



**2011 first half results**  
***Good news and very good news***





## Summary

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- **A first half as expected**
- *Good news and very good news*



## First-half 2011 key figures

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In millions euros

■ Revenues	558.2	+5.6%
■ Operating margin	46.9	+8.9%
■ Adjusted net profit*, attributable to the Group	37.4	+16.8%
■ Net profit, attributable to the Group	27.6	+17.8%

\*

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 non-recurring operating income and expenses.



## First-half highlights

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- Growth in all regions
- Strong contribution from the emerging markets  
(1/3 TO, +14.2%)
- Total growth in line with objectives
- Progression of the operating margin of 20 basis points
- Ipsos reinforces its position in Central America  
Acquiring the Custom Research Division of TMG  
= Ipsos N°1 in Central America and the Caribbean



## Breakdown of revenues by regional area

Contribution by region	H1 2011 revenues In million euros	Contribution (%)	Organic growth H1 2011 / H1 2010
Europe, Middle East and Africa	247.7	44%	+2.5%
Americas	245.4	44%	+8.5%
Asia-Pacific	65.1	12%	+15.5%
<b>First-half sales</b>	<b>558.2</b>	<b>100%</b>	<b>+6.3%</b>
<b>Emerging markets</b>	<b>178.7</b>	<b>32%</b>	<b>+14.2%</b>



## Breakdown of revenues by specialisation

Contribution by specialisation	H1 2011 revenues In million euros	Contribution (%)	Organic growth H1 2011 / H1 2010
Advertising Research	121.7	22%	+6.5%
Marketing Research	253.6	45%	+8%
Media Research	62.3	11%	+12.5%
Opinion and Social Research	61.3	11%	-9%
Quality and client /employee relationship management	59.3	11%	+14.5%
<b>First-half sales</b>	<b>558.2</b>	<b>100%</b>	<b>+6.3%</b>



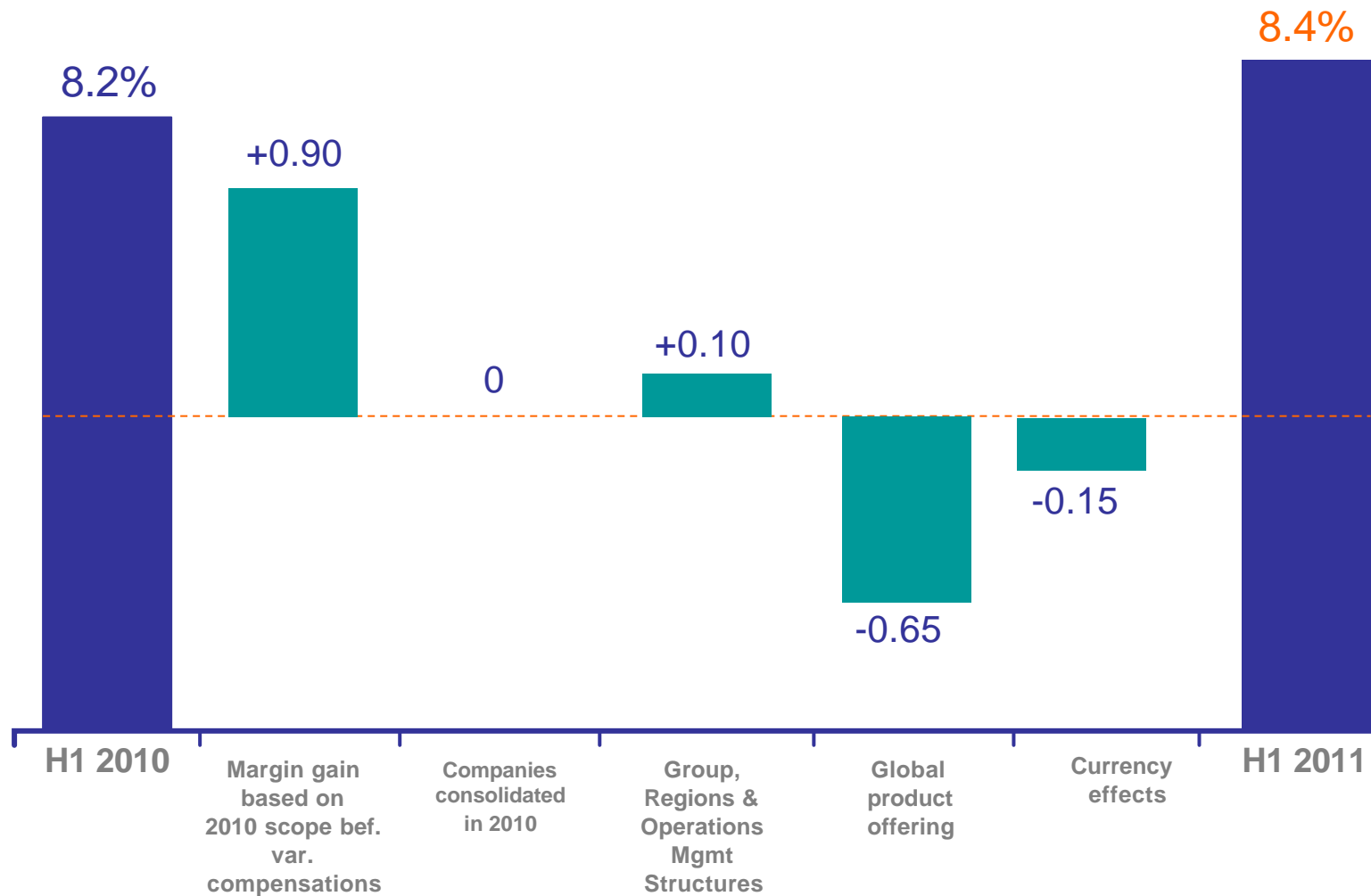
## Strong earnings growth

In million euros	H1 2011	H1 2010	Change H1 2011/2010	FY 2010
Revenues	558.2	528.8	+5.6%	1 140.8
<b>Gross profit</b>	<b>361.8</b> 64,8%	<b>333.0</b> 63,0%	<b>+8.6%</b>	<b>722.7</b> 63,4%
Payroll – share based payments	(3.1)	(2.9)	-	(5.8)
Other operating income and expenses	(4.9)	(3.9)	-	(8.0)
<b>Operating margin</b>	<b>46.9</b> 8,4%	<b>43.0</b> 8,2%	<b>+8.9%</b>	<b>119.5</b> 10,5%
Other non-recurring operating income and expenses and amortisation of acquisition-related intangible assets	(1.3)	(1.5)	-	(3.1)
Finance costs	(4.8)	(5.8)	-18.3%	(15.3)
Tax (excluding deferred taxes)	(8.9)	(8.2)	-	(21.7)
Deferred taxes linked to goodwill	(2.0)	(1.6)	-	(5.8)
<b>Net profit</b> (attributable to the Group)	<b>27.6</b>	<b>23.4</b>	<b>+17.8%</b>	<b>66.2</b>
<b>Adjusted net profit</b> (attributable to the Group)	<b>37.4</b>	<b>32.0</b>	<b>+16.8%</b>	<b>86.1</b>



## Operating margin improved by 20 basis points

### Components of change in operating margin





## Growth in cash flow in line with the results

<i>In million euros</i>	H1 2011	H1 2010	FY 2010
<b>Cash flow</b>	<b>56.8</b>	<b>53.4</b>	<b>141.1</b>
Change in WCR	(36.4)	(27.2)	(13.5)
Tax and interest expense	(18.6)	(15.4)	(34.3)
<b>Cash flow from operations</b>	<b>1.8</b>	<b>10.8</b>	<b>79.0</b>
Purchases of PP&E and intangible assets	(8.2)	(6.0)	(13.5)
Acquisitions	(2.0)	(48.7)	(54.9)
<b>Cash flow from investment activities</b>	<b>(10.2)</b>	<b>(54.7)</b>	<b>(68.4)</b>
Capital increase (decrease)	0.4	17.3	20.9
Net change in debt	(17.4)	0.3	53.0
Dividends	(0.5)	(0.6)	(19.8)
<b>Cash flow from financing activities</b>	<b>(17.5)</b>	<b>17.0</b>	<b>51.9</b>
Cash at end of period	116.7	47.8	150.0



## Solid financial position

<i>In million euros</i>	<b>30 June 2011</b>	<b>30 June 2010</b>	<b>31 Dec. 2010</b>
Shareholders' equity	<b>604</b>	609	628
Net debt	<b>187</b>	238	185
Gearing	<b>30.9%</b>	39.1%	29.5%
Net debt / EBITDA (12 months)	<b>x 1.2</b>	x 1.8	x 1.3
Interest cover (operating profit/interest expense)	<b>x 9.9</b>	x 7.4	x 8



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## The proposed acquisition of Synovate

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## Ipsos & Synovate: key transaction highlights

- 26 July 2011: Ipsos has reached an agreement with Aegis Group plc (« Aegis ») to acquire 100% of Synovate (1), the transaction being conditional upon the approval of Aegis shareholders and mandatory anti-trust clearances



- Acquisition consideration: £525 million (~595 million euros (2)), fully paid in cash at closing and financed by debt and equity

(1) Excluding Aztec (Scan data services business)

(2) For illustrative purposes an exchange rate of €1: 0.88235£ has been used



## Who are Synovate ?

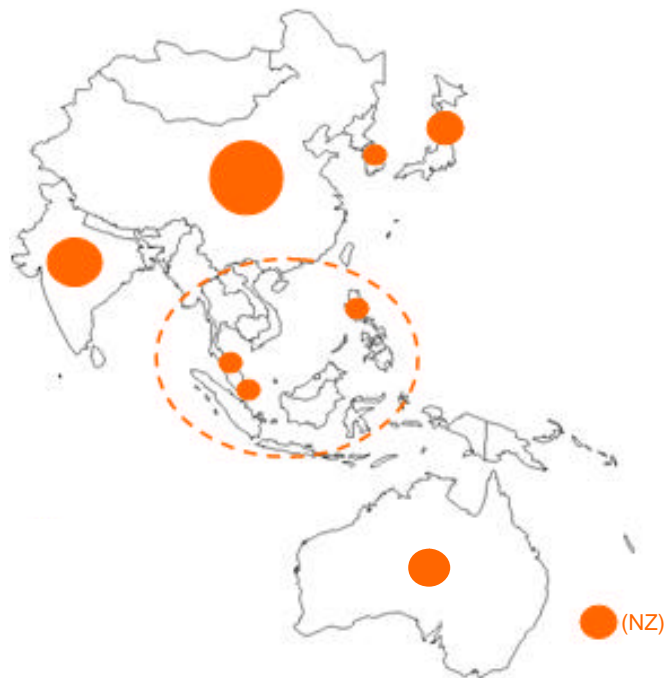


- **Aegis** Group plc's market research business
  - With a double origin, American (Market Facts) and Asian (Asia Market Intelligence)
- A growth company sustained by an active acquisition policy
- Youngest of global market research companies, today **N\*6** in the market worldwide
  - 2010 : TO 518.4 million pounds (1) (~ 604 million euros) / ~ 6,000 employees / 60+ countries
  - Strong footprint in **Asia**, the **US**, **Middle East** and **Africa**
- « A **Global Custom Market Research provider** »
  - Strong capabilities for conducting multi-country studies
  - Sector Specialization
- Talented **professionals** recognized by the industry

(1) TO excluding Aztec, 2010 £/€ FX rate of 0.85830



# A company well established in Asia and in the US



**Turnover 2010\***  
158.0 M£, + 16.3%

**Permanent employees**  
2,240 / 14 countries

**+ : Strong footprint in South East Asia**

- CPG
- Healthcare
- Financial Services
- Qualitative studies

\* Including Aztec



**Turnover 2010\***  
152.6 M£, + 9,9%

**Permanent employees**  
762 / 19 offices

**+ : Highly qualified teams**

- CPG
- Healthcare
- Financial Services
- Qualitative studies

Sources: data published by the company, Honomichl 2011



## Synovate offer



- + Synovate
  - Brand Research and communications studies
  - Product testing
  - Consumer experience
  - Qual / Quant
  - International research programmes
- Strong sectoral experience
  - CPG, Financial Services, Pharmaceutical companies, Automotive
- More than 4,000 clients, including 50+ companies of the Top 100 Fortune





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## Ipsos and Synovate together

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## A unique strategic opportunity

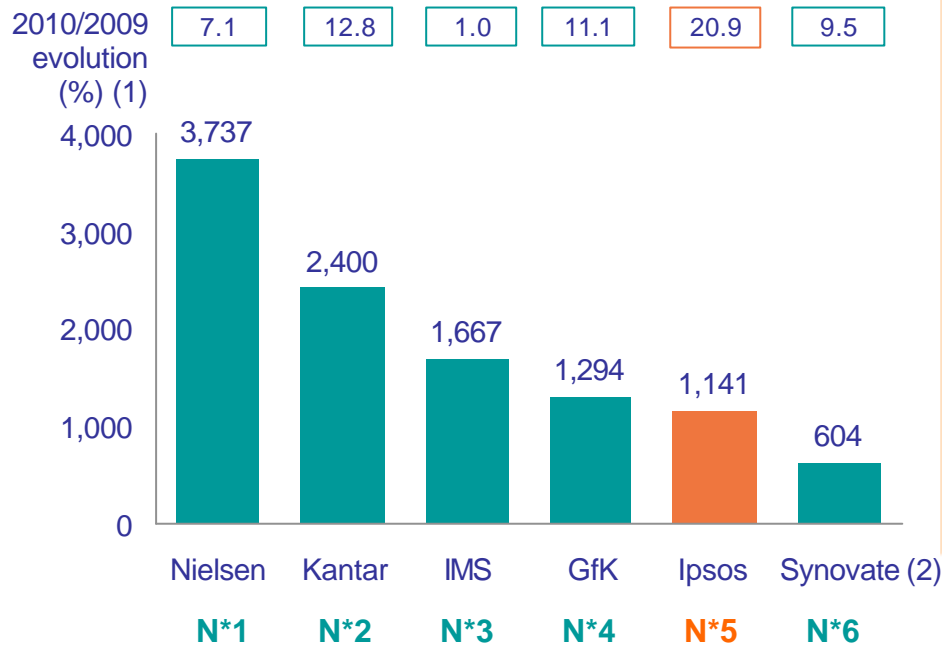
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- Synovate, a standalone business **strengthening Ipsos** in markets where Ipsos' penetration is below ideal
  - Asia Pacific
  - Northern Europe
  
- Ipsos and Synovate, the **3<sup>rd</sup> largest global** market research company in a consolidating market comprising 5 key sizeable players
  - More revenues generated with large clients
  - Decreased unit costs
  
- Ipsos and Synovate, **thousands of talented professionals** coming together to:
  - Better serve a diversified client base
  - Implement a widened portfolio of analytic solutions
  - Ensure senior management always present at the right time at the right place

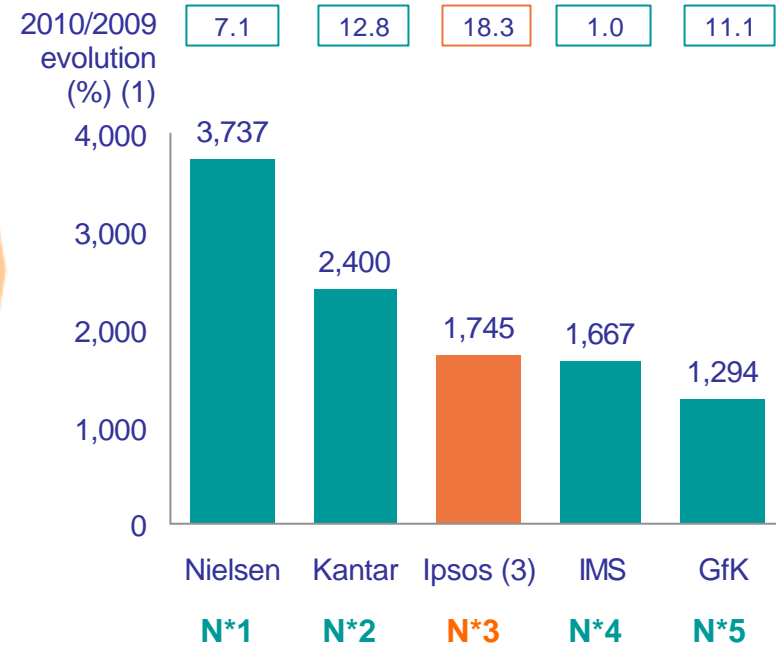


# 3<sup>rd</sup> largest global market research company

**2010 revenues in million euros —  
pre transaction**



**2010 revenues in million euros —  
post transaction**



**Research market size in 2010**

**€2 500 M**

**+5% (est)**

- (1) Evolution includes currency effect and acquisitions
- (2) Excluding Aztec
- (3) Pro Forma for the acquisition, excluding Aztec

Source: 2011 Honomichl



## Extended geographic coverage

- Improved coverage for Ipsos: from 67 to 81 countries

- **Europe**

- Bulgaria
- Cyprus
- Denmark
- Greece
- The Netherlands

- **Africa, Middle-East**

- Algeria
- Ghana
- Ivory Coast
- Mozambique
- Tunisia
- Uganda
- Tanzania

- **APAC**

- New Zealand
- Vietnam

- Ipsos, part of the **Top 3 in more than 2/3 of the 31 largest markets (TO > 100M\$)\***

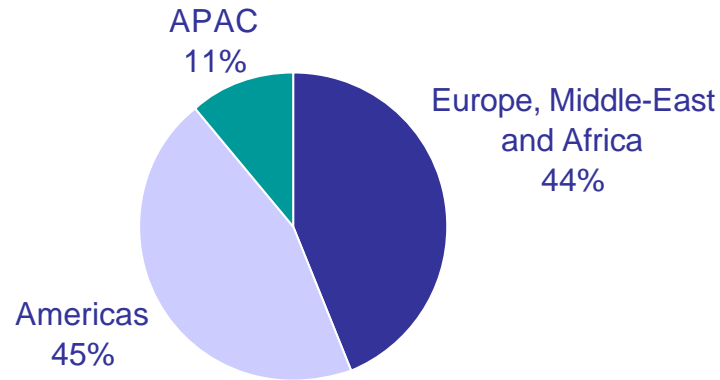


\* Source : Esomar Annual Report 2010



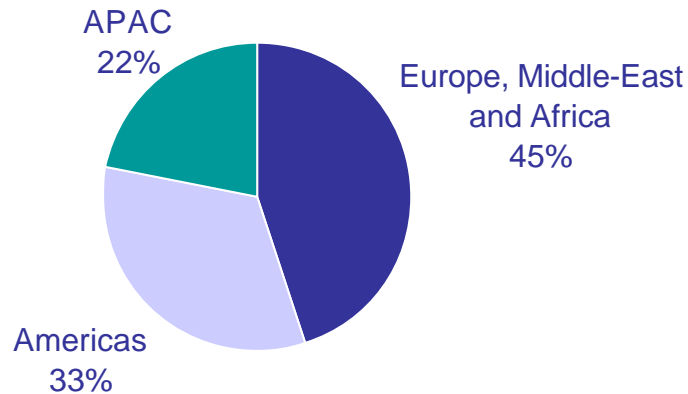
# Improved positioning in all markets

## Ipsos pre transaction



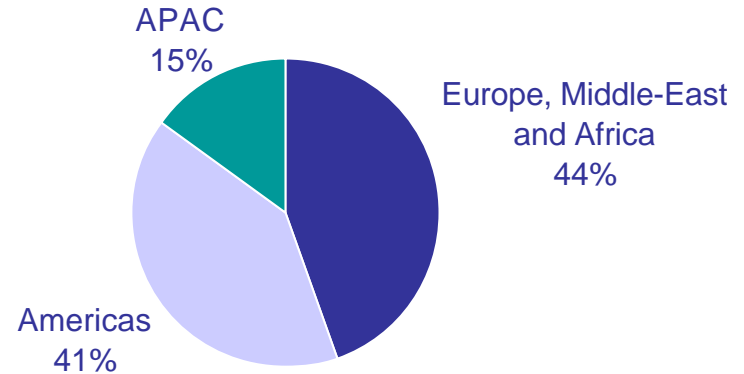
Emerging markets: 32%

## Synovate (1)



Emerging markets: 35%

## Ipsos post transaction



Emerging markets: 33%

- ✓ Ipsos multiplies its revenues (1) by:
  - 1.5 in Europe, Middle-East & Africa and in Americas
  - 2.0 in APAC

(1) Based on 2010 revenues, excluding Aztec for Synovate



# Stronger capabilities and expertises ... in major developed markets

	Rank Ipsos	Rank Synovate	Rank I+S	Ipsos Marketing	Ipsos ASI	Ipsos Loyalty	Ipsos Public Affairs	Ipsos MediaCT
US 8,557*	N°7	N°9	N°4					
UK 3,248*	N°3	N°4	N°2					
Germany 2,897*	N°4	N°7	N°4				-	
France 2,688*	N°3	N°11	N°2					
Canada 631*	N°1	N°7	N°1					
Sweden 363*	N°5	N°4	N°3					-

\* Market size in USD million, source : Esomar, annual report 2010

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: Market leader  
 : Good position  
 : Moderate footprint  
 : Poor footprint



# Stronger capabilities and expertises ... in major emerging markets

	Rank Ipsos	Rank Synovate	Rank I+S	Ipsos Marketing	Ipsos ASI	Ipsos Loyalty	Ipsos Public Affairs	Ipsos MediaCT
China 918*	N°3	N°6	N°1					
Brazil 587*	N°3	N°6	N°3					
Russia 258*	N°4	N°3	N°1				-	
South Africa 156*	N°5	N°1	N°1					
India 192*	N°6	N°3	N°3				-	

\* Market size in USD million, source : Esomar, annual report 2010

: Market leader  
 : Good position  
 : Moderate footprint  
 : Poor footprint



## Stronger operational capabilities

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- **Over 70 million interviews / year**

- Ipsos: 42 million

- Synovate: 30 million

→ Total = 72 million, + 70%

- **Panel Size**

- Ipsos: 7.6 million

- Synovate: 2.5 million

→ Total = 10.1 million, + 33%



## Global Accounts: the impact of size

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- Ipsos consolidates its positions with PartneRing clients

■ 100 MEUR	Ipsos = 1	Ipsos + Synovate = 1
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■ 10 to 50 MEUR	Ipsos = 12	Ipsos + Synovate = 17
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■ Below 10 MEUR	Ipsos = 8	Ipsos + Synovate = 3
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- **Objective 2013: 30 Global Accounts at +10 million euros**

- Reinforced expertise in:
  - Pharmaceutical
  - Automotive



# Together, open minded

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## ■ Coming together

- Ipsos, one company, one brand
- Develop a global brand, recognized and attractive:
  - One Ipsos company in each country
- Develop a more sizeable and more profitable organization

- Bring teams and activities together - Unique client relationship management programme  
- Merge operations - Merge support functions

## ■ Open minded

- Synovate solutions will enrich Ipsos' offer
  - Ipsos redefines its **intellectual and commercial offer** and strengthens its leadership position in its chosen areas of specialisation
  - Objective: work with our 5,000 clients in three areas
    - Efficiency
    - Consistency
    - Innovation
- } **More accurate, quicker and brighter**



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# Transaction impacts

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# Expected transaction benefits

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- **Enhanced global capabilities**

- Ipsos and Synovate together will focus on developing client services
- Higher quality and better consistency

- **Significant benefits to come from**

- Economies of scale in support functions and Operations due to a larger revenue base
  - Global negotiations with suppliers
  - Pooling of production centres
  - Insourcing
  - Consolidation of online panels and IT resources



Targeted annualised run rate cost benefits of €30 million by 2013

- One-off implementation costs estimated at €30 million, occurring between 2011 and 2012



## Financing the acquisition

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- Enterprise value of Synovate: £525 million (595 million euros (1))
- The deal will be financed through:
  - Existing facility and available cash
  - A **new debt financing** of 250 million euros
  - A 200 million euros **rights offering** to Ipsos' shareholders
    - Expected to be underwritten and subject to prior clearance by the French stock market regulator (AMF) and market conditions
    - LT Participations has indicated its commitment to subscribe to the offering
- Financial ratios
  - No change in current policy
  - The Group will fully comply with its financial covenants: Gearing, Net Debt/EBITDA and Interest cover (operating margin/interest expense)

(1) For illustrative purposes an exchange rate of €1: 0.88235£ has been used



## Indicative timetable

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### August 2011

- Mid-August: General Meeting of Aegis
- From end of August: Expected launch of the rights offering\*

### September / October 2011

- Anti-trust clearances
- Expected closing of the rights offering\*
- Closing of the transaction expected round September 30

\* Subject to prior clearance by the French stock market regulator (AMF) and market conditions



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# Outlook

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## Outlook for 2011

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- Ipsos standalone... for the last time!
  - Organic growth > 6%
  - Operational Margin at least equal to 11%

**« This is just the beginning »**

Owen Charlebois,  
(*Global Manager Advertising, Marketing and Media Research, Google*)  
Presentation of the partnership with Ipsos, ARF, June 2011

# Nobody's Unpredictable

