



# **Omnicom Group**

## **THIRD QUARTER 2008 RESULTS Investor Presentation**

**October 21, 2008**

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**OmnicomGroup**



The following materials have been prepared for use in the October 21, 2008 conference call on Omnicom's results of operations for the period ended September 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

	Third Quarter			Year to Date		
	2008	2007	%	2008	2007	%
Revenue	\$ 3,316.2	\$ 3,101.4	6.9%	\$ 9,988.5	\$ 9,068.1	10.1%
Operating Income	373.4	350.2	6.6%	1,241.0	1,127.3	10.1%
% Margin	11.3%	11.3%		12.4%	12.4%	
Net Interest Expense	20.7	19.3		50.4	59.8	
Profit Before Tax	352.7	330.9	6.6%	1,190.6	1,067.5	11.5%
% Margin	10.6%	10.7%		11.9%	11.8%	
Taxes	118.2	112.1		400.6	361.4	
% Tax Rate	33.5%	33.9%		33.6%	33.9%	
Equity in Affiliates	6.8	8.0		26.0	25.8	
Minority Interest	(27.7)	(24.6)		(86.7)	(70.0)	
Net Income	\$ 213.6	\$ 202.2	5.6%	\$ 729.3	\$ 661.9	10.2%



## 2008 vs. 2007 Earnings Per Share

	<u>Third Quarter</u>		<u>Year to Date</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Earnings per Share:				
Basic	\$ 0.69	\$ 0.62	\$ 2.32	\$ 2.02
Diluted	0.69	0.62	2.30	2.00
Growth Rate, Diluted	11.3 %		15.0 %	
Weighted Average Shares (millions):				
Basic	309.1	324.0	315.0	327.0
Diluted	310.7	328.2	317.7	331.8
Dividend Declared Per Share	\$0.150	\$0.150	\$0.450	\$0.425



# 2008 Total Revenue Growth

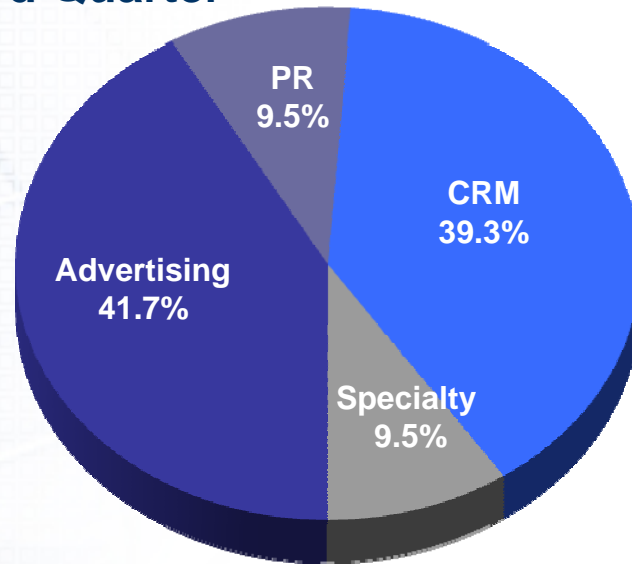
	Third Quarter		Year to Date	
	\$	%	\$	%
Prior Period Revenue	\$ 3,101.4		\$ 9,068.1	
Foreign Exchange (FX) Impact (a)	66.0	2.1%	374.5	4.1%
Acquisition Revenue (b)	22.9	0.7%	88.9	1.0%
Organic Revenue (c)	125.9	4.1%	457.0	5.0%
Current Period Revenue	<u>\$ 3,316.2</u>	<u>6.9%</u>	<u>\$ 9,988.5</u>	<u>10.1%</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.

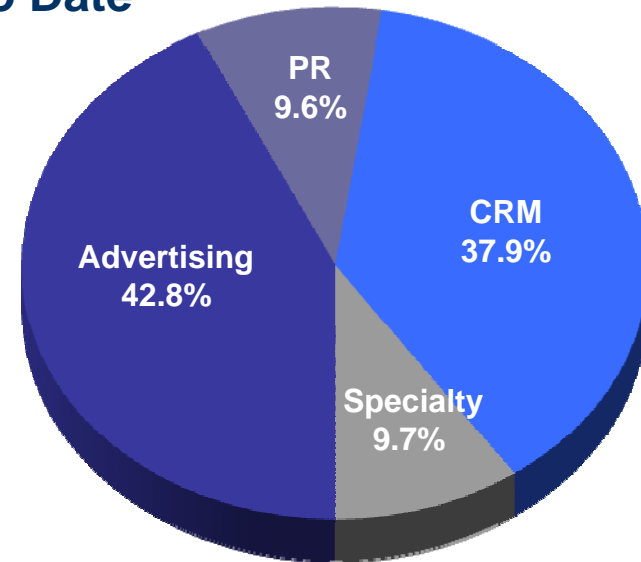


# 2008 Revenue By Discipline

## Third Quarter



## Year to Date



	<u>\$ Mix</u>	<u>% Growth <sup>(a)</sup></u>
Advertising	1,382.0	6.9%
CRM	1,305.5	12.0%
PR	314.1	-1.2%
Specialty	314.6	-3.2%

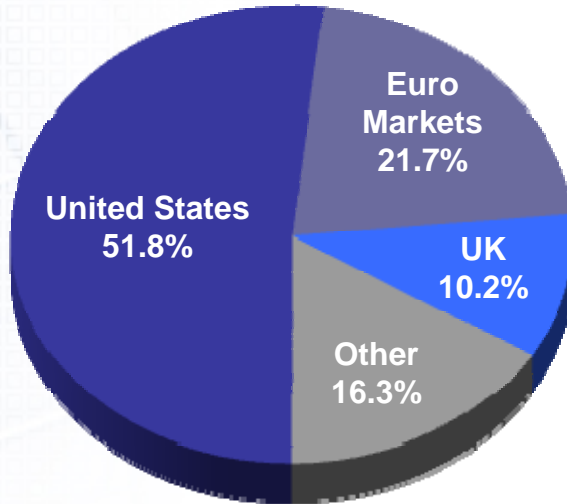
	<u>\$ Mix</u>	<u>% Growth <sup>(a)</sup></u>
Advertising	4,273.2	10.0%
CRM	3,786.8	14.6%
PR	962.5	3.1%
Specialty	966.0	2.1%

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

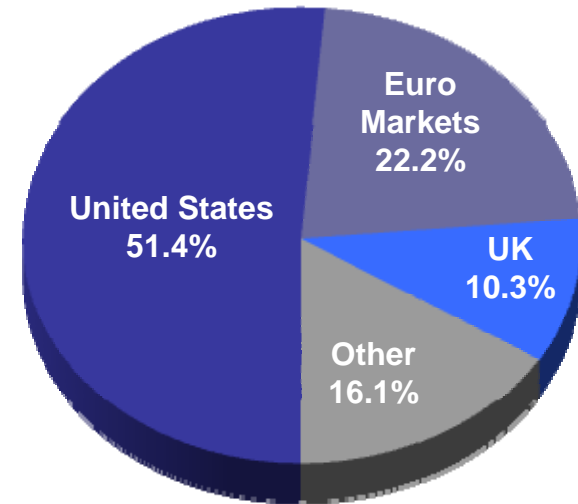


# 2008 Revenue By Geography

## Third Quarter



## Year to Date



	<u>\$ Mix</u>	<u>\$ Growth<sup>(a)</sup></u>
<b>United States</b>	\$ 1,718.0	\$ 63.1
Organic		46.9
Acquisition		16.2
<b>International</b>	\$ 1,598.2	\$ 151.7
Organic		79.0
Acquisition		6.7
FX		66.0
	<u>\$ Mix</u>	<u>% Growth<sup>(a)</sup></u>
United States	\$ 1,718.0	3.8%
Euro Currency Markets	718.3	13.0%
United Kingdom	337.5	-4.3%
Other	542.4	18.3%

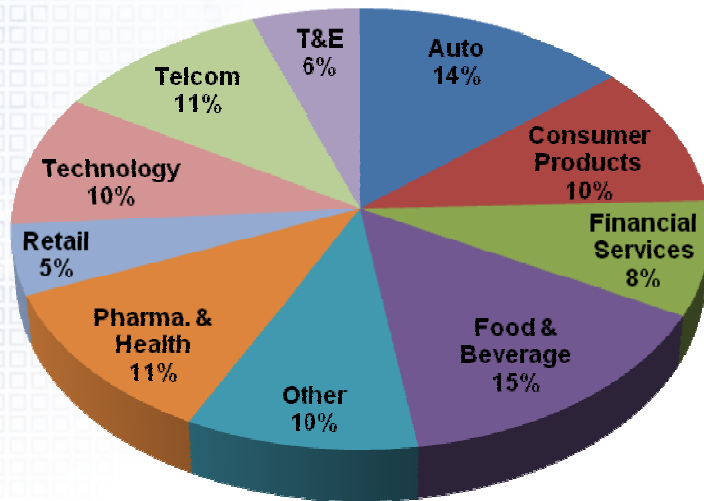
	<u>\$ Mix</u>	<u>\$ Growth<sup>(a)</sup></u>
<b>United States</b>	\$ 5,130.5	\$ 272.1
Organic		221.9
Acquisition		50.2
<b>International</b>	\$ 4,858.0	\$ 648.3
Organic		235.1
Acquisition		38.7
FX		374.5
	<u>\$ Mix</u>	<u>% Growth<sup>(a)</sup></u>
United States	\$ 5,130.5	5.6%
Euro Currency Markets	2,217.9	18.1%
United Kingdom	1,026.4	0.0%
Other	1,613.7	23.6%

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

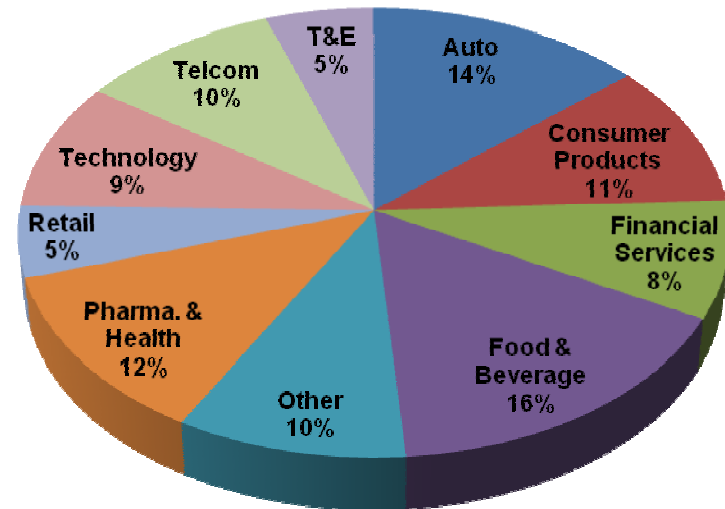


# 2008 Revenue By Industry

## Third Quarter



## Year to Date



Charts represent the amount of revenue attributable to each industry expressed as a percentage of the total revenue from Omnicom's 1,000 largest clients for the period ended September 30, 2008.



# Cash Flow – GAAP Presentation (condensed)

	<u>9 Months Ended September 30,</u>	
	<u>2008</u>	<u>2007</u>
<b>Net Income</b>	<b>\$ 729.3</b>	<b>\$ 661.9</b>
Share-Based Compensation Expense	44.3	53.4
Depreciation and Amortization	176.2	150.8
Other Non-Cash Items to Reconcile to Net Cash Provided by Operations	86.7	70.6
Other Changes in Working Capital	(789.2)	(752.6)
Excess Tax Benefit on Share-Based Compensation	(12.9)	(15.4)
Net Cash Used by Operations	<u>234.4</u>	<u>168.7</u>
Capital Expenditures	(151.6)	(160.8)
Acquisitions	(387.8)	(317.9)
Other Investing Activities, net	19.1	132.3
Net Cash Used by Investing Activities	<u>(520.3)</u>	<u>(346.4)</u>
Dividends	(145.3)	(133.7)
Stock Repurchases	(846.0)	(846.5)
Share Transactions Under Employee Stock Plans	77.8	68.4
Proceeds from Issuance of Debt	115.3	0.8
Excess Tax Benefit on Stock Compensation	12.9	15.4
Other Financing Activities	(49.0)	(46.3)
Net Cash Used by Financing Activities	<u>(834.3)</u>	<u>(941.9)</u>
Effect of exchange rate on cash and cash equivalents	(142.4)	(42.7)
Net Decrease in Cash and Cash Equivalents	<u><b>\$ (1,262.6)</b></u>	<u><b>\$ (1,162.3)</b></u>



# Current Credit Picture

	<u>LTM Ended September 30,</u>	
	<u>2008</u>	<u>2007</u>
<b>EBITDA <sup>(a)</sup></b>	<b>\$ 2,007</b>	<b>\$ 1,805</b>
<b>Gross Interest Expense <sup>(a)</sup></b>	<b>\$ 115.2</b>	<b>\$ 117.3</b>
<b>EBITDA / Gross Interest Expense</b>	<b>17.4 x</b>	<b>15.4 x</b>
<b>Total Debt / EBITDA</b>	<b>1.6 x</b>	<b>1.7 x</b>
<b>Debt:</b>		
Short-term borrowings (Due Less Than 1 Year)	\$ 64	\$ 18
CP Issued Under \$2.5B - 5 Year Revolver Due 6/23/11	113	-
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	467	467
10 Year Notes Due 4/15/16	996	996
Other Debt	20	20
<b>Total Debt</b>	<b>\$ 3,234</b>	<b>\$ 3,075</b>
Cash and Short Term Investments	553	635
<b>Net Debt</b>	<b>\$ 2,681</b>	<b>\$ 2,440</b>

(a) "EBITDA" and "Gross Interest Expense" calculations shown are the latest twelve month ("LTM") figures for the periods specified. EBITDA is defined as operating income before interest, taxes, depreciation and amortization. Although EBITDA is a non-GAAP measure, we believe EBITDA is more meaningful for purposes of this analysis because the financial covenants in our credit facilities are based on EBITDA (see reconciliation of Operating Income to EBITDA on page 21).



# Current Liquidity Picture

	<u>Total Amount Of Facility</u>	<u>As of September 30, 2008</u>	
		<u>Outstanding</u>	<u>Available</u>
<b>Committed Facilities</b>			
5 Year Revolver <sup>(a)</sup>	\$ 2,500	\$ 113	\$ 2,387
Other Committed Credit Facilities	<u>64</u>	<u>64</u>	<u>-</u>
<b>Total Committed Facilities</b>	<b>2,564</b>	<b>177</b>	<b>2,387</b>
<b>Uncommitted Facilities</b> <sup>(b)</sup>	<u>331</u>	<u>-</u>	<u>-</u> <sup>(b)</sup>
<b>Total Credit Facilities</b>	<b>\$ 2,895</b>	<b>\$ 177</b>	<b>\$ 2,387</b>
<b>Cash and Short Term Investments</b>			<b>553</b>
<b>Total Liquidity Available</b>			<u><b>\$ 2,940</b></u>

(a) Credit facility expires June 23, 2011.

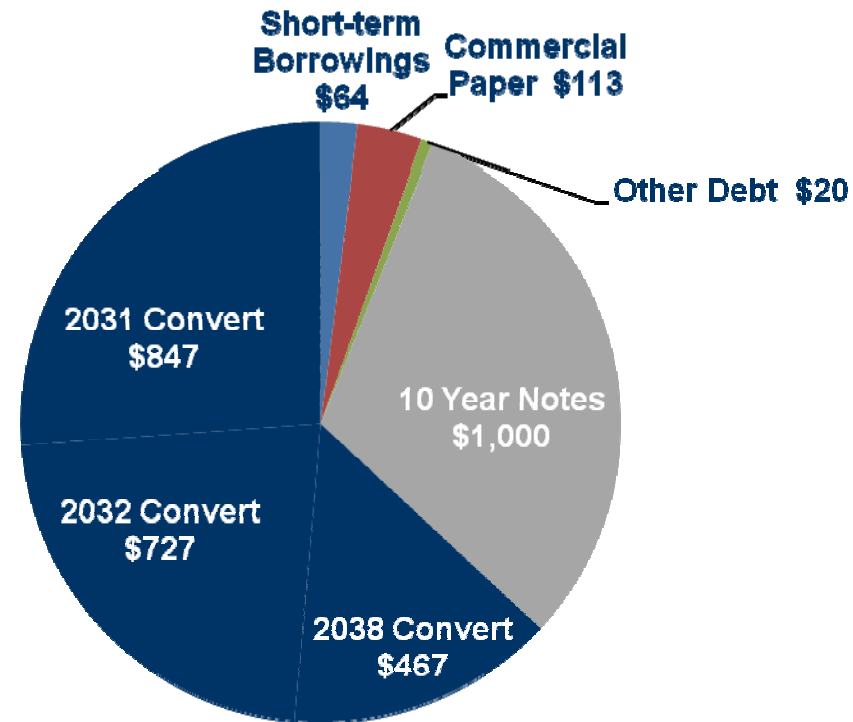
(b) Represents uncommitted facilities in the U.S., U.K. and Canada as of September 30, 2008. These amounts are excluded from our available liquidity for purposes of this presentation.



# Omnicom Debt Structure Supplemental Information



# Omnicom Debt Structure

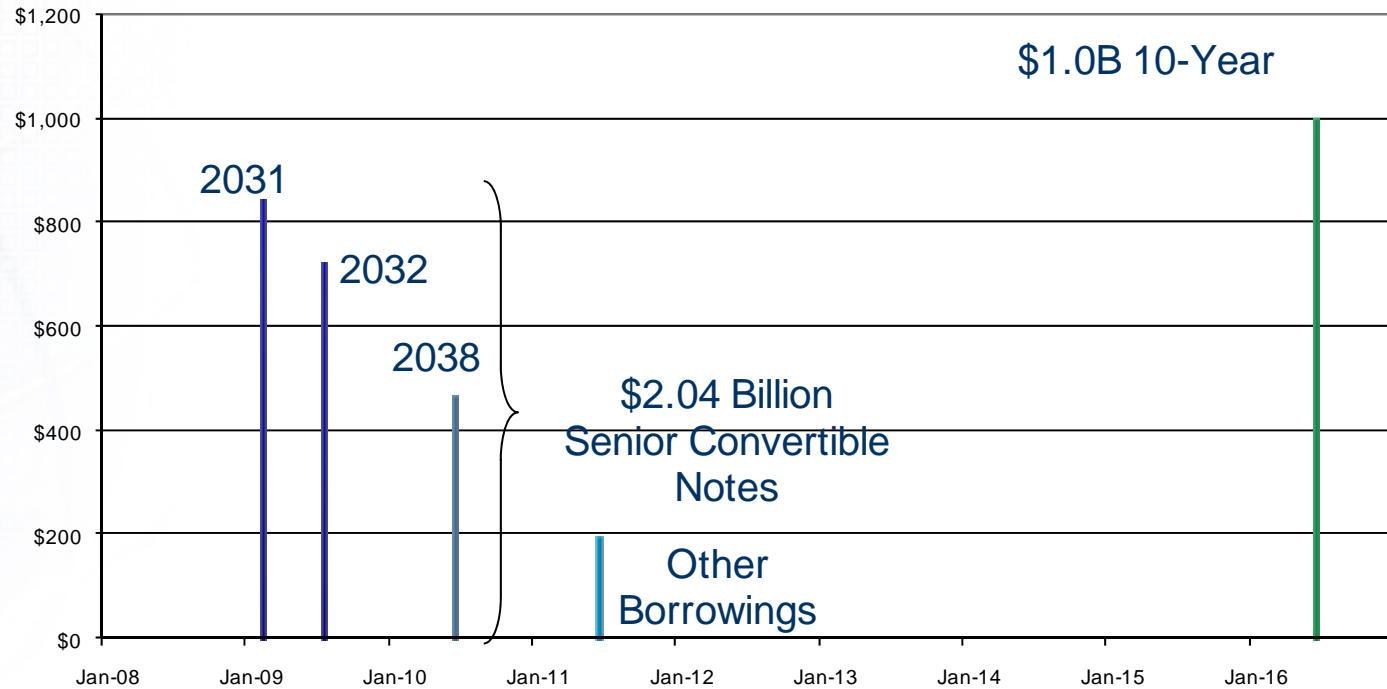


The above chart reflects Omnicom's debt outstanding at September 30, 2008. The amount reflected above for the 10 Year Notes represents the value of these notes at maturity on April 15, 2016.



# Omnicom Debt Structure

The Bank Facility and Commercial Paper Program together provide liquidity in the event any convertible notes are put. We then have flexibility to refinance in different debt capital markets.



Our 2031 Notes are puttable annually, with the next put date in February 2009. Our 2032 Notes are puttable annually, with the next put date in July 2009. Our 2038 Notes are puttable in June 2010, 2013, 2018, 2023 and annually thereafter.

For purposes of this presentation we have included the following borrowings as of September 30, 2008 as outstanding through June 2011, the date of expiration of our five-year credit facility: commercial paper of \$113 million, short-term borrowings of \$64 million and other debt of \$20 million. We believe that this presentation is more meaningful for purposes of understanding how we evaluate the maturities of our debt structure.



# Senior Notes Due 2016

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Principal Amount	\$1 Billion
Co - Issuers	Omnicom Group, Omnicom Finance, Omnicom Capital
Date	March 29, 2006
Maturity	April 15, 2016
Security	Unsecured, pari passu with Bank Facility
Coupon	5.90%
Spread Over Comparable Treasury at Issue	1.30%
Rating	Moody's: Baa1 S&P: A- Fitch: A-



# 2031 Convertible Notes

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Principal Amount	\$847 Million
Co - Issuers	Omnicom Group, Omnicom Finance, Omnicom Capital
Date	February 7, 2001
Maturity	February 7, 2031 with annual puts each February
Security	Unsecured, pari passu with Bank Facility
Coupon	0.00%
Conversion Price	\$55
Rating	Moody's: Baa1 S&P: A- Fitch: A-



# 2032 Convertible Notes

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Principal Amount	\$727 Million
Co - Issuers	Omnicom Group, Omnicom Finance, Omnicom Capital
Date	March 6, 2002
Maturity	July 31, 2032 with puts each July
Security	Unsecured, pari passu with Bank Facility
Coupon	0.00%
Conversion Price	\$55
Rating	Moody's: Baa1 S&P: A- Fitch: A-



# 2038 Convertible Notes

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Principal Amount	\$467 Million
Co - Issuers	Omnicom Group, Omnicom Finance, Omnicom Capital
Date	June 10, 2003
Maturity	June 15, 2038 with puts in June of 2010, 2013, 2018, 2023 and annually thereafter until maturity
Security	Unsecured, pari passu with Bank Facility
Coupon	0.00%
Conversion Price	\$51.50
Rating	Moody's: Baa1 S&P: A- Fitch: A-



## Current Bank Credit Facility

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Amount	\$2.5 Billion
Type	Unsecured Revolving Credit
Maturity	5 Years – June 2011
Facility Fee	13BP per annum
Drawn Rate	Libor +17BP
Covenants	-Maximum Debt to EBITDA 3:1 -Minimum Interest Coverage 5:1



# Current Bank Credit Facility – Distribution of 32 Banks





# Current Omnicom Credit Ratings

	Moody's	S&P	Fitch
Long Term Ratings	Baa1	A-	A-
Short Term Ratings	P2	A2	F2
Outlook	Stable	Stable	Stable



# Reconciliation of Operating Income to EBITDA

	<u>LTM Ended September 30,</u>	
	<u>2008</u>	<u>2007</u>
<b>Operating Income</b>	\$ 1,773	\$ 1,601
<b>Depreciation</b>	184	159
<b>Amortization</b>	50	45
<b>EBITDA</b>	<u>\$ 2,007</u>	<u>\$ 1,805</u>

The covenants contained in our credit facility are based on the EBITDA ratios as presented on page 9 of this presentation. The above reconciles our GAAP Operating Income to EBITDA for the periods presented.

EBITDA is a non-GAAP financial measure within the meaning of applicable SEC rules and regulations. Our credit facility defines EBITDA as earnings before deducting interest expense, income taxes, depreciation and amortization. Our credit facility uses EBITDA to measure our compliance with covenants, such as interest coverage and leverage. EBITDA is not, and should not, be used as a substitute for Operating Income as determined in accordance with GAAP and is only used to measure our compliance with our debt covenants. Management does not use EBITDA for any other measurement purpose.



# Acquisitions Summary



# Acquisition Related Expenditures

	<u>9 Months YTD 2008</u>
<b>New Subsidiary Acquisitions <sup>(a)</sup></b>	<b>\$ 77</b>
<b>Affiliates to Subsidiaries <sup>(b)</sup></b>	<b>12</b>
<b>Affiliates <sup>(c)</sup></b>	<b>87</b>
<b>Existing Subsidiaries <sup>(d)</sup></b>	<b>66</b>
<b>Earn-outs <sup>(e)</sup></b>	<b>164</b>
<b>Total Acquisition Expenditures</b>	<b><u>\$ 406</u></b>

Note: See appendix for 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 September 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>
\$ 20	\$ 107	\$ 94	\$ 41	\$ 41	\$ 303

(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 September 30, 2008), assuming these underlying acquired agencies continue to perform at their current levels: <sup>(a)</sup>

	<u>Currently Exercisable</u>	<u>Not Currently Exercisable</u>	<u>Total</u>
<b>Subsidiary Agencies</b>	\$ 164	\$ 86	\$ 250
<b>Affiliated Agencies</b>	42	1	43
<b>Total</b>	<u>\$ 206</u>	<u>\$ 87</u>	<u>\$ 293</u>

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



# Third Quarter Acquisitions

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## Barefoot

Barefoot is a fully integrated interactive marketing communication agency. The company's service programs include strategy, on-line, consumer promotion, planning and advertising. From this platform the company offers high quality end to end service in brand strategy, media strategy & planning, relationship marketing and results measurement, reporting and tracking.

Barefoot will be a part of Proximity within the BBDO network and is located in Cincinnati, Ohio.



# Third Quarter Acquisitions

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**PAULWILMOTCOMMUNICATIONS**

## **Paul Wilmot Communications**

Paul Wilmot Communications provides public relations, communications and publicity services within the fashion and luxury goods arenas. The agency is comprised of five divisions: Fashion, Beauty & Wellness, Accessories, Culture & Lifestyle and Special Events.

Paul Wilmot Communications is based in New York and will operate within Fleishman Hillard.



# Third Quarter Acquisitions

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## TRO

TRO (The Russell Organization) is a leading experiential marketing and events agency, specializing in the use of face-to-face communication and the live medium. TRO designs, produces and delivers brand experiences and environments which achieve real results for B2C and B2B clients. The spectrum of work includes road shows, shopping center campaigns, live promotions exhibitions, sponsorship activation, conferencing, new product launches, training and hospitality.

Located in Isleworth, England, TRO will become a part of CPM's experiential marketing services delivery network.



# Third Quarter Acquisitions

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## The Eleven Agency

The Eleven Agency is a field marketing communications company specializing in Sales Training, Training Video Production, E-Learning, Recruiting, Assisted Sales at Retail, Retail Merchandising and Field & Event Marketing.

The Eleven Agency is located in Irvine, California and will become a member of GMR Marketing.



# Third Quarter Acquisitions

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## Tarek Nour

The DDB network acquired a 49% affiliate interest in TN Holdings, the holding company for the Tarek Nour group.

Established in 1978, TN Holdings is one of Egypt's largest marketing and corporate communications companies. The group's twenty companies provide a wide range of services including advertising, media research, planning & buying, brand design, television production, event management & outdoor advertising services.

Tarek Nour is headquartered in Cairo, Egypt.