



News Release

2003: a very good year for Ipsos **Operating profit +16% at 50.7 million euros** **Net profit (group share) +28% at 30.3 million euros**

Paris, March 23, 2004. Ipsos' consolidated revenues for the year ended December 31, 2003 totalled 569.7 million euros, an increase of 6%. At constant scope and exchange rates, revenues grew by 9.4%, at least twice as fast as the market and the other major international research companies.

The market continued to consolidate in 2003. The major international players, including Ipsos, pursued an active acquisition policy. The largest customers also showed an increasing desire to work with strong research companies capable of deploying cohesive, skilled teams on a global level.

Overall, 2003 saw Ipsos maintain its strategy of growth, international expansion and specialisation.

Strong growth in operating profit and net profit

Millions of euros	2003	2002	Change
Revenues	569.7	538.4	+6%
Gross profit	335.7	311.5	+8%
Operating profit	50.7	43.6	+16%
Net financial expenses	(7.1)	(5.9)	-
Net profit*	30.3	23.7	+28%

* before amortisation of goodwill

Operating profit came in at 50.7 million euros, a rise of 16%. Operating margin was 8.9%, up from 8.1% in 2002, and the increase accelerated in the second half of the year. This operating margin figure is at the upper end of our forecasts, despite strongly adverse currency effects. At 2002 exchange rates, Ipsos would have achieved operating profit of 60 million euros, up 40%.

This performance is especially remarkable since it came at a time when Ipsos was continuing to lay the foundation for future growth by bolstering its management structures, increasing R&D spending and stepping up internal training programmes.

In addition, the improvement in profit margins was mainly due to companies already consolidated in 2002. This shows that all companies having joined Ipsos, whether recently or further in the past, benefit fully from being part of the group.

Net financial expenses rose in line with the increase in debt, one third of which has been indexed on 10-year rates.

There were no significant exceptional items affecting the 2003 financial statements.

The tax rate remained lower than the common rate.



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Overall, Ipsos generated net profit (group share) of 30.3 million euros, up 28%. At 2002 exchange rates, the figure would have been 37.5 million euros, up 58%.

Earnings per share (before amortisation of goodwill) increased sharply to 4.31 euros versus 3.54 euros in 2002. Consequently, distribution of a dividend of 0.85 euros per share (excluding tax credit) will be proposed to the Ipsos General Shareholder Assembly which corresponds with a 20% distribution rate, in line with the company's stated intentions at the time of the IPO.

Acquisitions in 2003

Ipsos acquired six companies in 2003:

- Belgium: INRA Belgium, specialising in marketing and opinion research
- Taiwan: Partner Market Research
- Canada: Market Explorer, specialising in advertising research
- USA: Marketing Metrics, specialising in CSM/CRM research
- Australia: The Mackay Report, specialising in opinion research, and
- the marketing research division of NCS Pearson.

These companies were consolidated as of July 1 2003, with the exception of INRA Belgium (January 1, 2003) and NCS Pearson (October 1, 2003).

A solid financial position

Ipsos had net debt of 149 million euros at December 31, 2003, as opposed to 134 million a year earlier, following acquisition payments of 48.5 million euros during the year.

Shareholders' equity was 198 million euros at the end of the year, against 192 million euros at December 31, 2002, giving gearing of 75.0%, below the limits set by Ipsos.

The financial position was strengthened by the issue of 90 million US dollars of 10-year bonds in May 2003.

2004 outlook

Market research spending should grow by around 5% in 2004. This growth is likely to be driven by rapid growth in several regions, such as Asia, Latin America and Central Europe, and by higher spending in industries like IT, telecoms and media.

In this environment, Ipsos is confident in its ability to continue gaining market share, and therefore maintain growth at the 2003 level. This confidence is underpinned by a large number of initiatives resulting from investment in human resources, management structures and new services over the last few years.



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Our customers are increasingly demanding. They want to build closer relationships with strong, international and skilled research companies that are capable of producing and distributing top-quality information more quickly, while at the same time deploying powerful analytical resources that enable them to interpret, simulate and anticipate precisely the needs and reactions of consumers, customers and citizens. This is how Ipsos is positioning itself in its market.

In 2004:

- Acquisitions will continue, particularly in Asia, the USA and the UK.
- Organic growth is likely to be the same as in 2003, with growth in Europe reaching at least 5%.
- Operating margin will further improve.

Appendices:

Balance sheet at December 31, 2003

Income statement

Cash flow statement

**The presentation of 2003 activity and results
will be available as of March 24 on www.ipsos.com.
A conference-call will take place on that day at 4 PM (CET)**

Nobody's unpredictable

Our clients' clients are increasingly demanding. They change direction, change their views and preferences often and easily.

We at Ipsos anticipate and meet those changes.

We help our clients to understand their clients, to bring focus and clarity to even the most difficult situations.

We understand the dynamics of their markets and we deliver the insight needed to give them the leading edge.

Ipsos, listed on the Premier Marché of the Euronext Paris Stock Exchange, is part of the SBF 120 Index, adheres to the Next Prime segment and is eligible to the Differed Settlement System.

Isin FR0000073298, Reuters ISOS.PA, Bloomberg IPS:FP

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Consolidated balance sheet

In thousand euros	Gross	12/31/2003 Depreciations, amortisations and provisions	Net	12/31/2002 Net
FIXED ASSETS				
<i>Intangible fixed assets</i>				
Start-up costs	523	212	311	134
Other intangible fixed assets	32 404	22 119	10 285	10 784
<i>Goodwill (arising on acquisition) and business goodwills</i>	360 487	65 884	294 603	301 571
<i>Tangible fixed assets</i>	62 388	44 853	17 535	16 893
<i>Financial fixed assets</i>				
Non-consolidated participating interests Companies accounted for using the equity method	150	9	141	2 663
Other financial fixed assets	287		287	310
	3 382	284	3 098	3 506
TOTAL FIXED ASSETS	459 621	133 361	326 260	335 861
CURRENT ASSETS				
<i>Stocks and work in progress</i>				
Miscellaneous supplies	340		340	361
Surveys in progress	9 873		9 873	6 629
<i>Receivables</i>				
Trade receivables	163 832	3 604	160 228	129 560
Other receivables	23 660	900	22 760	21 594
Marketable securities	2 537	78	2 459	6 160
Cash	31 175		31 175	28 984
TOTAL CURRENT ASSETS	231 417	4 582	226 835	193 288
<i>Prepaid expenses, deferred taxes and other assets</i>	17 537		17 537	12 348
TOTAL ASSETS	708 575	137 943	570 632	541 497



	12/31/2003	12/31/2002
	before appropriation of income	
SHAREHOLDERS' EQUITY		
Share capital	7 048	7 005
Premium	175 045	173 989
Other reserves (retained earnings)	14 450	10 118
Foreign exchange difference	-18 052	-12 684
Net income for the period after minority interests	12 036	7 132
<i>Equity attributable to the group</i>	190 527	185 560
Minority interests in consolidated reserves	5 203	2 949
Minority interests in net income for the period	2 698	3 382
<i>Minority interests</i>	7 901	6 331
TOTAL SHAREHOLDERS' EQUITY	198 428	191 891
<i>Provisions for liabilities and charges</i>	21 283	20 094
LIABILITIES		
<i>Long-term debt</i>	182 429	168 877
<i>Other liabilities</i>		
Advances & progress payments from customers	4 654	7 197
Trade payables	69 013	51 335
Tax and employment-related liabilities	54 360	41 278
Other liabilities	23 859	44 043
TOTAL LIABILITIES	334 315	312 730
<i>Prepaid income and other liabilities</i>	16 606	16 782
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	570 632	541 497

**Analytical Profit and Loss Account**

In thousand euros	2003	2002
Revenues	569 708	538 426
Direct costs	234 049	226 889
GROSS MARGIN	335 659	311 537
Payroll costs including statutory employee profit-sharing	197 376	182 191
General operating expenses	87 005	82 992
Other income and expense (net)	591	2 725
Total operating expenses	284 972	267 908
OPERATING PROFIT	50 687	43 629
Net financial expenses	(7 054)	(5 856)
NET PROFIT FROM ORDINARY ACTIVITIES OF CONSOLIDATED ENTITIES	43 633	37 773
Net exceptional expenses	(428)	(144)
PROFIT OF CONSOLIDATED ENTITIES BEFORE TAX	43 205	37 629
Corporate income tax	10 259	10 555
PROFIT OF CONSOLIDATED ENTITIES AFTER TAX	32 946	27 074
Share of profit/ (losses) of companies accounted for using the equity method	34	39
Goodwill amortisation	18 246	16 599
NET PROFIT BEFORE MINORITY INTERESTS	14 734	10 514
Minority interests in profit of the year	2 698	3 382
NET PROFIT ATTRIBUTABLE TO THE GROUP	12 036	7 132
NET PROFIT ATTRIBUTABLE TO THE GROUP BEFORE THE IMPACT OF AMORTISATION OF GOODWILL ARISING ON ACQUISITION AND BUSINESS GOODWILL	30 282	23 731



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Consolidated statement of cash flows

In thousand euros	2 003	2002
Operating activities		
Consolidated net profit attributable to the group	12 036	7 132
Non-monetary items with no cash impact		
Amortisation and depreciation	13 275	14 293
Share in losses/(profits) of companies accounted for using the equity method	(34)	(39)
Losses/(gains) on asset disposals	237	230
Amortisation of business goodwill and goodwill arising on acquisition	18 246	16 601
Movement in other provisions	(1 555)	504
Deferred taxation	713	4 672
Minority interests	2 698	3 382
Other items	(179)	(6)
Operating cash flow before working capital items	45 437	46 769
Decrease/(increase) in stocks and work in progress	(2 819)	991
Decrease/(increase) in trade receivables	(32 575)	(10 056)
Decrease/(increase) in other receivables	(612)	312
Increase/(decrease) in trade payables	15 948	2 485
Increase/(decrease) in accrued interest on debt	513	610
Increase/(decrease) in other liabilities	17 370	2 320
Change in working capital needs	(2 175)	(3 338)
CASH PROVIDED BY OPERATING ACTIVITIES	43 262	43 431
INVESTING ACTIVITIES		
Acquisition of tangible and intangible fixed assets (excluding business goodwill)	(14 954)	(11 900)
Acquisition of business goodwill	(688)	(5 656)
Acquisition of non-consolidated participating interests		(2 725)
Proceeds from disposals of tangible and intangible assets	59	
Proceeds from disposals of long-term investments	665	
Decrease/(increase) in cash investments	3 065	(3 992)
Decrease/(increase) in other long-term investments	182	(1 580)
Increase/(decrease) in amounts payable on fixed assets	(29 608)	35 913
Impact of changes in consolidation scope	(18 374)	(42 759)
CASH USED IN INVESTING ACTIVITIES	(59 653)	(32 699)
FINANCING ACTIVITIES		
Share issue	1 099	39 835
Issue of long-term debt	101 186	16 738
Repayment of long-term debt	(71 937)	(18 905)
Increase/(decrease) in bank overdrafts & short-term debt	(6 437)	(39 973)
Dividends paid to parent company shareholders	(2 202)	(2 140)
Dividends paid to minority shareholders of consolidated entities	(2 143)	(1 705)
CASH PROVIDED BY FINANCING ACTIVITIES	19 566	(6 150)
Opening cash	28 984	28 933
Impact of exchange rate fluctuations	(984)	(4 531)
Net change in cash	3 175	4 582
CLOSING CASH	31 175	28 984