



Press Release

2005: Fresh impetus

Operating profit: up 25.5% to €63.9 million

Net profit attributable to the Group: up 44.1% to €32.7 million

Paris, 21 March 2006. Ipsos generated revenues of €717.9 million in 2005, an increase of 18.8% on 2004. Organic growth at constant exchange rates was 8.6%, meaning that for the seventh consecutive year, the pace of growth at Ipsos was faster than that of the market as a whole and above the rates seen at the other major international research groups.

2005 brought a significant strengthening of the Group's geographical coverage. It is now active in 44 countries and employs more than 6,100 staff.

- The acquisitions programme in 2005 contributed revenue growth of 8.4%, following the consolidation of Descarie & Complices (Montreal) and Shifrin Research (New York) from January 2005, GDMR (Canton) from 1 April, Napoléon Franco (Colombia) from 1 July, MORI (UK) from October and Understanding UnLtd (Cincinnati) from November. Toronto-based Camelford Graham joined the Ipsos Group in early 2006.
- The acquisition programme came alongside the opening of new offices in Seattle, Bangkok, Hong Kong and Manila. On 3 April 2006, 35 Group employees, drawn from 11 different countries, will come together to create the new Ipsos office in Geneva.

There were two other significant trends that stood out in 2005 and that will persist into 2006 and further:

- A stepping up in the shift to online data gathering, in particular through the use of Access Panels, the capacity of which has been increased fourfold since 2001;
- Greater diversity in international contracts, particularly in service sectors. These contracts are typified by their high unit value – of the order of several millions of euros – and their multi-year - duration.

Strong financial performances

(in millions of euros)	2005	2004	% change
Revenue	717.9	604.6	+ 18.8%
Gross profit <i>Gross profit/revenue</i>	431.8 60.1%	355.5 58.8%	+21.5%
Operating profit <i>Operating profit/Revenue</i> <i>Operating profit/Gross profit</i>	63.9 8.9% 14.8%	50.9 8.4% 14.3%	+ 25.5%
Profit before tax	55.8	38.9	+43.3%
Net profit attributable to the Group	32.7	22.7	+44.1%



Profitability – Gross profit, calculated as revenue less direct external expenses, in particular the cost of data collection, grew more rapidly than revenue, reflecting resilient prices and the benefits of the shift to online data gathering systems.

Operating profit, as defined under IFRS, was 8.9% of consolidated revenue and 14.8% of gross profit, representing a 50 basis point improvement on 2004. Operating profit was 25.5% higher over the year.

Profit before tax came to €55.8 million, an increase of 43% on 2004. The effective tax rate under IFRS was 33%, corresponding to the global average of general tax rates. The figures now include deferred tax liabilities which offset the tax savings from the tax deductibility of goodwill amortisation in certain countries, even though this deferred tax charge will only materialise in the event of the disposal of the businesses concerned. The actual tax rate paid by Ipsos, which was 25% in 2005 and 20% in 2005, will remain under 30% over the next few years.

Net profit attributable to the Group rose by 44.1% from €22.7 million in 2004 to €32.7 million in 2005.

Balance sheet structure – Shareholders' equity increased from €233 million at 31 December 2004 to €415 million a year later, thanks to the successful share issue carried out on 5 November 2005 as part of the financing of the MORI acquisition. The success of the institutional placement, which was completed in a single morning, led to the exercise of the extension option. As a result, the issue raised €115 million, which allowed Ipsos to pay down its revolving credit lines and to close 2005 with cash of €82 million, up from €32 million a year earlier.

Net debt stood at €187 million, from €159 million on 31 December 2004, as a result of the share issue, payments for acquisitions of €172 million and a substantial rise in cash flow from operating activities. The latter was 78% stronger at €54 million, from €30 million in 2004, due in part to more profitable operations and also to tighter control over changes in WCR.

In all the reduction in gearing, from 68% to 45%, coupled with an increase in the average maturity of debt following the introduction of a 7-year syndicated credit facility to fund the MORI acquisition, have given Ipsos considerably greater financial flexibility.

Ipsos outlook: Fresh impetus – The demands and concerns of our clients are at the heart of the fresh impetus that Ipsos plans to bring to its business.

Our clients need information. They need to evaluate and predict market trends, the sometimes unexpected reactions of their own clients and the effects of competition in order to take the right decisions regarding their products and their brands. They need to act effectively, optimising their marketing expenditure. They must be able to react vigorously and quickly to changes in their environment. Above all they need to envisage their future and innovate sensibly in order to win.

More and more, the specific demands they make of research companies go far beyond the supply of this information to include greater added value. Today's companies are seeking to build lasting relationships with committed research groups to ensure that the information produced is accessible, understandable, convincing, effective and relevant to the choices faced by decision makers.



Press release (continued) – March 21st, 2006

This is why the research market is growing now and why this growth is likely to continue over the coming years. This is also why Ipsos, which recognises these changing and increasingly stringent requirements, has expanded and will continue to grow.

Over the next five years, demand from our clients will become stronger, more stringent, and increasingly focused on results. As a result, the research market will continue to see consolidation and an increasingly professional approach. Research companies that can offer the best geographical coverage, the most developed operational effectiveness and the highest levels of expertise will emerge as the preferred choice.

Ipsos has the reputation, financial resources, operational skills and expertise to give fresh impetus to its strategy of profitable growth and to make the Ipsos brand a global brand, synonymous with excellence in its areas of specialist expertise.

In 2006, given the acquisitions already announced and organic growth which is expected to at least match that in 2005, revenue at Ipsos will grow by at least 20% in 2006 (at 2005 exchange rates), with further improvements in operating margin and earnings per share.

In 2007, the group will meet or beat its targets for 2007 of one billion euros in revenue and an operating margin of at least 10% (based on current exchange rates of 1 euro = 1.25 USD). Ipsos believes that it will be able to take its performance well beyond these levels by 2010.

Appendices:

Consolidated Profit and loss account
Consolidated Balance sheet
Consolidated Cash flow statement

**A presentation of 2005 business activity and Results will be available on March 22
on the company website <http://www.ipsos.com>**

Nobody's Unpredictable

'Nobody's Unpredictable' is the Ipsos signature.

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 Eurolist of Euronext - Comp B,
is part of the SBF 120 and the Mid-100 Index, adheres to the Next Prime segment
and is eligible to the Differed Settlement System.

**Isin FR0000073298, Reuters ISOS.PA, Bloomberg IPS:FP
www.ipsos.com**

Consolidated profit and loss account

In thousands of euros	<u>31/12/2005</u>	<u>31/12/2004</u>
Revenues	717 979	604 634
Direct costs	(286 105)	(249 179)
GROSS PROFIT	431 874	355 455
Payroll	(259 640)	(208 695)
Share based payments	(1 263)	(1 068)
General expenses	(106 597)	(94 140)
Other operating income and expense	(452)	(618)
OPERATING PROFIT	63 922	50 934
Other non operating income and expense	2 314	(3 821)
Finance costs	(10 417)	(8 151)
PROFIT BEFORE TAX	55 819	38 962
Current Income tax	(10 769)	(9 033)
Deferred tax expense	(7 531)	(3 946)
NET PROFIT	37 519	25 983
Attributable to the Group	32 717	22 708
Attributable to Minority Interests	4 802	3 275
Earning per share (in euros)	4,84	3,50
Diluted earning per share (in euros)	4,72	3,47

Consolidated balance sheet

Assets	<u>31/12/2005</u>	<u>31/12/2004</u>
<i>In thousands of euros</i>		
FIXED ASSETS		
Goodwill	576 983	368 264
Intangible assets	12 368	11 181
Property, plant and equipment	25 615	20 594
Companies accounted for by the equity method	299	310
Other long-term investments	4 228	6 889
Deferred tax assets	9 382	10 077
TOTAL FIXED ASSETS	628 875	417 315
CURRENT ASSETS		
Inventories and work in progress	6 188	8 643
Trade receivables	241 317	186 719
Other receivables	39 329	32 729
Cash and cash equivalents	82 162	32 437
TOTAL CURRENT ASSETS	368 996	260 528
TOTAL ASSETS	997 871	677 843
Liability		
<i>In thousands of euros</i>		
Share capital	8 466	7 099
Share premium	296 994	216 177
Treasury shares	-27 885	-39 835
Other reserves	56 715	34 007
Foreign exchange translation differences	43 958	-8 150
Net profit for the year	32 717	22 708
Minority Interests	3 968	1 426
TOTAL SHAREHOLDER'S EQUITY	414 933	233 432
NON CURRENT LIABILITIES		
Debt and borrowings	255 229	163 009
Provisions	3 092	4 110
Deferred tax liabilities	19 586	16 404
Retirement benefits obligations	14 002	8 016
Other non current liabilities	72 080	64 132
TOTAL NON CURRENT LIABILITIES	363 989	255 671
CURRENT LIABILITIES		
Trade payables	116 423	83 495
Debts and borrowings	13 686	28 670
Current tax liabilities	3 724	2 635
Other liabilities	85 116	73 940
TOTAL CURRENT LIABILITIES	218 949	188 740
TOTAL LIABILITIES	997 871	677 843

**Consolidated cash flow statement**

In thousands of euros	<u>31/12/2005</u>	<u>31/12/2004</u>
OPERATING ACTIVITIES		
NET PROFIT	37 519	25 983
Adjustements to reconcile net profit to cash flow		
Depreciation and amortisation of fixed assets	11 360	12 321
Losses/(gains) on asset disposals	66	1 180
Increase/(decrease) in fair value	1 155	0
Movement in provisions	2 012	3 258
Share-based payment expense	1 263	1 068
Finance costs	10 417	8 151
Income tax expense	18 300	12 979
OPERATING CASH FLOW BEFORE WORKING CAPITAL ITEMS	82 092	64 940
CHANGE IN WORKING CAPITAL REQUIREMENTS	(9 933)	(16 611)
Interest paid	(9 449)	(8 496)
Income taxes paid	(8 751)	(9 517)
CASH FLOW FROM OPERATING ACTIVITES	53 959	30 316
INVESTMENT ACTIVITIES		
Acquisition of tangible and intangible fixed assets	(11 919)	(13 319)
Proceeds from disposals of tangible and intangible fixed assets	117	104
Acquisition of business goodwill	(172 507)	(17 013)
CASH FLOWS FROM INVESTMENT ACTIVITIES	(184 309)	(30 228)
FINANCING ACTIVITIES		
Share issues	121 027	1 348
Increase/(decrease) in long-term debts	74 804	10 007
Increase/(decrease) in bank overdrafts and short-term debts	(10 602)	(1 099)
Dividends paid to parent company shareholders	(6 388)	(6 233)
Dividends paid to minority shareholders of consolidated companies	(1 385)	(2 257)
CASH FLOW FROM FINANCING ACTIVITIES	177 456	1 766
NET CASH FLOW	47 106	1 854
Effect of foreign exchange rate changes	2 619	(3 051)
CASH AT BEGINNING OF THE YEAR	32 437	33 634
CASH AT YEAR-END	82 162	32 437