



Ipsos in the first half of 2006

Confirmed: margins continue to improve

Operating margin: up 36.2% to €32.7 million
Net profit attributable to the Group: up 35.7% to €14.2 million

Paris, 19 September 2006. Ipsos generated revenue of €407.7 million, an increase of 26.7% on the first half of 2005. This excellent outcome was the result of three positive factors:

- Currency effects which contributed 4%.
- Scope effects which contributed 14.1%, mainly thanks to the consolidation of MORI in the United Kingdom, Understanding UnLtd in the United States and Camelford Graham in Canada.
- Organic growth which contributed 8.6%, well ahead of other major international research companies and, by our estimates, the world market.

The vitality of organic growth has been a defining feature of Ipsos for many years. It bears witness to the quality of the group's teams and the company's ability to win market share from a large number of client sectors. This is particularly true of major accounts, that is large worldwide clients, with which Ipsos has worked often since the group embarked on its international expansion. Growing profits are a natural consequence of Ipsos' growth.

(In millions of euros)	IFRS			
	H1 2006	H1 2005	% change	Full year 2005
Revenue	407.7	321.8	+26.7%	717.9
Gross profit <i>Gross profit/revenue</i>	243.0 59.6%	190.0 59.1%	+27.9%	431.8 60.1%
Operating profit <i>Operating profit/revenue</i> <i>Operating profit/gross profit</i>	32.7 8.0% 13.5%	24.0 7.5% 12.6%	+36.2%	63.9 8.9% 14.8%
Profit before tax	25.1	20.3	+23.4%	55.8
Net profit attributable to the Group	14.2	10.4	+35.7%	32.7



Press release – September 19th, 2006

Profitability –Gross profit, calculated as revenue minus direct external expenses attributable to contract execution, continued to grow, increasing 59.6% compared with 59.1% last year. This reflects the ability of our teams to maintain good price levels.

Operating profit also increased more rapidly than revenue, growing at the same pace as gross profit. This improvement had been expected. Its continuation in the second half should allow Ipsos to report year on year growth and underpin the ambition, first stated several years ago, of achieving at least 10% operating margins in 2007.

Net profit attributable to the Group increased substantially despite higher finance costs than in 2005 due to the increase in interest rates in North America and Europe, and a slightly higher average level of debt over the period. Net profit grew strongly enough for diluted earnings per share also to increase, even though last autumn's capital increase meant that the number of shares in issue rose from 26 million at 30 June 2005 to 32.7 million at 30 June 2006.

Balance sheet – As of June 30, 2006, Shareholders' equity amounted to €416 million while net debt was €203 million. Gearing was 49% compared with 75% at the same date last year, thanks to good cash flow over the last twelve months and the €115 million capital increase noted above.

Ipsos now has strong financial flexibility which will enable the group to continue its strategy of organic growth together with growth by acquisition without major constraints.

Fresh impetus – Ipsos' management is able to confirm that, on present information and assuming an unchanged economic, financial and geopolitical environment, the company will achieve its short-term targets in 2006 and 2007.

The market in which Ipsos operates is developing in line with client needs and the ability of research companies to respond to them. The market continues to grow at an annual pace of 5% to 7%. The market is consolidating, though the five leading survey-based research companies only account for one third of it. The market is becoming increasingly competitive as the use of technology and digital networks develops, including the internet which makes it easier and faster to reach interviewees. Above all, the survey-based research market is becoming daily more global and wider.

Clients, companies and institutions must face the challenges of the 21st century. They are operating in markets where competition is fierce, where citizens' concerns are becoming paramount, and where consumers' relationships with brands and ideas are unstable, while the means of communicating extensively and massively are becoming less effective, particularly as a consequence of media fragmentation. As a result, our clients want more information as well as tools for understanding and anticipating the behaviour of individuals and groups.

Ipsos is working to implement a new organisation structure and new services, the purpose of which is to enable the company to be seen by its clients as the best in the specialist areas it has selected.



Press release – September 19th, 2006

Ipsos believes it is possible to continue growing strongly, by about 15% per year over the period 2007-2011, with more than half of that coming from organic growth. Such growth will be made possible by four main factors:

- Strengthening the business structure and specialist areas.
- Extending and deepening the Global PartneRing programme with large accounts, together with other customer relationship systems.
- Continuing to develop the network to offer all areas of expertise in all major regions and countries.
- Finally, a new internal organisation system so that top management time is mainly devoted to customer relationships.

Ipsos also believes it is possible to achieve structural margin improvement and is aiming at operating margins of 12% at the end of the period. This target clearly represents a significant change, given the 10% operating margin which Ipsos has set for 2007. This assumes a series of deliberate actions, in particular:

- Affirmation of Ipsos as a worldwide brand.
- A greater proportion of business from large worldwide accounts.
- Increased importance of emerging markets.
- Greater standardisation of the service offering.
- The development of highly developed analytical capability to cover the full range of services bought by clients, from the simplest to the most complex, from the most recurring and everyday to the most sophisticated.

This target also assumes efforts to enhance productivity in support functions (IT, HR, Finance, Marketing and Innovation) and, finally, the ability to align the interests of Ipsos employees and shareholders more closely, particularly through an active variable remuneration strategy.

Ipsos is convinced that, in a highly active market, the company has the energy, skills, expertise, teams, strategy and ideas to go still further.

Appendices: Consolidated financial statements at 30 June 2006

Profit and loss account
Balance sheet
Cash flow statement
Change in equity

**The business and results presentation for the first half of 2006
will be available, together with full consolidated financial statements,
on 20 September at www.ipsos.com.**



Press release – September 19th, 2006

Nobody's Unpredictable

« Nobody's unpredictable » est la signature publicitaire d'Ipsos.

*Parce que les clients de nos clients sont de plus en plus souvent infidèles à leurs habitudes
- ils zappent, changent volontiers de comportements, de points de vue, de préférences -,
nous aidons nos clients à capter ces mouvements qui caractérisent nos sociétés.
Nous les aidons à comprendre leurs clients - et le monde - tels qu'ils sont.*

Ipsos est coté au Premier Marché de la Bourse de Paris.

La société qui fait partie de l'indice SBF 120 et adhère au segment Next Prime, est également éligible au SRD.

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



Press release – September 19th, 2006

Consolidated profit and loss account First half to 30 June 2006

In thousands of euros	30/06/2006	30/06/2005	31/12/2005
Revenues	407,733	321,761	717,979
Direct costs	(164,689)	(131,721)	(286,105)
Gross profit	243,044	190,040	431,874
Payroll (excluding share-based payments)	(148,073)	(116,743)	(259,640)
Payroll (share-based payments)	(655)	(650)	(1,263)
General operating expense	(60,131)	(46,873)	(106,597)
Other operating income and expense	(1,460)	(1,749)	(452)
Total operating expenses	(210,319)	(166,015)	(367,952)
Operating profit	32,725	24,025	63,922
Other non operating income and expense	(1,873)	317	2,314
Finance costs	(5,771)	(4,021)	(10,417)
Profit before tax	25,081	20,321	55,819
Current income tax	(8,118)	(7,525)	(18,300)
Net profit	16,963	12,796	37,519
Attributable to the Group	14,173	10,443	32,717
Attributable to Minority Interests	2,790	2,353	4,802
Earnings per share (in euros)	0.45	0.40	1.21
Number of shares used for earnings per share calculation	31,681,872	26,093,680	27,033,033
Diluted earnings per share (in euros)	0.43	0.40	1.18
Number of shares used for diluted earnings per share calculation	32,754,878	26,363,144	27,703,321



Consolidated balance sheet

First half to 30 June 2006

Assets	30/06/2006	31/12/2005
In thousands of euros		
FIXED ASSETS		
Goodwill	569,204	575,708
Intangible assets	13,165	13,643
Property, plant and equipment	25,743	25,615
Companies accounted for by the equity method	263	299
Other long-term investments	2,762	4,228
Deferred tax assets	7,646	9,382
TOTAL FIXED ASSETS	618,783	628,875
CURRENT ASSETS		
Inventories and work in progress	7,159	6,188
Trade receivables	255,070	241,317
Current tax	2,840	2,128
Other current assets	43,125	37,201
Cash and cash equivalents	57,171	82,162
TOTAL CURRENT ASSETS	365,365	368,996
TOTAL ASSETS	984,148	997,871
Liabilities		
In thousands of euros		
Share capital	8,492	8,466
Share premium	338,181	336,829
Treasury shares	(38,939)	(38,973)
Other reserves	76,810	51,492
Foreign exchange translation differences	12,734	20,434
Net profit for the year	14,173	32,717
Shareholders' equity – attributable to the Group	411,451	410,965
Minority interests	4,135	3,968
TOTAL SHAREHOLDERS' EQUITY	415,586	414,933
NON-CURRENT LIABILITIES		
Debt and borrowings	235,358	255,229
Provisions	2,209	3,092
Deferred tax liabilities	18,749	19,586
Retirement benefit obligations	12,685	14,002
Other non-current liabilities	70,092	72,080
TOTAL NON-CURRENT LIABILITIES	339,093	363,989
CURRENT LIABILITIES		
Trade payables	115,555	116,423
Short-term portion of debts and borrowings	25,231	13,686
Current tax liabilities	6,503	3,724
Other current liabilities	82,180	85,116
TOTAL CURRENT LIABILITIES	229,469	218,949
TOTAL LIABILITIES	984,148	997,871



Press release – September 19th, 2006

Consolidated cash flow statement First half to 30 June 2006

In thousands of euros	30/06/2006	30/06/2005	31/12/2005
OPERATING ACTIVITIES			
NET PROFIT	16,963	12,796	37,519
Adjustments to reconcile net profit to cash flow			
Depreciation and amortisation of fixed assets	5,927	4,833	11,360
Losses/(gains) on asset disposals	10	26	66
Increase/(decrease) in fair value, unrealised gains/(losses) on translation	1,233	(255)	1,155
Movement in provisions	(1,098)	601	2,012
Share-based payment expense	655	650	1,263
Net profit from companies accounted for by the equity method, net of dividends received	36	0	0
Finance costs	5,771	4,276	10,417
Income tax expense	8,118	7,525	18,300
CASH FLOW FROM OPERATING ACTIVITIES	37,615	30,452	82,092
CHANGE IN WORKING CAPITAL REQUIREMENT	(26,503)	(15,709)	(9,933)
INTEREST PAID	(6,244)	(3,858)	(9,449)
INCOME TAX PAID	(4,711)	(6,054)	(8,751)
NET CASH FROM OPERATING ACTIVITIES	157	4,831	53,959
INVESTMENT ACTIVITIES			
Acquisition of tangible and intangible fixed assets	(6,972)	(5,555)	(11,919)
Proceeds from disposals of tangible and intangible fixed assets	86	0	117
Acquisition of companies and consolidated businesses	(17,702)	(25,854)	(172,507)
CASH FLOW FROM INVESTMENT ACTIVITIES	(24,588)	(31,409)	(184,309)
FINANCING ACTIVITIES			
Share issues	1,378	406	121,027
Increase/(decrease) in long-term debts	(2,475)	13,852	74,804
Increase/(decrease) in bank overdrafts and short-term debts	3,229	9,003	(10,602)
Dividends paid to parent company shareholders	0	0	(6,388)
Dividends paid to minority shareholders of consolidated companies	(1,261)	(713)	(1,385)
CASH FLOW FROM FINANCING ACTIVITIES	871	22,548	177,456
NET CASH FLOW	(23,560)	(4,030)	47,106
Effect of foreign exchange rate changes	(1,431)	2,320	2,619
CASH AT BEGINNING OF PERIOD	82,162	32,437	32,437
CASH AT END OF PERIOD	57,171	30,727	82,162

Change in consolidated equity First half to 30 June 2006

In thousands of euros	Share capital	Share premium	Treasury shares	Consolidated reserves	Net profit for the year	Foreign exchange translation differences	Total	Minority interests	Total equity
As at 1 January 2005	7,099	216,177	(39,835)	34,007	22,708	(8,150)	232,006	1,426	233,432
- Movement in share capital	1,367	120,652					122,019	1,241	123,260
- Consolidated net profit for the year					32,717		32,717	4,802	37,519
- Allocation of prior year profit				22,708	(22,708)		-		-
- Dividends paid				(6,388)			(6,388)	(1,322)	(7,710)
- Movement in translation differences						28,584	28,584	600	29,184
- Change in scope								133	133
- Impact of share buyback commitments								(2,858)	(2,858)
- Treasury shares			862				862		862
- Cost of stock options recognised directly through equity				1,263			1,263		1,263
- Other movements				(98)			(98)	(54)	(152)
As at 31 December 2005	8,466	336,829	(38,973)	51,492	32,717	20,434	410,965	3,968	414,933
- Movement in share capital	26	1,352					1,378	174	1,552
- Consolidated net profit for the year					14,173		14,173	2,790	16,963
- Allocation of prior year profit				32,717	(32,717)		-	-	-
- Dividends paid				(8,218)			(8,218)	(499)	(8,717)
- Movement in translation differences						(7,700)	(7,700)	(760)	(8,460)
- Change in scope							-	(3,756)	(3,756)
- Impact of share buyback commitments								2,218	2,218
- Treasury shares			34	40			74		74
- Cost of stock options recognised directly through equity				655			655		655
- Other movements				124			124		124
As at 30 June 2006	8,492	338,181	(38,939)	76,810	14,173	12,734	411,451	4,135	415,586