Floor
New York, New York 10019
Attn: Julie Tu
(212) 445-8456

The above SEC filings are also available to the public on our website at www.interpublic.com. (We have included our website address as an inactive textual reference and do not intend it to be an active link to our website. Information on our website is not part of this prospectus.)

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PROSPECTUS

\$1,800,000,000

The Interpublic Group of Companies, Inc.

Common Stock
Preferred Stock
Depositary Shares
Debt Securities
Stock Warrants
Debt Securities Warrants
Stock Purchase Contracts
Stock Purchase Units

We may offer and sell the following securities from time to time in one or more offerings:

common stock,

preferred stock,

depository shares,

debt securities,

stock warrants,

debt securities warrants,

stock purchase contracts, and

stock purchase units.

This prospectus provides you with a general description of the securities we may offer. Each time we sell securities we will provide a supplement to this prospectus that contains specific information about the offering and the terms of the securities. The prospectus supplement may update or change information contained in this prospectus. You should carefully read this prospectus and any supplement before you invest in any of our securities.

Investing in the securities involves risks. See "Risk Factors" beginning on page 3 of this prospectus. See also "Special Note Regarding Forward-Looking Statements and Other Factors" on page 11 of this prospectus.

The securities may be offered directly or to or through underwriters, agents or dealers. The names of any underwriters, agents or dealers will be included in a supplement to this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is November 20, 2003.

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We have not authorized anyone to give any information or make any representation about the offering that is different from, or in addition to, that contained in this prospectus, the related registration statement or in any of the materials that we have incorporated by reference into this prospectus. Therefore, if anyone does give you information of this type, you should not rely on it. If you are in a jurisdiction where offers to sell, or solicitations of offers to purchase, the securities offered by this document are unlawful, or if you are a person to whom it is unlawful to direct these types of activities, then the offer presented in this document does not extend to you. The information contained in this document speaks only as of the date of this document unless the information specifically indicates that another date applies.

ABOUT THIS PROSPECTUS

This prospectus is part of a "shelf" registration statement (No. 333-109384) that we filed with the United States Securities and Exchange Commission, or the "SEC." By using this shelf registration statement, we may sell up to \$1,800,000,000 aggregate initial offering price of any combination of the securities described in this prospectus from time to time and in one or more offerings.

This prospectus provides you with a general description of the securities that we may offer. Each time we sell securities, we will provide a supplement to this prospectus that contains specific information about the terms of the securities. Those terms may vary from the terms described in this prospectus. As a result, the summary descriptions of the common stock, preferred stock, depositary shares, debt securities, stock warrants, debt securities warrants, stock purchase contracts and stock purchase units in this prospectus are subject, and qualified by reference, to the descriptions of the particular terms of any securities contained in the related prospectus supplement. The supplement may also add, update or change other information contained in this prospectus. Before purchasing any securities, you should carefully read both this prospectus and any related supplement, together with the additional information described under the heading "Where You Can Find More Information."

You should rely only on the information we provide or incorporate by reference in this prospectus and the applicable prospectus supplement, and in any pricing supplement. We have not authorized anyone to provide you with different or additional information. We are offering to sell the securities offered by this prospectus, and seeking offers to buy these securities, only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sales of the securities.

Unless otherwise indicated, all references in this prospectus to the "Corporation," "Registrant," "we," "our" or "Interpublic" refers to The Interpublic Group of Companies, Inc. and its subsidiaries.

RISK FACTORS

You should consider carefully the following risks in addition to all the other information included or incorporated by reference in this prospectus, including the Special Note Regarding Forward-Looking Statements and Other Factors, before deciding to invest in the securities.

Our revenues have declined and are susceptible to further declines as a result of adverse economic and political developments.

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An unfavorable economic and uncertain global political environment has resulted in reduced demand for our services. During past recessionary periods, our clients have looked to their advertising and marketing budgets for the quickest cuts in connection with implementation of their cost controls. In 2002, our worldwide revenues declined 9.7% as compared with 2001. In the first nine months of 2003, our revenues increased by 0.9% from the nine months ended September 30, 2002, as the benefit of higher foreign exchange rates masked a revenue decline of 3.4% on a constant currency basis. We anticipate for the remainder of 2003 continued weakness in demand for advertising and marketing services. If the economy remains weak, or weakens further, or in the event of adverse political or economic developments, including in connection with hostilities in the Middle East or elsewhere or terrorist attacks or in connection with major epidemics such as severe acute respiratory syndrome, or SARS, our results of operations are likely to be further adversely affected.

We may be required to recognize additional impairment charges and changes in valuation allowances.

We periodically evaluate the realizability of all of our long-lived assets (including goodwill and fixed assets), investments and deferred tax assets. As of September 30, 2003 we had approximately \$3.3 billion of intangibles on our balance sheet, approximately \$371 million in investments in less-than-majority-owned affiliates and approximately \$652 million of deferred tax assets. Future events, including our financial performance and strategic decisions we make, could cause us to conclude that impairment indicators exist and that the asset values associated with these asset categories may have become impaired. Any resulting impairment loss would have an adverse impact on our reported earnings in the period in which the charge is recognized.

In 2002, we recorded impairment charges of \$127.1 million (\$89.7 million, net of tax), including \$33.0 million of fixed asset and capital expenditure write-offs, \$82.1 million of goodwill impairment and \$12.0 million to record the fair value of an associated put option, related to Motorsports, one of the operations of The Interpublic Sports & Entertainment Group. During the nine months ended September 30, 2003, we recorded charges of \$244.8 million related to the impairment of long-lived assets at both our Octagon and Motorsports businesses, investment impairment charges of \$42.2 million relating principally to international investments that had been determined to have incurred an "other than temporary" impairment and \$48.7 million in charges to increase the Company's valuation allowance against deferred tax assets. The remaining book value of long-lived assets relating to Motorsports was \$57.8 million as of September 30, 2003 and may be subject to further impairment charges depending upon the results of our exploration of strategic alternatives. In addition, Motorsports is contractually required to upgrade and improve some of its existing facilities over the next two years. The estimated capital expenditures relating to these operations that are currently considered impaired amount to approximately \$24 million and will be subject to impairment charges as incurred.

Any future impairment charge or changes in valuation allowances could adversely affect our financial condition and result in a violation of the financial covenants of our revolving credit facilities, which could trigger a default under those facilities and adversely affect our liquidity.

Our revolving credit facilities allow for up to \$300 million of non-cash, non-recurring goodwill or investment impairment charges to be taken between July 1, 2003 and September 30, 2004 (of which, as of September 30, 2003, we have recorded \$250.7 million), as well as up to \$70 million of non-cash,

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non-recurring impairment charges relating to the remaining book value of Motorsports and unlimited impairment charges relating to capital expenditures made since January 1, 2003 on behalf of Motorsports. Any charges in excess of these limits, or the recording of additional impairment charges not related to Motorsports, may adversely affect our compliance with the financial covenants of our revolving credit facilities.

We will be incurring significant costs in the near term in connection with our planned restructuring program. The timing and ultimate amount of charges, and the savings we ultimately realize, may differ from what we currently expect.

We are executing a restructuring program to reduce costs permanently through further headcount reductions and real estate consolidation. We currently expect to incur up to approximately \$250 million of charges in connection with the restructuring program. Some of these charges will be incurred in periods ending after December 31, 2003. There is no guarantee that the timing and ultimate amount of charges we record, and the savings we ultimately realize, will not differ from what we currently expect. As of September 30, 2003, we have recorded \$142.4 million of restructuring charges (of which \$136.2 million were cash charges).

The restructuring and related costs could adversely affect our financial condition and result in a violation of the financial covenants of our revolving credit facilities, which could trigger a default under those facilities and adversely affect our liquidity. The revolving credit facilities allow for up to \$275 million of restructuring charges (of which up to \$240 million may be cash charges) to be recorded in our financial statements through the fiscal quarter ending March 31, 2004. Any charges in excess of these limits, or the recording of restructuring charges in periods after March 31, 2004, may adversely affect our compliance with the financial covenants of our revolving credit facilities.

We are exploring various options with respect to our motorsports commitments, some of which may involve a significant cash payment.

We continue to have commitments under certain leasing and motorsports event contractual arrangements. As of September 30, 2003, we are committed to remaining payments under these arrangements of approximately \$460 million. (This amount relates to undiscounted payments through 2015 principally under an executory contract and an operating lease and assumes payments over the maximum remaining term of the relevant agreements. This obligation has not been reduced by any future operating results to be generated from the arrangements.) We are continuing to explore various options with respect to these commitments, at least one of which may involve a cash payment. The amount of any such cash payment could be significant and would adversely impact our earnings in the period when incurred. We have obtained amendments of certain definitions contained in our revolving credit facilities to give us the flexibility to discharge these commitments. Any cash payments in excess of those permitted by these amendments would adversely affect our compliance with the financial covenants of our revolving credit facilities.

Downgrades of our ratings could adversely affect us and the trading prices of our securities.

On March 7, 2003, Standard & Poor's Ratings Services downgraded our credit rating to BB+. On May 14, 2003 Fitch Ratings downgraded our credit rating to BB+. Our current credit rating by Moody's Investors Services, Inc. is Baa3 with stable outlook; however, as reported by Moody's on May 8, 2003, this rating was placed on review for possible downgrade. In addition, our S&P and Fitch credit ratings are on negative outlook. We can give you no assurance that the credit ratings agencies will not take further adverse actions with respect to our ratings. Although the S&P and Fitch downgrades did not trigger, and a further ratings downgrade by any of the ratings agencies will not trigger, any acceleration of any of our indebtedness, these events may adversely affect our ability to access capital and would likely result in an increase in the interest rates payable under our two

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revolving credit facilities and future indebtedness. Any further downgrade could also negatively impact the market value of any securities we offer and sell under this prospectus.

The loss of uncommitted lines of credit could adversely affect our liquidity.

As of September 30, 2003, we had approximately \$83.5 million outstanding under \$731.7 million in uncommitted lines of credit. These borrowings are repayable upon demand. We use amounts available under the lines of credit, together with cash flow from operations, proceeds from the sale of NFO and cash on hand, to fund our working capital needs. If we lose all or a substantial portion of these lines of credit, we will be required to seek other sources of liquidity. If we are unable to replace these sources of liquidity, for example through access to the capital markets, our ability to fund our working capital needs will be adversely affected.

We are still implementing our plan to improve our internal controls.

In the fourth quarter of 2002, we announced that we had identified total charges of \$181.3 million related to prior periods from January 1, 1997 through June 30, 2002 and restated our financial statements for these periods. Furthermore, on March 6, 2003, we announced that we had identified total charges of \$165.7 million related to prior periods from January 1, 1997 through September 30, 2002, including amounts related to impairment charges and other adjustments with respect to Motorsports. We have since restated our financial statements for those periods. In addition, we were first informed in the third quarter of 2002 by our independent auditors that they had identified a "material weakness" (as defined under standards established by the American Institute of Certified Public Accountants) relating to the processing and monitoring of inter-company transactions, and senior management determined that this material weakness, together with other deficiencies associated with a lack of balance sheet monitoring, if unaddressed, could result in accounting errors in our consolidated financial statements. Concurrently with, and in response to, the restatement of our financial statements filed with the SEC in December 2002, we identified various changes to our accounting and internal control structure that we believed were necessary to help ensure that accounting errors, such as those underlying our restatements, do not arise in the future. Although we have implemented many of these changes, and we and our management have concluded that, taking into account these changes to date, our disclosure controls and procedures are effective to provide reasonable assurance of achieving their control objectives, some of the measures are still in the process of being implemented. If, notwithstanding this reasonable assurance, further restatements were to occur or other accounting-related problems emerge, we could face additional litigation exposure and greater scrutiny from the SEC in connection with the SEC investigation currently taking place. Any future restatements or other accounting-related problems may adversely affect our financial condition and would also likely negatively impact the market value of any securities we offer and sell under this prospectus.

Pending litigation could have a material adverse effect on our financial condition.

Shortly after we first announced, in August 2002, the restatement of our previously reported earnings, thirteen federal securities purported class actions were filed against us and eight of our present and former directors and officers by a purported class of purchasers of our stock. These lawsuits allege false and misleading statements to shareholders, including the alleged failure to disclose the existence of additional charges that would need to be expensed and the lack of internal financial controls, which allegedly resulted in an overstatement of our financial results during the period in question. Since that time, these lawsuits have been consolidated in the Southern District of New York and, in February 2003, we moved to dismiss the consolidated amended complaint. On May 29, 2003, our motion to dismiss was denied as to us and granted, in part, as to the present and former directors and officers named in the lawsuit. On June 30, 2003, we filed an answer to the consolidated amended

complaint. On November 6, 2003, the court granted the plaintiffs' motion to certify the class. We intend to continue to deny all allegations and defend ourselves against these claims vigorously. Two purported class actions were also filed in state court by a purported class of former shareholders of True North Communications, Inc., who exchanged their shares of True North for the shares of our common stock in connection with our acquisition of True North in June 2001. These two lawsuits allege that we and the present and former directors and officers named in the lawsuits failed to disclose the existence of additional charges that should have been expensed and the lack of adequate internal financial controls. On September 10, 2003, the state court stayed these lawsuits. On September 24, 2003, plaintiffs filed a notice that they will appeal the stay. In addition to these lawsuits, we are defending a shareholders' derivative suit alleging a breach of fiduciary duty to our shareholders. The derivative action is now before the United States District Court for the Southern District of New York, and, on August 12, 2003, we moved to dismiss that complaint. Plaintiffs in all of these lawsuits seek unspecified damages. The outcomes of these proceedings are uncertain and their final resolution could have a material impact on our financial position, cash flows or results of operation. We are presently attempting to settle the litigations described above. We cannot give any assurances that these attempts will result in a settlement agreement, that any such agreement will receive the approval of the court or as to the amount or type of consideration that we might agree to pay in connection with any settlement.

During the three months ended September 30, 2003, we recorded litigation charges of \$127.6 million for various legal matters, including principally the matters discussed above. The principal amount of the charges relates to our current estimate of amounts that may be payable, which we currently believe would be paid primarily in shares of common stock.

An ongoing SEC investigation regarding our accounting restatements could adversely affect us or the market value of the securities.

Following our announcement in August 2002 of the restatement of our financial results for the periods from 1997 to June 2002, we were informed by the SEC that it was conducting an informal inquiry into the matters surrounding the restatement. In January 2003 we were informed by the SEC that it had issued a formal order of investigation with respect to these matters. While we are cooperating fully with the investigation, adverse developments in connection with the investigation, including any expansion of the scope of their investigation, could negatively impact the market value of any securities we offer and sell under this prospectus and could divert the efforts and attention of our management team from our ordinary business operations.

Our revolving credit facilities with syndicates of banks restrict our ability to take some corporate actions, including making dividend payments.

The current terms of our two revolving credit facilities with syndicates of banks restrict our ability to (1) make cash acquisitions or investments in excess of \$100 million annually, (2) declare or pay dividends or repurchase shares of common stock in excess of \$25 million annually and (3) make capital expenditures in excess of \$175 million annually. They also limit the ability of our domestic subsidiaries to incur additional debt. Our future earnings performance will determine the permitted levels of share buybacks and dividend payments (currently the permitted level of dividend payments and share buybacks is \$25 million annually). All limitations on dividend payments and share buybacks expire when earnings before interest, taxes, depreciation and amortization (EBITDA), as defined in the credit facilities, exceed \$1.3 billion for four consecutive quarters. We paid no dividend in the first nine months of 2003. Our future dividend policy will be determined on a quarter-by-quarter basis, will depend on earnings, financial condition, capital requirements and other factors and will be subject to the restrictions under the amended revolving credit facilities.

If our exploration of strategic alternatives for Motorsports does not result in a successful transaction, our stock price could be adversely affected.

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We are exploring strategic alternatives with respect to some or all of our Motorsports holdings. We can give you no assurance that our efforts with regard to these holdings will result in a successful transaction. Our stock price could be adversely affected if we are unable to conclude a transaction with respect to some or all of our Motorsports holdings.

We may not realize all the benefits we expect from acquisitions we have made.

The success of acquisitions depends on the effective integration of newly-acquired businesses into our current operations. Important factors for integration include realization of anticipated synergies and cost savings and the ability to retain and attract personnel and clients. Between January 2001 and September 2002, we completed 29 acquisitions, including the acquisition of True North Communications Inc. in June 2001. There can be no assurance that we will realize all the benefits we expect from our recent or future acquisitions.

We compete for clients in a highly competitive industry.

The advertising agency and other marketing communications and marketing services businesses are highly competitive. Our agencies and media services must compete with other agencies and with other providers of creative or media services which are not themselves advertising agencies, in order to maintain existing client relationships and to obtain new clients. The client's perception of the quality of an agency's "creative product," our reputation and the agency's reputation are, to a large extent, factors in determining our competitive position in the advertising agency business. An agency's ability to serve clients, particularly large international clients, on a broad geographic basis is also an important competitive consideration. On the other hand, because an agency's principal asset is its people, freedom of entry into the business is almost unlimited and quite small agencies are, on occasion, able to take all or some portion of a client's account from a much larger competitor.

Size may limit an agency's potential for securing new business, because many clients prefer not to be represented by an agency that represents a competitor. Also, clients frequently wish to have different products represented by different agencies. Our ability to attract new clients and to retain existing clients may, in some cases, be limited by clients' policies on or perceptions of conflicts of interest. These policies can, in some cases, prevent one agency and, in limited circumstances, different agencies within the same holding company, from performing similar services for competing products or companies. In addition, these perceived conflicts, following an acquisition by us of an agency or company, can result in clients terminating their relationship with us or reducing the number or scope of projects for which they retain those agencies. Moreover, as a result of the True North acquisition and the resulting larger number of clients, we face a greater likelihood of conflicts with potential new clients in the future.

If we fail to maintain existing clients or attract new clients, our business may be adversely impacted.

Our business could be adversely affected if we lose or fail to attract key employees.

Employees, including creative, research, media, account and practice group specialists, and their skills and relationships with clients, are among our most important assets. An important aspect of our competitiveness is our ability to retain key employee and management personnel. Compensation for these key personnel is an essential factor in attracting and retaining them, and there can be no assurances that we will offer a level of compensation sufficient to attract and retain these key personnel. If we fail to hire and retain a sufficient number of these key employees, we may not be able to compete effectively.

We are subject to regulations that could restrict our activities or negatively impact our revenues.

Advertising and marketing communications businesses are subject to government regulation, both domestic and foreign. There has been an increasing tendency in the United States on the part of advertisers to resort to the courts and industry and self-regulatory bodies to challenge comparative advertising on the grounds that the advertising is false and deceptive. Through the years, there has been a continuing expansion of specific rules, prohibitions, media restrictions, labeling disclosures and warning requirements with respect to the advertising for certain products. Representatives within government bodies, both domestic and foreign, continue to initiate proposals to ban the advertising of specific products and to impose taxes on or deny deductions for advertising which, if successful, may have an adverse effect on advertising expenditures and consequently our revenues.

International business risks could adversely affect our operations.

International revenues represented 42% of our total revenues in 2002 and 43% of our total revenues in the first nine months of 2003. Our international operations are exposed to risks that affect foreign operations of all kinds, including, for example, local legislation, monetary devaluation, exchange control restrictions and unstable political conditions. These risks may limit our ability to grow our business and

effectively manage our operations in those countries.

The market price of our common stock and our earnings per share could be reduced if our 4.5% convertible senior notes were to be immediately convertible or if we were to issue additional equity or convertible securities.

If the 20-consecutive-trading day average closing price of our common stock equals or exceeds \$14.90 per share, holders of our 4.5% convertible senior notes due 2023 have the right to convert those notes into shares of our common stock. If all holders of the 4.5% notes were to convert their notes, we would have to issue approximately 64.4 million additional shares of common stock, which would result in substantial dilution to the equity interests of holders of our common stock, including investors who purchase our common stock or securities convertible into our common stock under this registration statement. Public resales of our common stock following conversions of the 4.5% notes or other convertible securities could depress the prevailing market price of our common stock. Even prior to the time of actual conversions of the 4.5% notes, the perception of a significant market "overhang" resulting from the existence of our obligation to honor the conversions, as well as any perception of market overhang resulting from our ability to issue equity, convertible debt or preferred stock or similar securities under this registration statement, could depress the market price of our common stock. Furthermore, we have recorded litigation charges of \$127.6 million relating to our current estimates of amounts that may be payable in connection with various legal matters. We currently believe these amounts would be paid primarily in shares of our common stock, which would also result in dilution to the equity interests of the holders of our common stock. Finally, for purposes of calculating diluted earnings per share, if the 20-consecutive-trading-day average closing price of our common stock equals or exceeds \$14.90 per share, accounting rules require us to assume conversion of all outstanding 4.5% notes for each of the days in the reporting period for which the average closing price per share equals or exceeds that level, which could reduce our earnings per share for that period.

Changes in the financial and credit markets could adversely affect the market price of the securities.

The market price of the securities will be based on a number of factors, including:

the prevailing interest rates being paid by companies similar to us and

the overall condition of the financial and credit markets.

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The condition of the financial and credit markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Fluctuations in these factors could have an adverse effect on the price of the securities.

We are a holding company and debt securities will effectively be subordinated to all of our subsidiaries' existing and future indebtedness.

Substantially all of our operations are conducted through our subsidiaries. As a result, our cash flow and our consequent ability to service our debt, including debt securities sold under this registration statement, depends in large part upon our subsidiaries' cash flows. Additionally, except to the extent we may be a creditor with recognized claims against our subsidiaries, the claims of creditors of our subsidiaries will have priority, with respect to the assets and earnings of our subsidiaries, over claims of our direct creditors, including holders of debt securities. Furthermore, on August 15, 2003 a number of our U.S. subsidiaries guaranteed our two revolving credit facilities with syndicates of banks. The claims of the beneficiaries of this guaranty will also have priority, with respect to the assets and earnings of these subsidiaries, over claims of our direct creditors, including holders of debt securities.

An active trading market for the securities may not develop.

Prior to the offering of securities (other than our common stock) under this registration statement, there will not be a trading market for those securities. Although any underwriters to be engaged in the sale of securities under this registration statement may advise us that they intend to make a market in the securities, they may not be obligated to do so and may discontinue market-making activities at any time without notice. In addition, any market-making activities will be subject to limits imposed by the Securities Act and the Exchange Act. We cannot assure you that any market for the securities will develop or be sustained. If an active market is not developed or sustained, the market price and liquidity of the securities may be adversely affected.

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WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any document that we file at the SEC's public reference room located at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Our SEC filings are also available to the public from the SEC's web site at <http://www.sec.gov>, and at the offices of the New York Stock Exchange. For further information on obtaining copies of our public filings at the New York Stock Exchange, you should call (212) 656-5060.

This prospectus "incorporates by reference" information that we have filed with the SEC under the Securities Exchange Act of 1934. This means that we are disclosing important information to you by referring you to those documents. Information contained in any subsequently filed document, to the extent it modifies information in this prospectus or in any document incorporated by reference in this prospectus, will automatically update and supersede the information originally in this prospectus or incorporated by reference in this prospectus. We incorporate by reference the following documents listed below (filed under SEC File Number 001-06686) and any future filings with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act (other than information furnished under Items 9 or 12 of Form 8-K), until the termination of the offering of securities offered by this prospectus:

Our Annual Report on Form 10-K for the year ended December 31, 2002 (Film Number 03625573);

Our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2003 (Film Number 03703335), June 30, 2003 (Film Number 03845132) and September 30, 2003 (Film Number 031002857); and

Our Current Reports on Form 8-K or 8-K/A (other than information furnished under Items 9 or 12 of Form 8-K) filed January 16, 2003 (Film Number 03515791), January 17, 2003 (Film Number 03518395), February 12, 2003 (Film Number 03555480), February 28, 2003 (Film Number 03586341), March 7, 2003 (Film Number 03596932), March 11, 2003 (Film Number 03599801), March 18, 2003 (Film Number 03607631), April 9, 2003 (Film Number 03643899), May 8, 2003 (Film Number 03688534), June 18, 2003 (Film Number 03748904), July 2, 2003 (Film Number 03772329), July 24, 2003 (Film Number 03800476), August 12, 2003 (Film Number 03838236), August 20, 2003 (Film Number 03858341), September 9, 2003 (Film Number 03887907), September 10, 2003 (Film Number 03889049) and November 12, 2003 (Film Number 03995005).

You may request a copy of these filings at no cost, by writing or telephoning our subsidiary, Financial Relations Board, at the following address:

Financial Relations Board
640 Fifth Avenue, 5th Floor
New York, New York 10019
Attn: Julie Tu
(212) 445-8456

The above SEC filings are also available to the public on our website at www.interpublic.com. (We have included our website address as an inactive textual reference and do not intend it to be an active link to our website. Information on our website is not part of this prospectus.)

**SPECIAL NOTE REGARDING FORWARD-LOOKING
STATEMENTS AND OTHER FACTORS**

This document contains forward-looking statements. Our representatives may also make forward-looking statements orally from time to time. Statements in this document that are not historical facts, including statements about our beliefs and expectations, particularly regarding recent business and economic trends, the impact of litigation, dispositions, impairment charges, the integration of acquisitions and restructuring costs, constitute forward-looking statements. These statements are based on current plans, estimates and projections and are subject to change

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based on a number of factors, including those outlined in this section. 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. These factors include, but are not limited to, those associated with the effects of global, national and regional economic and political conditions, our ability to attract new clients and retain existing clients, the financial success of our 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 our business capabilities.

Our liquidity could be adversely affected if we are unable to access capital or to raise proceeds from asset sales. In addition, we could be adversely affected by developments in connection with the purported class actions and derivative suits that we are defending or the SEC investigation relating to the restatement of our financial statements. Our financial condition and future results of operations could also be adversely affected if we recognize additional impairment charges due to future events or in the event of other adverse accounting-related developments.

At any given time we may be engaged in a number of preliminary discussions that may result in one or more acquisitions or dispositions. These opportunities require confidentiality and from time to time give rise to bidding scenarios that require quick responses by us. Although there is uncertainty that any of these discussions will result in definitive agreements or the completion of any transactions, the announcement of any of these transactions may lead to increased volatility in the trading price of our securities.

The success of recent or contemplated future acquisitions will depend on the effective integration of newly-acquired businesses into our 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.

Investors should evaluate any statements made by us in light of these important factors and the factors contained in the "Risk Factors" section.

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RATIO OF EARNINGS TO FIXED CHARGES

Our ratio of earnings to fixed charges, as reported, has been adjusted to give effect to the disposition of NFO WorldGroup, Inc., ("NFO") on July 10, 2003. As a result of this disposition, the results of NFO have been reported as a discontinued operation for all periods presented. The ratio of earnings to fixed charges from continuing operations were as follows for the periods indicated:

	Nine Months Ended September 30, 2003	Years Ended December 31,				
		2002	2001	2000	1999	1998
Ratio of earnings to fixed charges	*	1.73x	*	3.91x	3.80x	4.25x

*

For the nine months ended September 30, 2003 and the year ended December 31, 2001, we had a deficiency of earnings to fixed charges. Results as reported would have required additional earnings of \$392.5 million for the nine months ended September 30, 2003 and \$586.4 million for the year ended December 31, 2001, respectively, to provide a one-to-one coverage ratio for those periods. The decline in the ratio of earnings to fixed charges subsequent to 2000 is due to lower income from operations, including restructuring- and merger-related charges (in 2001 and 2003), impairment charges (in 2001, 2002 and 2003) and litigation charges (in 2003), as compared to prior periods.

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In calculating the ratio of earnings to fixed charges, earnings are the sum of earnings from continuing operations before income taxes, income applicable to minority interests and equity in net income (loss) of unconsolidated affiliates, plus fixed charges. Fixed charges are the sum of interest on indebtedness, amortization of debt discount and expense and that portion of net rental expense deemed representative of the interest component.

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PRICE RANGE OF COMMON STOCK AND DIVIDEND POLICY

Our common stock is listed and traded on the New York Stock Exchange ("NYSE") under the symbol "IPG." The following table provides, for the calendar quarters indicated, the high and low closing sales prices per share on the NYSE for the periods shown below as reported on the NYSE and dividends per share paid during those periods. The last reported sale price for our common stock on the NYSE on November 18, 2003 was \$14.69 per share.

Period	NYSE Sale Price		Dividends on Common Stock
	High	Low	
2000:			
First Quarter	\$ 55.56	\$ 37.00	\$.085
Second Quarter	48.25	38.00	.095
Third Quarter	44.62	33.50	.095
Fourth Quarter	43.75		