

INTERPUBLIC GROUP OF COMPANIES, INC.
Form DEF 14A
October 21, 2005
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x

Filed by a Party other than the Registrant o

Check the appropriate box:

- o Preliminary Proxy Statement
- o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- x Definitive Proxy Statement
- o Definitive Additional Materials
- o Soliciting Material Pursuant to §240.14a-12

THE INTERPUBLIC GROUP OF COMPANIES, INC.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- x No fee required.
- o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1)	Title of each class of securities to which transaction applies:
(2)	Aggregate number of securities to which transaction applies:
(3)	Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
(4)	Proposed maximum aggregate value of transaction:
(5)	Total fee paid:
- o Fee paid previously with preliminary materials.
- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1)	Amount Previously Paid:
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(3)	Filing Party:
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THE INTERPUBLIC GROUP OF COMPANIES, INC.
1114 Avenue of the Americas
New York, New York 10036

October 21, 2005

Dear Stockholder:

You are cordially invited to attend the Annual Meeting of Stockholders of The Interpublic Group of Companies, Inc., to be held at 9:30 A.M. Eastern Time, on Monday, November 14, 2005. The meeting will be held in the McGraw Hill Building, 1221 Avenue of the Americas, New York, New York.

The business to be considered is described in the attached notice of the meeting and Proxy Statement. In addition to these matters, we will present a report on the state of our company.

We hope you will be able to attend.

Sincerely,
Michael I. Roth
*Chairman of the Board
and Chief Executive Officer*

THE INTERPUBLIC GROUP OF COMPANIES, INC.
1114 Avenue of the Americas
New York, New York 10036

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To Be Held November 14, 2005

The Annual Meeting of Stockholders of The Interpublic Group of Companies, Inc. (Interpublic) will be held in the McGraw Hill Building, 1221 Avenue of the Americas, New York, New York, on Monday, November 14, 2005, at 9:30 A.M., Eastern Time, for the following purposes:

1. To elect eight directors;
2. To consider and act upon a proposal to adopt the Employee Stock Purchase Plan (2006) of the Company;
3. To consider and act upon a proposal to confirm the appointment of PricewaterhouseCoopers LLP as independent auditors of Interpublic for the year 2005;
4. To consider and act upon a proposed stockholder resolution to arrange for the prompt sale of the Company to the highest bidder; and
5. To transact such other business as may properly come before the meeting and any adjournment thereof.

The close of business on September 20, 2005 has been designated as the record date for the determination of stockholders entitled to notice of and to vote at this meeting and any adjournment thereof.

By Order of the Board of Directors,
Nicholas J. Camera
Secretary

Dated: October 21, 2005

Whether or not you plan to attend the meeting in person, please fill in, sign, date and promptly return the enclosed proxy in the accompanying envelope, which requires no postage if mailed in the United States. The proxy is revocable, so that you may still vote your shares in person if you attend the meeting and wish to do so.

TABLE OF CONTENTS

	Page
<u>Proxy Statement</u>	1
Share Ownership of Certain Beneficial Owners	2
Share Ownership of Management	3
<u>Election of Directors</u>	4
<u>Corporate Governance Practices and Board Matters</u>	7
<u>Audit Committee Report</u>	10
<u>Compensation of Executive Officers</u>	14
<u>Stock Performance Graph</u>	35
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	35
<u>Proposal To Adopt 2006 Stock Purchase Plan</u>	36
<u>Appointment of Independent Auditors</u>	37
<u>Stockholders Proposal Sale of the Company to the Highest Bidder</u>	38
<u>Information For Stockholders That Hold Common Stock Through A Bank or Broker</u>	39
<u>Information For Participants In the Interpublic Savings Plan</u>	40
<u>Solicitation of Proxies</u>	40
<u>Appendix A</u>	A-1
<u>Appendix B</u>	B-1

THE INTERPUBLIC GROUP OF COMPANIES, INC.

PROXY STATEMENT

GENERAL

Introduction

This Proxy Statement is furnished in connection with the solicitation by the Board of Directors of The Interpublic Group of Companies, Inc. (Interpublic) of proxies to be voted at the Annual Meeting of Stockholders, which will be held in the McGraw Hill Building, 1221 Avenue of the Americas, New York, New York, at 9:30 A.M., Eastern Time, on Monday, November 14, 2005.

The address of Interpublic's principal executive office is 1114 Avenue of the Americas, New York, NY 10036. This Proxy Statement and the enclosed form of proxy, together with Interpublic's Annual Report to Stockholders, are first being sent to stockholders on or about October 21, 2005.

Any proxy given in response to this solicitation may be revoked at any time before it has been exercised. The giving of the proxy will not affect your right to vote in person if you attend the meeting. Your proxy may be revoked at any time prior to its exercise by giving written notice to our Secretary at The Interpublic Group of Companies Inc., 1114 Avenue of the Americas, New York, NY 10036, by delivering a later dated proxy, or by voting in person at the meeting. If you do not attend the Annual Meeting, or if you attend and do not vote in person, the shares represented by your proxy will be voted in accordance with your instructions on the matters set forth in items 1 through 4. If no voting instructions are given with respect to any one or more of the items, a duly executed proxy will be voted on the uninstructed matter or matters as follows:

- FOR the Board's nominees for election as directors,
- FOR the approval of the proposal to adopt the Employee Stock Purchase Plan (2006) of the Company;
- FOR the confirmation of PricewaterhouseCoopers LLP (PricewaterhouseCoopers) as independent auditors for 2005, and
- AGAINST the stockholder resolution to arrange for the prompt sale of the Company to the highest bidder.

A duly executed proxy also may be voted in the discretion of the proxy holders on any other matter submitted to a vote at the meeting.

Outstanding Shares

The record date for the Annual Meeting is September 20, 2005. The outstanding capital stock of Interpublic at the close of business on September 20, 2005 consisted of 430,141,313 shares of Common Stock and 7,475,000 shares of 5 $\frac{3}{8}$ % Series A Mandatory Convertible Preferred Stock (the Series A Preferred Stock). Holders of Interpublic's Common Stock are the only security holders entitled to vote at this meeting of stockholders. Each share of Common Stock is entitled to one vote on each matter that is submitted to a vote of stockholders at the meeting. The following table sets forth information concerning direct and indirect beneficial ownership of Interpublic's Common Stock as of December 31, 2004 (assuming no change in their beneficial ownership of Common Stock since the date indicated) by persons known to Interpublic to have beneficial ownership of more than 5% of the Common Stock:

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership of Common Stock(1)	Percent of Class
AMVESCAP PLC 11 Devonshire Square London EC2M 4YR Engalnd	23,115,284	5.47 %
AXA Financial, Inc. 1290 Avenue of the Americas New York, NY	42,312,272	10.0 %
Capital Research and Management Company 333 South Hope Street Los Angeles, CA 90071	28,658,220	6.71 %
Capital Group International Inc 11100 Santa Monica Boulevard Los Angeles, CA 90025	22,275,090	5.30 %
Pacific Financial Research, Inc 9601 Wilshire Boulevard Suite 800 Beverly Hills, CA 90210	25,501,405	6.00 %
Barclays Global Investors NA 45 Fremont Street San Francisco, CA 94105	22,668,039	5.25 %

(1) The rules of the Securities Exchange Commission (SEC) deem a person to be the beneficial owner of a security (for purposes of proxy statement disclosure) if that person has or shares either or both voting or dispositive power with respect to such security. Additionally, a security is deemed to be beneficially owned by a person who has the right to acquire beneficial ownership thereof within 60 days for example, through the conversion of notes.

(2) Calculated based on the number of shares of Common Stock outstanding on December 31, 2004.

(3) This disclosure is based on information supplied by AMVESCAP PLC and a number of its subsidiaries in a Schedule 13G filed with the SEC on February 15, 2005, in which AMVESCAP PLC and such subsidiaries report that collectively they have sole voting power with respect to 23,115,284 shares of Common Stock and sole dispositive power with respect to 23,115,284 shares of Common Stock.

(4) This disclosure is based on information supplied by AXA Financial, Inc., primarily through Alliance Capital Management L.P., as well as a number of other affiliates, in a Schedule 13G filed with the SEC on March 10, 2005, in which AXA Financial, Inc. and such affiliates report that collectively they have sole voting power with respect to 21,198,110 shares of Common Stock and sole dispositive power with respect to 42,278,457 shares of Common Stock.

(5) This disclosure is based on information supplied by Capital Research and Management Company (Capital) in an amended Schedule 13G filed with the SEC on February 14, 2005, in which Capital reported that it is an investment adviser that has sole dispositive power with respect to 28,658,220 shares of Common Stock including 2,664,220 shares issuable upon the conversion of 877,600 shares of the Series A Preferred Stock.

(6) This disclosure is based on information supplied by Capital Group International Inc. (CGI) in an amended Schedule 13G filed with the SEC on February 14, 2005, in which CGI reported that it is a holding company of a group of investment management companies that in the aggregate have sole voting power with respect to 18,708,850 shares of Common Stock and sole dispositive power with respect to 22,275,090 shares of Common Stock, including 563,140 shares issuable upon the conversion of 185,500 shares of Series A Preferred Stock.

(7) This disclosure is based on information supplied by Pacific Financial Research, Inc. (Pacific) in an amended Schedule 13G filed with the SEC on February 11, 2005, in which Pacific reported that it is an investment adviser that has sole voting power with respect to 23,853,205 shares of Common Stock and sole dispositive power with respect to 25,501,405 shares of Common Stock.

(8) This disclosure is based on information supplied by Barclays Bank PLC and a number of its affiliates in a Schedule 13G filed with the SEC on February 14, 2005, in which Barclays Bank PLC and such affiliates report that collectively they have sole voting power with respect to 20,890,747 shares of Common Stock and sole dispositive power with respect to 22,668,039 shares of Common Stock.

The following table sets forth information concerning the direct and indirect beneficial ownership of Interpublic's Common Stock as of September 20, 2005 by each director, each nominee for election as a director, each executive officer named in the Summary Compensation Table below, and all directors and executive officers of Interpublic as a group:

Name of Beneficial Owner(1)(2)	Common Stock Ownership(2)(3)(4)(5)	Options Exercisable Within 60 Days	Total
David A. Bell	646,836	333,578	980,414
Frank J. Borelli	17,700	14,436	32,136
Reginald K. Brack	25,700	12,510	38,210
Jill M. Considine	16,200	12,510	