



Omnicom Group

SECOND QUARTER 2008 RESULTS Investor Presentation

July 22, 2008

OmnicomGroup



The following materials have been prepared for use in the July 22, 2008 conference call on Omnicom's results of operations for the period ended June 30, 2008. The call will be archived on the Internet at <http://www.omnicomgroup.com/financialwebcasts>.

Forward-Looking Statements

Certain of the statements in this document constitute forward-looking statements within the meaning of the Private Securities Litigation Act of 1995. These statements relate to future events or future financial performance and involve known and unknown risks and other factors that may cause our actual or our industry's results, levels of activity or achievement to be materially different from those expressed or implied by any forward-looking statements. These risks and uncertainties include, but are not limited to, our future financial condition and results of operations, changes in general economic conditions, competitive factors, changes in client communication requirements, the hiring and retention of human resources and our international operations, which are subject to the risks of currency fluctuations and exchange controls. In some cases, forward-looking statements can be identified by terminology such as "may," "will," "could," "would," "should," "expect," "plan," "anticipate," "intend," "believe," "estimate," "predict," "potential" or "continue" or the negative of those terms or other comparable terminology. These statements are present expectations. Actual events or results may differ materially. We undertake no obligation to update or revise any forward-looking statement, except as required by law.

Other Information

All dollar amounts are in millions except for EPS. The financial information contained in this document has not been audited, although some of it has been derived from Omnicom's historical financial statements, including its audited financial statements. In addition, industry, operational and other non-financial data contained in this document have been derived from sources we believe to be reliable, but we have not independently verified such information, and we do not, nor does any other person, assume responsibility for the accuracy or completeness of that information.

The inclusion of information in this presentation does not mean that such information is material or that disclosure of such information is required.



2008 vs. 2007 P&L Summary

| | Second Quarter | | | Year to Date | | |
|----------------------|-----------------|-----------------|-------|-----------------|-----------------|-------|
| | 2008 | 2007 | % | 2008 | 2007 | % |
| Revenue | \$ 3,476.9 | \$ 3,126.1 | 11.2% | \$ 6,672.3 | \$ 5,966.7 | 11.8% |
| Operating Profit | 516.8 | 461.6 | 12.0% | 867.6 | 777.1 | 11.6% |
| % Margin | 14.9% | 14.8% | | 13.0% | 13.0% | |
| Net Interest Expense | 18.7 | 22.2 | | 29.7 | 40.5 | |
| Profit Before Tax | 498.1 | 439.4 | 13.4% | 837.9 | 736.6 | 13.8% |
| % Margin | 14.3% | 14.1% | | 12.6% | 12.3% | |
| Taxes | 167.2 | 148.8 | | 282.4 | 249.3 | |
| % Tax Rate | 33.6% | 33.9% | | 33.7% | 33.8% | |
| Profit After Tax | 330.9 | 290.6 | 13.9% | 555.5 | 487.3 | 14.0% |
| Equity in Affiliates | 11.0 | 12.5 | | 19.1 | 17.7 | |
| Minority Interest | (34.9) | (26.4) | | (59.0) | (45.3) | |
| Net Income | <u>\$ 307.0</u> | <u>\$ 276.7</u> | 11.0% | <u>\$ 515.6</u> | <u>\$ 459.7</u> | 12.2% |



2008 vs. 2007 Earnings Per Share

| | <u>Second Quarter</u> | | <u>Year to Date</u> | |
|-------------------------------------|-----------------------|-------------|---------------------|-------------|
| | <u>2008</u> | <u>2007</u> | <u>2008</u> | <u>2007</u> |
| Earnings per Share: | | | | |
| Basic | \$ 0.97 | \$ 0.85 | \$ 1.62 | \$ 1.40 |
| Diluted | 0.96 | 0.84 | 1.61 | 1.38 |
| Growth Rate, Diluted | 14.3 % | | 16.7 % | |
| Weighted Average Shares (millions): | | | | |
| Basic | 317.5 | 325.8 | 317.9 | 328.4 |
| Diluted | 320.8 | 330.8 | 321.1 | 333.5 |
| Dividend Declared Per Share | \$0.150 | \$0.150 | \$0.300 | \$0.275 |



2008 Total Revenue Growth

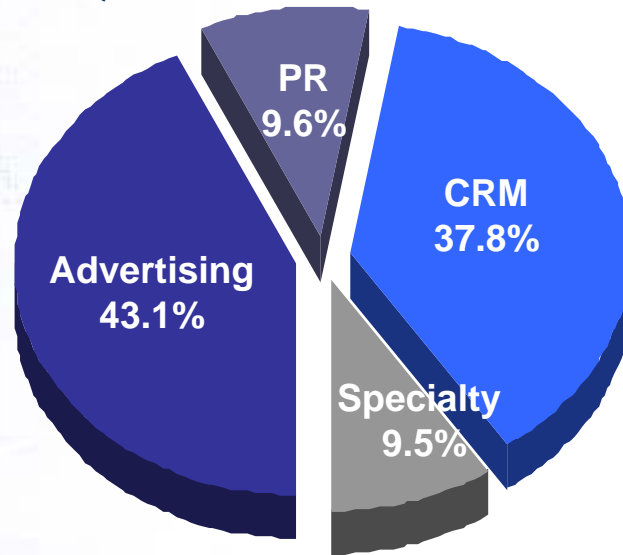
| | Second Quarter | | Year to Date | |
|----------------------------------|-------------------|--------------|-------------------|--------------|
| | \$ | % | \$ | % |
| Prior Period Revenue | \$ 3,126.1 | | \$ 5,966.7 | |
| Foreign Exchange (FX) Impact (a) | 162.9 | 5.2% | 308.5 | 5.2% |
| Acquisition Revenue (b) | 38.0 | 1.2% | 65.9 | 1.1% |
| Organic Revenue (c) | 149.9 | 4.8% | 331.2 | 5.6% |
| Current Period Revenue | <u>\$ 3,476.9</u> | <u>11.2%</u> | <u>\$ 6,672.3</u> | <u>11.8%</u> |

- (a) To calculate the FX impact, we first convert the current period's local currency revenue using the average exchange rates from the equivalent prior period to arrive at constant currency revenue. The FX impact equals the difference between the current period revenue in U.S. dollars and the current period revenue in constant currency.
- (b) Acquisition revenue is the aggregate of the applicable prior period revenue of the acquired businesses. Netted against this number is the revenue of any business included in the prior period reported revenue that was disposed of subsequent to the prior period.
- (c) Organic revenue is calculated by subtracting both the acquisition revenue and the FX impact from total revenue growth.

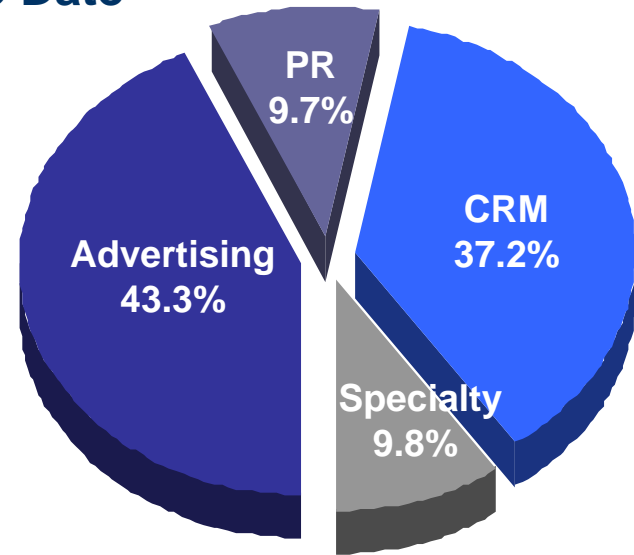


2008 Revenue By Discipline

Second Quarter



Year to Date



| | <u>\$ Mix</u> | <u>% Growth (a)</u> |
|-------------|---------------|---------------------|
| Advertising | 1,499.9 | 9.8% |
| CRM | 1,313.8 | 17.2% |
| PR | 333.4 | 3.7% |
| Specialty | 329.8 | 4.1% |

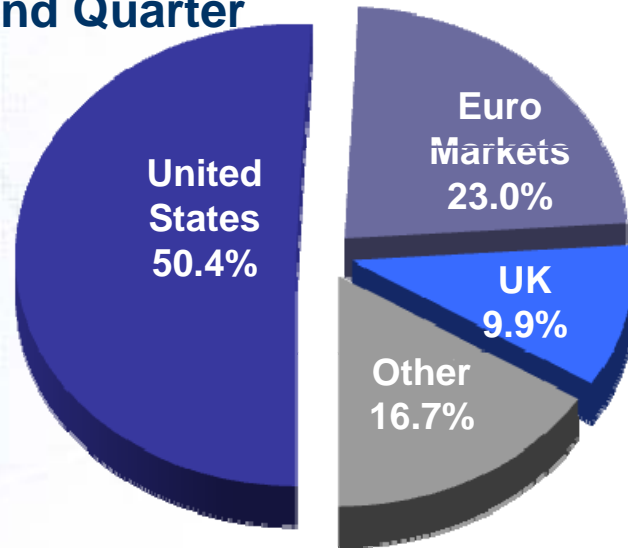
| | <u>\$ Mix</u> | <u>% Growth (a)</u> |
|-------------|---------------|---------------------|
| Advertising | 2,891.2 | 11.5% |
| CRM | 2,481.3 | 16.1% |
| PR | 648.4 | 5.3% |
| Specialty | 651.4 | 4.9% |

(a) "Growth" is the year-over-year increase or decrease from the prior period.

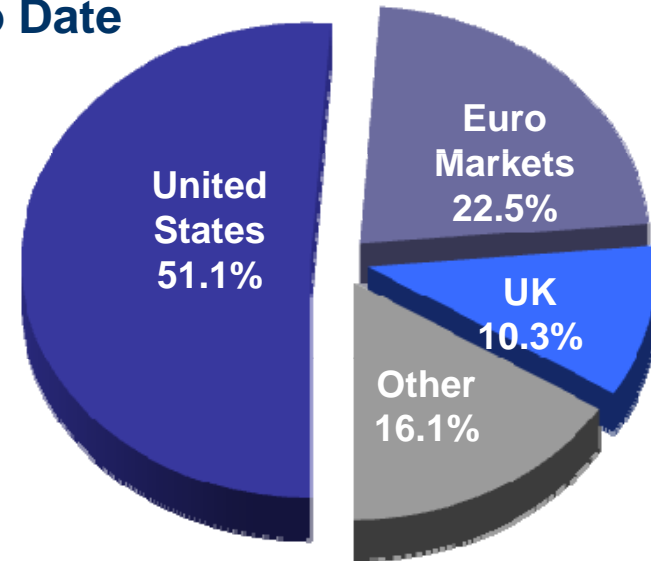


2008 Revenue By Geography

Second Quarter



Year to Date



| | <u>\$ Mix</u> | <u>\$ Growth^(a)</u> |
|----------------------|-------------------|--------------------------------|
| United States | \$ 1,751.3 | \$ 91.6 |
| Organic | | 71.7 |
| Acquisition | | 19.9 |
| International | \$ 1,725.6 | \$ 259.2 |
| Organic | | 78.2 |
| Acquisition | | 18.1 |
| FX | | 162.9 |

| | <u>\$ Mix</u> | <u>% Growth^(a)</u> |
|-----------------------|---------------|-------------------------------|
| United States | \$ 1,751.3 | 5.5% |
| Euro Currency Markets | 798.6 | 19.6% |
| United Kingdom | 345.9 | -0.4% |
| Other | 581.1 | 28.8% |

| | <u>\$ Mix</u> | <u>\$ Growth^(a)</u> |
|----------------------|-------------------|--------------------------------|
| United States | \$ 3,412.5 | \$ 209.0 |
| Organic | | 175.1 |
| Acquisition | | 33.9 |
| International | \$ 3,259.8 | \$ 496.6 |
| Organic | | 156.1 |
| Acquisition | | 32.0 |
| FX | | 308.5 |

| | <u>\$ Mix</u> | <u>% Growth^(a)</u> |
|-----------------------|---------------|-------------------------------|
| United States | \$ 3,412.5 | 6.5% |
| Euro Currency Markets | 1,499.6 | 20.6% |
| United Kingdom | 688.9 | 2.3% |
| Other | 1,071.3 | 26.5% |

(a) "Growth" is the year-over-year increase or decrease from the prior period.



Cash Flow – GAAP Presentation (condensed)

| | <u>6 Months Ended June 30,</u> | |
|--|--------------------------------|--------------------------|
| | <u>2008</u> | <u>2007</u> |
| Net Income | \$ 515.6 | \$ 459.7 |
| Stock-Based Compensation Expense | 27.8 | 36.2 |
| Depreciation and Amortization | 115.7 | 98.3 |
| Other Non-Cash Items to Reconcile to Net Cash Provided by Operations | 58.6 | 43.4 |
| Other Changes in Working Capital | (799.6) | (670.6) |
| Excess Tax Benefit on Stock Compensation | (9.6) | (14.5) |
| Net Cash Used by Operations | <u>(91.5)</u> | <u>(47.5)</u> |
| Capital Expenditures | (92.7) | (101.2) |
| Acquisitions | (210.1) | (143.9) |
| Other Investing Activities, net | (0.2) | 141.3 |
| Net Cash Used by Investing Activities | <u>(303.0)</u> | <u>(103.8)</u> |
| Dividends | (97.3) | (84.2) |
| Stock Repurchases | (407.8) | (756.8) |
| Share Transactions Under Employee Stock Plans | 63.7 | 66.3 |
| Excess Tax Benefit on Stock Compensation | 9.6 | 14.5 |
| Other Financing Activities | (48.0) | (43.0) |
| Net Cash Used by Financing Activities | <u>(479.8)</u> | <u>(803.2)</u> |
| Effect of exchange rate changes on cash and cash equivalents | (3.1) | (12.6) |
| Net Decrease in Cash and Cash Equivalents | <u>\$ (877.4)</u> | <u>\$ (967.1)</u> |



Current Credit Picture

| | <u>LTM Ended June 30,</u> | |
|--|---------------------------|-----------------|
| | <u>2008</u> | <u>2007</u> |
| Operating Income (EBIT) ^(a) | \$ 1,750 | \$ 1,559 |
| Net Interest Expense ^(a) | \$ 63.3 | \$ 91.4 |
| EBIT / Net Interest | 27.6 x | 17.1 x |
| Net Debt / EBIT | 1.2 x | 1.4 x |
| Debt: | | |
| Bank Loans (Due Less Than 1 Year) | \$ 23 | \$ 11 |
| CP Issued Under \$2.5B - 5 Year Revolver Due 6/23/11 | - | - |
| Convertible Notes Due 2/7/31 | 847 | 847 |
| Convertible Notes Due 7/31/32 | 727 | 727 |
| Convertible Notes Due 6/15/33 | - | - |
| Convertible Notes Due 7/1/38 | 468 | 467 |
| 10 Year Notes Due 4/15/16 | 996 | 996 |
| Other Debt | 20 | 19 |
| Total Debt | \$ 3,081 | \$ 3,067 |
| Cash and Short Term Investments | 959 | 821 |
| Net Debt | \$ 2,122 | \$ 2,246 |

(a) "Operating Income (EBIT)" and "Net Interest Expense" calculations shown are the latest twelve month ("LTM") figures for the periods specified. Although our bank agreements reference EBITDA, we have used EBIT for this presentation because EBITDA is a non-GAAP measure.



Current Liquidity Picture

| | Total Amount Of Facility | As of June 30, 2008 | |
|--|-----------------------------|---------------------|-------------------------|
| | | Outstanding | Available |
| Committed Facilities | | | |
| 5 Year Revolver ^(a) | \$ 2,500 | \$ - | \$ 2,500 |
| Other Committed Credit Facilities | 23 | 23 | - |
| Total Committed Facilities | 2,523 | 23 | 2,500 |
| Uncommitted Facilities ^(b) | 598 | - | - ^(b) |
| Total Credit Facilities | \$ 3,121 | \$ 23 | \$ 2,500 |
| Cash and Short Term Investments | | | 959 |
| Total Liquidity Available | | | \$ 3,459 |

(a) Credit facility expires June 23, 2011.

(b) Represents uncommitted facilities in the U.S., U.K. and Canada as of June 30, 2008. These amounts are excluded from our available liquidity for purposes of this presentation.



Acquisitions Summary



Acquisition Related Expenditures

| | <u>6 Months YTD 2008</u> |
|---|--------------------------|
| New Subsidiary Acquisitions ^(a) | \$ 53 |
| Affiliates to Subsidiaries ^(b) | - |
| Affiliates ^(c) | 9 |
| Existing Subsidiaries ^(d) | 57 |
| Earn-outs ^(e) | 109 |
| Total Acquisition Expenditures | <u>\$ 228</u> |

Note: See appendix for subsidiary acquisition profiles.

- (a) Includes acquisitions of a majority interest in agencies resulting in their consolidation.
- (b) Includes acquisitions of additional equity interests in existing affiliate agencies resulting in their majority ownership and consolidation.
- (c) Includes acquisitions of less than a majority interest in agencies in which Omnicom did not have a prior equity interest and the acquisition of additional interests in existing affiliated agencies that did not result in majority ownership.
- (d) Includes the acquisition of additional equity interests in already consolidated subsidiary agencies.
- (e) Includes additional consideration paid for acquisitions completed in prior periods.



Potential Earn-out Obligations

The following is a calculation of future earn-out obligations as of June 30, 2008, assuming that the underlying acquired agencies continue to perform at their current levels: ^(a)

| <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>Thereafter</u> | <u>Total</u> |
|-------------|-------------|-------------|-------------|-------------------|--------------|
| \$ 75 | \$ 104 | \$ 82 | \$ 28 | \$ 23 | \$ 312 |

(a) The ultimate payments will vary as they are dependent on future events and changes in FX rates.



Potential Obligations

In conjunction with certain transactions, Omnicom has agreed to acquire (at the sellers' option) additional equity interests. If these rights are exercised, there would likely be an increase in our net income as a result of our increased ownership and the reduction of minority interest expense. The following is a calculation of these potential future obligations (as of June 30, 2008), assuming these underlying acquired agencies continue to perform at their current levels: ^(a)

| | <u>Currently Exercisable</u> | <u>Not Currently Exercisable</u> | <u>Total</u> |
|----------------------------|----------------------------------|--------------------------------------|---------------|
| Subsidiary Agencies | \$ 186 | \$ 86 | \$ 272 |
| Affiliated Agencies | 56 | 6 | 62 |
| Total | <u>\$ 242</u> | <u>\$ 92</u> | <u>\$ 334</u> |

(a) The ultimate payments will vary as they are dependent on future events and changes in FX rates.



Second Quarter Acquisitions



sterling brands

Sterling Brands

Sterling Brands is a leading brand consultancy specializing in brand strategy and design. Specific services offered include brand positioning, strategic research, innovation, design planning, brand identity and packaging design.

Sterling Brands is based in New York and San Francisco.