



First-half 2009 results

And then came the crisis



27 August, 2009, updated on September 2009 with the Esomar numbers

Nobody's Unpredictable



First-half 2009 key figures

In millions of euros

■ Revenues	447.8	-3.2%
■ Operating profit before non-recurring items	36.3	-14.6%
■ Operating profit after non-recurring items	28.4	-31.5%
■ Adjusted net profit* attributable to the Group	24.5	-8.6%

* Adjusted net profit is calculated before non-cash items linked to IFRS 2 (share-based payments), amortisation of acquisition-related intangible assets (client relationships), deferred tax liabilities related to goodwill on which amortisation is tax-deductible in certain countries, the impact net of tax of other non-recurring operating income and expenses and other non-operating income and expenses.



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- 2009, a year of disruption
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First-half highlights

- Under exceptionally difficult market conditions, revenues declined (down 4.8%) in all markets except emerging countries (up 3.5%)
- Implementation of "Plan B", consisting of adjusting wage costs to the level of revenues on a country-by-country basis, resulting in the departure of over 400 staff in all regions and a cost of €7.8 million
- Acquisition of Chilean company Punto de Vista, consolidated as of 1 January, and Irish company MRBI, which will be consolidated in the second half of the year
- Refinancing in April 2009 by means of a €215 million 5-year syndicated loan



Results affected by measures to adapt to the crisis

<i>In millions of euros</i>	H1 2009	H1 2008	% change YOY	2008
Revenues	447.8	462.8	-3.2%	979.3
Gross profit	279.7 62.5%	285.0 61.6%	-1.9%	602.5
Operating margin before non-recurring items	36.3 8.1%	42.4 9.2%	-14.6%	99.7
Non-recurring operating expenses	(7.8)	(0.9)	-	(1.6)
Operating profit after non-recurring items	28.4 6.4%	41.5 9.0%	-31.5%	98.1
Other non-current operating income and expenses	(0.1)	(0.2)	-	(1.2)
Amortisation of acquisition-related intangible assets	(0.6)	(0.4)	-	(0.9)
Finance costs	(4.4)	(5.3)	-17.5%	(12.3)
Tax (excluding deferred taxes)	(5.6)	(8.6)	-35.2%	(21.5)
Deferred taxes linked to goodwill	(1.5)	(1.5)	-	(2.6)
Net profit (attributable to the Group)	14.3	21.7	-34.2%	51.5
Adjusted net profit (attrib. to Group)	24.5	26.8	-8.6%	62.2



Breakdown of revenues by region

Contribution by region	H1 2009 revenues <i>(in millions of euros)</i>	Contribution <i>(%)</i>	Organic growth H1 2009 / H1 2008
Europe	212.3	47%	-5%
North America	132.8	30%	-9%
Latin America	50.6	11%	-0.5%
Asia-Pacific and Middle East	52.1	12%	+2%
First-half revenues	447.8	100%	-4.8%
O/w emerging markets	122.6	27%	+3.5%



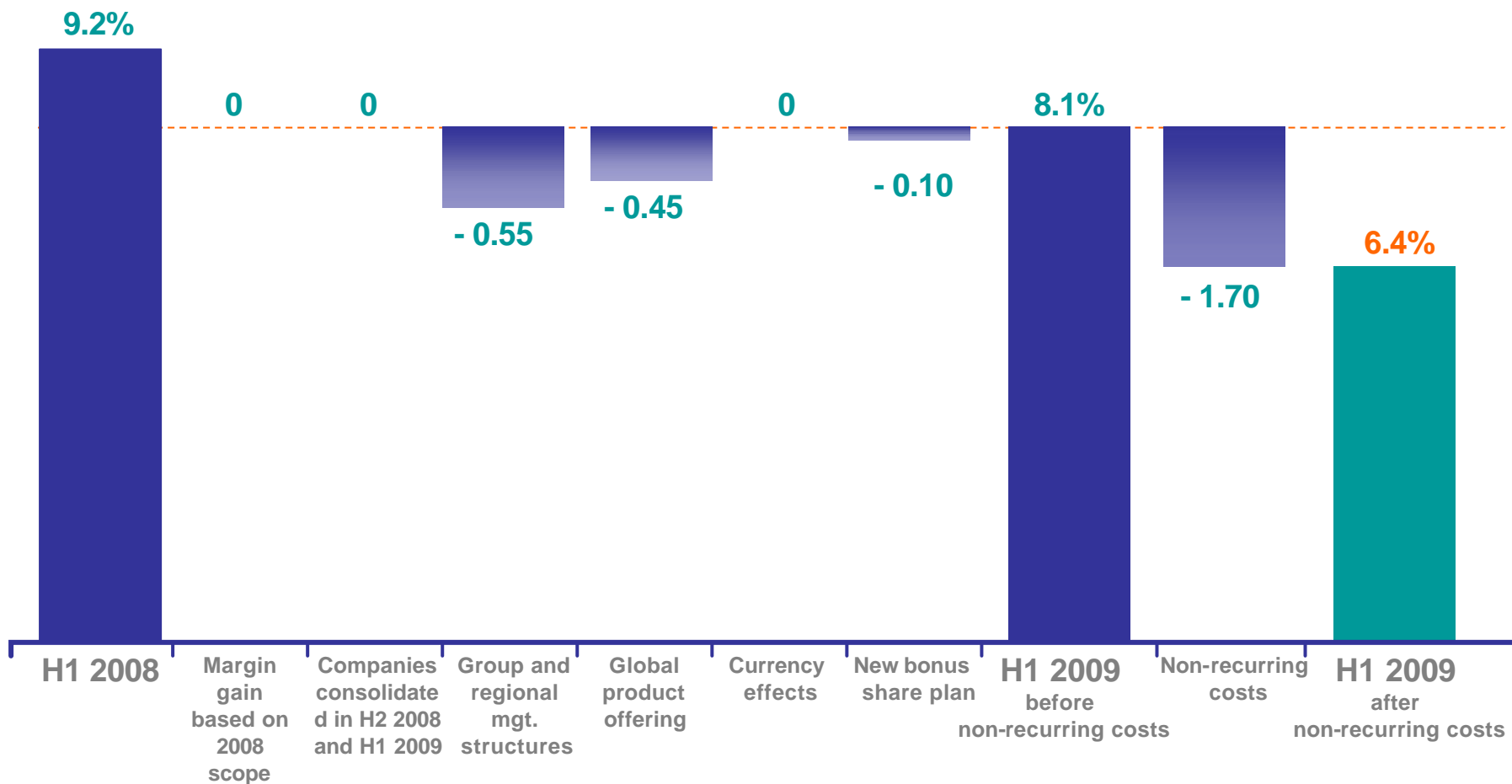
Breakdown of revenues by specialisation

Contribution by specialisation	H1 2009 revenues <i>In millions of euros</i>	Contribution (%)	Organic growth H1 2009 / H1 2008
Advertising Research	99.4	22%	-4%
Marketing Research	208.7	47%	-11%
Media Research	34.4	8%	-5%
Opinion & Social Research	59.8	13%	+5%
Quality and client relationship management	45.5	10%	-9%
H1 sales	447.8	100%	-4.8%



The margin of operating companies is stable

Components of change in operating margin



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Stable free cash flow generation

<i>In millions of euros</i>	H1 2009	H1 2008	2008
Cash flow	38.7 -21.5%	49.3	114.1
Change in WCR	(16.7)	(21.9)	(10.5)
Tax and interest expense	(12.3)	(14.1)	(34.4)
Purchases of PP&E and intangible assets	(5.5)	(9.2)	(19.1)
Free cash flow	4.2 +2%	4.1	50.1
Acquisitions	(25.2)	(34.9)	(68.5)
Capital increase (decrease)	0.1	(5.9)	(5.1)
Net change in debt	(20.7)	41.9	53.6
Dividends	(0.3)	(0.8)	(15.6)
Cash flow from financing activities	(20.9)	35.1	32.9
Cash at end of period	52.9	83.7	92.4



Solid financial position

<i>In millions of euros</i>	30 June 2009	31 Dec 2008
Shareholders' equity	471	450
Net debt	232	212
Gearing	49%	47%
Net debt/EBITDA (12 months)	x2.2	x1.8
Interest cover (operating margin/interest expense)	x6.5	x8



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2009: a year of disruptions

- The decline in marketing expenditure will be more severe than the economic decline
- The decline in the research market will be
 - almost as severe as in other marketing disciplines
 - almost as severe in the second half of the year
 - more severe in survey-based research than in panels



Reduction in marketing expenditure

- Marketing expenditure represents over USD 1 trillion: 10% or more of large companies' cost base
- Marketing expenditure has been targeted and adjusted by executive management teams looking for ways of saving cash
 - uncertain level of demand
 - imprecise marketing expenditure effectiveness models
 - the cost of accessing the media has fallen, creating a deflationary trend



Decline in the research market

- The research market is subject to the same trends, despite its modest size (2.5% of total marketing expenditure per company)
 - due to the severity of the crisis, all costs have been scrutinised and cut
 - expenses allocated to panels have been more resilient because they are negotiated earlier on, sometimes on a multi-year basis
- The second half of the year will be - almost - as bad as the first
 - the current upturn relates not to consumer spending or business expenditure but to public expenditure
 - the need to save cash still predominates
- 2010 will not be much better due to
 - growth in effective data collection systems (online)
 - consolidation/globalisation of research programmes
 - and uncertainties about the development of the economic situation

V, L, U or W-shaped recovery?



Ipsos has outperformed the market

■ Organic growth

H1 2009 versus H1 2008

- Synovate -12.3% (updated August 28th)
- Kantar -10.3%
- GfK -8.5%
- Ipsos -4.8%



How Ipsos has outperformed the market

- Strong presence in **emerging markets**
 - 25% of Ipsos's 2008 revenues
and **27%** in H1 2009
- Solid relationships with its main **international clients**
 - Stable revenues at PartneRing in the first half of the year
- Relevant positioning by **specialisation**
 - Opinion & Social Research: +5%
 - Advertising effectiveness: -4%
- Ability to manage **complicated international programmes**



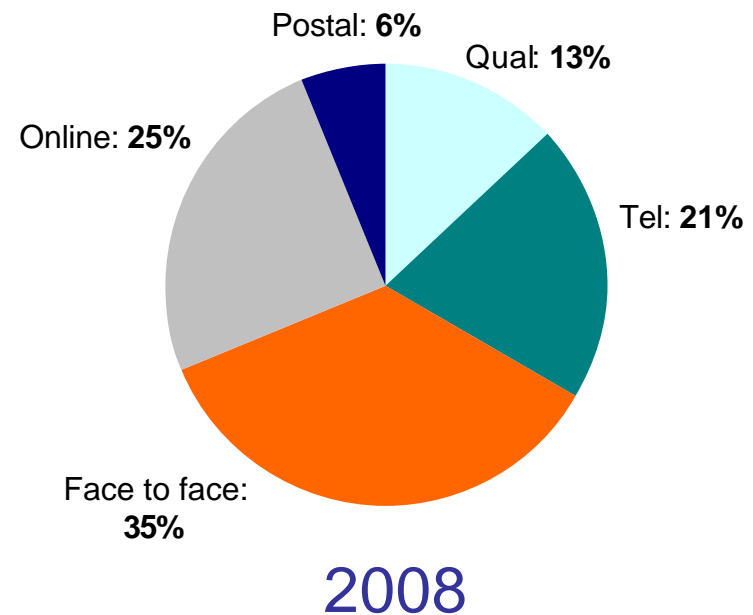
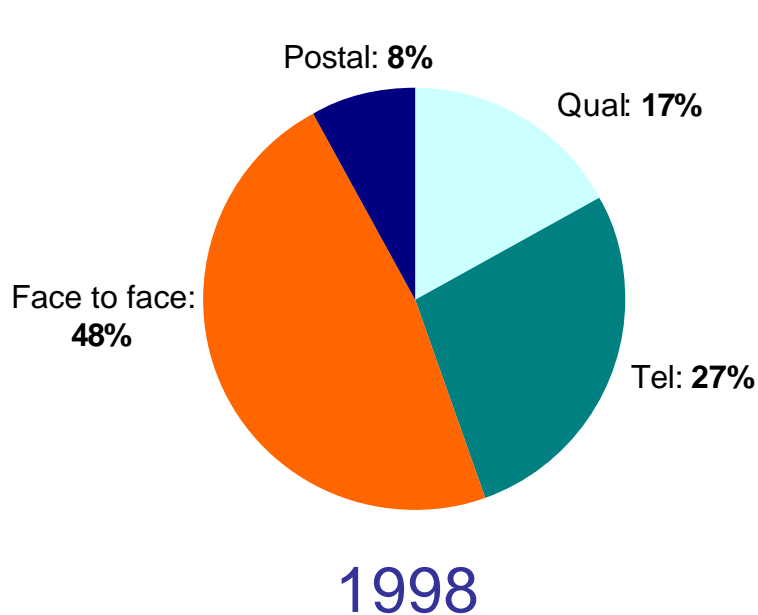
But no growth for Ipsos in 2009

- Budget restrictions are too significant in North America and Europe
- The unit value of projects has been reduced
 - In the first half of the year, Ipsos carried out more projects than in the first half of 2008 but its revenues fell
- It takes a long time to implement new contracts



Ipsos improves its gross margin

- Thanks to its specific position based on **specialisations** and areas of expertise clearly recognised by the market
- And the continuing shift towards **online** data collection systems
 - 25% of 2008 revenues,
i.e. 51% of revenues in North America and 23% in Western Europe





Ipsos has had to implement Plan B

- A centrally coordinated plan executed on a local level to adjust costs to revenues
 - expenditure of €10 million, including €7.8 million in the first half of the year
 - cost structure reduced (at constant revenues)
 - by €5 million in the second half of the year
 - and €15 million over the full year (2010)



Ipsos will improve its profitability on ordinary activities in the second half of 2009

This improvement

- will make up for the decline in profitability on ordinary activities in the first half of the year
- but will not cover the exceptional costs relating to the implementation of Plan B



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Ipsos, what comes next

- Strengthening its operations in developing markets (late 2009 and 2010)
- Transforming its competitive positioning and introducing new services
 - allowing for greater predictability of marketing choices (July 2009)
 - combining survey data with other sources of information about consumer behaviour, moods and reactions (during 2010)
- Offering international clients new service models in order to help their staff to understand consumers (January 2010)
- Reducing data production costs / Improving quality and the relevance of their use (January 2010)
- Playing an active role in measuring understanding of the mobile and digital world (during 2010)
- Creating more senior teams in order to achieve these new targets (H2 2009 and 2010)



Outlook

- Outperform the market in 2009-2010
- Maintain profitability on ordinary activities in 2009-2010



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1998 – 2008: the research market

- A market worth **USD 32.5 billion** in 2008 (Ipsos estimate) versus **USD 13.4 billion** in 1998
- A market still dominated by Europe and the US

	1998	2008
Western Europe	42%	45%
North America	39%	30%
Japan	7%	5%
Emerging markets	12%	20%

Source: Esomar

- Research expenditure in **emerging markets** has grown twice as fast as in developed markets



1998 – 2008: main countries / Research

1998

1	United States	4,935
2	United Kingdom	1,525
3	Germany	1,326
4	France	906
5	Japan	894
6	Italy	415
7	Australia	285
8	Spain	274
9	The Netherlands	259
10	Brazil	250
11	Canada	245
12	Sweden	233
13	Mexico	200
14	Switzerland	117
15	Belgium	114
16	Argentina	100
17	Turkey	67
18	South Africa	63
19	China	62
20	Poland	55

2008

1	United States	8,866
2	United Kingdom	4,154
3	Germany	3,334
4	France	3,042
5	Japan	1,643
6	Italy	915
7	Spain	818
8	China	793
9	Canada	763
10	Australia	727
11	Brazil	689
12	Sweden	482
13	The Netherlands	477
14	Mexico	455
15	Korea	425
16	Russia	335
17	Poland	277
18	Belgium	226
19	Switzerland	220
20	India	198

Source: Esomar (in millions of US dollars)



1998 – 2008: the fastest-growing countries

Revenue growth
2008 vs. 1998 in
local currency

1	China	x10.7
2	Russia	x7.3
3	Korea	x7.1
4	India	x5.4
5	Brazil	x2.8
6	Poland	x3.2
7	Mexico	x2.6
8	UK	x2.5
9	France	x2.5
10	Spain	x2.2

Source: Esomar



The world's top 10 players in 1998

Only five groups generated revenues of over USD 500m

In millions of US dollars

1	AC Nielsen (USA)	1,425
2	IMS Health Inc. (USA)	1,084
3	Kantar Group (UK)	675
4	Taylor Nelson Sofres (UK)	549
5	Information and Resources Inc (USA)	511
6	NFO Worldwide (USA)	424
7	Nielsen Media Research (USA)	402
8	GfK (Germany)	353
9	Ipsos (France)	223
10	Westat (USA)	205

Source: Esomar 1999

Top 10 total market share

44%

Ipsos market share

2%



And in 2008

Five companies generated revenues of over USD 1bn

In millions of US dollars

1	The Nielsen Company (USA)	4,575
2	Kantar Group (UK) pro forma, including TNS	3,615
3	IMS Health Inc. (USA)	2,330
4	GfK (Germany)	1,797
5	Ipsos (France)	1,442
6	Synovate (UK)	961
7	Information and Resources Inc (USA)	725
8	Westat (USA)	470
9	Arbitron (USA)	369
10	Intage (Japan)	332

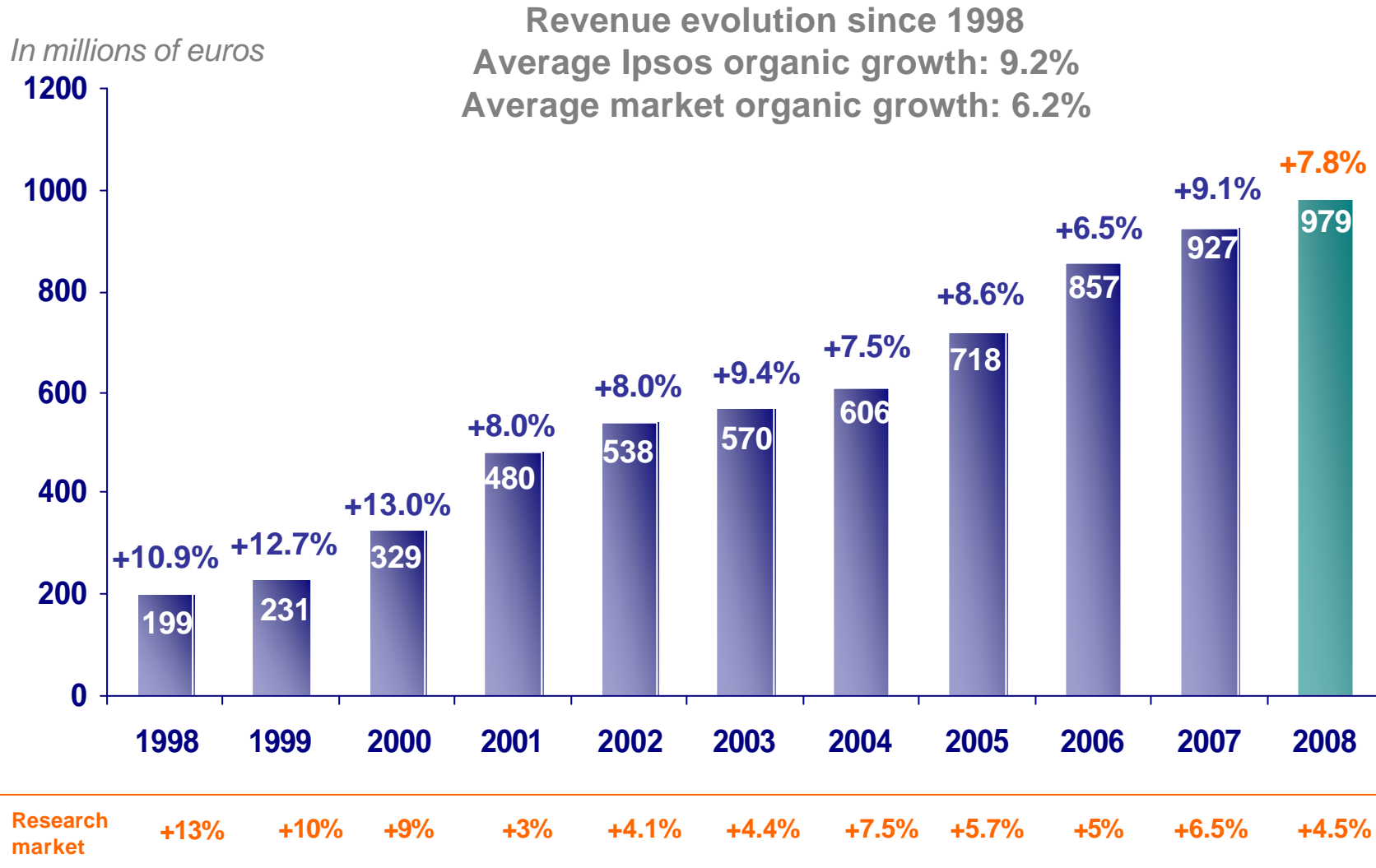
Source: Esomar, September 2009

Top 10 total market share
Ipsos market share

51%
4%



1998 – 2008: 5x increase in Ipsos revenues





1998 – 2008: Ipsos broadens its network

- And has operating companies in **64 countries** versus 12 in 1998

	1998 revenues (€m)	Share of total	2008 revenues (€m)	Share of total
Western Europe	152.0	76%	476.0	49%
Central and Eastern Europe	2.8	1%	71.1	7%
North America	25.6	13%	280.4	29%
Latin America	18.9	9%	119.0	12%
Asia-Pacific, Africa and Middle East	-		103.9	11%
Total	199.3	100	979.3	100

- Ipsos generated **25%** of its revenues in **emerging markets** in 2008 versus **10%** in 1998



1998 – 2008: strengthening its areas of specialisation

- **Specialisation** is central to Ipsos's strategy

	1998 revenues (€m)	Share of total	2008 revenues (€m)	Share of total
Marketing research	87.7	44%	468.0	48%
Advertising effectiveness measurement	49.8	25%	209.4	21%
Media research	27.9	14%	78.2	8%
Opinion & social research	14	7%	126.3	13%
Quality and client relationship management	15.9	8%	97.4	10%
<i>Other</i>	4	2%	-	-
Total	199.3	100	979.3	100



1998 – 2008: a balanced client base

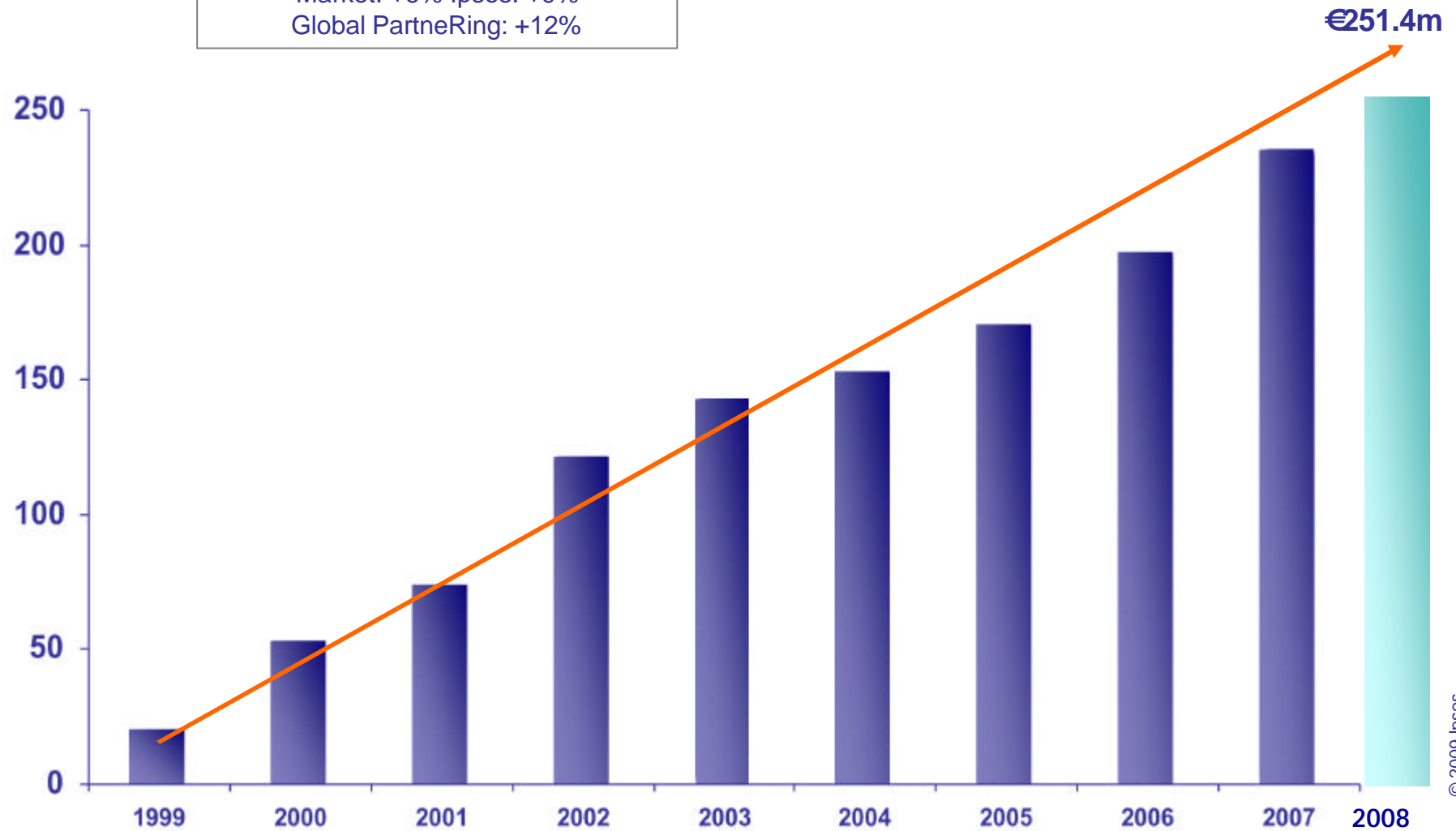
Business sector	% of 1998 revenues	% of 2008 revenues
Fast-moving consumer goods	42	34
Media, IT and technology	29	16
Institutions and public services	5	12
Pharmaceuticals, healthcare, biochemistry	3	10
Durable goods, automotive	13	5
Services	8	23
	100	100

Global PartneRing	1999	2008
Contribution to Group revenues	10%	26%



1998 – 2008: 10x increase in Global PartneRing revenues

Average organic growth:
Market: +6% Ipsos: +9%
Global PartneRing: +12%



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1998 – 2008: growth AND profitability

<i>In millions of euros</i>	1998	2008	
Revenues	199.3	979.3	x5
Gross profit	110.3	602.5	
<i>Gross margin</i>	<i>55.3%</i>	<i>61.5%</i>	
Operating expenses	189.6	504.4	
<i>O/w wage costs</i>	<i>85.3</i>	<i>367.6</i>	
Operating margin	11.2	98.5	x8
<i>Operating margin</i>	<i>5.6%</i>	<i>10.0%</i>	
Net profit (attributable to the Group)	1.0	51.5	
Adjusted net profit (attrib. to Group)	5.0	61.0	x12



1999 – 2009: financial partners linked to the company's success

- Three capital increases made in 1999, 2000 and 2005 representing a total of **250 million euros**
- Four syndicated loans in place in 2000, 2004, 2005 and 2009
- A bond issue in 2003 (USPP)
- A total of **67 million euros** in dividends distributed, with €16m in 2008

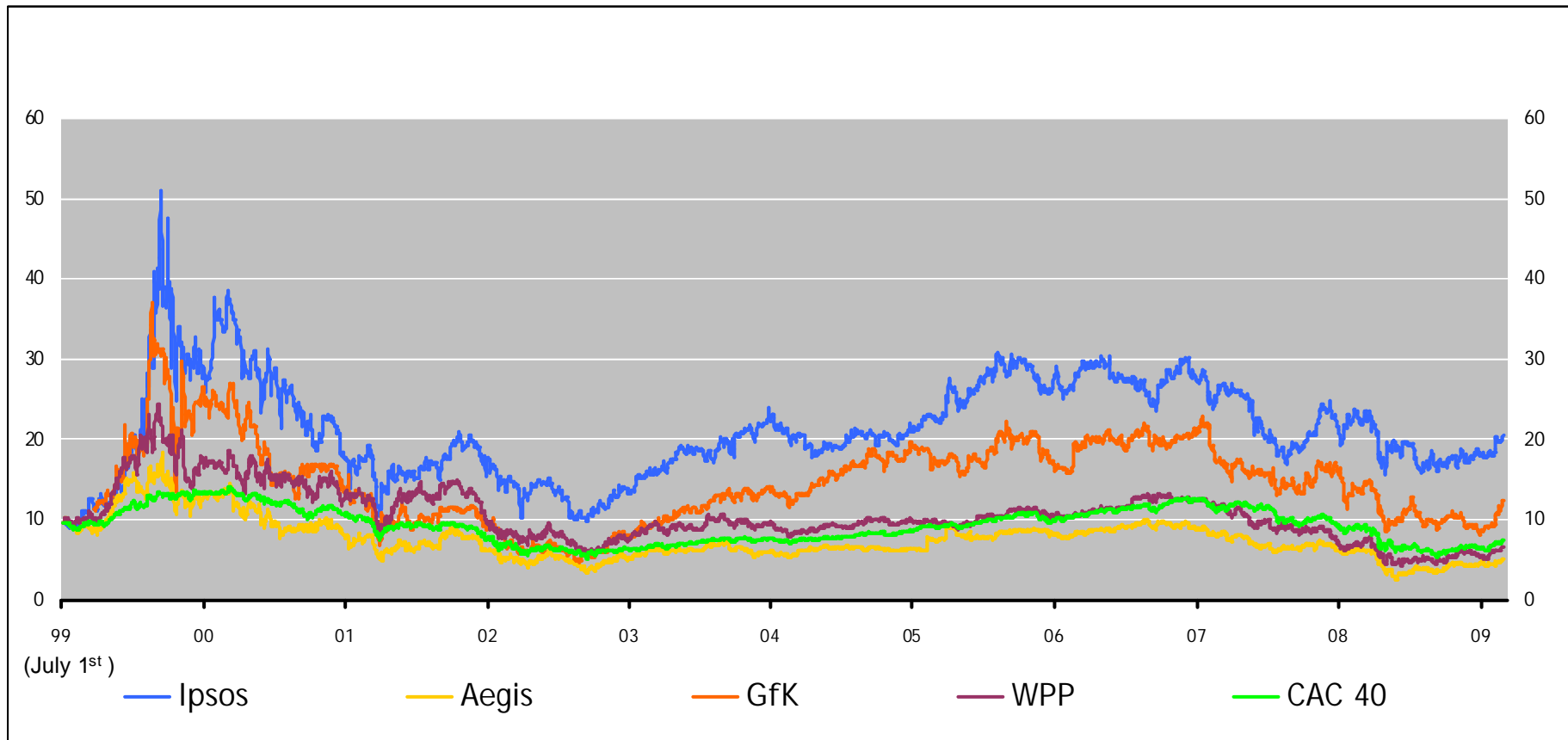
	31/12/1998	31/12/2008
Shareholders' equity	36.3	449.9
Net debt	29.4	212.0
Gearing	81%	47%

	1999	2008
Adjusted EPS	0.41	1.93
Dividend per share	0.06	0.50



Ipsos, a stock you can trust

Share price at the IPO on July 1st, 1999: €8.375



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Ipsos in 2019

- An independent research company managed and controlled by professionals
- A global brand, recognized for the pertinence of its publications, polls, analysis, forecasts
- A larger and more profitable company, thanks to its organic growth -product of its expertise and of the quality of services delivered to its clients- and to acquisitions
- « The House of researchers », The place where the finest professionals will want to work and share in its values: integrity, leadership, curiosity, responsibility and partnership
- A management team that will reflect the new balance in activity in favour of –today’s– emerging countries



Ipsos in 2019

- **A base of clients**

whose composition, including in the PartneRing, will also reflect the importance of emerging countries

- **A company whose solutions methodology**

will have been recognized as the most pertinent and widespread

- **A transformed client relationship**

by assuming the management of their research programs

- **A competence extended beyond survey-based research towards all sources of information**

enabling measurement, understanding and anticipation of behaviours and reactions of individuals in a digital and mobile world

- **An enlarged shareholder base**

comprising institutional and private investors from emerging countries



First-half 2009 results



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