



Ipsos Group

HALF YEAR FINANCIAL REPORT

Half-year ended June 30, 2011

I. First-half 2011 management report

Following 6.2% in the first quarter, Ipsos achieved organic growth of 6.3% in the first half of the year, again above the target of “over 5%” set at the start of the year.

Total growth came to 5.6%, down slightly relative to the first quarter due to an unfavourable currency effect (-0.9%) and a limited change in the scope of consolidation of 0.2% relating to the integration of Panamanian company TMG.

Unsurprisingly, growth remained brisk in emerging markets at 14.2%, and 3.1% in developed markets. This was partly due to the very specific and temporary phenomena in Japan, where revenues fell by 23%, but where sales of new projects have returned to a more or less normal rate since mid-May. It’s worth noting, that in the United Kingdom, where revenues were down by around 15% as expected, due to the budgetary cuts in the public sector following the election of David Cameron, sales improved during the second quarter, pointing to a good second half of the year.

<i>In million euros</i>	H1 2011	H1 2010	Change	Full-year 2010
Revenue	558.2	528.8	+5.6%	1 140.8
Gross profit	361.8	333.0	+8.6%	722.7
<i>Gross margin</i>	<i>64.8%</i>	<i>63.0%</i>		<i>63.4%</i>
Operating margin	46.9	43.0	+8.9%	119.5
<i>Operating margin / revenue</i>	<i>8.4%</i>	<i>8.2%</i>		<i>10.5%</i>
Net profit (attributable to the Group)	27.6	23.4	+17.8%	66.2
Adjusted net profit* attributable to the Group	37.4	32.0	+16.8%	86.1

*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, and the impact net of tax of other operating income expenses and other non-recurring income and expenses.

Performance by region and business line

By region, Ipsos' performance did not vary much between the first and second quarters, with the Asia-Pacific region leading the way despite the poor performance of Japan.

Consolidated revenues by geographic area <i>(In million euros)</i>	H1 2011	H1 2010	Change 2011/2010	Organic Growth
Europe, Middle East and Africa	247.7	242.1	2.3%	2.5%
Americas	245.4	232.1	5.8%	8.5%
Asia-Pacific	65.1	54.6	19.1%	15.5%
First-half revenues	558.2	528.8	5.6%	6.3%

By business line, bearing in mind that quarterly changes are not always very significant, it is worth noting the Group's strong overall performance, apart from in the Opinion & Social Research business, which reflects the British story.

Consolidated revenues by business line <i>(In million euros)</i>	H1 2011	H1 2010	Change 2011/2010	Organic Growth
Advertising Research	121.7	118.1	3.0%	6.5%
Marketing Research	253.6	242.2	4.7%	8%
Media Research	62.3	50.6	23.1%	12.5%
Opinion & Social Research	61.3	66.5	-7.8%	-9%
Customer Relationship / Management Research	59.3	51.4	15.4%	14.5%
First-half revenues	558.2	528.8	5.6%	6.3%

Profitability. *Gross profit* is calculated by deducting external direct variable costs attributable to the performance of contracts from revenues. It grew more quickly than revenues (+8.6%), giving a gross margin of 64.8% versus 63.0% in the previous six-month period. The rise in gross margin was driven by the ongoing shift to online surveys, especially in Europe and the ability to maintain pricing at a good level in emerging countries.

Other operating income and expenses totalled -4.9 million euros. This figure mainly consists of non-recurring items related to staff departures as well as currency effects related to commercial transactions. These foreign exchange results fluctuated negatively by 2.3 million euros over the period.

Operating profit came in at 46.9 million euros (8.4% of revenues), an increase of 8.9% relative to the first half of 2010.

Amortisation of acquisition-related intangible assets. A portion of goodwill is allocated to client relationships during the 12-month period following an acquisition, and amortisation charges are recognised in the income statement over several years, in accordance with IFRS. This charge came to 0.8 million euros in the first half of 2011.

Other non-operating income and expenses. The balance of this item was a net expense of 0.5 million euros compared with 0.7 million euros in the first half of 2010. It includes unusual items not relating to operations and acquisition costs since the change in IFRS applicable from 1 January 2010 (IFRS3 Revised).

Finance costs. Finance costs came to 4.8 million euros, down 18% relative to the same period in the previous year, because of the decrease in net debt. Other financial income and expenses included foreign exchange losses totalling 1.1 million euros as opposed to a gain of 0.1 million in the first half of 2010.

Tax. The effective tax rate on the IFRS income statement was 27.5%, as the same level as the first half of 2010. As in the past, the effective tax rate included a deferred tax liability (2.0 million euros), cancelling out the tax saving achieved through the tax-deductibility of goodwill amortisation in certain countries, even though this deferred tax charge would fall due only if the activities concerned were sold.

Adjusted net profit attributable to the Group came to 34.7 million euros, up 16.8% compared with the first half of 2010. Net profit attributable to the Group came in up 17.8% at 27.6 million euros.

Financial structure - Shareholders' equity stood at 604.3 million euros, while *net debt* came to 186.8 million euros at 30 June 2011. This resulted in gearing of 30.9%, lower than the 30 June 2010 figure of 39.1%.

Operating Cash flow amounted to 56.8 million euros, up 6.3% relative to the first half of 2010. The increase in gross operating cash flow was partly offset by an increase in the working capital requirement, which is traditionally higher at the end of the first half because a large number of surveys are under way at that time of year.

About Synovate, the second half of 2011 and the outlook for Ipsos

The debt crisis in the West is not yet ready to be extinguished and, despite the efforts of various parties, the facts can be summarised as follows: in the majority of European countries and the United States, public and private debt combined represent considerably more than one year's GDP. The shuffling of cards that consists of moving debt from the private sector to the public sector or from the public sector to the private sector by means of budget cuts may gain time but will not reduce the amounts owed. The same applies when the subject relates to transferring debt from one country to another.

As returning to a certain level of inflation is not considered a solution, and as default by one country is apparently no longer an option because of fears of contamination, there only remains one harsh reality: taxpayers will have to pay, thereby depriving people and consumers of some of their resources.

The consequence is clear. Demand will not rise rapidly in the United States and Western Europe for a long time. There are just two solutions left to stimulate developed economies: re-balancing of trade – where does this leave the trade deficit for China? - and/or an upturn in investment as a result of innovation.

Ipsos' clients – in particular private companies – are acting based on this constraint. They are going to where demand is growing, and searching – here in the west – for efficiency. They want to invest in digital media, which is not too expensive for the time being, and sometimes works. They want to build and optimise their contacts with consumers, at home and at sales outlets - now is the time for mobile media. And they want to work with service providers covering all of their markets – those that are developing, those that are developing less and those in which they are not yet active – and which are able to work effectively and efficiently, and are also in a position to use and deploy new technologies allowing for a better and quicker understanding of the behaviour patterns, attitudes, reactions and opinions of citizens and consumers.

The reasons for Ipsos' proposal to Aegis to acquire Synovate are inherent in this analysis. In order to better meet the new needs of its clients, Ipsos needs to improve its geographical coverage – for example, by enhancing its presence in Asia – and to grow in order to have greater resources and become more efficient. It also needs to invest more in the use of technologies that allow for better measurement and understanding of people – including Chinese people in rural areas and people living in New York – and, finally offer its clients more experience, more professionals, more methodologies and more expertise.

Over the next few months, we will draw up our plans with the teams at Ipsos and our new colleagues from Synovate. Subject to the agreement of Aegis's shareholders and that of the antitrust authorities of certain countries, Ipsos' 10,000 professionals are preparing to welcome the 6,000 professionals from Synovate, working together to achieve one aim: to be our clients' partner of choice in our chosen areas of expertise.

This is the very good news that should materialise at the start of next year with the roll-out of a stronger company with a balanced geographical presence, able to anticipate, understand and work in close collaboration with its thousands of clients.

To go back to the good news, Ipsos as it currently stands should achieve organic growth of over 6% in 2011, its operating margin will be at least 11%, as stated previously.

II. Half-year 2011 consolidated financial statements

1. Consolidated income statement

Half-year ended 30 June 2011

In thousand euros	Notes	30 June 2011	30 June 2010	31 December 2010
Revenue	3	558,200	528,849	1,140,815
Direct costs	4.1	(196,399)	(195,818)	(418,086)
Gross profit		361,802	333,031	722,728
Staff costs (excluding share-based payments)		(232,397)	(209,998)	(441,406)
Staff costs (share-based payments)	5.4.3	(3,140)	(2,858)	(5,770)
General operating expenses		(74,505)	(73,291)	(148,005)
Other operating income and expenses	4.2	(4,901)	(3,866)	(8,042)
Operating margin	3	46,859	43,017	119,505
Amortisation of additional intangibles identified on acquisitions		(844)	(853)	(1,728)
Other non-operating income and expenses	4.3	(451)	(744)	(1,447)
Income from associates		26	53	124
Operating profit		45,590	41,472	116,454
Finance costs	4.4	(4,750)	(5,811)	(15,333)
Other financial income and expenses	4.4	(1,123)	96	(783)
Profit before tax		39,718	35,757	100,337
Income tax - excluding deferred tax on goodwill		(8,915)	(8,205)	(21,692)
Income tax - including deferred tax on goodwill		(2,008)	(1,628)	(5,848)
Income tax	4.5	(10,923)	(9,833)	(27,540)
Net profit		28,794	25,925	72,797
Attributable to equity holders of the Parent Company		27,573	23,412	66,234
Attributable to minority interests		1,221	2,513	6,564
Basic earnings per share in euros	4.6	0.81	0.70	1.97
Diluted earnings per share in euros	4.6	0.80	0.69	1.94

2. Statement of Comprehensive Income

Half-year ended 30 June 2011

In thousand euros	30 June 2011	30 June 2010	31 December 2010
Net profit	28,794	25,925	72,797
Other elements of the comprehensive income			
Hedges of net investments in a foreign subsidiary	1,076	4,570	(2,442)
Deferred tax on hedges of net investments in a foreign subsidiary	(437)	(631)	931
Currency translation differences	(25,943)	65,800	43,960
Other comprehensive income, net of tax	(25,303)	69,739	42,449
Total comprehensive income	3,491	95,664	115,246
Of which attributable to equity holders of the Parent Company	3,320	90,362	107,483
Of which attributable to minority interests	171	5,302	7,763

3. Consolidated balance sheet

Half-year ended 30 June 2011

In thousand euros	Notes	30 June 2011	31 December 2010
ASSETS			
Goodwill	5.1	681,058	716,926
Other intangible assets		35,163	38,120
Property, plant and equipment		26,395	26,663
Interests in associates		998	972
Other non-current financial assets		7,171	5,976
Deferred tax assets		22,275	22,968
Total non-current assets		773,060	811,625
Trade receivables	5.2	337,605	349,493
Current income tax assets		3,092	5,743
Other current assets	5.3	28,509	27,305
Derivatives financial assets	5.5	477	732
Cash and cash equivalents	5.5	116,705	150,016
Total current assets		486,387	533,289
TOTAL ASSETS		1,259,447	1,344,914

In thousand euros	Notes	30 June 2011	31 December 2010
LIABILITIES			
Share capital	5.4	8,567	8,533
Share premium		344,168	339,630
Own shares		(629)	(228)
Currency translation differences		(23,855)	398
Other consolidated reserves		265,191	268,028
Shareholders' equity – attributable to the Group		593,441	616,361
Minority interests		10,867	11,576
Total shareholders' equity		604,308	627,937
Borrowings and other long-term financial liabilities	5.5	248,660	276,948
Non current provisions and retirement benefit obligations	5.6	10,513	10,157
Deferred tax liabilities		49,906	52,601
Other non-current liabilities	5.7	19,893	41,597
Total non-current liabilities		328,972	381,304
Trade payables		131,335	143,073
Short-term portion of borrowings and other financial liabilities	5.5	55,331	58,952
Current income tax liabilities		2,120	6,728
Current provisions	5.6	2,138	1,843
Other current liabilities	5.7	135,242	125,077
Total current liabilities		326,167	335,673
TOTAL LIABILITIES		1,259,447	1,344,914

4. Consolidated cash flow statement

Half-year ended 30 June 2011

In thousand euros	Notes	30/06/2011	30/06/2010	31/12/2010
OPERATING ACTIVITIES				
NET PROFIT		28,794	25,925	72,797
Adjustments to reconcile net profit to cash flow				
Amortisation and depreciation of fixed assets		7,990	9,045	18,048
Net profit of equity from associated companies, net of dividends received		(26)	(53)	(68)
Losses / (Gains) on asset disposals		212	(282)	(61)
Movement in provisions		885	34	772
Share-based payments		3,140	2,858	5,770
Other non cash income / (expenses)		(81)	(411)	208
Acquisitions costs of consolidated companies		191	644	772
Finance costs		4,750	5,811	15,333
Income tax expense		10,923	9,833	27,540
OPERATING CASH FLOW BEFORE WORKING CAPITAL, FINANCING EXPENSES AND TAX PAID		56,777	53,403	141,111
Changes in working capital requirement	6.1	(36,384)	(27,192)	(13,454)
Interest paid		(6,668)	(3,974)	(7,359)
Income tax paid		(11,970)	(11,428)	(26,958)
CASH FLOW FROM OPERATING ACTIVITIES		1,756	10,810	93,340
INVESTMENT ACTIVITIES				
Acquisitions of property, plant and equipment and intangible assets	6.2	(8,165)	(6,055)	(13,483)
Proceeds from disposals of property, plant and equipment and intangible assets		-	9	59
Increase / (Decrease) of financial assets		(1,476)	(335)	(876)
Acquisitions of consolidated companies and businesses goodwill		(525)	(48,332)	(54,894)
CASH FLOW FROM INVESTMENT ACTIVITIES		(10,165)	(54,713)	(69,194)
FINANCING ACTIVITIES				
Increase / (Decrease) in capital		400	2,246	4,802
Increase / (Decrease) in long-term borrowings		(9,452)	1,625	51,028
Increase / (Decrease) in bank overdrafts and short-term debt		(541)	(1,352)	(151)
(Purchase) / proceeds of own shares		(7,411)	15,010	16,053
Dividends paid to Parent Company shareholders		-	-	(17,306)
Dividends paid to minority shareholders of consolidated companies		(458)	(566)	(2,489)
CASH FLOW FROM FINANCING ACTIVITIES		(17,461)	16,962	51,937
NET CHANGE IN CASH POSITION		(25,870)	(26,941)	76,083
Impact of foreign rates movements		(7,440)	6,553	5,775
CASH POSITION AT BEGINNING OF PERIOD		150,016	68,157	68,157
CASH POSITION AT THE END OF PERIOD		116,705	47,769	150,016

5. Statement of changes in consolidated shareholders' equity

Half-year ended 30 June 2011

In thousand euros	Share capital	Share Premium	Own shares	Other consolidated reserves	Currency translation difference	Shareholders' equity		
						Shareholders' equity – attributable to the Group	Minority interests	Total
1 January 2010	8,466	334,896	(20,421)	232,229	(40,853)	514,317	8,733	523,050
- Change in capital	31	2 215	-	-	-	2,246	-	2,246
- Dividends paid	-	-	-	(17,270)	-	(17,270)	(1,526)	(18,796)
- Change in scope of consolidation	-	-	-	-	-	-	(487)	(487)
- Impact of share buy-out commitments	-	-	-	-	-	-	(1,388)	(1,388)
- Delivery of free shares related to 2008 plan	-	-	4,755	(4,755)	-	-	-	-
- Other movements on own shares	-	-	14,576	296	-	14,872	-	14,872
- Share-based payments taken directly to equity	-	-	-	2,858	-	2,858	-	2,858
- Other movements	-	-	-	(8,605)	-	(8,605)	(53)	(8,659)
Transactions with the shareholders	31	2,215	19,331	(27,476)	-	(5,899)	(3,454)	(9,354)
- Net profit	-	-	-	23,412	-	23,412	2,513	25,925
- Other elements of the Comprehensive income	-	-	-	-	-	-	-	-
<i>Hedges of net investments in a foreign subsidiary</i>	-	-	-	-	4,570	4,570	-	4,570
<i>Deferred tax on hedges of net investments in a foreign subsidiary</i>	-	-	-	-	(631)	(631)	-	(631)
<i>Currency translation differences</i>	-	-	-	-	63,012	63,012	2,788	65,800
- Total of the Other elements composing the Comprehensive income	-	-	-	-	66,951	66,951	2,788	69,739
- Comprehensive income	-	-	-	23,412	66,951	90,362	5,302	95,664
30 June 2010	8,497	337,111	(1,090)	228,165	26,098	598,780	10,581	609,361
1 January 2011	8,533	339,630	(228)	268,028	398	616,361	11,576	627,937
- Change in capital	34	4,538	-	(4,573)	-	(2)	38	37
- Dividends paid	-	-	-	(20,478)	-	(20,478)	(690)	(21,168)
- Change in scope of consolidation	-	-	-	-	-	-	(8,411)	(8,411)
- Impact of share buy-out commitments	-	-	-	-	-	-	8,191	8,191
- Delivery of free shares related to 2009 plan	-	-	7,552	(7,552)	-	-	-	-
- Other movements on own shares	-	-	(7,953)	401	-	(7,552)	-	(7,552)
- Share-based payments taken directly to equity	-	-	-	3,140	-	3,140	-	3,140
- Other movements	-	-	-	(1,348)	-	(1,348)	(8)	(1,357)
Transactions with the shareholders	34	4,538	(401)	(30,410)	-	(26,240)	(880)	(27,121)
- Net profit	-	-	-	27,573	-	27,573	1,221	28,794
- Other elements of the Comprehensive income	-	-	-	-	-	-	-	-
<i>Hedges of net investments in a foreign subsidiary</i>	-	-	-	-	1,076	1,076	-	1,076
<i>Deferred tax on hedges of net investments in a foreign subsidiary</i>	-	-	-	-	(437)	(437)	-	(437)
<i>Currency translation differences</i>	-	-	-	-	(24,893)	(24,893)	(1,050)	(25,943)
- Total of the Other elements composing the Comprehensive income	-	-	-	-	(24,253)	(24,253)	(1,050)	(25,303)
- Comprehensive income	-	-	-	27,573	(24,253)	3,320	171	3,491
30 June 2011	8,567	344,168	(629)	265,191	(23,855)	593,441	10,867	604,308

Notes to the consolidated financial statements

Half-year ended 30 June 2011

1. Information about the company and significant accounting policies

1.1. Information about the company

Ipsos is a global company which offers surveys solutions for companies and institutions. It is currently the world's fifth-largest players with consolidated subsidiaries in 68 countries.

Ipsos SA is a *société anonyme* (limited liability corporation) listed on Euronext Paris. Its head office is at 35 rue du Val de Marne, 75013 Paris, France.

On 27 July 2011, Ipsos' Board of Directors approved and authorized publication of the half-year financial consolidated statements as at 30 June 2011.

1.2. Basis for preparing half-year 2011 financial information

Ipsos consolidated financial statements for half-year 2011 have been drawn up in line with IAS 34 – Interim Financial Reporting. These condensed interim consolidated financial statements as of June 30, 2011 do not include the integrality of the requested information of the annual closing as of December 31, 2010. These consolidated financial statements as of June 30, 2011 should be read and understood in conjunction with the consolidated financial statements published as of December 31, 2010.

The accounting principles applied to prepare the interim consolidated financial statements for the half-year ended 30 June 2011, are identical to those used to prepare the consolidated financial statements for 2010 except for amendments of standards and interpretations which are obligatorily applicable as from January 1, 2011. These accounting principles are described in the note 1 of the consolidated financial statements for 2010 and were prepared in accordance with International Financial Reporting Standards (IFRS) adopted for use in the European Union.

1.2.1. Standards, amendments and interpretations adopted by the European Union and effective for reporting periods beginning on or after January 1, 2011

- **IFRIC 19** – Extinguishing financial liabilities with equity instruments
- **IFRIC 14 amendments** – Early payment of minimum funding requirements
- **IAS 32 amendments** – classification of rights issued (classification of rights issues given the acquisition right of equity instruments of the entity for a fixed amount of foreign currency : equity instruments or financial liabilities)
- **Revised IAS 24** – Related party disclosures
- **Annual improving plan** of IFRS standards published on May 2010

The enforcement of these standards and amendments does not have a significant impact on the 2011 half-year consolidated financial statements.

1.2.2. Standards, amendments and interpretations published by IASB, but not effective for reporting periods on or after January 1, 2011

- **IFRS 7 amendments** – Derecognition of the transferred financial assets
- **IFRS 10** – Consolidated financial statements
- **IFRS 11**– Joint arrangements

- **IFRS 12** – Disclosure of interests in other entities.
- **Revised IFRS 27 (2011)** – Separate financial statements
- **Revised IFRS 28 (2011)** – Investments in associates and joint ventures
- **IFRS 9** – Financial Instruments
- **IFRS 13** – Fair value measurement
- **IAS 12 amendments** – Deferred taxes on revaluated assets
- **Revised IAS 19** – Employee benefits

No standards or interpretation have been early adopted by Ipsos. The impact of the application of these new standards on the consolidated financials statements is under analysis by the Group.

1.2.3. *Use of estimates*

When drawing up the consolidated financial statements, the measurement of certain balance sheet or income statement items requires the use of assumptions, estimates and assessments. These assumptions, estimates and assessments are based on information or situations existing on the date on which the financial statements were drawn up and which may in future prove to be different from the actual situation.

The assumptions, estimates and assessments used during the half-year closing remain unchanged than the last year ended closing excluding:

- the pension liabilities (which are estimated according to a forecast based on the latest available actuarial valuation);
- the income taxes for the Group have been calculated according to the effective income tax rate forecasted for the whole year 2011 (see note 4.5) ;
- the goodwill for which the recoverable amount is tested for impairment annually and only when there is an indication that they may be impaired (see note 5.1.1).

1.2.4. *Change in previously published accounts*

Ipsos is now organized in three main regions since the simplification of its organization decided in 2010 and fully implemented as of January 1, 2011. The selected segments come from the geographical regions reporting's level used by the Executive Committee. These three segments are the followings: Europe, Middle East, Africa, as well as Americas and Asia-Pacific.

As consequence of this change, the segment reporting, previously published as of June 30, 2011 and as of December 31, 2010 have been modified and displayed according to this new organization.

2. Changes in the scope of consolidation

None of the acquisitions made during the first half-year 2011 are considered material, as they do not have an impact on the Group's total balance sheet assets, revenue or operating profit. Combined data are not presented.

Changes in the scope of consolidation during the first semester 2011 are shown in the following table :

Name	Type	Change in % of voting rights	Change in % stake	Date of inclusion or exclusion from scope of consolidation	Country
Ipsos TMG ⁽¹⁾	Acquisition of assets	-	-	1 March 2011	Panama
Ipsos Apoyo	Buy-out of minority interests	+25%	+25%	1 January 2011	Peru
Ipsos China	Buy-out of minority interests	+32.73%	+32.73%	1 January 2011	China
Ipsos Thailand	Buy-out of minority interests	+40%	+40%	1 January 2011	Thailand
Indica Research	Buy-out of minority interests	+25%	+25%	1 January 2011	India
Ipsos East Africa	Creation	+60%	+60%	1 April 2011	Kenya

⁽¹⁾ On April 5 2011, Ipsos announced the signature of an agreement to acquire the assets of the Custom Research branch of TMG – The Marketing Group, operating in Central America. TMG, founded in 1998, is located in Panama and Guatemala. The Custom Research branch of TMG employs 60 full time employees who working with blue chip clients from the consumer goods, durables, and health. The company is equipped with strong CATI and CAPI capacities, and also conducts focus groups and in-depth interviews using high level interactive technology. Their 2010 revenue totalled 2.6 million USD.

3. Segment reporting

The segment reporting presentation is based on internal reporting regularly reviewed by the Management to evaluate the segments performance and to allocate them resources. The Executive Committee is the main operational decision-maker according to IFRS8.

Henceforth, Ipsos is now organized in three main regions since the simplification of its organization decided in 2010 and fully implemented as of January 1, 2011. The selected segments come from the geographical regions reporting's level used by the Executive Committee. These three segments are the followings: Europe, Middle East, Africa, as well as Americas and Asia-Pacific.

The holdings as well as the intra-segments eliminations are included into these three segments, which are reported into the section "Other".

Furthermore, Ipsos has a single business activity : i.e. survey-based research.

3.1. Segment reporting as at 30 June 2011

In thousand euros	Europe, Middle East, Africa	Americas	Asia-Pacific	Other	Total
Revenue	253,581	249,303	69,277	(13,960)	558,200
<i>Sales to external clients</i>	247,683	245,449	65,069	-	558,200
<i>Inter-segment sales</i>	5,898	3,854	4,208	(13,960)	-
Operating margin	18,991	28,201	3,097	(3,431)	46,859
Depreciation and amortisation	(3,225)	(3,268)	(878)	(619)	(7,990)
Segment Assets ⁽¹⁾	431,629	542,765	129,646	4,689	1,108,730
Capital expenditure of the period	3,030	3,945	980	128	8,083

⁽¹⁾ Segment assets include property, plant and equipment and intangible assets (including goodwill), trade receivables and other receivables.

3.2. Segment reporting as at 30 June 2010

In thousand euros	Europe, Middle East, Africa	Americas	Asia-Pacific	Other	Total
Revenue	247,515	235,227	58,233	(12,126)	528,849
<i>Sales to external clients</i>	<i>242,120</i>	<i>232,083</i>	<i>54,646</i>	-	<i>528,849</i>
<i>Inter-segment sales</i>	<i>5,395</i>	<i>3,144</i>	<i>3,587</i>	<i>(12,126)</i>	-
Operating margin	16,497	27,248	2,508	(3,236)	43,017
Depreciation and amortisation	(3,747)	(3,848)	(856)	(594)	(9,045)
Segment Assets	450,497	601,329	137,996	7,603	1,197,424
Capital expenditure of the period	2,483	2,154	1,195	49	5,882

3.3. Segment reporting as at 31 December 2010

In thousand euros	Europe, Middle East, Africa	Americas	Asia-Pacific	Other	Total
Revenue	514,576	518,397	136,931	(29,089)	1,140,815
<i>Sales to external clients</i>	<i>501,819</i>	<i>511,313</i>	<i>127,683</i>	-	<i>1,140,815</i>
<i>Inter-segment sales</i>	<i>12,757</i>	<i>7,084</i>	<i>9,248</i>	<i>(29,089)</i>	-
Operating margin	47,639	63,583	11,180	(2,897)	119,505
Depreciation and amortisation	(7,792)	(7,157)	(1,889)	(1,210)	(18,048)
Segment Assets	441,133	570,620	141,389	5,365	1,158,507
Capital expenditure of the period	6,700	4,399	2,136	191	13,426

3.4. Reconciliation of segment assets with total group assets

In thousand euros	30 June 2011	30 June 2010	31 December 2010
Segment assets	1,108,730	1,197,424	1,158,507
Financial assets	8,169	6,406	6,948
Tax assets	25,367	20,145	28,711
Derivative Financial Instruments	477	1,018	732
Cash and cash equivalents	116,705	47,769	150,016
Total Group assets	1,259,447	1,272,762	1,344,914

4. Notes to the income statement

4.1. Direct costs

In thousand euros	30 June 2011	30 June 2010	31 December 2010
Interviewer payroll costs	(40,757)	(42,290)	(86,052)
Subcontracting	(155,641)	(153,528)	(332,035)
Total	(196,399)	(195,818)	(418,086)

4.2. Other operating profit and expenses

As of 31 December 2010, other non-recurring operating income and expenses came to 8.0 million euros and mainly corresponds to non-recurring operating expenses, comprising staff costs relating to departures following the implementation of "Plan B". The aim of this plan is to adjust wage costs in a targeted manner to the level of revenue on a country-by-country and entity-by-entity basis, resulting in a 4% reduction in the number of employees.

Other operating income and expenses totalled -4.9 million euros. This figure mainly consists of non-recurring items related to staff departures as well as currency effects related to commercial transactions. These foreign exchange results fluctuated negatively by 2.3 million euros over the period.

4.3. Other non-recurring income and expenses

In thousand euros	30 June 2011	30 June 2010	31 December 2010
Fees relating to disputes with third party	(260)	(56)	(59)
Acquisition costs	(191)	(688)	(816)
Litigation provision	-	-	(572)
Total	(451)	(744)	(1,447)

4.4. Financial income and expenses

In thousand euros	30 June 2011	30 June 2010	31 December 2010
Interest expenses on borrowings and bank overdrafts	(8,418)	(4,926)	(12,127)
Change in the fair value of derivatives	2,179	(1,480)	(4,804)
Interest income from cash equivalents and derivatives	1,489	595	1,598
Finance costs	(4,750)	(5,811)	(15,333)
Foreign exchange gains and losses	(1,140)	(59)	(84)
Other financial items	17	(128)	(982)
Gain on disposal related to Ipsos Portugal business goodwill	-	283	283
Other financial income and expenses	(1,123)	96	(783)
Total financial result	(5,873)	(5,715)	(16,116)

4.5. Current income tax

Income taxes for the half-year 2011 have been calculated according to the effective income tax rate forecasted for the whole year 2011 in the Ipsos group. Based on these projections, the effective income tax rate amounts to 27.5% for the year 2011.

At the end of December 2010, the deferred tax assets recognized on tax loss carry forward related solely to losses that may be carried forward indefinitely and for which projections show that they will probably be recovered in between one and five years. The first half-year results of 2011 are not leading to revise these tax assets.

4.6. Earnings per share

4.6.1. Earnings per share

Weighted average number of shares	30 June 2011	30 June 2010	31 December 2010
Figure at previous year end	34,130,287	33,862,140	33,862,140
Increase of capital	59,213	-	-
Exercise of options	11,453	76,113	145,488
Own shares ⁽¹⁾	(15,211)	(557,162)	(306,585)
Number of shares used to calculate basic earnings per share	34,185,742	33,381,091	33,701,044
Number of additional shares potentially resulting from dilutive instruments (see note 6.3)	274,663	405,444	495,980
Number of shares used to calculate diluted earnings per share	34,460,404	33,786,535	34,197,024
Net Profit attributable to equity holders of the Group (in thousand euros)	27,573	23,412	66,234
Basic earnings per share (in euros)	0.81	0.70	1.97
Diluted earnings per share (in euros)	0.80	0.69	1.94

⁽¹⁾ Mainly including the remainder of the own shares bought by Ipsos on a forward basis and already paid for, in order to cover stock options granted on 9 July 2002 as part of the Ipsos Partnership Fund transaction.

4.6.2. Adjusted earnings per share

	30 June 2011	30 June 2010	31 December 2010
Adjusted net profit – group share			
Adjusted net profit attributable to equity holders of the Parent	27,573	23,412	66,234
<i>Items excluded:</i>			
- Staff costs (share-based payments)	3,140	2,858	5,770
- Amortisation of intangibles identified on acquisitions	844	853	1,728
- Non-recurring operating expenses	4,901	3,866	8,042
- Non-operating income and expenses	451	744	1,447
- Deferred tax on goodwill amortisation	2,008	1,628	5,848
- Income tax on excluded items	(1,472)	(1,268)	(2,847)
- Minority interests on excluded items	(60)	(85)	(154)
Adjusted net profit	37,385	32,009	86,068
Average number of shares	34,185,742	33,381,091	33,701,044
Average diluted number of shares	34,460,404	33,786,535	34,197,024
Basic adjusted earnings per share (in euros)	1.09	0.96	2.55
Diluted adjusted earnings per share (in euros)	1.08	0.95	2.52

The adjusted net profit is calculated before non-monetary items linked with IFRS2 (free shares), before amortization of intangibles linked with acquisitions (customer relationships), before deferred tax liabilities concerning goodwill whose amortization is deductible in some countries and before the net tax coming from the other operating non-recurring income and expenses and the other non-recurring income and expenses.

4.7. Dividends paid and proposed

Ipsos' policy is to pay single dividend in respect of a given accounting period in the July following the end of the period.

The amounts per share paid and proposed are as follows:

In respect of	Net dividend per share (in euros)	Tax rebate per share (in euros) at 40%	Actual income per share (in euros)
2010 ⁽¹⁾	0.60	0.24	0.84
2009	0.51	0.20	0.71
2008	0.50	0.20	0.70

⁽¹⁾ Dividends voted by the Annual General Meeting of Shareholders on April 7, 2011 for €20.5 million and paid on July 5, 2011.

5. Notes to the balance sheet

5.1. Goodwill

5.1.1. Goodwill impairment tests

At 31 December 2010, on the basis of measurements carried out in-house, Ipsos' management concluded that the recoverable value of goodwill allocated to each group of cash-generating units exceeded its carrying amount.

As of 30 June 2011, the financial key figures do not show any indication that the goodwill may be impaired.

5.1.2. Changes as of 30 June 2011

In thousand euros	1 January 2011	Increases	Decreases	Changes in commitments to buy out minority interests	Exchange rates	30 June 2011
Goodwill ⁽¹⁾	716,926	13,522	-	(18,023)	(31,366)	681,058

⁽¹⁾ The main goodwill recorded as at June 30, 2011 relate to the buyout of minority interests on Ipsos Apoyo, Ipsos China, Ipsos Thailand and Ipsos Indica.

5.2. Trade receivables

In thousand euros	30 June 2011	31 December 2010
Gross value	342,143	353,948
Impairment	(4,538)	(4,454)
Net value	337,605	349,493

5.3. Other current assets

In thousand euros	30 June 2011	31 December 2010
Advances and payments on account	1,040	1,038
Social security receivables	3,711	2,488
Tax receivables	13,099	15,321
Prepaid expenses	5,363	3,053
Other receivables and other current assets	5,296	5,405
Total	28,509	27,305

All other current assets have a maturity of less than one year.

5.4. Equity

5.4.1. Share capital

As of 30 June 2011, the share capital of Ipsos SA was 8,567,331.50 euros including 34,269,326 shares with a par value of € 0.25 each.

The number of shares making up the share capital and the number of own shares changed as follows during the first semester 2011 :

Number of shares (par value € 0.25)	Shares issued	Own shares	Shares in issue
At 31 December 2010	34,130,287	(11,698)	32,118,589
Exercise of options	20,614	-	20,614
Increase of capital	118,425	-	118,425
Own shares			-
Purchase	-	(218,000)	(218,000)
Transfer (delivery of free share allocation program of April 2009)	-	218,058	218,058
Transfer (exercise of stock options)	-	-	-
Changes under the liquidity contract	-	(7,103)	(7,103)
At 30 June 2011	34,269,326	(18,743)	34,250,583

5.4.2. Share-based plans

5.4.2.1. Share subscription option plans

The Group decided to set up stock option plans for all its senior management. The current terms of plans outstanding at 30 June 2011 are as follows:

Grant Date	Vesting Date	Expiry date	Exercise price	Number of grantees	Number of options granted by the Board of Directors	Number of options outstanding 01/01/2011	Number of options cancelled during the year	Number of options exercised during the year	Number of options expired during the year	Number of options outstanding 30/06/2011
02/03/2004	03/03/2008			41	89,200	23,490	-	(600)	-	22,890
02/03/2004	02/03/2007	02/03/2012	19.25	209	468,800	91,489	(3,067)	(18,014)	-	70,408
Total Plan 2004				250	558,000	114,979	(3,067)	(18,614)	-	93,298
22/04/2005	22/04/2009			10	64,000	3,000	-	-	-	3,000
22/04/2005	22/04/2008	22/04/2013	20.75	10	32,000	16,000	-	(2,000)	-	14,000
Total Plan 2005				20	96,000	19,000	-	(2,000)	-	17,000
Total share subscription option plans					654,000	133,979	(3,067)	(20,614)	-	110,298

5.4.2.2. Free shares attribution plans

Each year since 2006, the Board of Directors set up free share attribution plans for the benefit of French residents and French non residents, who are employees, officers and directors of the Ipsos Group. These shares will vest with the beneficiaries only after a period of two years, provided that the beneficiary is still an employee, officer or director of the Ipsos Group at the end of this period. At the end of the vesting period, the free shares will remain unavailable for French residents for a further two-year period.

The free share attribution plans which remain outstanding at 30 June 2011 were set up with the following characteristics:

Grant date	Type of plan	Number of grantees	Number of free shares initially attributed	Expiry date of the vesting period	Number of free shares outstanding 01/01/2011	Number of free shares granted during the year	Number of free shares cancelled during the year	Number of free shares reclassified during the year	Number of free shares vested during the year	Number of free shares outstanding 30/06/2011
29/04/2009	France	52	123,328	29/04/2011	118,131	-	(626)	920	(118,425)	-
29/04/2009	Rest of the World	385	242,257	29/04/2011	225,811	-	(6,833)	(920)	(218,058)	-
17/12/2009	Rest of the World	2	11,623	17/12/2011	11,623	-	-	-	-	11,623
Sub-total 2009 Plan		439	377,208		355,565	-	(7,459)	-	(336,483)	11,623
08/04/2010	France	53	75,933	08/04/2012	75,613	-	(383)	-	-	75,230
08/04/2010	Rest of the World	421	191,564	08/04/2012	187,265	-	(7,561)	-	-	179,704
Sub-total 2010 Plan		474	267,497		262,878	-	(7,944)	-	-	254,934
07/04/2011	France	59	49,171	07/04/2013	-	49,171	-	-	-	49,171
07/04/2011	Rest of the World	508	131,533	07/04/2013	-	131,533	(414)	-	-	131,119
Sub-total 2011 Plan		567	180,704		-	180,704	(414)	-	-	180,290
Total free share attribution plans					618,443	180,704	(15,817)	-	(336,483)	446,847

5.4.3. Analysis of share-based payment costs

The expenses recognized in respect of stock option and free shares plans were calculated as follows:

In thousand euros	30 June 2011	30 June 2010	31 December 2010
Free shares attribution plan of 29 April 2008	-	949	949
Free shares attribution plan of 29 April 2009	960	1,211	2,549
Free shares attribution plan of 17 December 2009	53	55	111
Free shares attribution plan of 8 April 2010	1,502	643	2,161
Free shares attribution plan of 7 April 2011	626	-	-
Total	3,140	2,858	5,770

5.5. Net debt

5.5.1. Analysis of borrowings and other financial liabilities by maturity

Borrowings, net of cash and cash equivalents, are as follows:

In thousand euros	30 June 2011				31 December 2010			
	Total	Maturity			Total	Maturity		
		less than 1 year	between 1 and 5 years	more than 5 years		less than 1 year	between 1 and 5 years	more than 5 years
Bonds issue ⁽¹⁾	224,035	8,694	8,686	206,655	251,958	9,421	18,862	223,675
Bank borrowings	70,578	37,936	32,643	-	71,359	37,509	33,849	-
Derivative financial assets - liability	3,203	3,203	-	-	5,637	5,637	-	-
Debt linked to finance leases	556	166	390	-	753	301	450	2
Other financial liabilities	409	123	286	-	208	97	110	-
Accrued interests on financial liabilities	3,088	3,088	-	-	3,300	3,300	-	-
Bank overdrafts	2,122	2,122	-	-	2,687	2,687	-	-
Borrowings and other financial liabilities (a)	303,991	55,331	42,005	206,655	335,900	58,952	53,272	223,677
Derivatives financial assets - asset (b)	477	477	-	-	732	732	-	-
Marketable securities	58,972	58,972	-	-	75,254	75,254	-	-
Cash	57,733	57,733	-	-	74,761	74,761	-	-
Cash and cash equivalents (c)	116,705	116,705	-	-	150,016	150,016	-	-
Net debt (a - b - c)	186,809	(61,851)	42,005	206,655	185,153	(91,795)	53,272	223,677

⁽¹⁾ In May 2003, Ipsos issued an initial \$90 million of 10-year bonds, at a fixed rate of 5.88% through a private placement with US insurance companies. Interest-rate swaps with the same maturity were arranged to partly hedge the semi-annual interest payments relating to these bonds. In September 2010, a new bond amounted to \$300 millions was issued through a private placement with US insurance companies. It is split according to 3 tranches: 7-year bond amounted to \$85 million (fixed rate of 4.46%), 10-year bond amounted to \$185 million (fixed rate of 5.18%), 12-year bond amounted to \$30 million (fixed rate of 5.48%). Interest-rate swaps amounted to \$100 million with a 10-year maturity were arranged. In accordance with IAS 39, these swaps have not been classified as hedging instruments, and their fair value is taken to income under financing expenses.

5.6. Current and non-current liabilities

In thousand euros	01/01/2011	Allowances	Reversals of provisions used	Reversals of provisions non used	Changes in scope of consolidation and other reclassifications	Exchange rates	30/06/2011
Provisions for litigation and other risks	1,795	429	(275)	-	147	(10)	2,086
Provisions for other charges	334	-	(26)	-	-	-	308
Sub-total	2,129	429	(301)	-	147	(10)	2,394
Pension liabilities	9,871	754	(69)	-	-	(300)	10,257
Total	12,000	1,183	(370)	-	147	(310)	12,651
o/w current provisions	1,843						2,138
o/w non-current provisions	10,157						10,513

5.7. Other current and non-current liabilities

In thousand euros	30 June 2011			31 December 2010		
	< 1 an	> 1 an	Total	< 1 an	> 1 an	Total
Purchase price and earn-out payments ⁽¹⁾	9,032	521	9,553	827	10,113	10,940
Buy-out of minority interests ⁽¹⁾	34,262	17,657	51,919	25,577	29,886	55,463
Advances and progress payments from customers	1,447	-	1,447	1,086	-	1,086
Tax and social security liabilities	65,516	-	65,516	91,316	-	91,316
Deferred income ⁽²⁾	3,674	-	3,674	5,139	-	5,139
Dividends Ipsos SA	20,661	-	20,661	-	-	-
Other debt and other liabilities	649	1,715	2,365	1,132	1,598	2,731
Total	135,242	19,893	155,135	125,077	41,597	166,674

⁽¹⁾ see comments in § 6.3.1. Acquisition-related commitments

⁽²⁾ It concerns mainly studies on which invoicing exceeds revenue recognised using the percentage-of-completion method.

6. Cash flow and additional information

6.1. Changes in working capital requirement

In thousand euros	30 June 2011	30 June 2010	31 December 2010
Decrease (Increase) in trade receivables	3,014	(22,988)	(44,334)
Increase (Decrease) in trade payables	881	34,478	19,341
Change in other receivables and payables	(40,279)	(38,681)	11,540
Change in the working capital requirement	(36,384)	(27,192)	(13,454)

6.2. Cash used by investing activities

In thousand euros	30 June 2011	30 June 2010	31 December 2010
Acquisitions of intangibles assets	(2,702)	(2,428)	(5,028)
Acquisitions of property, plant and equipment	(5,381)	(3,454)	(8,398)
Total acquisitions during the period	(8,083)	(5,882)	(13,426)
Deferred disbursement	(82)	(173)	(58)
Payments made on acquisitions of intangible assets and property, plant and equipment	(8,165)	(6,055)	(13,483)

6.3. Off-balance sheet commitments

No significant events have occurred since December 31, 2010 unless those related to acquisition-related commitments as mentioned below in the note 6.3.1

6.3.1. Acquisition-related commitments

Commitments to buy out minority interests, deferred payments and earn-out payments that are discounted and recognised as non-current liabilities at June 30, 2011 break down as follows :

In thousand euros	≤ 1year	> 1 to 5 years	> 5 years	Total
Deferred payments and earn-out payments				
Europe (MORI pension)	603	-	-	603
North America (OTX)	7,452	-	-	7,452
Latin America (Livra, Statsystem, Alfacom, Observer Argentina)	978	521	-	1,498
Sub-total	9,032	521	-	9,553
Commitments to buy out minority investors				
Europe (Ipsos DOM and subsidiaries, Tambor, KMG Research, Markinor, Stratégic Puls, Nigeria)	9,905	6,356	3,032	19,294
Latin America (Ipsos CCA and subsidiaries, Ipsos Hispania, Apoyo Opinion Y Mercado, Observer Argentina)	3,948	4,095	-	8,043
Asia-Pacific (Ipsos China, Ipsos Thailand, Indica, Indonesia)	20,101	3,507	-	23,608
Middle-East (IMI Egypt, Morocco)	309	667	-	976
Sub-total	34,262	14,625	3,032	51,919
TOTAL	43,294	15,146	3,032	61,472

Ipsos Group has a capital-buying-option on 75% of Apeme shares. The price of these shares is based on the Apeme average multiple of revenue and operating income in 2013 and 2014 with a maximum of 3 million euros. This capital-buying-option is recorded as a financial derivative instrument whose the fair value is equal to zero at June 30, 2011.

6.3.2. Other commitments and litigation

The Group is not involved in any significant litigation as of June 30, 2011.

No Group assets are pledged.

6.4. Contingent liabilities

In the normal course of business, there are risks in certain countries that the government may call into question the Company's tax and/or labour practices, which may result in a reassessment. The Group is involved in a number of tax inspections and labour claims, most notably in Brazil and in France. The financial implications of these tax reassessments are accounted for by setting aside a provision for the amounts notified by the authorities and accepted by Ipsos' management. The reassessments are taken into account on a case-by-case basis based on estimates factoring in the risk that the validity of the measures and proceedings initiated by the Company may not be recognised. Ipsos' management believes that such reassessments are unlikely to have a material impact on the Company's operating profit, financial condition or liquidity position.

No significant events have occurred since December 31, 2010.

6.5. Related-party transactions

The related-party transactions are not significant as of June 30, 2011.

6.6. Post-balance sheet events

On July 27 2011, Ipsos announced the signature of an agreement with the Board of Directors of Aegis Group plc ("Aegis") to acquire 100% of Synovate, excluding Aztec, for an enterprise value of £525 million (€595million).

The acquisition of Synovate is transformational for Ipsos, creating the third largest global market research company. The enlarged Ipsos will provide a powerful platform to better serve clients through the combination of its experienced research experts, enhanced geographic footprint and delivery of a wider suite of research tools and products.

The acquisition will be financed through a new debt financing of €250 million, a rights offering of approximately €200 million to Ipsos' shareholders and existing facilities and available cash. The reference shareholder of Ipsos, LT Participations, has indicated its commitment to subscribe to the offering. The proposed rights offering is expected to be underwritten. It remains subject to prior clearance by the French stock market regulator (AMF) and market conditions.

The transaction is conditional upon the approval of the disposal by Aegis' ordinary shareholders, as required by the listing rules for a Class 1 transaction in the UK. Aegis' General Meeting will be convened in the coming days and is expected to be held in mid-August 2011. A majority of votes cast must be in favour of the transaction and Aegis has received an irrevocable undertaking from Mr Vincent Bolloré, Aegis' 26.5% shareholder, to vote in favour.

The completion of the transaction will then be subject to mandatory anti-trust clearances, and closing is expected to occur on or around September 30, 2011.

III. Statutory auditor's report on interim financial information 2011

This is a free translation into English of the statutory auditor's review report issued in french and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting and in accordance with the requirements of article L. 451-1-2 III of the Monetary and Financial Code ("*Code monétaire et financier*"), we hereby report to you on:

- the review of the accompanying condensed interim consolidated financial, statements of Ipsos SA, for the period between January 1st, 2011 and June 30, 2011, and,
- the verification of information contained in the interim management report.

These condensed interim consolidated financial statements are prepared under the responsibility of the Managing Board. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – “Interim Financial Reporting”, as adopted by the European Union.

2. Specific verification

In accordance with professional standards applicable in France, we have also verified the information given in the interim management report on the condensed interim consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed interim consolidated financial statements.

Paris and Neuilly-sur-Seine, July 28, 2011

The statutory auditors

Grant Thornton

French member of Grant Thornton International
Vincent Papazian

PricewaterhouseCoopers Audit

Jean-François Châtel

IV. Certificate of person responsible for the interim financial report

We hereby certify that, to the best of our knowledge, the condensed consolidated financial statements for the half-year ended June 30, 2011 were prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of Ipsos SA and the entities consolidated by Ipsos SA and that the interim management report in Chapter 1 above provides a true and fair overview of the important events of the first half of the financial year and of their impact on the financial statements, of the main transactions with related parties, as well as a description of the main risks and uncertainties for the remaining six months of the financial year.

Paris, July 28, 2011

Didier Truchot

Jean-Marc Lech