



Ipsos Group

Interim financial report

For the 6 months ended June 30, 2010

I. First-half 2010 financial report

The figures speak for themselves. Ipsos achieved growth of 14.3% in the first quarter of 2010, and 21.4% in the second, making 18.1% for the first half as a whole.

Performance was good between January and March, and excellent between April and June.

- Organic growth was 6% in the first quarter. It accelerated to 9.1% in the second, giving growth of 7.7% for the first half.
- Exchange-rate effects had a positive 1.9% impact in the first quarter, and this increased to 4.7% over the first half as a whole.
- Companies acquired since July 2009 – including OTX, which became part of Ipsos' scope of consolidation on 1 January 2010 – contributed 5.7% to Ipsos' first-half revenues.

<i>In million euros</i>	H1 2010	H1 2009	Change	Full-year 2009
Revenue	528.8	447.8	18.1%	943.7
Gross profit	333.0	279.7	+19.1%	589.4
Gross margin	63.0%	62.5 %		62.5 %
Operating margin	43.0	28.4	+51.3%	88.7
Operating margin / revenue	8.2%	6.3 %		9.4 %
Operating profit / gross profit	12.9%	10.1%		15.0%
Net profit (attributable to the Group)	23.4	14.3	+63.7%	52.7
Adjusted net profit* (attributable to the Group)	32.0	23.9	+33.7%	72.5

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

Ipsos is obviously pleased with these results, which compensate for the dip seen in 2009. Even by comparison with the first half of 2008, business levels were 13% higher at current scope and exchange rates. This is the same increase as that seen between 2006 and 2008.

Ipsos' growth is being driven by strong market conditions, but also by specific factors that once again are enabling the company to outperform the market and its main rivals.

There was an excellent performance in emerging markets, where Ipsos generates 29% of its revenues, with organic growth of 16%. The Global PartneRing programme for major clients also accounted for 28% of revenues, and achieved organic growth of 14%.

All regions and business lines contributed to Ipsos' success in the first half. The Opinion & Social Research business saw the weakest growth, due to the slowdown in the UK, which started before the general election. In North America, organic growth slowed to 5% in the second quarter from 8% in the first. This was the result of a higher base for comparison, since the business performed very poorly in the first quarter of 2009 (-15%), after which it recovered in the second quarter of 2009 (-3% in organic terms).

Trends in business volumes by geographic area and business line

Consolidated revenues by geographic area <i>(In million euros)</i>	H1 2010	H1 2009	Change 2010/2009	Organic growth
Europe	229.2	212.3	7.9%	3.5%
North America	167.9	132.8	26.5%	6.5%
Latin America	64.2	50.6	26.9%	16%
Asia-Pacific/Middle East	67.5	52.1	29.5%	21%
First-half revenues	528.8	447.8	18.1%	7.7%

Consolidated revenues by business line <i>(In million euros)</i>	H1 2010	H1 2009	Change 2010/2009	Organic growth
Advertising Research	118.1	99.4	18.8%	9%
Marketing Research	242.2	208.7	16.1%	10%
Media Research	50.6	34.4	47.2%	4.5%
Opinion & Social Research	66.5	59.8	11.2%	0%
Customer Relationship Management Research	51.4	45.5	13.1%	7%
First-half revenues	528.8	447.8	18.1%	7.7%

Ipsos has regained its momentum without sacrificing margins

Ipsos is committed to maintaining profitable growth. Gross margin, operating profit and net profit all increased substantially in the first half. This excellent performance shows the strength of Ipsos' development strategy, which is based on increasing strength in its specialist areas and on its ability to win and fulfil larger, longer contracts covering wider geographical areas.

The combination of a distinctive offering and resources that enable it to manage complex programmes, means that Ipsos can maintain prices compatible both with its short-term financial targets and with its long-term plans.

The recent creation of *Ipsos Open Thinking Exchange* is the result of Ipsos' desire to make its offering more distinctive, particularly in areas that have been opened up by the rapid adoption of digital technologies around the world. Starting soon, Ipsos will be able to implement new protocols that will give clients better understanding and knowledge of today's hyper-connected consumers, who are more mobile and more numerous (which is a good thing) and more exposed to messages and to the media, but who are also more critical. This creates new challenges for institutions, brands and ideas.

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 (+19.1%), giving gross margin of 63.0% versus 62.5% in the previous six-month period. The rise in gross margin was driven by the ongoing shift to online surveys and the integration of OTX.

Other operating income and expenses totalled -3.9 million euros, versus -7.1 million in the 2009 six-month period. This figure mainly consists of non-recurrent items related to staff departures as part of "Plan B", which was implemented in 2009 and early 2010.

Operating profit came in at 43.0 million euros (8.2% of revenues), an increase of 51.3% relative to the first half of 2009.

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 0.9 million euros in the first half of 2010.

Other non-operating income and expenses. The balance of this item was a net expense of 0.7 million euros compared with 0.1 million euros in the first half of 2009. It includes unusual items not relating to operations and acquisition costs since the change in IFRSs applicable from 1 January 2010 (Revised IFRS3).

Finance costs. Finance costs came to 5.8 million euros, up 33.2% relative to the year-earlier period, because of the increase in net debt arising from the OTX acquisition. Other financial income and expenses included exchange-rate gains totalling 0.1 million euros as opposed to 0.3 million in the first half of 2009.

Tax. The effective tax rate on the IFRS income statement was 27.5%, compared with 29.7% in the first half of 2009. As in the past, the effective tax rate included a deferred tax liability (1.6 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 32.0 million euros, up 33.7% compared with the first half of 2009. Net profit attributable to the Group came in up 63.7% at 23.4 million euros.

Financial structure - Shareholders' equity stood at 609 million euros, while net debt came to 238 million euros at 30 June 2010. This resulted in gearing of 39%, lower than the 30 June 2009 figure of 49% but slightly higher than the level seen on 31 December 2009 (36%), due to the OTX acquisition. The total price paid for this acquisition was 71 million dollars, of which 60 million was paid in the first half of 2010, with 11 million due in the first half of 2012.

Cash flow amounted to 10.8 million euros, up 11.5% relative to the first half of 2009. The 38.2% 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 underway at that time of year. The volume of surveys increased sharply because of the upturn in business levels since the start of the year.

Outlook 2010-2011

Ipsos' market is busier than it was this time last year. However, caution is still required. The global economy is unlikely to see a return to pre-2008 growth rates for some time to come. The debt-reduction process under way throughout the developed world, including Japan, is necessary and will take time. These are the facts, and it does not take an official oracle to work out that demand for companies will grow more slowly than it did between 2002 and 2007, especially if the public sector can no longer act as a substitute for consumers and companies.

We remain positive however. Growth is weak, but genuine in developed countries. Emerging markets are also seeing real growth in activity, and this should remain the case. New technologies are supporting, and will continue to support, major productivity gains, and will result in new offerings that are likely to appeal to consumers. Countries have not turned protectionist, companies have remained active, and people of all income levels are still working, hoping and consuming. Confidence remains uneven because the gap between the political, economic and moral elites on the one hand and citizens on the other has increased, or is perceived as increasing. This gap needs to be closed, and it remains to be seen what type of social organisation will emerge to close it.

In the meantime, the role played by research companies is becoming increasingly valuable. At a time when institutions and companies resemble people driving down icy roads in a hurry, Ipsos and its peers are well positioned. They are helping to recognise the trends that will define tomorrow's markets, to measure and analyse what people are doing and thinking, to develop new approaches that make customers more involved in defining products and services, to develop tools to control communication efforts, to find ways of enabling citizens,

customers and consumers to express themselves in a creative and honest way, and to understand what products and services to sell, to whom and in what ways.

Ipsos is confident about the short-term outlook and is working hard to be one of the leading players in its market.

In 2010, Ipsos' organic growth will be much higher than initially forecast, and should be between 6 and 8%. This will result in business volumes, at constant scope and exchange rates that exceed 2008 levels.

Operating margin after non-recurrent items will be over 10% as previously predicted, as opposed to 9.4% in 2009.

The outlook for 2011 remains unchanged for the moment. Organic growth is likely to be over 5%, and operating margin should rise above 11% for the first time.

II. Half-year 2010 consolidated financial statements

1. Consolidated income statement Half-year ended 30 June 2010

In thousand euros	Notes	30 June 2010	30 June 2009	31 December 2009
Revenue	3	528,849	447,796	943,679
Direct costs	4.1	(195,818)	(168,137)	(354,302)
Gross profit		333,031	279,659	589,377
Staff costs (excluding share-based payments)		(209,998)	(176,670)	(357,131)
Staff costs (share-based payments)	5.4.3	(2,858)	(2,612)	(5,051)
General operating expenses		(73,291)	(64,829)	(125,626)
Other operating income and expenses	4.2	(3,866)	(7,108)	(12,861)
Operating margin	3	43,017	28,440	88,708
Amortisation of intangible assets linked to acquisitions		(853)	(619)	(1,243)
Other non-recurring income and expenses	4.3	(744)	(100)	(719)
Income from associates		53	41	59
Operating profit		41,472	27,762	86,805
Financing expenses	4.4	(5,811)	(4,362)	(9,669)
Other financial income and expenses	4.4	96	304	(308)
Profit before tax		35,757	23,704	76,829
Income tax - excluding deferred tax on goodwill amortisation		(8,205)	(5,554)	(15,082)
Income tax - including deferred tax on goodwill amortisation		(1,628)	(1,489)	(3,316)
Income tax	4.5	(9,833)	(7,043)	(18,398)
Net profit		25,925	16,661	58,431
Of which attributable to equity holders of the parent company		23,412	14,297	52,712
Of which minority interests		2,513	2,364	5,719
Basic earnings per share in euros	4.6	0.70	0.44	1.62
Diluted earnings per share in euros	4.6	0.69	0.44	1.60

2. Statement of Comprehensive Income

Half-year ended 30 June 2010

In thousand euros	30 June 2010	30 June 2009	31 December 2009
Net profit	25,925	16,661	58,430
Hedges of net investments in a foreign subsidiary	4,570	6,778	7,069
Deferred tax on hedges of net investments in a foreign subsidiary	(631)	(1,822)	(1,812)
Currency translation differences	65,800	14,415	22,469
Other comprehensive income, net of tax	69,739	19,371	27,726
Total comprehensive income	95,664	36,032	86,156
Of which attributable to equity holders of the Parent Company	90,362	33,920	80,822
Of which attributable to minority interests	5,302	2,112	5,335

3. Consolidated balance sheet

Half-year ended 30 June 2010

In thousand euros	Notes	30 June 2010	31 December 2009
ASSETS			
Goodwill	5.1	749,579	623,712
Other intangible assets		43,199	33,450
Property, plant and equipment		27,449	24,381
Investments in associates		903	456
Other non-current financial assets		5,503	4,597
Deferred tax assets		17,696	13,256
Total non-current assets		844,328	699,852
Trade receivables	5.2	378,134	315,707
Current tax receivables		2,449	3,320
Other current assets	5.3	73,190	44,519
Derivatives financial assets	5.5	1,018	1,129
Cash and cash equivalents	5.5	47,769	68,157
Total current assets		502,561	432,832
TOTAL ASSETS		1,346,889	1,132,684

In thousand euros	Notes	30 June 2010	31 December 2009
LIABILITIES			
Share capital	5.4	8,497	8,466
Share premium		337,111	334,896
Own shares		(1,090)	(20,421)
Other reserves		204,753	179,517
Currency translation differences		26,098	(40,853)
Net profit attributable to equity holders of the Parent		23,412	52,712
Total parent shareholders' equity		598,780	514,317
Minority interests		10,581	8,733
Total equity		609,361	523,050
Borrowings and other long-term financial liabilities	5.5	256,877	221,671
Non current provisions, pension and similar liabilities	5.6	9,847	8,818
Deferred tax liabilities		50,985	40,331
Other non-current liabilities	5.7	41,820	45,186
Total non-current liabilities		359,531	316,006
Trade payables		177,487	124,975
Short-term portion of borrowings and other financial liabilities	5.5	29,879	37,826
Current tax payable		5,298	9,283
Current provisions	5.6	1,778	2,033
Other current liabilities	5.7	163,553	119,511
Total current liabilities		377,996	293,628
TOTAL EQUITY AND LIABILITIES		1,346,899	1,132,684

4. Consolidated cash flow statement

Half-year ended 30 June 2010

In thousand euros	Notes	30/06/2010	30/06/2009	31/12/2009
OPERATING ACTIVITIES				
NET PROFIT		25,925	16,661	58,431
Adjustments to reconcile net profit to cash flow				
Depreciation of property, plant and equipment and amortisation of intangible assets		9,045	7,547	15,349
Income from associates, net of dividends received		(53)	16	(2)
Losses (Gains) on asset disposals		(282)	26	66
Net change in provisions		34	204	116
Share-based payments		2,858	2,612	5,051
Other non cash income and expenses		(411)	178	211
Acquisition-related costs		644	-	-
Finance costs		5,811	4,362	9,669
Income tax expense		9,833	7,043	18,398
OPERATING CASH FLOW BEFORE WORKING CAPITAL, FINANCING EXPENSES AND TAX PAID		53,403	38,649	107,290
Changes in working capital requirement	6.1	(27,192)	(16,672)	(17,294)
Interest paid		(3,974)	(2,884)	(7,586)
Income tax paid		(11,428)	(9,402)	(10,143)
CASH PROVIDED BY OPERATING ACTIVITIES		10,810	9,691	72,265
INVESTING ACTIVITIES				
Acquisitions of property, plant and equipment and intangible assets	6.2	(6,055)	(5,530)	(9,202)
Proceeds from disposals of property, plant and equipment and intangible assets		9	82	5
Acquisitions of financial assets		(335)	(98)	(658)
Acquisitions of consolidated companies and businesses		(48,332)	(25,154)	(29,087)
CASH USED IN INVESTING ACTIVITIES		(54,713)	(30,700)	(38,942)
FINANCING ACTIVITIES				
Capital increase (decrease)		2,246	131	1,469
Increase (decrease) in long-term borrowings		1,625	(22,068)	(46,790)
Increase (decrease) in bank overdrafts		(1,352)	1,273	1,783
Net acquisitions (disposals) of own shares		15,010	-	1,580
Dividends paid to Company's shareholders		0	-	(16,234)
Dividends paid to minority interests		(566)	(273)	(1,038)
CASH PROVIDED BY FINANCING ACTIVITIES		16,962	(20,937)	(59,230)
NET CHANGE IN CASH POSITION		(26,941)	(41,946)	(25,906)
Impact of exchange rates fluctuations		6,553	2,438	2,059
CASH POSITION AT BEGINNING OF PERIOD		68,157	92,404	92,005
CASH POSITION AT THE END OF PERIOD		47,769	52,896	68,157

5. Statement of changes in consolidated shareholders' equity

Half-year ended 30 June 2010

In thousand euros	Share Capital	Share premium	Own shares	Other reserves	Profit for the period	Currency translation differences	Total parent shareholders' equity	Minority interests	Total equity
1 January 2009	8,443	333,449	(25,560)	144,194	51,483	(68,963)	443,046	6,826	449,872
- Change in capital	3	128					131		131
- Comprehensive income					14,297	19,623	33,920	2,112	36,032
- Appropriation of prior-year result				51,483	(51,483)		-		-
- Dividends				(16,886)			(16,886)	(452)	(17,338)
- Change in scope of consolidation							-	(2,591)	(2,591)
- Impact of share buyout commitments							-	1,883	1,883
- Delivery of free shares related to 2007 plan			2,931	(2,931)			-		-
- Own shares			(36)	17			(19)		(19)
- Share-based payments recognised directly in equity				2,612			2,612		2,612
- Other movements				(48)			(48)	(23)	(71)
30 June 2009	8,446	333,577	(22,665)	178,441	14,297	(49,340)	462,756	7,755	470,511
1 January 2010	8,466	334,896	(20,421)	179,517	52,712	(40,853)	514,317	8,733	523,050
- Change in capital	31	2,215	-	-	-	-	2,246		2,246
- Comprehensive income	-	-	-	-	23,412	66,951	90,362	5,301	95,664
- Appropriation of prior-year result	-	-	-	52,712	(52,712)	-	-	-	-
- Dividends	-	-	-	(17,270)	-	-	(17,270)	(1,526)	(18,796)
- Change in scope of consolidation	-	-	-	-	-	-	-	(487)	(487)
- Impact of share buyout commitments	-	-	-	-	-	-	-	(1,388)	(1,388)
- Delivery of free shares related to 2007 plan	-	-	4,755	(4,755)	-	-	-	-	-
- Own shares	-	-	14,576	296	-	-	14,872	-	14,872
- Share-based payments recognised directly in equity	-	-	-	2,858	-	-	2,858	-	2,858
- Other movements	-	-	-	(8,605)	-	-	(8,605)	(53)	(8,659)
30 June 2010	8,497	337,111	(1,090)	204,753	23,412	26,098	598,780	10,581	609,361

Notes to the consolidated financial statements

Half-year ended 30 June 2010

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 64 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 28 July 2010, Ipsos' Board of Directors approved and authorized publication of the half-year financial consolidated statements as at 30 June 2010.

1.2. Basis for preparing half-year 2010 financial information

Ipsos consolidated financial statements for half-year 2010 have been drawn up in line with IAS 34 – Interim Financial Reporting. These condensed interim consolidated financial statements as of June 30, 2010 do not include the integrality of the requested information of the annual closing as of December 31, 2009. These condensed interim consolidated financial statements as of June 30, 2010 should be read and understood in conjunction with the consolidated financial statements published as of December 31, 2009.

The accounting principles applied to prepare the interim consolidated financial statements for the half-year ended 30 June 2010, are identical to those used to prepare the consolidated financial statements for 2009 except for amendments of standards and interpretations which are obligatorily applicable as from January 1, 2010. These accounting principles are described in the note 1 of the consolidated financial statements for 2009 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, 2010

- IFRS3 (revised) – Business combinations and IAS27 revised – consolidated and separate financial statements

These both standards enforceable to the financial year opened as from July 1, 2009, are prospective. They consequently impact the accounting treatment for acquisitions as from January 1, 2010.

The IFRS 3 revised standard introduces a number of changes that may have a material impact on the accounting treatment of business combinations carried out on or after 1 January 2010. The main changes concern the immediate recognition as an expense of acquisition-related costs, an accounting policy choice – available on a transaction by transaction basis – to measure non-controlling interests at fair value (application of the full goodwill method), revised accounting treatment of contingent consideration, and the possible recognition of more items of intangible assets and property, plant and equipment. The enforcement of this standard on the half-year consolidated financial statements is leading to the recognition of 0,3 millions euros OTX acquisition costs in other non-recurring income and expenses.

The IAS 27 revised standard introduces significant changes in the accounting treatment of changes in consolidation scope. Any change in ownership interest that results in the acquisition or loss of control of an entity now triggers remeasurement at fair value of respectively the initial or residual holding, leading to an adjustment of profit or loss. Conversely, any change in ownership interest that does not result in the acquisition or loss of control is accounted for within equity and simply leads to a re-allocation of the underlying net assets between controlling and non-controlling interests. The enforcement of this standard does not have a significant effect on the half-year consolidated financial statements.

- IFRIC16 - Hedges of a Net Investment in a Foreign Operation
- Amendments IAS39 - Financial Instruments: recognition and Measurement - Eligible Hedged Items
- Annual improving plan of IFRS standards published on April 2009
- Amendments IFRS2 – Group and treasury share transactions

The enforcement of these standards and amendments does not have a significant impact on the 2010 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, 2010

- IAS32 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)
- IFRIC19 - Extinguishing Financial Liabilities with Equity Instruments
- IFRIC14 amendments - Early payment of minimum funding requirements
- Annual improving plan of IFRS standards published on Mai 2010

No standards or interpretation have been early adopted by Ipsos.

1.2.3. New tax rule in France applicable from 1 January 2010

The 2010 Finance Act adopted in December 2009 introduces a new business tax (*Contribution Economique Territoriale – CET*) to replace the *Taxe Professionnelle* (TP). The CET comprises a tax on property (*Contribution Foncière des Entreprises – CFE*) and a tax on value added (*Cotisation sur la Valeur Ajoutée des Entreprises – CVAE*). The CFE is assessed on the rental value of real estate subject to property tax (*taxe foncière*), while the CVAE is assessed at the rate of 1,5% of value added. The CET is capped at 3% of value added.

Ipsos group has decided to book the CVAE, tax assessed on value added, in “Income tax” according to the enforcement of IAS 12 standard – Income taxes.

In this context, the Group has reassessed the accounting processing of this tax according to IFRS standards and has considered that the *Taxe Professionnelle* (TP) was replaced by 2 different kinds of taxes:

- The CFE has some important similarities with the *Taxe Professionnelle* and is booked in operating expenses.
- The CVAE corresponds to, according to the analysis made by the Group, a tax assessed on the profit calculated as a net amount between income and expenses, and is consequently covered by IAS 12 standard – Income taxes. In this context and enforcing IAS 12 standard, the Group has calculated some deferred tax assets and liabilities. The CVAE is therefore booked in the account “Income Tax”.

The impact on deferred taxes has been calculated and does not appear significant.

2. Changes in the scope of consolidation

None of the acquisitions made during the first half-year 2010 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 2010 are shown in the following table :

Name	Type	Change in % stake	Date of inclusion or exclusion from scope of consolidation	Country
OTX (UK) ⁽¹⁾	Acquisition	+100%	1 January 2010	UK
OTX (US) ⁽¹⁾	Acquisition	+100%	1 January 2010	USA
APEME ⁽²⁾	Acquisition	+25%	1 January 2010	Portugal
Ipsos KMG	Buy-out of minority interests	+21%	1 January 2010	Turkey
MORI Ireland	Hive up in MORI (Trading)	-	1 January 2010	Ireland
Ipsos ASI Srl	Merger with Ipsos SRL	-	1 January 2010	Italy
Ipsos Public Affair Srl	Merger with Ipsos SRL	-	1 January 2010	Italy
Ipsos-Eureka AB	Merger with Ipsos Sweden AB	-	1 February 2010	Sweden
Ipsos ASI AB	Merger with Ipsos Sweden AB	-	1 February 2010	Sweden

⁽¹⁾ OTX: on the 28th of April 2010, the company announced a signed agreement to acquire 100% of OTX Corporation capital (OTX – Online Testing Exchange), one of the most dynamic on-line studies company in the USA. OTX generated an annual turnover amounted to 60 millions dollars in 2009 and hires more than 200 employees in Los Angeles, New-York, Chicago, Miami and London. This company is fully integrated as of 1st of January 2010. The total price paid for this acquisition was 71 million dollars, of which 60 million was paid in the first half of 2010, with 11 million due in the first half of 2012. The acquisition costs allocation will be finalised by 12 months after acquisition's date according to IFRS3-Business combinations standard. During the first 2010 half-year, OTX contributed for 23.2 millions euros to the turnover and for 1.9 millions euros to the operating margin of Ipsos group.

⁽²⁾ Ipsos SA acquired 25% of the company APEME - Área de Planeamento e Estudos de Mercado, Lda. in Portugal. This acquisition has been concluded with a capital buying-option after five years. APEME is nowadays well known as a leader on its market and has developed a true expertness about consumers, in particular through qualitative studies. This company has been consolidated by the equity method as of 1st January 2010.

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.

The four segments come from the geographical regions reporting's level used by the Executive Committee. The segments are the followings: Europe, North America, Latin America and the rest of the world including the Middle East, Asia-Pacific and any unallocated corporate costs.

In addition, Ipsos group is entirely dedicated to a single activity: survey-based researches.

3.1. Segment reporting as at 30 June 2010

In thousand euros	Europe	North America	Latin America	Rest of the World	Intra-group eliminations	Total
Revenue	234,571	169,531	67,444	71,588	(14,286)	528,849
<i>Sales to external clients</i>	229,177	167,917	64,166	67,589	0	528,849
<i>Inter-segment sales</i>	5,395	1,614	3,278	3,999	(14,286)	-
Operating margin	14,762	25,237	2,011	1,007	-	43,017
Depreciation and amortisation	3,447	2,974	874	1,750	-	9,045
Segment Assets ⁽¹⁾	469,272	459,689	166,435	176,155	-	1, 271,551
Capital expenditure of the period	2,273	1,286	869	1,454	-	5,882

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

3.2. Segment reporting as at 30 June 2009

In thousand euros	Europe	North America	Latin America	Rest of the World	Intra-group eliminations	Total
Revenue	217,538	134,466	52,805	55,822	(12,835)	447,796
<i>Sales to external clients</i>	<i>212,300</i>	<i>132,751</i>	<i>50,568</i>	<i>52,177</i>	-	<i>447,796</i>
<i>Inter-segment sales</i>	<i>5,238</i>	<i>1,715</i>	<i>2,237</i>	<i>3,645</i>	<i>(12,835)</i>	-
Operating margin	11,319	15,294	1,093	734	-	28,440
Depreciation and amortisation	3,564	1,740	712	1,531	-	7,547
Segment Assets	425,351	326,117	132,906	133,424	-	1,017,798
Capital expenditure of the period	2,764	751	570	975	-	5,060

3.3. Segment reporting as at 31 December 2009

In thousand euros	Europe	North America	Latin America	Rest of the World	Intra-group eliminations	Total
Revenue	446,547	274,548	124,786	125,816	(28,017)	943,679
<i>Sales to external clients</i>	<i>435,764</i>	<i>270,671</i>	<i>119,266</i>	<i>117,977</i>	-	<i>943,679</i>
<i>Inter-segment sales</i>	<i>10,782</i>	<i>3,876</i>	<i>5,520</i>	<i>7,839</i>	<i>(28,017)</i>	-
Operating margin	32,589	38,289	9,408	8,422	-	88,708
Depreciation and amortisation	7,157	3,421	1,618	3,153	-	15,349
Segment Assets	429,760	330,985	137,430	143,595	-	1,041,769
Capital expenditure of the period	4,612	1,191	933	1,946	-	8,682

3.4. Reconciliation of segment assets with total group assets

In thousand euros	30 June 2010	30 June 2009	31 December 2009
Segment assets	1,271,551	1,017,798	1,041,769
Financial assets	6,406	3,907	5,053
Tax assets	20,145	17,084	16,576
Financial instruments assets	1,018	441	1,129
Cash and cash equivalents	47,769	52,896	68,157
Total Group assets	1,346,889	1,092,125	1,132,684

4. Notes to the income statement

4.1. Direct costs

In thousand euros	30 June 2010	30 June 2009	31 December 2009
Interviewer payroll costs	(42,290)	(43,312)	(89,189)
Other direct costs	(153,528)	(124,825)	(265,113)
Total	(195,818)	(168,137)	(354,302)

4.2. Other operating profit and expenses

As of 31 December 2009, other non-recurring operating income and expenses came to 12.9 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 -3.9 million euros, versus -7.1 million in the 2009 six-month period. This figure mainly consists of non-recurrent items related to staff departures as part of "Plan B", which was implemented in 2009 and early 2010.

4.3. Other non-recurring income and expenses

In thousand euros	30 June 2010	30 June 2009	31 December 2009
Fees relating to disputes with 3 rd parts	(56)	(18)	(17)
Put Option WPP (net amount after deduction of lawyer fees)	-	(44)	(44)
Cost related to OTX acquisition	(644)	-	-
Costs related to incomplete acquisitions	(44)	(38)	(36)
Costs related to restructuring in Portugal	-	-	(621)
Total	(744)	(100)	(719)

4.4. Financial income and expenses

In thousand euros	30 June 2010	30 June 2009	31 December 2009
Interest expenses on borrowings and bank overdrafts	(4,926)	(4,728)	(9,974)
Change in the fair value of derivatives	(1,480)	(483)	(1,021)
Interest income from cash and cash equivalents	595	848	1,326
Finance costs	(5,811)	(4,363)	(9,669)
Foreign exchange gains and losses	(59)	440	57
Other financial items	(128)	(136)	(365)
NBV of consolidated invest. disposed of Ipsos Portugal	283	-	-
Other financial income and expenses	96	304	(308)
Total financial result	(5,715)	(4,059)	(9,976)

4.5. Current income tax

Income taxes for the period half-year 2010 are calculated on a statutory effective tax rate forecasted for the whole group. On these projections basis, the effective tax rate amounts to 27.5% for this year.

At the end of December 2009, 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 2010 are not leading to revise these tax assets.

4.6. Earnings per share

4.6.1. Earnings per share

Weighted average number shares	30 June 2010	30 June 2009	31 December 2009
Figure at previous year end	33, 862,140	33, 773, 540	33, 773,540
Reduction of capital	-	-	-
Exercise of options	76,113	4,908	38,891
Own shares ⁽¹⁾	(557,162)	(1, 411,846)	(1, 339,220)
Number of shares used to calculate basic earnings per share	33, 381,091	32, 366, 602	32, 473, 211
Number of additional shares potentially resulting from dilutive instruments (see note 6.3)	405,444	218,465	511,326
Number of shares used to calculate diluted earnings per share	33, 786,535	32, 585,068	32, 984,537
Net Profit attributable to equity holders of the Parent (in thousand euros)	23,412	14,297	52,712
Basic earnings per share (in euros)	0.70	0.44	1.62
Diluted earnings per share (in euros)	0.69	0.44	1.60

⁽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 shares

	30 June 2010	30 June 2009	31 December 2009
Adjusted net profit			
Adjusted net profit attributable to equity holders of the Parent	23,412	14,297	52,712
<i>Items excluded:</i>			
- Staff costs (share-based payments)	2,858	2,612	5,051
- Amortisation of intangibles identified on acquisitions	853	619	1,243
- Non-recurring operating expenses	3,866	7,109	12,861
- Other non recurring income and expenses	744	100	719
- Deferred tax on goodwill amortisation	1,628	1,489	3,316
- Income tax on excluded items	(1,268)	(2,141)	(3,246)
- Minority interests on excluded items	(85)	(137)	(135)
Adjusted net profit	32,009	23,948	72,522
Average number of shares	33,381,091	32,366,602	32,473,211
Average diluted number of shares	33,786,535	32,585,068	32,984,537
Basic adjusted earnings per share (in euros)	0.96	0.74	2.23
Diluted adjusted earnings per share (in euros)	0.95	0.73	2.20

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, the impact net of tax of other operating income and expenses and other non-operating 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)
2009 ⁽¹⁾	0.51	0.20	0.71
2008	0.50	0.20	0.70
2007	0.40	0.16	0.56

(1) Dividends voted by the Annual General Meeting of Shareholders on April 8, 2010 for € 17.3 million and paid on July 5, 2010.

5. Notes to the balance sheet

5.1. Goodwill

5.1.1. Goodwill impairment tests

At 31 December 2009, 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 2010, the financial key figures do not show any indication of possible impairment.

5.1.2. Changes as of 30 June 2010

In thousand euros	1 January 2010	Increases	Decreases	Changes in commitments to buy out minority interests	Exchange rates	30 June 2010
Goodwill	623,712	45,964	(386)	2,273	78,018	749,579

5.2. Net trade receivables

In thousand euros	30 June 2010	31 December 2009
Gross value	383,080	320,352
Impairment	(4,946)	(4,644)
Net value	378,134	315,707

5.3. Other current assets

In thousand euros	30 June 2010	31 December 2009
Advances and payments on account	2,853	1,140
Social security receivables	4,023	1,904
Tax receivables	11,988	11,911
Prepaid expenses	47,580	24,107
Other receivables and other current assets	6,746	5,457
Total	73,190	44,519

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

5.4. Equity

5.4.1. Share capital

As of 30 June 2010, the share capital of Ipsos SA was 8,496,996 euros including 33,987,984 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 2010 :

Number of shares (par value € 0.25)	Shares issued	Own shares	Shares in issue
At 31 December 2009	33,862,140	(1,183,842)	32,678,298
Exercise of options	125,844	-	125,844
<u>Own shares</u>			
Transfer (delivery of free share allocation program of April 2008)	-	275,723	275,723
Transfer (exercise of stock options)	-	857,422	857,422
Changes under the liquidity contract	-	(7,379)	(7,379)
At 30 June 2010	33,987,984	(58,075)	33,929,909

5.4.2. Consolidated equity

The other movements presented in the statement of changes in consolidated shareholders' equity as of 30 June 2010 for - 8.6 million euros mainly represent some corrections dealing with the recognition of revenues and costs for prior years of our Brazilian subsidiary, booked further to the improvement of tracking tools of studies in the framework of transition under the Groups' ERP.

5.4.3. Share-based plans

5.4.3.1. 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 2010 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 01/01/2010	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 30/06/2010
18/12/2002	18/12/2006	18/12/2010	14.50	25	37,320	11,010	-	(3,560)	-	7,450
18/12/2002	18/12/2005			170	338,680	89,764	(348)	(34,510)	-	54,906
Total Plan 2002				195	376,000	100,774	(348)	(38,070)	-	62,356
02/03/2004	03/03/2008	02/03/2012	19.25	41	89,200	50,200	-	(19,400)	-	30,800
02/03/2004	02/03/2007			209	468,800	200,397	(4,267)	(65,074)	-	131,056
Total Plan 2004				250	558,000	250,597	(4,267)	(84,474)	-	161,856
22/04/2005	22/04/2009	22/04/2013	20.75	10	64,000	46,000	-	(2,000)	-	44,000
22/04/2005	22/04/2008			10	32,000	18,000	-	(1,300)	-	16,700
Total Plan 2005				20	96,000	64,000	-	(3,300)	-	60,700
Total share subscription option plans					1,030,000	415,371	(4,615)	(125,844)	-	284,912

5.4.3.2. Stock option plan

In July 2002, a stock option plan was set up as part of the Ipsos Partnership Fund (IPF) transaction, with the following characteristics:

Grant date	Number of grantees	Number of options granted by the Board of Directors	Vesting date	Expiry date	Purchase price	Number of options outstanding 01/01/2010	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 30/06/2010
09/07/2002	80	2,309,280	09/07/2005 09/07/2006	09/07/2010	17.25	896,741	-	(857,423)	-	39,318

5.4.3.3. Free share 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 2010 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 01/01/2010	Number of free shares granted during the year	Number of free shares cancelled during the year	Number of free shares vested during the year	Number of free shares outstanding 30/06/2010
29/04/2008	France	98	84,850	29/04/2010	76,150	-	(1,150)	(75,000)	-
29/04/2008	Rest of the World	404	238,205	29/04/2010	201,397	-	(674)	(200,723)	-
Total 2008 Plan		502	323,055		277,547	-	(1,824)	(275,723)	-
29/04/2009	France	52	123,328	29/04/2011	119,700	-	(904)	-	118,796
29/04/2009	Rest of the World	385	242,257	29/04/2011	231,100	-	(6,475)	-	224,625
17/12/2009	Rest of the World	2	11,623	17/12/2011	11,623	-	-	-	11,623
Total 2009 Plan		439	377,208		362,423	-	(7,379)	-	355,044
08/04/2010	France	53	75,933	08/04/2012	-	75,933	-	-	75,933
08/04/2010	Rest of the World	421	191,564	08/04/2012	-	191,564	(247)	-	191,317
Total 2010 Plan		474	267,497		-	267,497	(247)	-	267,250
Total free share attribution plans					639,970	267,497	(9,450)	(275,723)	622,294

5.4.4. 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 2010	30 June 2009	31 December 2009
Stock option plan of 22 April 2005	-	8	16
Free shares attribution plan of 2 May 2007	-	803	802
Free shares attribution plan of 29 April 2008	949	1,394	2,588
Free shares attribution plan of 29 April 2009	1,211	407	1,641
Free shares attribution plan of 17 December 2009	55	-	4
Free shares attribution plan of 8 April 2010	643	-	-
Total	2,858	2,612	5,051

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 2010				31 December 2009			
	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
Bond issue	31,254	10,422	20,832	-	35,495	8,868	26,627	-
Bank borrowings	249,120	13,679	235,440	-	217,498	22,997	194,501	-
Derivative financial assets	3,011	3,011	-	-	1,231	1,231	-	-
Debt linked to finance leases	1,125	623	494	8	1,258	770	489	-
Other financial liabilities	211	108	104	-	196	141	55	-
Accrued interests on financial liabilities	521	521	-	-	977	977	-	-
Bank overdrafts	1,514	1,514	-	-	2,842	2,842	-	-
Borrowings and other financial liabilities (a)	286,756	29,879	256,869	8	259,497	37,826	221,671	-
Derivatives financial assets (b)	1,018	1,018	-	-	1,129	1,129	-	-
Marketable securities	305	305	-	-	362	362	-	-
Cash	47,464	47,464	-	-	67,795	67,795	-	-
Cash and cash equivalents (c)	47,769	47,769	-	-	68,157	68,157	-	-
Net debt (a - b - c)	237,969	(18,908)	256,869	8	190,211	(31,461)	221,671	-

5.6. Current and non-current liabilities

In thousand euros	Amount at 1 January 2010	Allowances	Reversals of provisions used	Reversals of provisions non used	Changes in scope of consolidation and other reclassifications	Exchange rates	Amount at 30 June 2010
Provisions for litigation and other risks	1,986	461	(776)	-	-	59	1,729
Provisions for other charges	382	-	(24)	-	-	-	358
Sub-total	2,368	461	(800)	-	-	59	2,087
Pension liabilities	8,483	383	(16)	-	156	532	9,538
Total	10,851	844	(816)	-	156		11,625
o/w current provisions	2,033						1,778
o/w non-current provisions	8,818						9,847

5.7. Other current and non-current liabilities

In thousand euros	30 June 2010			31 December 2009		
	< 1 an	> 1 an	Total	< 1 an	> 1 an	Total
Purchase price and earn-out payments ⁽¹⁾	1,963	13,146	15,109	2,568	4,182	6,750
Buy-out of minority interests ⁽¹⁾	30,704	26,735	57,439	11,166	39,309	50,475
Advances and progress payments from customers	2,549	-	2,549	532	-	532
Tax and social security liabilities	62,177	-	62,177	66,186	-	66,186
Deferred income ⁽²⁾	46,618	-	46,618	37,522	-	37,522
Other debt and other liabilities	19,542	1,940	21,482	1,537	1,695	3,232
Total	163,553	41,822	205,375	119,511	45,186	164,697

⁽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 2010	30 June 2009	31 December 2009
Decrease (Increase) in trade receivables	(22,988)	16,516	(1,258)
Increase (Decrease) in trade payables	34,478	(89)	(9,616)
Change in other receivables and payables	(38,681)	(33,099)	(6,420)
Change in the working capital requirement	(27,192)	(16,672)	(17,294)

6.2. Cash used by investing activities

In thousand euros	30 June 2010	30 June 2009	31 December 2009
Acquisitions of intangibles assets	(2,428)	(2,678)	(4,666)
Acquisitions of property, plant and equipment	(3,454)	(2,382)	(4,016)
Total acquisitions during the period	(5,882)	(5,060)	(8,682)
Deferred disbursement	(173)	(470)	(520)
Payments made on acquisitions of intangible assets and property, plant and equipment	(6,055)	(5,530)	(9,202)

6.3. Off-balance sheet commitments

No significant events have occurred since December 31, 2009 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 30 June 2010 break down as follows :

In thousand euros	≤ 1year	> 1 to 5 years	> 5 years	Total
Deferred payments and earn-out payments				
Europe (MORI Pensions, Research Partners)	877	-	-	877
Latin America (Livra, Statsystem, Alfacom, Punto de Vista)	1,086	4,494	-	5,580
North America (OTX)	-	8,651	-	8,651
Sub-total	1,963	13,146	-	15,109
Commitments to buy out minority investors				
Europe (Ipsos DOM et filiales, Tambor, KMG Research, Markinor, Stratégic Puls)	7,884	12,897	4,091	24,872
Latin America (Ipsos CCA et filiales, Apoyo Opinion Y Mercado)	-	5,742	-	5,742
Asia-Pacific (Ipsos China, Ipsos Thailand, Ipsos Indica, Ipsos Indonesia)	22,437	4,006	-	26,443
Middle-East (IMI Egypt)	383	-	-	383
Sub-total	30,704	22,644	4,091	57,439
TOTAL	32,667	35,790	4,091	72,548

6.3.2. Other commitments and litigation

The Group is not involved in any significant litigation as of 30 June 2010.

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 currently undergoing several tax audits. 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 recognized. 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, 2009.

6.5. Related-party transactions

The related-party transactions are not significant as of 30 June 2010.

6.6. Post balance sheet events

No significant events have occurred after the balance sheet date.

III. Statutory auditor's report on interim financial information 2010

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 six months ended June 30, 2010, 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 and using accounting estimates made in light of the current economic and financial crisis, characterized by the difficulty in assessing the economic outlook. 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. Accordingly, we do not express an audit opinion.

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 29, 2010

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

As Chairman of the Management Board of Ipsos Group, I hereby certify that, to the best of my knowledge, the condensed financial statements for the half-year ended June 30, 2010 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 the group of entities consolidated by Ipsos Group and that the interim management report provides a true and fair schedule of the highlights 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 and a description of the main risks and uncertainties for the remaining six months of the financial year.

Paris, July 30, 2010

Didier Truchot and Jean-Marc Lech
Co-Chairmen of Ipsos