



## Press Release

### In the first-half of 2008, Ipsos keeps the rhythm

**Operating margin: 9.0% (+50 basis points)  
Adjusted net profit attributable to the Group: +12,3% to 26,1 million euros**

**Paris, August 27<sup>th</sup>, 2008.** In the first-half of 2008, Ipsos reports revenues of 462.8 million euros, up 4.5% compared with the same period of 2007. This performance was shaped by three contrasting factors:

- A negative currency effect of 7%;
- A positive consolidation effect of 3.1% since companies acquired since 1 July 2007 were included in the scope of consolidation, including Monroe Mendelsohn (United States) since 1 April 2008;
- First-half organic growth of 8.4%. This is a key factor for understanding Ipsos' performance.

Once again, Ipsos reports very strong organic growth, outperforming the market and its main competitors, despite an unfavorable basis of comparison after the double-digit revenue growth reported in the first half of 2007.

<i>In million euros</i>	<b>H1 2008</b>	<b>H1 2007</b>	<b>Change</b>	<b>Full-year 2007</b>
<b>Revenue</b>	<b>462.8</b>	<b>443.1</b>	<b>4.5%</b>	<b>927.2</b>
<b>Gross profit</b>	<b>285.0</b>	<b>265.7</b>	<b>7.3%</b>	<b>561.5</b>
<i>Gross margin</i>	<i>61.6%</i>	<i>60.0%</i>		<i>60.6%</i>
<b>Operating margin</b>	<b>41.5</b>	<b>37.8</b>	<b>9.8%</b>	<b>90.6</b>
<i>Operating margin / revenue</i>	<i>9.0%</i>	<i>8.5%</i>		<i>9.8%</i>
<i>Operating profit / gross profit</i>	<i>14.6%</i>	<i>14.2%</i>		<i>16.1%</i>
<b>Net profit (attributable to the Group)</b>	<b>21.7</b>	<b>19.4</b>	<b>12.1%</b>	<b>46.7</b>
<b>Adjusted net profit* (attributable to the Group)</b>	<b>26.1</b>	<b>23.2</b>	<b>12.3%</b>	<b>57.1</b>

\* Adjusted net profit is calculated before IFRS 2-related non-monetary items (share-based payments), before the amortisation of acquisition-related intangible assets (customer relationships), before deferred tax related to goodwill (on which amortisation is tax-deductible in some countries), and before other non-ordinary income and expenses.

**Profitability.** *Gross profit* is calculated by subtracting direct external costs related to the execution of contracts from revenue. As a proportion of revenue, gross margin continued to rise, from 60.0% in the year-earlier period to 61.6%. This reflects the ability of Ipsos staff to maintain good price levels, along with the positive impact of the ongoing shift to online research, particularly in Europe, where online data collection rose by 20%.



**Operating margin** rose more quickly than revenue and gross profit, due to a firm grip on overheads. Operating margin equalled 9.0% of consolidated revenue, an increase of 50 basis points relative to the first half of 2007.

**Finance costs.** Finance costs totalled 5.3 million euros, a slight decrease relative to the first-half 2007 figure of 5.7 million euros.

Other financial income and expenses comprised foreign exchange losses of 1.1 million euros, as opposed to foreign exchange gains of 1.4 million euros in the first-half 2007, due to the decline in the dollar against the euro.

**Adjusted net profit (attributable to the Group)** rose strongly, by 12.3% to 26.1 million euros. Adjusted earnings per share came to 0.81 euros.

**Financial position.** Shareholders' equity totalled 446 million euros at 30 June 2008, while net debt amounted to 193 million euros, giving gearing of 43% as opposed to 44% a year previously.

Gross operating cash flow rose sharply, by 12.8%, although this was offset by the seasonal increase in the working capital requirement, which is traditionally higher mid-year due to the volume of research projects in progress.

Strong cash flow in the last 12 months has enabled Ipsos to finance selective acquisitions, including Markinor in South Africa, Eureka in Australia and Indica Research in India in the second half of 2007 and two American companies, Forward Research and Monroe Mendelsohn, in the first half of 2008. Two Latin American companies – Livra, specialising in online research and Alfacom, which leads the loyalty research segment in Brazil (see today's press release) – will be integrated and financed in the second half of 2008.

Ipsos has also used its share buyback programme to limit dilution arising from its plans to associate its managers and employees to its capital through free share allocations. In the first quarter of 2008, Ipsos bought back 457,017 shares in the market for 8.8 million euros, and cancelled them. As a result, the average number of shares in issue in the first half of 2008 was 32,073,738.

## 2008 outlook

Ipsos is in an excellent position to attain its full-year 2008 targets.

- At the end of July, order books showed organic growth of more than 10%, supporting management's full-year target of at least 8% organic growth;
- Strong organic growth, the successful integration of recent acquisitions, rigorous operational management and ongoing efforts to differentiate the services offered global and local customers are all positive factors that will continue to help improve the operating margin.

The next 18 months will see the reconfiguration of the market research industry in which Ipsos has become a major global player. Ipsos stands out for its areas of specialisation and its professional culture where taking initiatives and providing clients useful services are absolute priorities.

Ipsos is well prepared to pursue growth and continue improving margins, regardless of the environment in which its teams are called to operate.

**Presentation of the first-half 2008 business report and results  
as well as a complete brochure covering the consolidated financial statements  
will be available on August 28<sup>th</sup> on the Group's website: [www.ipsos.com](http://www.ipsos.com).**

**Ipsos announces today separately the acquisition of Alfacom, the leading company in Brazil specialising in Quality Research and Customer Relationship Management in the automotive sector.**

**Consolidated balance sheet**  
**First half to 30 June 2008**

In thousands of euros	30 June 2008	30 June 2007	31 December 2007
<b>Revenue</b>	<b>462,819</b>	<b>443,067</b>	<b>927,218</b>
Direct costs	(177,856)	(177,378)	(365,696)
<b>Gross profit</b>	<b>284,963</b>	<b>265,689</b>	<b>561,522</b>
<b>Gross profit/revenue</b>	<i>61.6%</i>	<i>60.0%</i>	<i>60.6%</i>
Payroll (excluding share-based payments)	(176,855)	(161,336)	(333,941)
Payroll (share-based payments) *	(2,235)	(1,513)	(3,728)
General operating expenses	(63,935)	(63,666)	(132,224)
Other operating income and expense	(417)	(1,352)	(1,022)
<b>Operating margin</b>	<b>41,521</b>	<b>37,822</b>	<b>90,607</b>
<b>Operating margin/revenue</b>	<i>9.0%</i>	<i>8.5%</i>	<i>9.8%</i>
Amortisation of intangibles identified on acquisitions *	(415)	(369)	(770)
Other non operating income and expense *	(231)	(246)	(2,604)
Income from associates	32	73	93
Operating profit	40,907	37,280	87,326
Finance costs	(5,287)	(5,722)	(11,344)
Other financial income and expenses	(1,091)	1,374	(440)
Profit before tax	34,529	32,932	75,542
Income tax – excluding deferred tax on goodwill	(8,572)	(9,444)	(19,905)
Income tax – deferred tax on goodwill *	(1,479)	(1,715)	(3,275)
Income tax	(10,051)	(11,159)	(23,180)
<i>Profit before tax/income tax</i>	<i>29.1%</i>	<i>33.9%</i>	<i>30.7%</i>
Net profit	24,478	21,773	52,362
Attributable to the Group	21,741	19,390	46,686
Attributable to Minority interests	2,737	2,383	5,676
Earnings per share (in euros) – Basic	0.68	0.61	1.46
Earnings per share (in euros) – Diluted	0.67	0.59	1.43
Adjusted net profit*	28,838	25,616	62,739
<b>Attributable to the Group</b>	<b>26,101</b>	<b>23,233</b>	<b>57,063</b>
Attributable to Minority interests	2,737	2,383	5,676
Adjusted earnings per share (in euros) – Basic	0.81	0.73	1.78
Adjusted earnings per share (in euros) – Diluted	0.80	0.71	1.74

**Consolidated balance sheet**  
First half to 30 June 2008

In thousands of euros	30 June 2008	30 June 2007	31 December 2007
<b>ASSETS</b>			
Goodwill	567,725	574,632	564,847
Intangible assets	30,267	27,940	28,741
Property, plant and equipment	25,611	27,057	25,289
Interests in associates	243	5,855	262
Other non-current financial assets	9,183	4,497	2,862
Deferred tax assets	6,424	10,508	8,661
<b>Total non-current assets</b>	<b>639,453</b>	<b>650,489</b>	<b>630,662</b>
Trade receivables	294,405	290,546	289,409
Current tax	3,294	4,492	4,252
Other current assets	45,975	37,009	39,156
Derivative financial instruments	1,453	79	900
Cash and cash equivalents	83,704	63,212	83,170
<b>Total current assets</b>	<b>428,831</b>	<b>395,338</b>	<b>416,887</b>
<b>TOTAL ASSETS</b>	<b>1,068,284</b>	<b>1,045,827</b>	<b>1,047,549</b>
<b>LIABILITIES</b>			
Share capital	8,440	8,538	8,545
Share premium	333,271	340,907	341,353
Own shares	(26,471)	(36,235)	(31,224)
Other reserves	140,998	105,964	108,144
Foreign currency translation reserve	(37,501)	12,116	(10,613)
Net profit	21,741	19,390	46,686
<b>Shareholders' equity – attributable to the Group</b>	<b>440,478</b>	<b>450,680</b>	<b>462,891</b>
Minority interests	5,370	5,906	4,921
<b>Total shareholders' equity</b>	<b>445,848</b>	<b>456,586</b>	<b>467,812</b>
Long term financial debt (more than 1 year)	240,068	239,807	199,732
Non-current provisions	7,890	8,932	9,734
Deferred tax liabilities	29,315	28,550	30,495
Other non-current liabilities	32,935	35,120	43,766
<b>Total non-current liabilities</b>	<b>310,208</b>	<b>312,409</b>	<b>283,727</b>
Trade payables	128,097	133,527	122,143
Long term financial debt (less than 1 year)	38,405	23,440	43,996
Current tax liabilities	6,818	9,962	9,285
Current provisions	2,025	1,571	1,858
Other current liabilities	136,883	108,332	118,728
<b>Total current liabilities</b>	<b>312,228</b>	<b>276,832</b>	<b>296,010</b>
<b>TOTAL LIABILITIES</b>	<b>1,068,284</b>	<b>1,045,827</b>	<b>1,047,549</b>

**Cash flow statements**  
**First half to 30 June 2008**

In thousands of euros	30 June 2008	30 June 2007	31 December 2007
<b>OPERATING ACTIVITIES</b>			
<b>Net profit</b>	<b>24,478</b>	<b>21,773</b>	<b>52,362</b>
<b>Adjustments to reconcile net profit to cash flow</b>			
Depreciation and depreciation of fixed assets	6,482	6,103	13,216
Income from associates, net of dividends received	(32)	(73)	(35)
Losses/(gains) on asset disposals	74	(360)	(1,448)
Movement in provisions	552	(903)	(86)
Share-based payment expense	2,235	1,513	3,728
Other non cash income/(expenses)	125	(1,268)	4,562
Finance costs	5,287	5,722	11,344
Income tax expense	10,050	11,159	23,180
<b>OPERATING CASH FLOW BEFORE WORKING CAPITAL, FINANCING AND TAX PAID</b>	<b>49,252</b>	<b>43,666</b>	<b>106,823</b>
Change in working capital requirement	(21,933)	(18,109)	(9,572)
Interest paid	(5,819)	(5,962)	(12,215)
Income tax paid	(8,249)	(6,543)	(13,530)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>13,251</b>	<b>13,052</b>	<b>71,506</b>
<b>INVESTMENT ACTIVITIES</b>			
Acquisitions of property, plant and equipment and intangible assets	(9,203)	(8,824)	(15,900)
Proceeds from disposals of property, plant and equipment and intangible assets	2	119	213
Acquisition of financial assets	54	-	(293)
Acquisition of consolidated companies and business goodwill	(34,932)	(19,425)	(27,401)
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>(44,079)</b>	<b>(28,130)</b>	<b>(43,381)</b>
<b>FINANCING ACTIVITIES</b>			
Capital increase / (decrease)	(8,186)	2,014	2,466
Increase (decrease) in long-term borrowings	46,992	5,559	(8,681)
Increase/(decrease) in bank overdrafts and short-term debt	(5,020)	5,721	4,244
(Purchase)/proceeds of own shares	2,198	1,997	7,348
Dividends paid to parent-company shareholders	-	-	(9,040)
Dividends paid to minority shareholders of consolidated companies	(841)	(683)	(1,644)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>35,143</b>	<b>14,608</b>	<b>(5,307)</b>
<b>NET CASH FLOW</b>	<b>4,315</b>	<b>(470)</b>	<b>22,818</b>
Impact of foreign exchange rate movements	(3,781)	86	(3,244)
<b>CASH AT BEGINNING OF PERIOD</b>	<b>83,170</b>	<b>63,596</b>	<b>63,596</b>
<b>CASH AT END OF PERIOD</b>	<b>83,704</b>	<b>63,212</b>	<b>83,170</b>



Press release (continued) – August 27<sup>th</sup> 2008

**Consolidated statement of changes in shareholder's equity**  
**First half to 30 June 2008**

in thousands of euros	Share capital	Share premiums	Own shares	Other reserves	Net profit for the period	Translation adjustments	Shareholders' equity – attributable to the Group	Minority interests	Total shareholders' equity
<b>At 1 January 2007</b>	<b>8,504</b>	<b>338,927</b>	<b>(38,589)</b>	<b>74,645</b>	<b>38,949</b>	<b>6,927</b>	<b>429,363</b>	<b>5,165</b>	<b>434,528</b>
- Change in capital	34	1,980					2,014	93	2,107
- Consolidated net profit for the year					19,390		19,390	2,383	21,773
- Appropriation of prior-year earnings				38,949	(38,949)		-		-
- Dividends paid				(9,526)			(9,526)	(557)	(10,083)
- Change in translation adjustments						5,189	5,189	(105)	5,084
- Change in of scope of consolidation							-	1,540	1,540
- Impact of share buyout commitments							-	(2,528)	(2,528)
- Own shares			2,354	255			2,609		2,609
- Share-based payments taken directly to equity				1,513			1,513		1,513
- Other movements				128			128	(85)	43
<b>At 30 June 2007</b>	<b>8,538</b>	<b>340,907</b>	<b>(36,235)</b>	<b>105,964</b>	<b>19,390</b>	<b>12,116</b>	<b>450,680</b>	<b>5,906</b>	<b>456,586</b>
<b>At 1 January 2008</b>	<b>8,545</b>	<b>341,353</b>	<b>(31,224)</b>	<b>108,144</b>	<b>46,686</b>	<b>(10,613)</b>	<b>462,891</b>	<b>4,921</b>	<b>467,812</b>
- Change in capital	(105)	(8,082)					(8,187)		(8,187)
- Consolidated net profit for the year					21,741		21,741	2,737	24,478
- Appropriation of prior-year earnings				46,686	(46,686)		-		-
- Dividends paid				(13,670)			(13,670)	(1,177)	(14,846)
- Change in translation adjustments						(26,888)	(26,888)	(728)	(27,616)
- Change in of scope of consolidation							-	(416)	(416)
- Impact of share buyout commitments							-	60	60
- free shares given to employees according to the 2006 free share plan			2 324	(2,324)			-		-
- Own shares			2 429	40			2,469		2,469
- Share-based payments taken directly to equity				2,235			2,235		2,235
- Other movements				(113)			(113)	(28)	(141)
<b>At 30 June 2008</b>	<b>8,440</b>	<b>333,271</b>	<b>(26,471)</b>	<b>140,998</b>	<b>21,741</b>	<b>(37,501)</b>	<b>440,478</b>	<b>5,370</b>	<b>445,848</b>



Press release (continued) – August 27<sup>th</sup> 2008

## Nobody's Unpredictable

'Nobody's Unpredictable' is the Ipsos signature.

*Our clients' clients are increasingly demanding. They change direction, change their views and preferences often and easily. We at Ipsos anticipate and meet those changes. We help our clients to understand their clients, to bring focus and clarity to even the most difficult situations. We understand the dynamics of their markets and we deliver the insight needed to give them the leading edge.*

Listed on Eurolist by NYSE - Euronext Paris,  
Ipsos is part of the SBF 120 and the Mid-100 Index and is eligible to the Differed Settlement System.

**Isin FR0000073298, Reuters ISOS.PA, Bloomberg IPS:FP**  
**[www.ipsos.com](http://www.ipsos.com)**