



Press Release

Ipsos in 2006 Growth surpasses market

2006 revenues: 857.1 million euros

Total growth: 19.4%

Organic growth: 6.5%

Paris, 15 February 2007. Ipsos generated consolidated revenues of 857.1 million euros in full-year 2006, up 19.4% compared to 2005. This is the strongest annual growth rate since 2001.

- The currency effect was almost negligible, with a positive effect of 0.6%.
- There were major changes in the scope of consolidation, which account for 12.3%. Nonetheless, this figure is lower than at the beginning of the year due to the integration of Mori in the UK in October 2005 and Understanding UnLtd in the US in November 2005.
- Organic growth was 6.5%. In comparison, market growth is estimated at 5%, which is a little less than expected at the beginning of the year due to the ongoing development of online data collection systems and the transfer of European budgets to the developing countries. Both of these two trends had a deflationary effect on the market, which remained nonetheless dynamic.

Under these conditions, Ipsos reports contrasting performances in **different regions** of the world.

Contribution by geographical area (millions of euros)	2006	2005*	Change	Of which organic growth	2006 breakdown
Europe	400.8	331.2	21%	2.5%	47%
North America	291.4	242.6	20%	8.5%	34%
Latin America	85.1	69.4	22.5%	14%	10%
Asia-Pacific and Middle East	79.8	74.8	7%	10%	9%
Full-year revenues	857.1	718.0	19.4%	6.5%	100%

Growth was strong in the Asia-Pacific and Middle East regions, with organic growth largely surpassing 10% in most countries, with the exception of Japan.

In Europe, North America and Latin America, overall growth rates were basically the same, although the components of growth were different.



Press Release (continued) – February 15, 2007

Latin America was notably propelled by quite remarkable organic growth illustrating the quality of Ipsos teams and the group's leading positions at the regional level and in most of the main countries, not only in Mexico and Brazil, but also in Colombia and Argentina.

Ipsos had an excellent year in North America, striking a healthy balance between the impact of major changes in the scope of consolidation (+10.5%) and strong organic growth (+8.5%), which largely outgrew the market. Once again, what made the difference was the expertise and commitment of Ipsos teams and the group's organisation by specialized business line.

In Europe, the main growth engine was the positive impact of the integration of MORI and the creation of Ipsos Mori in the UK and Ireland. Organic growth, in contrast, was weak due to a sluggish fourth quarter in Western Europe (excluding the UK). This poor performance was limited to this region and can be attributed to two specific factors:

- Commercial activity was weak in November and December, particularly among large-scale retailers (food, beverages, household products), who tended to postpone research programmes until early 2007.
- In several cases, it took longer than expected to set up major contracts won through competitive bidding.

The negative impact of these two factors will naturally disappear in the first months of 2007.

At the end of January 2007, order books in Europe were up 10% compared to the same month in 2006. As a result, Management is confident that European markets will get off to a strong start this year. Other regions, notably North America, have also reported strong orders.

Lastly, in compliance with Ipsos' accounting standards, MORI's 2006 performance is not integrated in the reported organic growth rate. In 2006, pro forma revenues for the new Ipsos Mori entity (resulting from the merger of Ipsos UK and MORI) rose over 6% compared to 2005, and largely outperformed the UK market (whose growth was 2-3%).

Ipsos' main **lines of business** reported different growth rates.

Contribution by business line (millions of euros)	2006	2005	Change	Of which organic growth	2006 breakdown
Advertising Research	181.8	163.7	11%	12%	21%
Marketing Research	419.8	388.7	8%	1%	49%
Media Research	58.8	53.1	10.5%	10%	7%
Opinion and Social Research	115.3	51.3	125%	24%	13%
Customer Satisfaction Research	81.4	61.2	33%	8%	10%
Full-year revenues	857.1	718.0	19.4%	6.5%	100%



Press Release (continued) - February 15, 2007

The Marketing Research division reported a flat performance, notably in Europe, for the reasons outlined above.

The other lines of business reported very strong growth. Ipsos ASI, which specialises in measuring advertising effectiveness, reported double-digit organic growth for the eighth consecutive year. This performance can be attributed to 1) expansion into new markets, notably in central Europe and Asia, and 2) the increase in the size and quality of major new contracts.

Thanks to the MORI acquisition, but also to remarkable organic growth, the Opinion and Social Research activity has doubled in size, and is quickly becoming one of Ipsos' most important and promising lines of business.

As indicated in November, the **operating margin for 2006** will be roughly the same as in 2005. Restated for exceptional items, including restructuring costs for the merger of Ipsos UK and MORI and other non-recurring items, operating margin should improve significantly, marking Ipsos' determination and ability to make it structurally progress in the years ahead.

Outlook for 2007. Market growth is estimated at about 5% in 2007. Ipsos' objective is to record organic growth that largely outperforms the market, with even stronger growth than in 2006. It will also make a very significant improvement in margins.

To reach its target of a 10% margin, Ipsos depends on growth in all regions of the world and in all its lines of business.

Along with the publication of its full-year 2006 results on 20 March 2007, Ipsos will outline its targets and plans for achieving profitable, sustainable growth in 2007 and beyond. At constant exchange rates, Ipsos is targeting average annual revenue growth of 15% through 2011, half through organic growth and half via acquisitions. Ipsos is targeting an operating margin of 12% for the year 2011.

Ipsos also announces today the acquisition of Apoyo Opinión y Mercado, a Peruvian company that will be presented in a separate press release

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 – and the world – just the way they are.

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Ipsos is part of the SBF 120 and Mid-100 indexes,
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