  

What do we see?

First-half 2008 results

Ipsos keeps the rhythm

28 August 2008

Nobody's Unpredictable

First-half 2008 key figures

In millions of euros

Revenue	462.8	+4.5%
Operating margin	41.5	+9.8%
Adjusted net profit (attributable to the Group)	26.1	+12.3%

First-half results

A semester of profitable growth

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First-half highlights

- Organic growth is firm, and superior to market growth
- Negative currency effects account for a 7% decline in revenue
- Six targeted acquisitions have integrated the perimeter of consolidation
  - Markinor in South-Africa, Eureka in Australia, Indica in India and ResearchPartner in Norway, over the second-half of 2007
  - Forward Research and Monroe Mendelsohn in the United-States, during the first-half of 2008
- Profitability continues to improve

Strong growth and solid results

In millions of euros	H1 2008		H1 2007		YOY change	2007	
Revenue	462.8		443.1		4.5%	**927.2**	
Gross profit	**285.0**	*61.6%*	**265.7**	*60.0%*	**7.3%**	**561.5**	*60.6%*
Operating margin	**41.5**	*9.0%*	**37.8**	*8.5%*	**9.8%**	**90.6**	*9.8%*
Other non-recurring income and expenses	(0.2)		(0.2)		-	(2.6)	
Amortisation of acquisition-related intangible assets	(0.4)		(0.4)		-	(0.8)	
Finance costs	(5.3)		(5.7)		(7.6%)	(11.3)	
Foreign exchange gains/losses	(1.1)		1.4		-	(0.4)	
Tax (excluding deferred taxes)	(8.6)		(9.4)		(9.2%)	(19.9)	
Deferred taxes linked to goodwill	(1.5)		(1.7)		(13.8%)	(3.3)	
Net profit (attributable to the Group)	**21.7**		**19.4**		**12.1%**	**46.7**	
Adjusted net profit (attributable to the Group)	**26.1**		**23.2**		**12.3%**	**57.1**	

Remarkably strong business levels in all regions, except North America

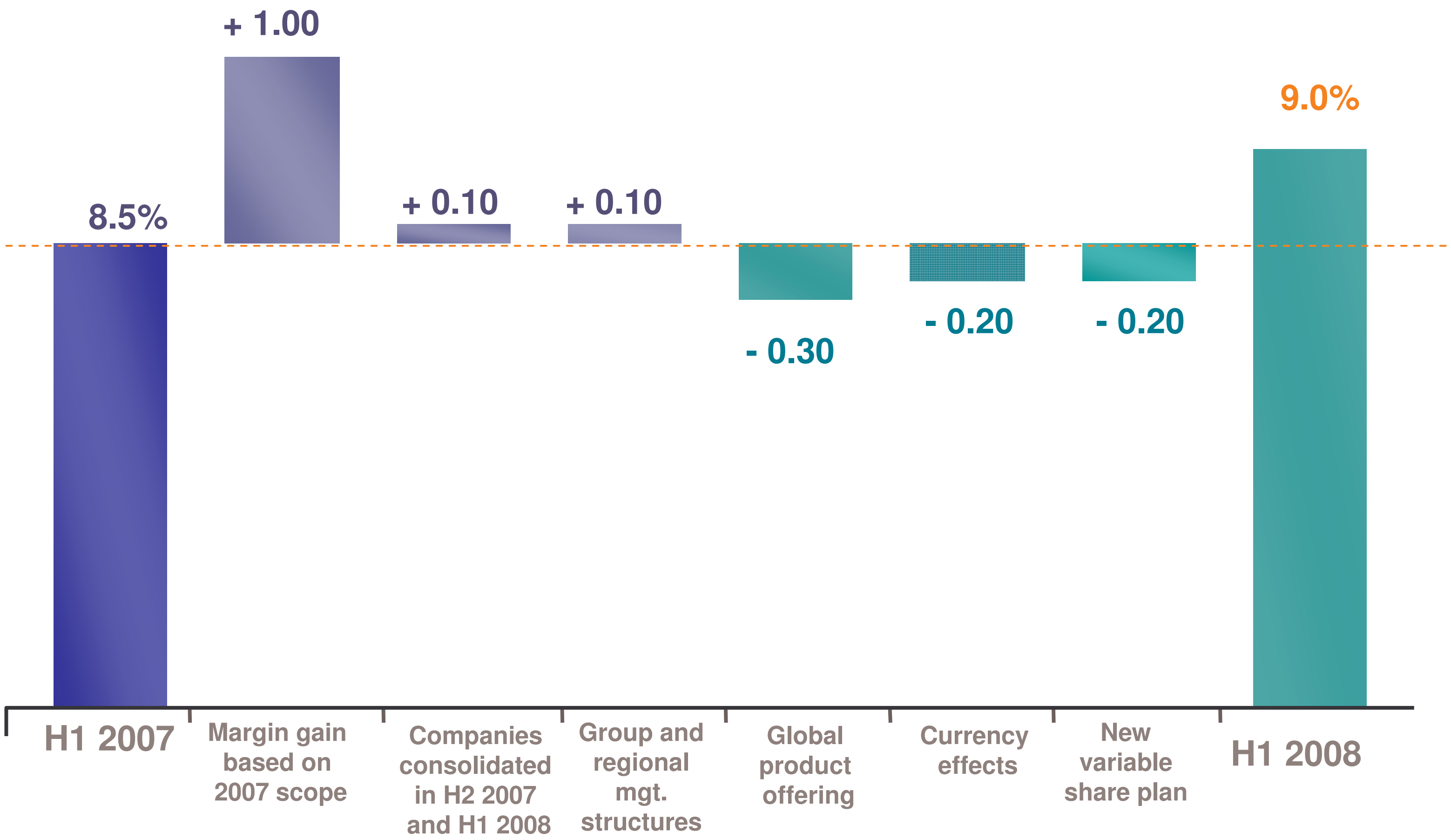
Contribution by geographic area	**H1 2008 revenue** *(in millions of euros)*	**Contribution** *(as a %)*	**Organic growth H1 2008 / H1 2007**
Europe	236.0	50%	10%
North America	132.1	29%	1%
Latin America	49.2	11%	20%
Asia-Pacific and Middle East	45.5	10%	11.5%
First-half revenue	**462.8**	**100%**	**8.4%**

Strong momentum in all specialisations

Contribution by specialisation	**H1 2008 revenue** *(in millions of euros)*	**Contribution** *(as a %)*	**Organic growth YOY change**
Advertising Research	102.4	22%	10%
Marketing Research	214.8	46%	6%
Media Research	37.7	8%	10%
Opinion & Social Research	63.3	14%	14%
Quality and client relationship management	44.6	10%	11%
First-half revenue	**462.8**	**100%**	**8.4%**

Operating margin/revenue up 0.5 points

Drivers of the improvement



Steady improvement in cash flow

In millions of euros	H1 2008	H1 2007	2007
Cash flow	**49.3** +12.8%	**43.7**	**106.8**
Change in the WCR	(21.9)	(18.1)	(9.6)
Tax and interest expense	(14.1)	(12.5)	(25.7)
Cash flow from operating activities	13.3	13.1	71.5
Purchases of PP&E and intangible assets	(9.2)	(8.8)	(15.9)
Acquisitions	(34.9)	(19.4)	(27.4)
Cash flow from investing activities	**(44.1)**	**(28.1)**	**(43.4)**
Capital increase (decrease)	(5.9)	4.0	9.8
Net change in debt	41.9	11.3	(4.4)
Dividends	(0.8)	(0.7)	(10.7)
Cash flow from financing activities	**35.1**	**14.6**	**(5.3)**
Cash at end of period	83.7	63.2	83.2

Solid financial position

In millions of euros	30 June 2008	30 June 2007	31 Dec 2007
Shareholders' equity	450	458	468
Net debt	193	200	160

Gearing	43%	44%	34%
Net debt/EBITDA	1.8	2.1	1.5
Interest cover (operating margin/interest expense)	X 8	X 7	X 8

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Ipsos is keeping the rhythm

Economic environment

- The “double economic crisis” has created
  - Stagflation in developed countries
  - Inflation in developing countries

The research market remains robust

- A robust research market
  - Growth of around 6% in 2007
  - and 5% or more in 2008

- Its growth is the result of customers wanting to
  - Understand today's markets and better anticipate tomorrow's markets
  - Gain tighter control over marketing and commercial expenditure

- Future growth depends on the ability of research companies to
  - Measure accurately
  - Help clients understand markets
  - Anticipate change

Main challenges facing Ipsos and other research companies

- Research companies must
  - Have global capacity
  - Strengthen their expertise
  - Engage with their clients
  - Manage their costs

To be truly global, Ipsos acts as "One Company"

- Ipsos is organised by business line:
  Ipsos Marketing, Ipsos ASI, Ipsos Loyalty, Ipsos Public Affairs, Ipsos MediaCT

- Each WSBL* is in charge of its area of expertise
  - Product range
  - Contract execution
  - Staff expertise

- Aim: to ensure that Ipsos works in the same way in all countries
  - Same philosophy
  - Same methods
  - Same quality of execution

- Resources
  - One integrated organisation
  - One brand
  - One HR policy: recruitment, training, exchanges
  - Financial resources: 3% of Ipsos' revenue

* Worldwide Specialised Business Line

Ipsos' global capacity

Positions in the main developed countries

In millions of US dollars	Market size Esomar 2007	Ipsos' ranking survey-based research	Ipsos Marketing	Ipsos ASI	Ipsos Loyalty	Ipsos Public Affairs	Ipsos MediaCT
USA	8,232	**No. 5**	◕	●	◕	◑	◑
UK	2,369	**No. 3**	◑	◕	◕	●	●
France	2,214	**No. 2**	●	●	●	●	◕
Germany	2,206	**No. 3**	◑	◑	◑	NO	◔
Japan	1,380	**No. 8**	◑	◔	NO	NO	NO
Italy	706	**No. 2**	◕	●	◕	●	◑
Canada	652	**No. 1**	●	●	●	●	◔
Australia	532	**No. 2**	◑	◑	◑	●	◔
Spain	514	**No. 3**	◕	●	●	◑	◑
Sweden	336	**No. 5**	◑	◑	◔	◔	NO

● : Market leader ◕ : Good position ◑: Moderate presence ◔ : Weak presence

Ipsos' global capacity

Positions in the main developing markets

In millions of US dollars	Market size Esomar 2007	**Ipsos' ranking survey-based research**	Ipsos Marketing	Ipsos ASI	Ipsos Loyalty	Ipsos Public Affairs	Ipsos MediaCT
China	583	**No. 2**	Good position	Moderate presence	Market leader	Weak presence	Moderate presence
Brazil	502	**No. 1**	Market leader	Market leader	Market leader	Good position	Market leader
Mexico	386	**No. 1**	Market leader	Market leader	Market leader	Moderate presence	Market leader
Russia	198	**No. 2**	Market leader	Market leader	NO	NO	NO
South Africa	170	**No. 3**	Moderate presence	Weak presence	Moderate presence	Good position	Weak presence
Poland	162	**No. 4**	Moderate presence	Good position	NO	NO	Moderate presence
India	115	**No. 5**	Good position	Weak presence	NO	NO	Weak presence
Turkey	101	**No. 1**	Market leader	Moderate presence	Market leader	NO	Moderate presence
Taiwan	99	**No. 6**	Moderate presence	Moderate presence	NO	NO	NO
Argentina	81	**No. 1**	Market leader	Market leader	Market leader	Market leader	Good position

: Market leader : Good position : Moderate presence : Weak presence

Ipsos is enhancing its expertise by transforming researchers into specialists

Our clients want answers to their questions

Examples

- What is the potential, in monetary terms, of my 10 ideas?
- What are the main things we need to do to retain our most profitable customers?
- How much money should I offer to the IOC for the mobile phone broadcast rights to the Chicago 2016 Olympics?
- How can I optimise my €50 million advertising spend for my new phone through new media choices?
- Of these three adverts, which is most effective in differentiating my brand among my priority target market? And why?
- How can I measure the effectiveness of grants given to local authorities aimed at encouraging residents to play sport regularly?
- Which voters do I need to win over to get elected?

Transforming researchers into specialists

- The traditional researcher provides a more-or-less ad hoc solution, that may or may not be related to his/her experience or that of a centre of excellence

- An Ipsos specialist works within a specific unit, which is an integral part of a dedicated global organisation
  - The methods used by the Ipsos specialist have been tested and validated
  - They are supported by databases
  - The specialist has access to Ipsos' global experts
  - Results and comments provided are actionable
  - The service is better because it is different

- 30% of Ipsos' revenues is generated using standardised methods

  2011 target: 50%

Ipsos makes commitments to its clients

Ipsos programmes

- Global PartneRing
  - 16 clients in 2008, 18 in 2009
  - 25% of revenue in 2008
  - Faster organic growth than that of the Group as a whole
  - Centralised management
- HiPAC* programme
  - 40 international and local customers
  - 15% of revenue in 2008
  - Faster organic growth than that of the Group as a whole
  - Local management

* High Potential Accounts

Ipsos has made a commitment to its clients to increase its presence in developing countries

"150 gold medals" programme

- Objectives
  - Generating double-digit organic growth in each of the next five years
  - Increasing satisfaction of international clients
  - Winning local clients, both large and not so large
- Resources
  - Strengthen the territorial organisation in major developing markets
    - Example: Asia-Pacific is organised as three zones:
      Northeast Asia / Greater China / Southeast Asia and Australia
  - Develop specific plans (R&D, HR) within each business line
  - Adjust agreements with Ipsos' local partners
  - Step up acquisitions in these countries
    - In 2008: joint venture established in Indonesia; acquisition of Livra in Argentina and Alfacom in Brazil; office set up in Morocco

The share of developing countries in Ipsos' activity is growing rapidly

Developing countries' share	2002	2008
of Ipsos revenue	13%	25%
of Global PartneRing revenue	20%	30%
of permanent staff	25%	55%
of Ipsos' organic growth	25%	57%

Developing countries show major scope for growth

Market performance comparison

In millions of US dollars	Advertising market	Research market	Research market / advertising market
UK	25,429	2,369	9.3%
France	13,890	2,214	15.9%
Germany	25,758	2,206	8.6%
China	16,049	583	3.6%
Brazil	9,703	502	5.2%
Russia	8,957	198	2.2%
India	6,635	115	1.7%

Sources: ZenithOptimedia 2008; Esomar 2007.

Ipsos is reducing its cost base

1 - The shift to online research is well underway

Online	2005	2006	2007	H1 2008
Proportion of Ipsos revenues coming from online research	15%	21%	23%	25%

- However, the shift is mainly taking place in developed countries,
- and it is running up against limits related to sample validity and stability

2 - Shared production platforms are up and running

e.g. Sherpa: integrated platform for continuous tracking of research production

- Investment: €4 million between 2005 and 2008
- In place since mid-2007
- Savings expected in 2009: €1 million

  From 2010: €2-3 million per year

Ipsos is reducing its cost base

3 - Overheads have fallen on a regular basis in the last few years

Overheads	2005	2006	2007	H1 2008
as a proportion of gross profit	24.7%	23.8%	23.5%	22.4%

4 - Central costs are rising more slowly than revenue

Cost of *Global Headquarter Services*	2005	2006	2007	H1 2008
as a proportion of gross profit	2.7%	2.3%	2.1%	2.0%

Ipsos is committed maintaining its payroll

The quality and commitment of Ipsos' staff is the main factor behind its success

Payroll	2005	2006	2007	2008 (e)
as a proportion of gross profit	60.6%	60.1%	60.1%	61.4%

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- 2008
  - Organic growth of over 8%
  - Improvement in operating margin

- 2009 and beyond
  - Objective: to be recognised by clients as the best research company in its chosen fields of specialisations
  - Total annual growth of 15% at constant exchange rates, with at least half consisting of organic growth
  - Ongoing improvement in operating margin (12% in 2011)
  - EPS growth of over 10% per year

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