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

QuickLinks -- Click here to rapidly navigate through this document

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

PROSPECTUS SUPPLEMENT
(To Prospectus Dated November 20, 2003)

6,500,000 Shares

5 3/8% Series A Mandatory Convertible Preferred Stock

We are offering all of the 6,500,000 shares of our Series A mandatory convertible preferred stock by this prospectus supplement and the accompanying prospectus. We will receive all of the net proceeds from the sale of these shares of our Series A mandatory convertible preferred stock.

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 restricted under our 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, after 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 the adjustments described in this 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 may elect to convert each share of their Series A mandatory convertible preferred stock, subject to the adjustments described in this 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 this prospectus supplement, 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.

Prior to this offering, there has been no public market for our Series A mandatory convertible preferred stock. Our Series A mandatory convertible preferred stock has been approved for listing, subject to official notice of issuance, on the New York Stock Exchange under the symbol "IPG PrA." 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, 22,398,400 shares of our common stock (or 25,758,160 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 Series A mandatory convertible preferred stock involves risks. See "Risk Factors" beginning on page S-7 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	$ 50.000	$ 325,000,000
Underwriting discounts and commissions	$ 1.625	$ 10,562,500
Proceeds, before expenses, to us	$ 48.375	$ 314,437,500

The underwriters may also purchase up to 975,000 shares of our Series A mandatory convertible preferred 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 Series A mandatory convertible preferred stock as set forth in "Underwriting." Delivery of the shares of Series A mandatory convertible preferred 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.

TABLE OF CONTENTS

Prospectus Supplement

Prospectus

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.

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.

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 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.

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 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 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.

The Offering

Issuer	The Interpublic Group of Companies, Inc.
Securities offered	6,500,000 shares of $5^3/_8$% Series A mandatory convertible preferred stock, which we refer to in this prospectus supplement as the "Series A preferred stock." To the extent that the underwriters sell more than 6,500,000 shares of Series A preferred stock, they have the option to purchase an additional 975,000 shares of Series A preferred stock from us at the initial offering price less the underwriting discounts and commissions.
Initial price	$50.00 for each share of Series A preferred stock.
Dividends	$2.6875 for each share of Series A preferred stock per year. Dividends will be cumulative from the date of issuance and to the extent that dividends are not restricted under our 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, we will pay dividends in cash, shares of our common stock, or any combination thereof, 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. See "Risk Factors Delaware law and the terms of our revolving credit facilities may restrict us from paying cash dividends on our Series A preferred stock" and " We cannot assure you that we will file or will be able to file, cause to be declared effective or keep effective, as the case may be, the registration statement required to permit us to pay dividends on our Series A preferred stock in shares of our common stock."
Dividend payment dates	The 15th calendar day (or the following business day if the 15th is not a business day) of each March, June, September and December, commencing on March 15, 2004.

Mandatory conversion date	December 15, 2006, which we call the "conversion date."
Mandatory conversion	On the conversion date, each share of Series A preferred stock will automatically convert into shares of our common stock, based on the conversion rate then in effect. The holders of our Series A preferred stock on the conversion date will have the right to receive a dividend of cash, shares of our common stock, or any combination of cash and common stock, as we determine in our sole discretion, in an amount equal to the accumulated and unpaid dividends on our Series A preferred stock as of the conversion date, whether or not declared, out of legally available assets.

Conversion rate

The conversion rate for each share of Series A preferred stock will not be more than 3.7037 shares and not less than 3.0358 shares of our common stock, depending on the applicable market value of our common stock, as described below. The conversion rate is subject to certain adjustments, including those described under "Description of Series A Mandatory Convertible Preferred Stock Anti-dilution Adjustments."

The applicable market value is the average of the closing prices per share of our common stock on each of the 20 consecutive trading days ending on the third trading day immediately preceding the conversion date. It will be calculated as described under "Description of Series A Mandatory Convertible Preferred Stock Automatic Conversion of Our Series A Mandatory Convertible Preferred Stock."

The following table illustrates the conversion rate per share of Series A preferred stock and the value of our common stock issuable upon conversion on the conversion date, at the applicable market value shown, subject to certain adjustments described under "Description of Series A Mandatory Convertible Preferred Stock Anti-dilution Adjustments:"

Applicable market value on conversion date	**Conversion rate**
less than or equal to $13.50	3.7037
between $13.50 and $16.47	3.7037 to 3.0358
equal to or greater than $16.47	3.0358

Optional conversion	At any time prior to December 15, 2006, you may elect to convert each of your shares of Series A preferred stock into 3.0358 shares of our common stock. This conversion rate is subject to certain adjustments as described under "Description of Series A Mandatory Convertible Preferred Stock Anti-dilution Adjustments."
Provisional conversion at the option of the issuer	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 to cause the conversion of all, but not less than all, of the shares of Series A 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 Series A preferred stock, subject to certain adjustments as described under "Description of Series A Mandatory Convertible Preferred Stock Anti-dilution Adjustments," only if, in addition to issuing you the shares of common stock, we pay you in cash the present value of all the remaining dividend payments through and including December 15, 2006, on the Series A preferred stock, computed using a discount rate equal to the Treasury Yield as defined in this prospectus supplement under "Description of Series A Mandatory Convertible Preferred Stock Provisional Conversion at the Option of the Issuer," plus any accumulated and unpaid dividend payments on our Series A preferred stock, whether or not declared, in each case, out of legally available assets. See "Description of Series A Mandatory Convertible Preferred Stock Provisional Conversion at the Option of the Issuer."

Early settlement upon cash merger	Prior to the conversion date, if we are involved in a merger in which at least 30% of the consideration for our common stock consists of cash or cash equivalents, which we refer to as the "cash merger," then on or after the date of the cash merger, each holder

	of our Series A preferred stock will have the right to accelerate and convert its Series A preferred stock at the conversion rate in effect immediately before the cash merger. See "Description of Series A Mandatory Convertible Preferred Stock Early Settlement Upon Cash Merger."
Anti-dilution adjustments	The formula for determining the conversion rate on the conversion date and the number of shares of our common stock to be delivered upon an early conversion event may be adjusted if certain events occur. See "Description of Series A Mandatory Convertible Preferred Stock Anti-dilution Adjustments."
Liquidation preference	$50.00 per share of Series A preferred stock, plus an amount equal to the sum of all accumulated and unpaid dividends.
Voting rights	Holders of Series A preferred stock will not be entitled to any voting rights, except as required by applicable state law and as described under "Description of Series A Mandatory Convertible Preferred Stock Voting Rights."
Ranking	Our Series A preferred stock will rank senior in right of payment to all of our common stock now outstanding or to be issued in the future.
Listing	The Series A preferred stock has been approved for listing, subject to official notice of issuance, on the New York Stock Exchange under the symbol "IPG PrA."
Use of proceeds	We intend to use the net proceeds from this offering of Series A preferred stock and the concurrent offering of our common 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."
Concurrent offering	Concurrently with this offering, we are offering, by means of a separate prospectus supplement, 22,398,400 shares of our common stock (or 25,758,160 shares if the underwriters exercise in full their over-allotment option). However, neither of these offerings is contingent upon the consummation of the other offering.

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

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

The market price of our Series A preferred stock will be directly affected by the market price of our common stock, which may be volatile, and other factors.

To the extent there is a secondary market for our Series A preferred stock, we believe that the market price of our Series A preferred stock will be significantly affected by the market price of our common stock. We cannot predict how our common stock will trade. This may result in greater volatility in the market price of the Series A preferred stock than would be expected for nonconvertible preferred stock. From the beginning of 2002 to December 16, 2003, the reported high and low sales 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 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 prices of our Series A preferred stock and our common stock.

The market prices of our common stock and our Series A preferred 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 prices of our common stock and our Series A preferred 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 Series A preferred stock is being offered,

could depress the market prices of our common stock and our Series A preferred 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.

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.

Finally, concurrently with this offering, we are offering to sell to the public 22,398,400 shares of common stock (or 25,758,160 shares if the underwriters exercise in full their over-allotment option) and an additional 19,732,700 to 24,074,050 shares of common stock will be issuable upon conversion of the Series A preferred 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). In connection with these offerings, we and our directors have entered into the lock-up agreements described under the caption "Underwriting."

Purchasers of Series A preferred stock who convert their shares into common stock will incur immediate dilution.

Persons purchasing our Series A preferred stock who convert their shares into our common stock will incur immediate and substantial net tangible book value dilution.

In addition, the terms of our Series A preferred stock do not restrict our ability to offer a new series of preferred stock that is on parity with the Series A preferred stock in the future or to engage in other transactions that could dilute our Series A preferred stock. We have no obligation to consider the interests of the holders of our Series A preferred stock in engaging in any such offering or transaction.

Provisions in our charter documents 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 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.

A holder of our Series A preferred stock may realize some or all of a decline in the market value of our common stock.

The market value of our common stock on December 15, 2006 may be less than $13.50 per share, which we call the initial price. If that market value is less than the initial price, then holders of our Series A preferred stock will receive shares of our common stock on December 15, 2006 with a market per share value that is less than the initial price. Accordingly, a holder of Series A preferred stock assumes the entire risk that the market value of our common stock may decline. Any decline in the market value of our common stock may be substantial.

The opportunity for equity appreciation provided by an investment in the shares of our Series A preferred stock is less than that provided by a direct investment in our common stock.

The number of shares of our common stock that are issuable upon mandatory conversion on the conversion date of our Series A preferred stock will decrease if the applicable market value increases to $16.47. Therefore, the opportunity for equity appreciation provided by an investment in our Series A preferred stock is less than that provided by a direct investment in our common stock. Assuming the initial price accurately reflects fair market value, the market value of our common stock on December 15, 2006 must exceed the threshold appreciation price of $16.47 before a holder of our Series A preferred stock will realize any equity appreciation.

Holders of our Series A preferred stock will have no rights as holders of common stock until they acquire our common stock.

Until you acquire shares of our common stock upon conversion, you will have no rights with respect to our common stock, including voting rights (except as required by applicable state law and as described under "Description of Series A Mandatory Convertible Preferred Stock Voting Rights"), rights to respond to tender offers and rights to receive any dividends or other distributions on our common stock. Upon conversion, you will be entitled to exercise the rights of a holder of common stock only as to matters for which the record date occurs after the conversion date.

Our Series A preferred stock has never been publicly traded and may never be publicly traded.

Prior to this offering, there has been no public market for our Series A preferred stock. Our Series A preferred stock has been approved for listing on the New York Stock Exchange, subject to official notice of issuance, under the symbol "IPG PrA." There can be no assurance, however, that an active trading market will develop, or if developed, that an active trading market will be maintained. Also, the underwriters have advised us that they intend to facilitate secondary market trading by making a market in our Series A preferred stock. However, the underwriters are not obligated to make a market in our Series A preferred stock and may discontinue market making activities at any time.

Delaware law and the terms of our revolving credit facilities may restrict us from paying cash dividends on our Series A preferred stock.

Delaware law provides that we may pay dividends on the Series A preferred stock only to the extent that assets are legally available to pay such dividends. Legally available assets mean the amount of our surplus. Our surplus is the amount by which our total assets exceed the sum of:

- Our total liabilities, including our contingent liabilities, and

- The amount of our capital.

If there is no surplus, legally available assets means, in the case of a dividend, the amount of our net profits for the fiscal year in which the payment occurs and/or the preceding fiscal year.

The terms of our revolving credit facilities limit our ability to pay cash dividends on any shares of our preferred stock to $70 million per year, provided that, of this amount, $25 million may also be used to pay any other dividends on any of our capital stock, make other distributions to our stockholders or repurchase our shares. Furthermore, if we are in default under our revolving credit facilities, our ability to pay cash dividends will be limited in the absence of a waiver from that default or an amendment to our revolving credit facilities. In these circumstances, we cannot assure you that we will be able to successfully obtain such waivers or negotiate an amendment.

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, exceed $1.3 billion for four consecutive quarters.

We cannot assure you that we will file or will be able to file, cause to be declared effective or keep effective, as the case may be, the registration statement required to permit us to pay dividends on our Series A preferred stock in shares of our common stock.

We are permitted to pay dividends on our Series A preferred stock by delivering shares of our common stock to the transfer agent to be sold on behalf of the holders of our Series A preferred stock. We may pay dividends in this manner, however, only if there is an effective registration statement permitting the transfer agent to sell our common stock in the public market. We cannot assure you that we will or will be able to file, cause to be declared effective or keep effective, as the case may be, such registration statement.

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

After giving effect to this offering, 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.

Our Series A preferred stock will rank junior to all of our and our subsidiaries' liabilities in the event of a bankruptcy, liquidation or winding up of our assets.

In the event of bankruptcy, liquidation or winding up, our assets will be available to pay obligations on our Series A preferred stock only after all of our liabilities have been paid. In addition, our Series A preferred stock will effectively rank junior to all existing and future liabilities of our subsidiaries and the capital stock (other than common stock) of our subsidiaries held by third parties. The rights of holders of our Series A preferred stock to participate in the assets of our subsidiaries upon any liquidation or reorganization of any subsidiary will rank junior to the prior claims of that subsidiary's creditors and equity holders. As of September 30, 2003, we had total consolidated liabilities of $9.3 billion. In the event of bankruptcy, liquidation or winding up, there may not be sufficient assets remaining, after paying our and our subsidiaries' liabilities, to pay amounts due on any or all of our Series A preferred stock then outstanding.

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.

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.

USE OF PROCEEDS

We intend to use the net proceeds from the sale of the Series A preferred stock of $313.9 million, or $361.0 million if the underwriters exercise in full their over-allotment option, together with the net proceeds from the concurrent offering of our common 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 common stock.

DESCRIPTION OF CONCURRENT FINANCING TRANSACTIONS

Offering of Common Stock

Concurrently with this offering, we are offering, by means of a separate prospectus supplement, 22,398,400 shares of our common stock (or 25,758,160 shares if the underwriters in that offering exercise in full their over-allotment option). However, neither of these offerings is contingent upon the consummation of the other offering.

Redemption of 2004 Convertible Notes

We intend to use a portion of the proceeds from this offering and the concurrent offering of our common 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 at least 30, but not more than 60, days following the date of the notice. If the common 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."

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 6,500,000 shares of our Series A preferred stock and the concurrent offering of 22,398,400 shares of our common 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.

		September 30, 2003	
	Actual	**As adjusted(1)**	**As adjusted(2)**
		(unaudited, in millions)	
Current Assets:			
Cash and cash equivalents	$ 695.5	$ 767.4	$ 1,054.8
Short-term debt:			

	Actual	September 30, 2003 As adjusted(1)	As adjusted(2)
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	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	39.2	41.4
Additional paid-in capital	1,752.6	1,752.6	2,037.8
Retained earnings	508.8	508.8	508.8
Accumulated other comprehensive loss, net of tax	(274.5)	(274.5)	(274.5)
	2,026.1	2,340.0	2,627.4
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)
Total stockholders' equity	1,941.1	2,255.0	2,542.4
Total capitalization	$ 4,459.0	$ 4,530.9	$ 4,818.3

(1) As adjusted to give effect to this offering, assuming there is no concurrent offering of our common stock.

(2) As adjusted to give effect to this offering and the concurrent offering of our common stock at a price of $13.50 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.

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 December 16, 2003 was $13.77 per share.

	NYSE Sale Price		
	High	**Low**	**Dividends on Common Stock**
Period			
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 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, exceed $1.3 billion for four consecutive quarters. In addition, under the terms of our Series A 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 preferred stock.

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 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)				