



## Full-year 2008 results

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*Chinese ideogram signifying 'Crisis', formed from the characters meaning 'Risk' and 'Opportunity'.*



# Crisis = Risks and Opportunities

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- Key figures
- 2008 results
- 2009, a disruptive year
- Outlook for 2009



## Key figures for 2008

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*In millions of euros*

■ Revenue	979.3	+5.6%
■ Operating margin	98.1	+8.2%
■ Adjusted net profit (attr. to the Group)	61.0	+7.4%
■ Net profit (attributable to the Group)	51.5	+10.8%
■ Cash flow	114.1	+6.8%



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## Highlights of the year

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- Organic growth was brisk (7.8%) and stronger than the pace of market expansion
- Currency effects were negative: -5.9% of revenue
- Ipsos' operations were bolstered by selective acquisitions (impact of 3.7%)
  - **Forward Research** and **Monroe Mendelsohn** (USA) during the first half of 2008
  - **B-Thinking** (China), **Livra Panels** (Argentina), **Alfacom** (Brazil) and **Strategic Puls** (Balkans) during the second half of 2008
- Profitability continues to improve



## Brisk growth and solid earnings

<i>In millions of euros</i>	<b>FY 2008</b>	<b>FY 2007</b>	<b>2008/2007</b>
Revenue	979.3	927.2	+5.6%
<b>Gross profit</b>	<b>602.5</b>	<b>561.5</b>	<b>+7.3%</b>
Share-based payments	(4.8)	(3.7)	-
<b>Operating margin</b>	<b>98.1</b>	<b>90.6</b>	<b>+8.2%</b>
Other non-recurring income and expenses	(1.2)	(2.6)	-
Amortisation of acquisition-related intangible assets	(0.9)	(0.8)	-
Finance costs	(12.3)	(11.3)	+8.1%
Tax	(21.5)	(20.1)	+6.7%
Deferred taxes linked to goodwill	(2.6)	(3.3)	-
<b>Net profit (attributable to the Group)</b>	<b>51.5</b>	<b>46.5</b>	<b>+10.8%</b>
<b>Adjusted net profit (attributable to the Group)</b>	<b>61.0</b>	<b>56.9</b>	<b>+7.4%</b>



## Sprightly growth in emerging markets

Contribution by geographic area	2008 revenue <i>(in millions of euros)</i>	Contribution <i>(as a %)</i>	Organic growth
Europe	475.8	48%	9%
North America	280.4	29%	1.5%
Latin America	119.2	12%	18.5%
Asia-Pacific and Middle East	103.9	11%	11%
<b>Annual revenue</b>	<b>979.3</b>	<b>100%</b>	<b>7.8%</b>

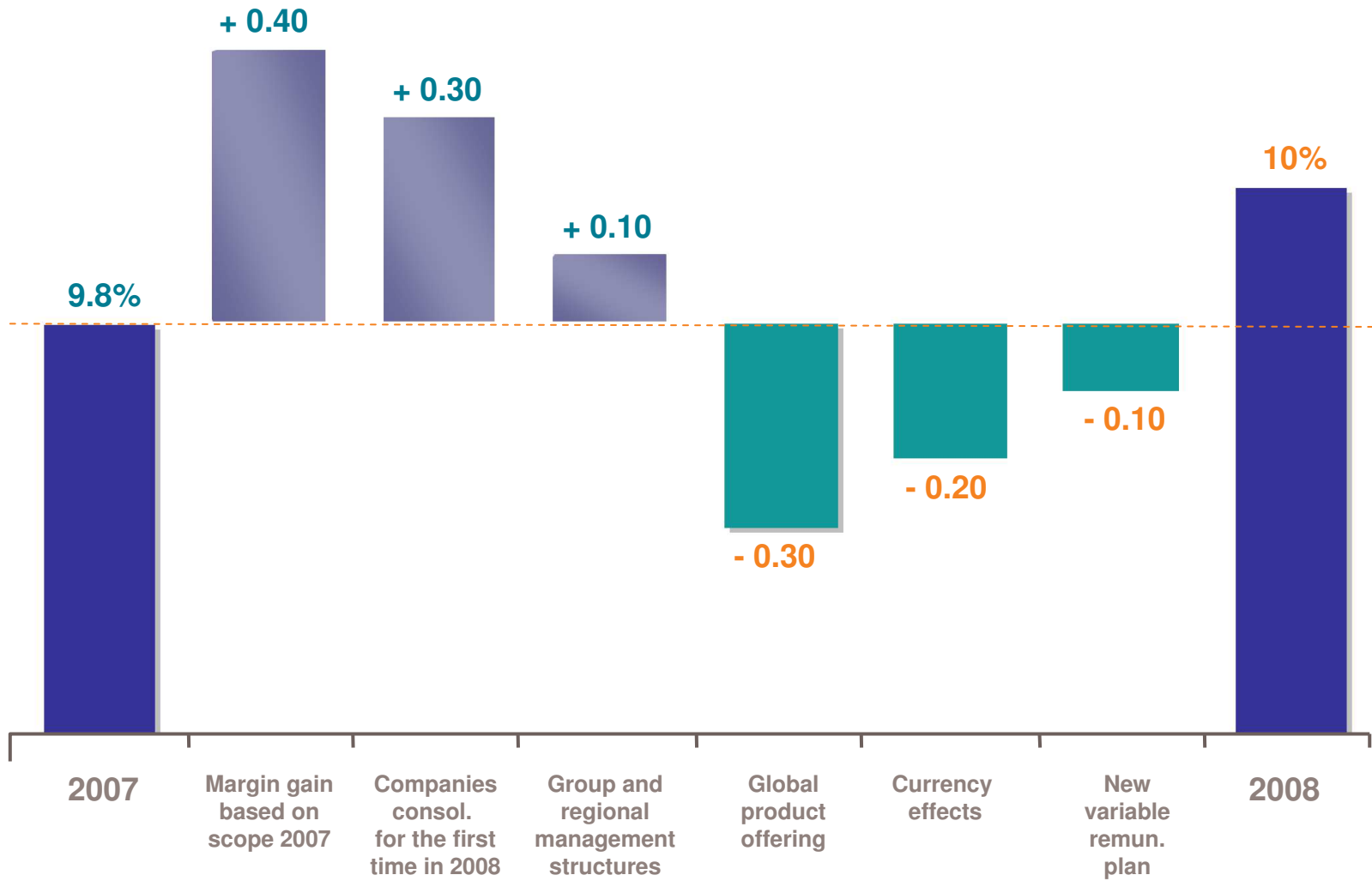
<b>Emerging markets</b>	<b>247.3</b>	<b>25%</b>	<b>19.4%</b>
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## Brisk growth across all specialisations

Contribution by specialisation	2008 revenue <i>(in millions of euros)</i>	Contribution <i>(as a %)</i>	Organic growth
Advertising Research	209.4	21%	7%
Marketing Research	468.0	48%	6%
Media Research	78.2	8%	13%
Opinion & Social Research	126.3	13%	12%
Quality and client/employee relationship management	97.4	10%	7.5%
<b>Annual revenue</b>	<b>979.3</b>	<b>100%</b>	<b>7.8%</b>

# Drivers of the improvement





## Improvement in cash flow

<i>In millions of euros</i>	<b>2008</b>	<b>2007</b>	
<b>Cash flow</b>	114.1	106.8	<b>+6.8%</b>
Change in the WCR	(10.5)	(9.6)	
Tax and interest expense	(34.4)	(25.7)	
<b>Cash flow from operating activities</b>	69.2	71.5	
Capex	(19.1)	(15.7)	
Acquisitions	(68.5)	(27.7)	
<b>Cash flow from investing activities</b>	<b>(87.6)</b>	<b>(43.4)</b>	
Capital increase	(5.1)	9.8	
Net change in debt	53.6	(4.4)	
Dividends	(15.6)	(10.7)	
<b>Cash flow from financing activities</b>	<b>32.9</b>	<b>(5.3)</b>	
Cash at end of period	92.4	83.2	<b>+11.1%</b>



## Financial position under control

<i>In millions of euros</i>	<b>2008</b>	<b>2007</b>
Shareholders' equity	450	468
Net debt	212	160
Gearing	47%	34%
Net debt/EBITDA	1.8x	1.5x
Interest cover (operating margin/interest expense)	8x	8x



## Employees sharing in Group's success

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- Bonus share allotment plan accounting for around 1% of share capital p.a.
- Targeted use of share buybacks to eliminate potential capital dilution
  - 457,017 shares repurchased and cancelled in 2008



## Higher returns for shareholders

EPS adjusted to €1.90  
Dividend up 25%

	2008	2007	Change 2008/2007
EPS	1.60	1.45	+10.3%
Adjusted EPS	1.90	1.77	+7.3%
Dividend per share	0.50	0.40	+25%
Percentage of Adjusted EPS paid out	26%	23%	



# Crisis = Risks and Opportunities

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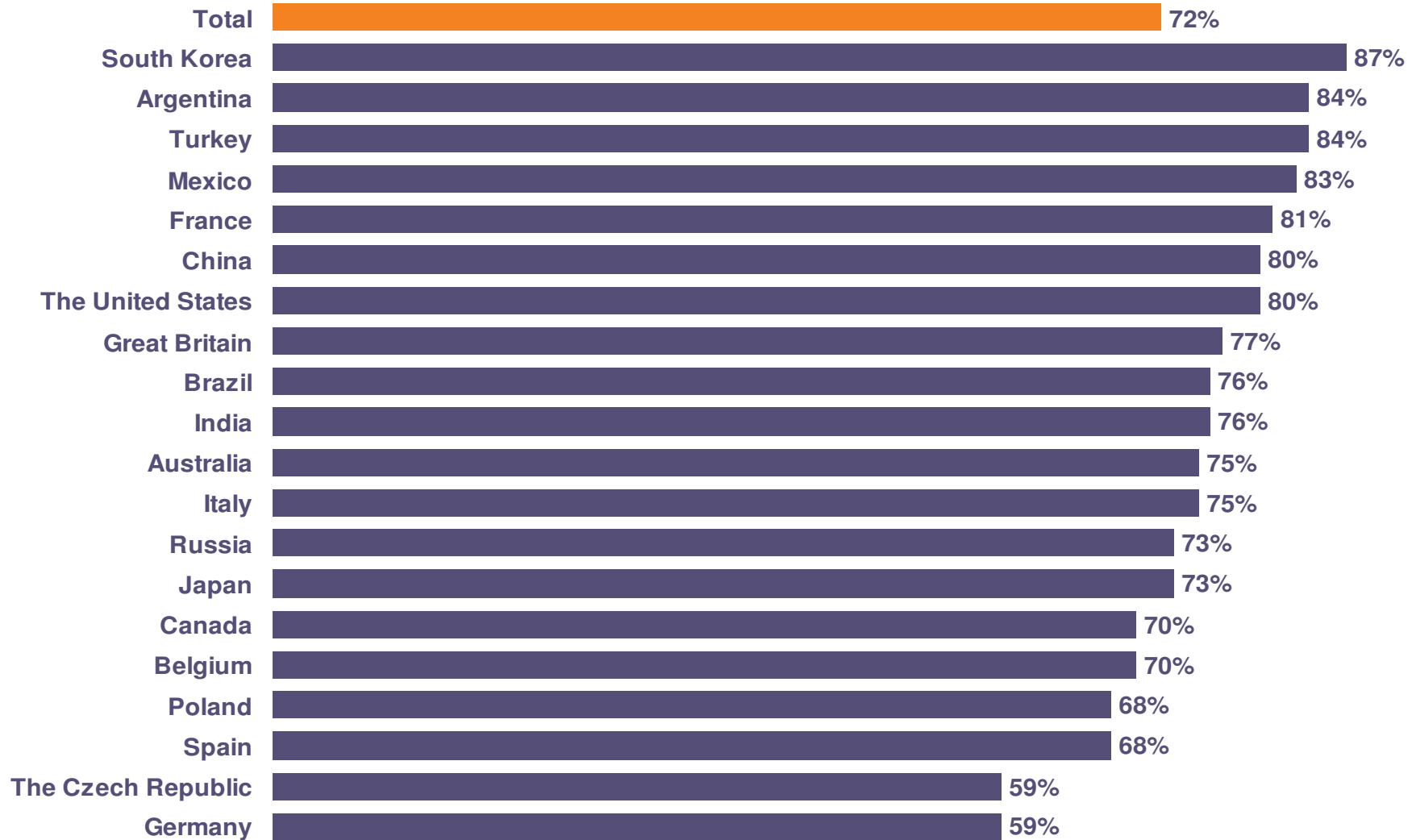
- Key figures
- 2008 results
- **2009, a disruptive year**
- Outlook for 2009 - 2010

- The unthinkable has happened
  - Collapse in the liberal financial system
  - Risk-related behaviour called into question
    - massive inventory reductions
    - attempt by private-sector agents to pay down their debt
    - compensation and benefit systems thrown into doubt
  
- The global village has become a reality
  - In just several months, the same behaviour and the same doubts have spread around the world



# Global village: Consumers are cutting their expenses...

## % Cutting Back

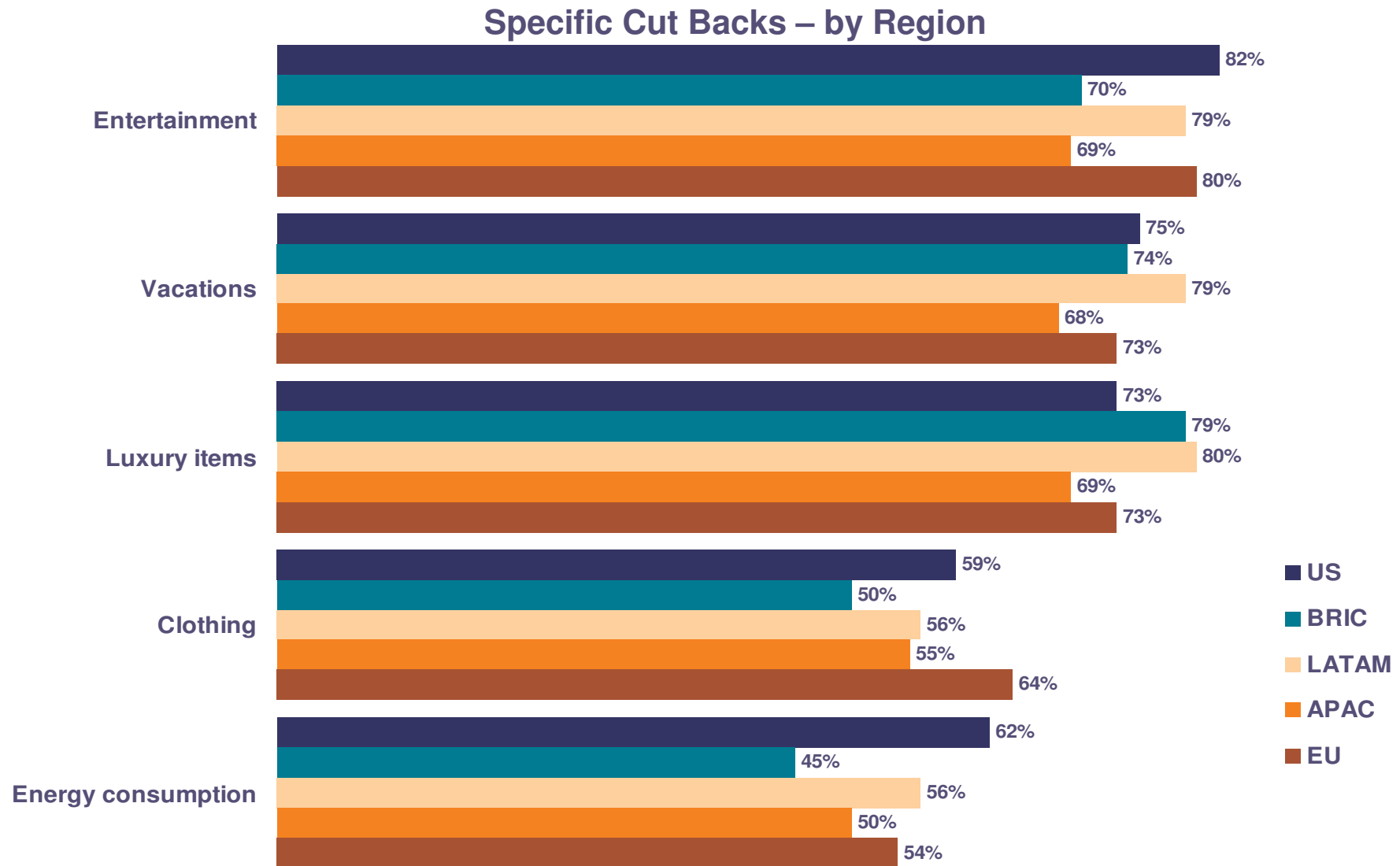


Source: Global @dvisor - January 2009

J3. Given the current state of the global economy, have you and your family had to cut back on your household spending recently?



# And they are cutting on the same types of expenses everywhere (1/2)



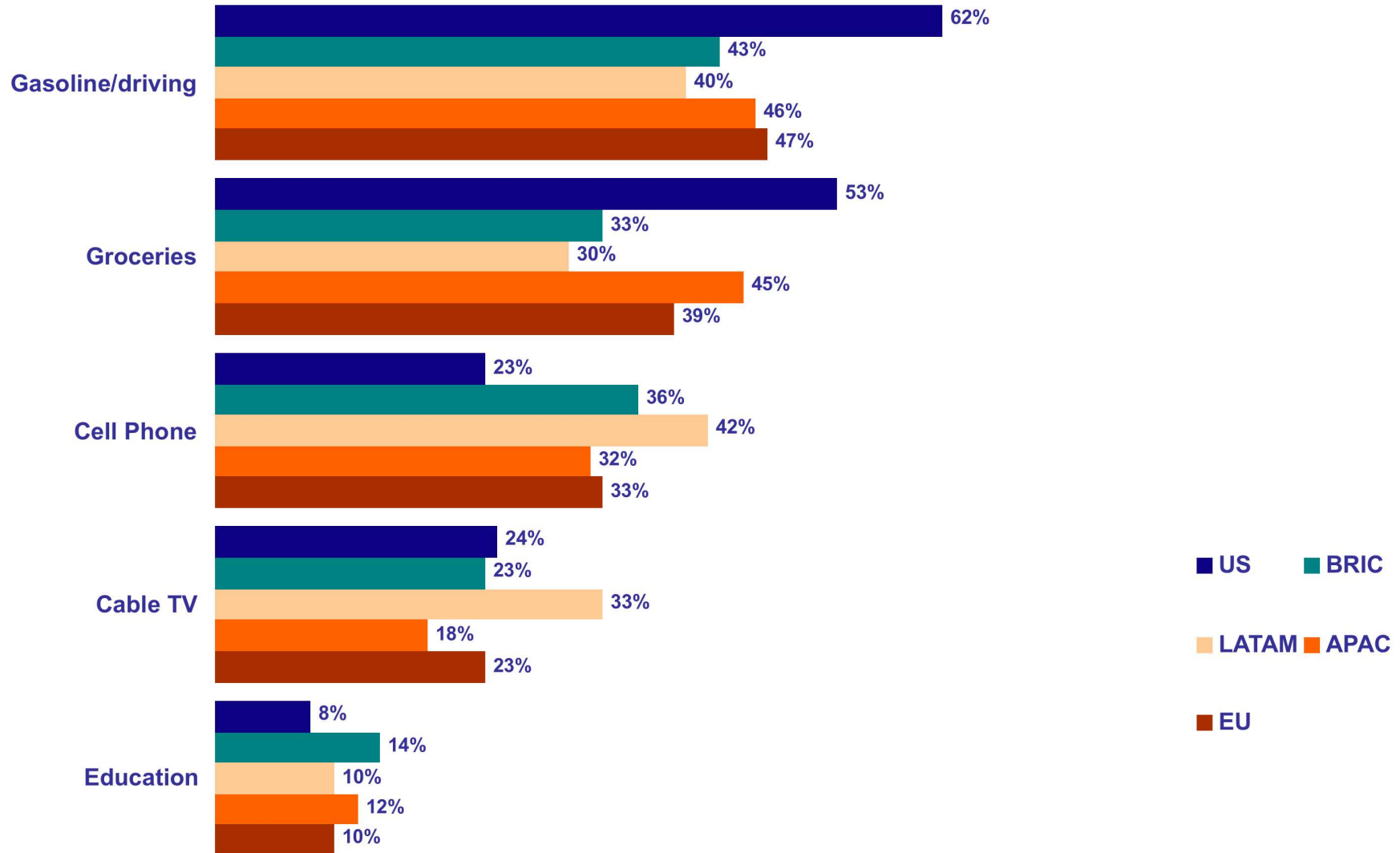
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Source: Global @dvisor – January 2009. J4. What are the specific things that you and your family are cutting back on these days? Base: respondents who have cut back in J3



# And they are cutting on the same types of expenses everywhere (2/2)

## Specific Cut Backs – by Region



Source: Global @dvisor – January 2009. J4. What are the specific things that you and your family are cutting back on these days? Base: respondents who have cut back in J3

- There has been a shift in the behaviour of **consumers, customers and citizens**
  - greater prudence
  - value of brands being revisited
  - drive to cut spending
  - and incorporation of other challenges (e.g. environmental protection, drive to cut obesity, etc.)
  
- in developed countries: Spend **less**/Spend more effectively?
  
- in emerging markets: Spend **more**/Spend more effectively?

# Businesses are reinventing marketing

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- All business models need to be **revisited**
  - financial institutions, but also
  - carmakers
  - airlines
  - consumer goods companies
  - pharmaceutical companies
  - etc.
  
- **Marketing** needs to be **reinvented**
  - what brands, for whom and at what price?
  - what type of communication and in which media?
  - what tools are needed to design, develop, implement and control the new types of marketing?



## Research companies have legitimacy

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*'People insights'*: the *raison d'être* of research companies

- Measure markets
- Anticipate change
- Understand how consumers, customers and citizens can be solicited in a convincing and sustainable manner

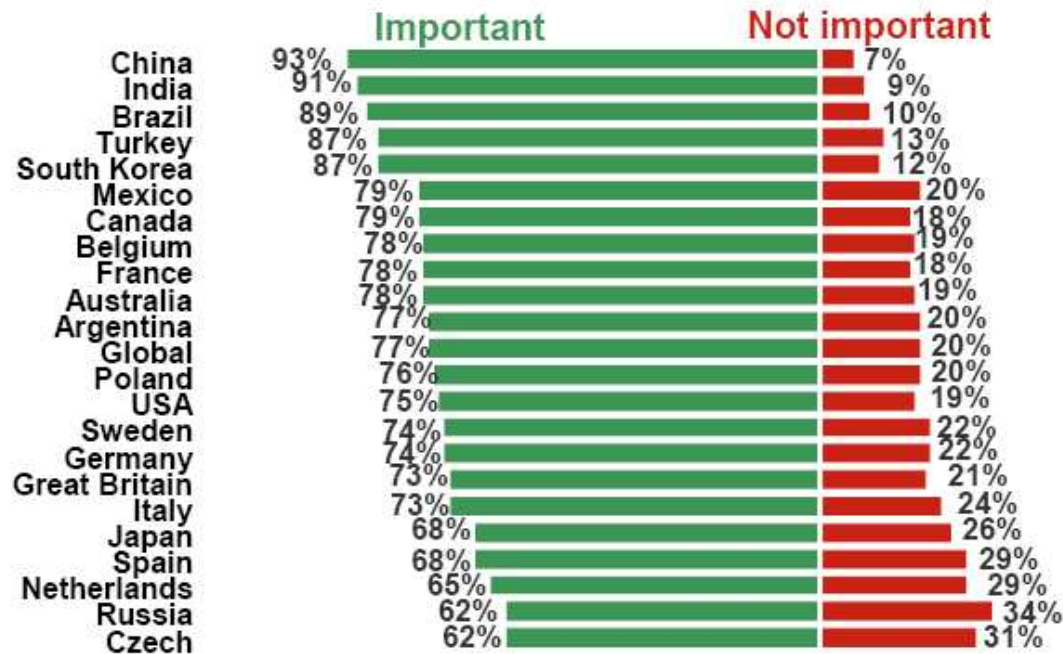
and

- Ensure that this is achieved as cost-effectively as possible

- The market is underpinned by
  - demand from emerging markets and public institutions
  - the need to defend brands
  - the need to direct and control marketing spending more effectively
  - the improvement in the operating performance of world-class research companies, now more global, more knowledgeable and more effective from an operational standpoint
  
- Businesses and institutions must ensure that they act
  - with a sharper focus,
  - from a long-term perspective
  - taking citizen-oriented values into account

## Social responsibility

When forming a decision about buying a product or service from a particular company or organization, how important is it to you that it shows a high degree of social responsibility?



Base: 23,437 online citizens , c1000 per country, October 2008

Ipsos MORI



## 2009, a watershed year

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### The severity of the crisis is making 2009 a tough year

- many businesses have had to revise and reconsider their plans
- certain sectors have embarked on large-scale restructuring

#### ■ Immediate consequences

- research programmes postponed/cut back
- slower decision-making
- stronger pricing pressures

For Ipsos, first-quarter 2009 revenues will be stable, or may even contract slightly (excluding currency and consolidation effects)

#### ■ And for 2009

- Increase in 'People Insights' requirements
- Premium placed on the most knowledgeable and, for international clients, the most global research companies

For Ipsos, 2009 as a whole will be a year of expansion, more rapid innovation, stronger relationships with clients and stable margins



## The Ipsos plan for 2009

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- Tight cost control

- Payroll

excluding currency and consolidation effects, the pace of growth will be one-third of that recorded in previous years

- General operating expenses/Gross profit

2004	2005	2006	2007	2008	2009
24.9%	24.6%	23.8%	23.2%	22.5%	22%

- A Plan B is being prepared in case ...



## The Ipsos plan for 2009

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### ■ Acceleration in the innovation policy

#### → A new generation of research with Ipsos Marketing

- Incorporate sales volume forecasts at each stage of the innovation process and mix construction
  - To help our clients evaluate their level of risk and the ROI of their decisions
- Use new technologies
  - To help our clients adapt their marketing to a world in which consumers make comparisons and talk to each other on the internet, i.e. *Web Sensing*
  - To get consumers involved in the design process and generation of ideas, i.e. *Co-Creation*
  - To increase respondents' involvement by making self-administered surveys more appealing



## The Ipsos plan for 2009

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### → Optimise Customer relationships with Ipsos Loyalty

- With *Digital Loyalty*, integrate various sources of information
  - Integrate web life (blogs, social networking, etc.) to enrich satisfaction measurement programmes
  
- With *Experience Optimizer*, act instantly against dissatisfaction
  - Factor emotion into the evaluation of customer experience and provide immediate and relevant solutions to the source of dissatisfaction
  
- With *Loyalty Rewards*, optimise retention initiatives
  - Segment customer databases, select for each customer category the best retention initiatives and model them to boost ROI.



## The Ipsos plan for 2009

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### → Take into account communications across all media with Ipsos ASI

- With *Next\*On-line*, pre-test the effectiveness of advertising campaigns irrespective of the medium used
  - This new service can be used to measure the rational and emotional qualities of pre-tested campaigns
- With *Brand\*Graph 360*, measure in real time the impact of communications and advertising on brands, irrespective of the media plan
  - A complete programme for optimising brands' coverage
- With *Web\*Sensor*, use the web as a source of information
  - Incorporate analysis of conversations on the internet (forums, blogs, etc.) in effectiveness metrics



## The Ipsos plan for 2009

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### → Integrate new research solutions for media management with Ipsos MediaCT

- Help media groups to strengthen the power of their brands on all distribution vehicles
  - By enriching media research using the methods developed for consumer goods with *Equity MCT/PlatformMCT*
- Understand how consumers react to different forms of content
  - *Tracking the digital journey*
- Reach consumers on all platforms: video game consoles, mobiles and social networks
- Guide the media and new technologies and telecoms companies in their innovation cycle
  - Innovation tools suitable for the media, entertainment products, video games, online services, telecoms, IT
  - With *PERFORM* (Product Evaluation and Research for Optimizing Results in Market)



## The Ipsos plan for 2009

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→ Raise Ipsos' profile  
using the expertise of Ipsos Public Affairs

### ■ Thomson-Reuters Contract

- A **new partnership** to publish information on a regular basis about the behaviour and attitudes of consumers and citizens in response to the crisis.

“At a time when drastic upheaval and change is affecting populations all round the world, this polling will provide critical analysis and insight into the level of confidence among citizens and consumers on issues ranging from geopolitics to the economy, and will provide Reuters with important data to both explore and report on.”

Richard Baum, Global Editor Consumer Media Thomson Reuters

- Participation in **election** evenings
  - in South Africa, Argentina, Chile, Mexico
  - and in most European countries



## The Ipsos plan for 2009

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### ■ Improve operating performance

with **Ipsos Global Operations** and **Ipsos Interactive Services**

#### → On-line platform/Ipsos Interactive Services

- Cycle-time and utilization improvement through process reengineering
- Retention of work in-house and procurement savings through consolidation of volumes and renegotiations
- On-going improvement on general expenses
- Creation of a LATAM platform

#### → Off-line (currently one platform by country managing call-centres, face to face facilities...)

- Creation of CATI platforms by language (South Africa, Mexico, Lebanon)
- Roll-out of cycle-time and utilization of best practices (CATI @home, dialers)
- Decrease in IT/Telecom related costs (Centralization of software procurement, VOIP)
- Retention of work in-house and centralized management of contractors



# The Ipsos plan for 2009

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- Strengthen relationships with clients
  - **Global PartneRing** has been scaled up
    - 17 clients in 2009
    - its budget has increased by 18%
  - The **HiPAC programme** has entered an operational phase
    - 60 accounts managed from their home country
  
- Teams mobilised
  - **Bonus allocations left unchanged**
  - Increase in the number of **bonus shares** awarded
  - Greater emphasis on **training**  
owing notably to intensification of innovation efforts
  
- Corporate Social Responsibility
  - Implementation of a program aiming at developing Ipsos' actions for a sustainable and responsible economy



# Crisis = Risks + Opportunities

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- Key figures
- 2008 results
- A disruptive year
- **2009–2010 outlook**



## Outlook for 2009 and beyond

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- Organic growth in excess of that in the market and that recorded by its principal competitors
- Operating margin to hold firm
- Foundations to return to a strong rate of growth in 2010 and to pursue an improvement in our margins
- Continued pursuit of the policy of selective acquisitions

**Thank you!**

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*Chinese ideogram signifying 'Crisis', formed from the characters meaning 'Risk' and 'Opportunity'.*