



Nobody's Unpredictable

**2002**

**Annual results**

Paris, 26 March 2003



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## Key figures 2002

in millions of euros

• Revenues	538.4	+12.1%
• Operating profit	43.6	+18.3%
• Net profit (group share)*	23.7	+37.3%

\*before amortisation of goodwill



**Ipsos**

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**in its market**



## The research market in 2002

- A tough economic environment
- Recession in some geographical zones
- Temporary fall in competition in some business areas
- Slower pace of new product launches



## 2001-2002: growth in the research market is limited...

- 1991- 2000 CAGR\* +9%
- 2001 +3%
- 2002 \*\* +2.5%

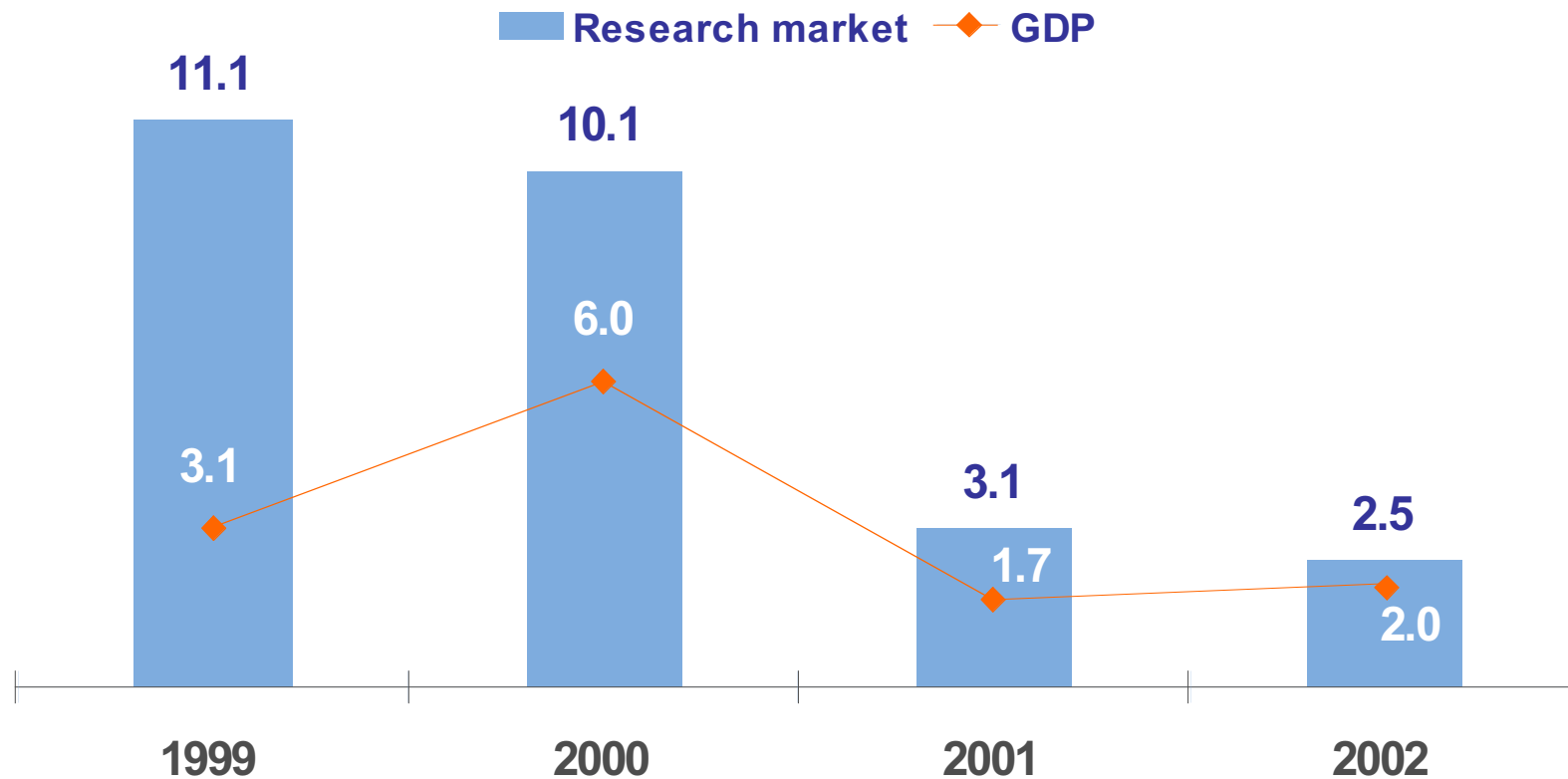
\* source: Esomar 2001

\*\* Ipsos estimate



... but remains higher than GDP growth

### Annual growth (%)



Sources: OECD main economic indicators (March 2003) and Esomar 2001



Source: competitors' financial reports

## Varying performance among the different players

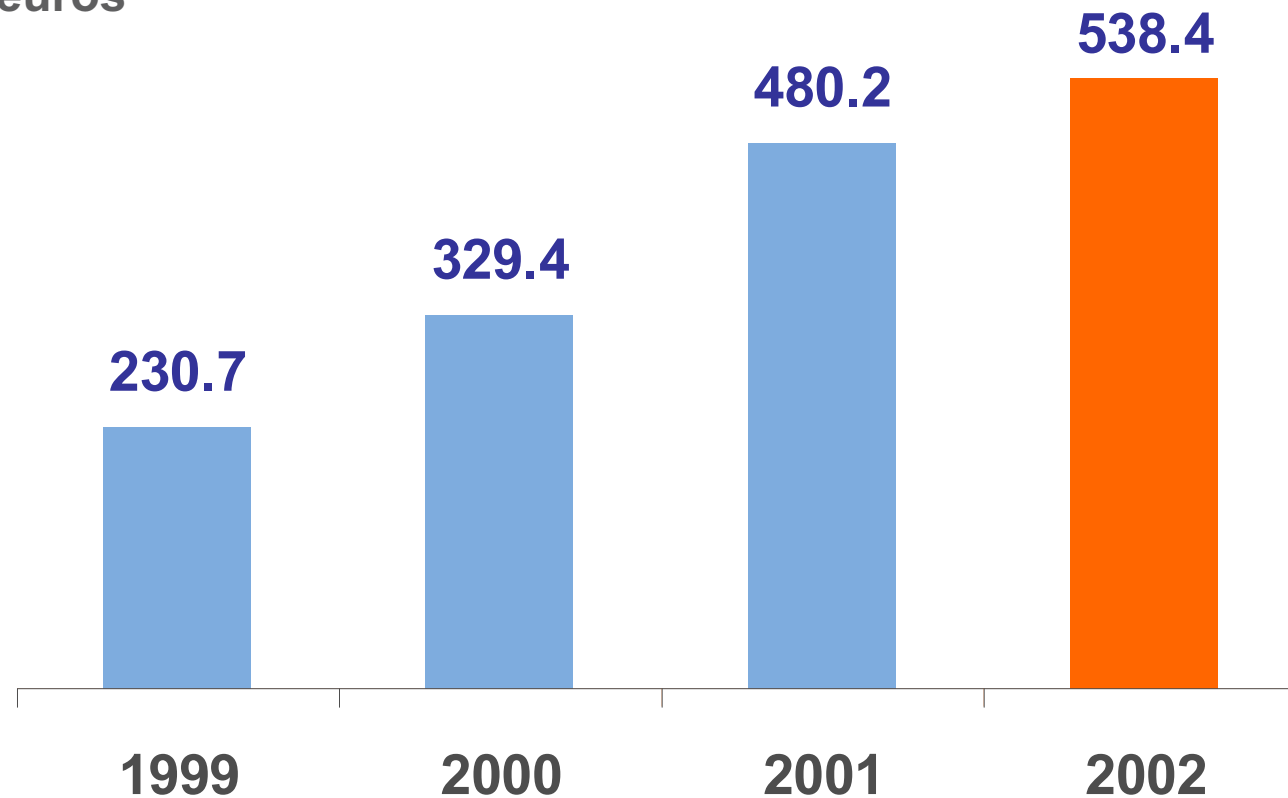
Growth rates	1999	2000	2001	2002	99-02 average
<b>Kantar</b>					
Organic	NC	NC	NC	(<1%)	NS
Overall (£)	+13.9%	+22.4%	+15.3%	+1.4%	+13.2%
<b>TNS</b>					
Organic	+7.3%	+11.5%	+6.1%	+0.5%	+6.3%
Overall (£)	+12.1%	+25.8%	+21.6%	+6.2%	+16.4%
<b>GfK Group</b>					
Organic	+10.4%	+7.3%	+6.6%	+3.5%	+6.9%
Overall (euro)	+22.3%	+23.3%	+11.4%	+10.5%	+16.9%
<b>Ipsos</b>					
Organic	+12.7%	+13.0%	+8.0%	+8.0%	<b>+10.4%</b>
Overall (euro)	+15.8%	+42.8%	+46.0%	+12.1%	<b>+29.2%</b>



## Ipsos maintains its rhythm: revenues have doubled in four years

Overall growth: CAGR of +29.2%  
Organic growth: CAGR of +10.4%

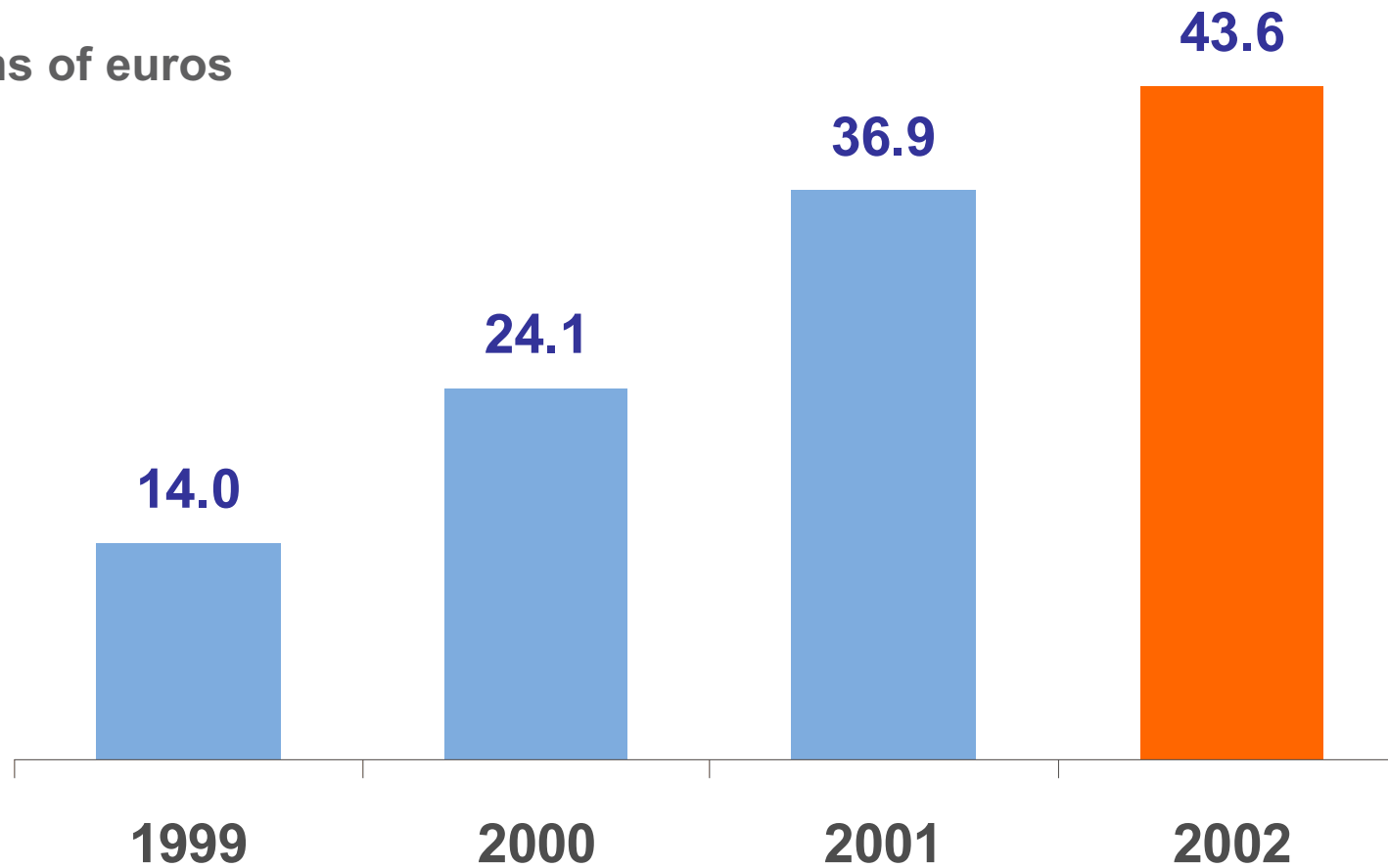
in millions of euros





## Ipsos maintains its rhythm: operating profit multiplied by 3.1

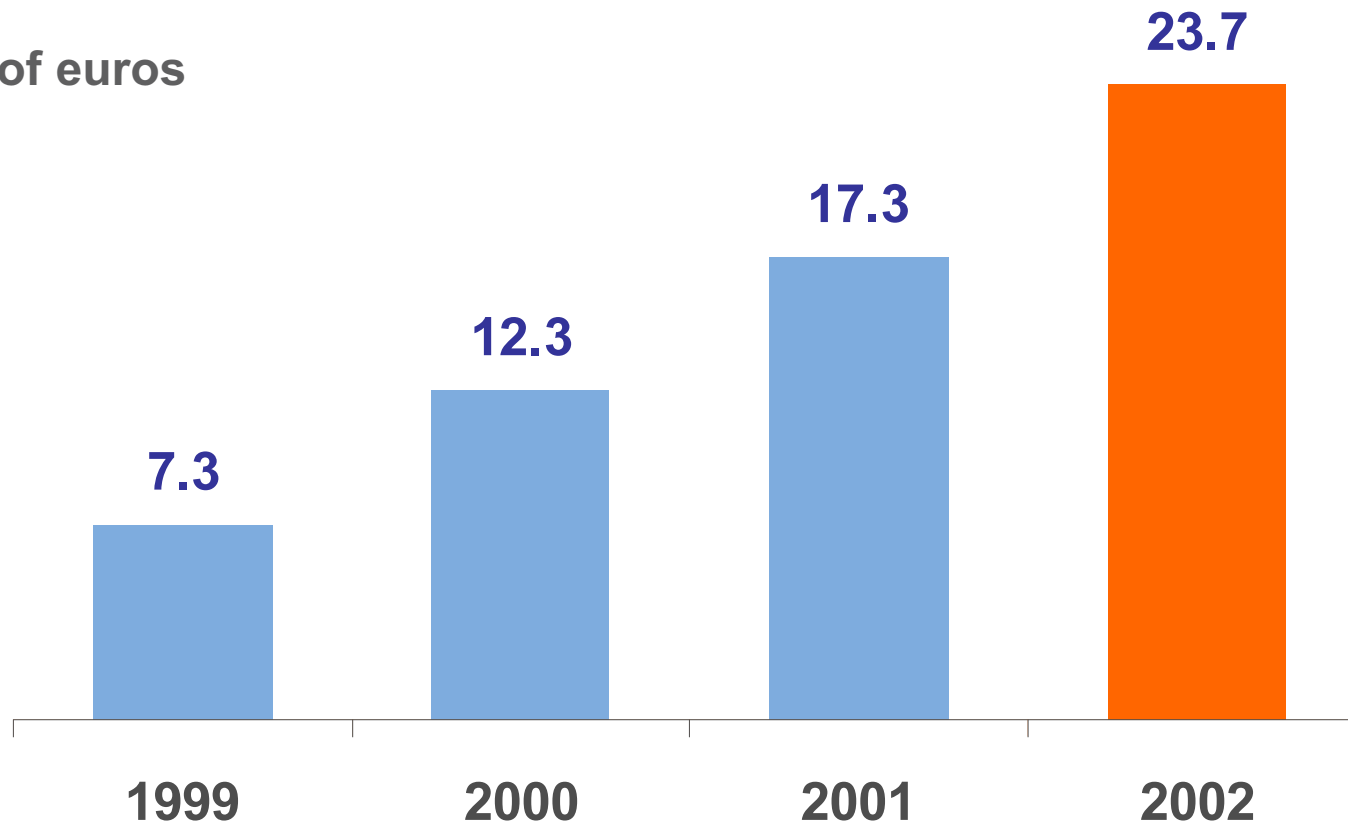
in millions of euros





## Ipsos maintains its rhythm: net profit\* multiplied by 3.3

in millions of euros



\*before amortisation of goodwill



## Ipsos maintains its rhythm: 2002 rankings

Rank	Survey-based research	Country of origin	Revenues (euros m)	1999 Rank
1	Kantar (WPP)	UK	952	1
<b>2</b>	<b>Ipsos</b>	<b>France</b>	<b>538</b>	<b>6</b>
3	NFO	USA	493	2
4	Taylor Nelson Sofres	UK	492	3
5	VNU	USA	416	4
6	NOP World (UBM)	UK	339	5
7	Synovate (Aegis)	UK	336	10
8	Westat*	USA	303	7
9	GfK Group	Ger.	274	NR
10	The Arbitron Co.	USA	264	8

\*2001 revenues

Source: competitors' financial reports



# 2002 results

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## Growth varies according to region ...

	<b>2002 Revenues (euros m)</b>	<b>2002 organic growth</b>	<b>2001 organic growth</b>
Europe	261.6	+ 1.7%	+ 7%
North America	210.7	+ 13.5%	+ 10%
Latin America	47.7	+ 13.7%	+ 6%
Asia-Pacific and Middle-East	18.4	+ 11.3%	+ 10%
<b>Total</b>	<b>538.4</b>	<b>+ 8.0%</b>	<b>+ 8.0%</b>



## ...and business line

	<b>2002 Revenues (euros m)</b>	<b>2002 organic growth</b>	<b>2001 organic growth</b>
Advertising	111.4	+ 14.7%	+ 14.0%
Marketing	299.0	+ 7.0%	+ 7.0%
Media	48.9	+ 0.1%	+ 3.5%
Opinion and social research	30.7	+ 7.1%	+ 15.0%
CSM-CRM	44.4	+ 7.9%	+ 7.5%
Other	4.0	N/S	N/S
<b>Total</b>	<b>538.4</b>	<b>+ 8.0%</b>	<b>+ 8.0%</b>



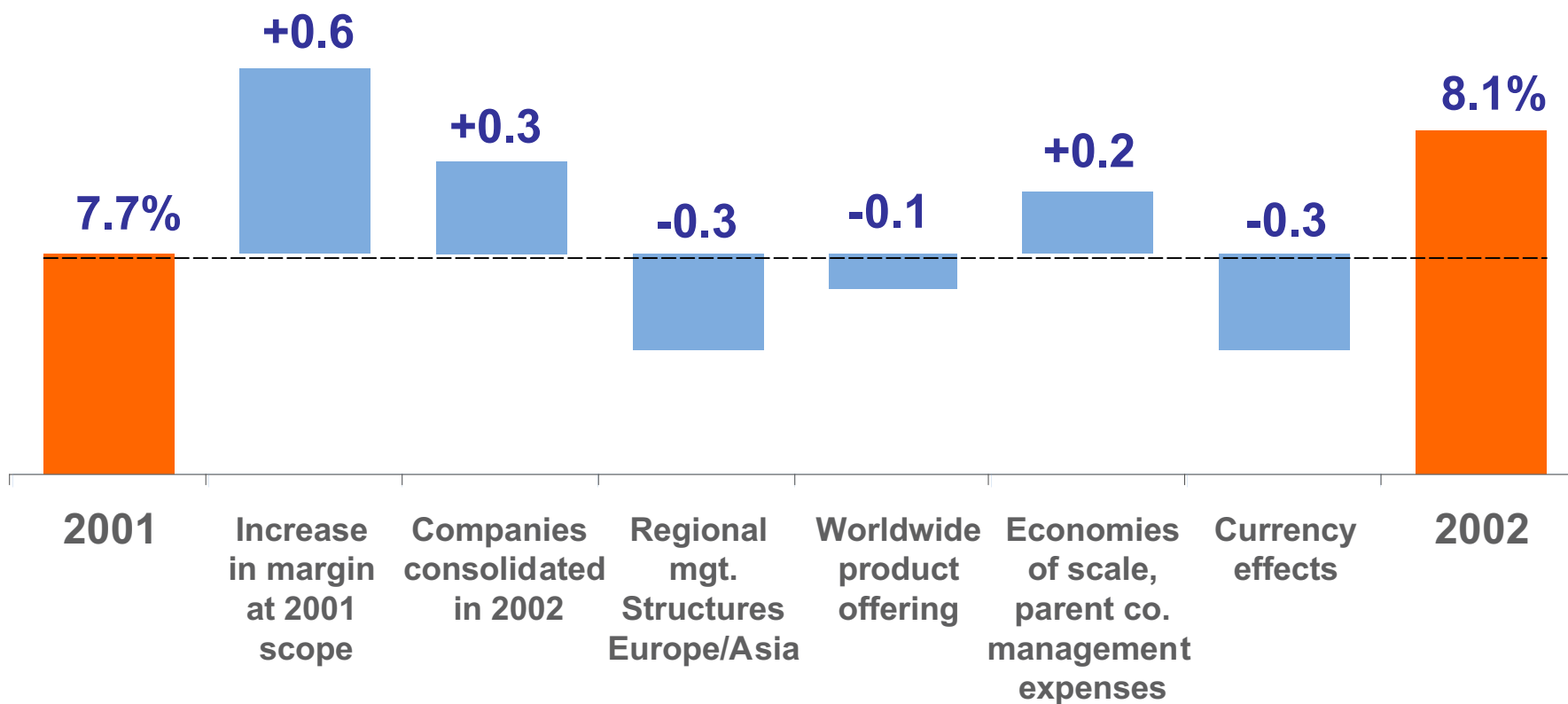
## Strong earnings growth

in millions of euros	2001	2002	Change 02/01
Revenues	480.2	538.4	+12.1%
Gross margin <i>as a % of revenues</i>	272.0 56.7%	311.5 57.9%	+14.5%
EBITDA	51.0	57.9	+13.5%
Operating profit <i>as a % of revenues</i>	36.9 7.7%	43.6 8.1%	+18.3%
Financial expenses	(8.8)	(5.9)	(33.2%)
Exceptional expenses	(1.1)	(0.1)	-
Net profit, group share*	17.3	23.7	+37.3%

\*Before amortisation of goodwill



## Breakdown of operating margin increase





## Reducing the operating margin gap

	1999	2000	2001	2002
Ipsos	6.1%	7.3%	7.7%	8.1%
GfK	7.0%	8.4%	8.6%	9.0%
TNS	8.9%	9.3%	9.5%	9.7%
Kantar (WPP)	10.2%	10.1%	9.8%	7.1%
Gap between Ipsos and the mean of three competitors	2.6%	2.0%	1.6%	0.5%

Source: competitors' financial reports



## Cash flow statement

in millions of euros

	2001	2002	02/01 change
Operating cash flow before working capital items	31.3	46.8	+49.5%
Change in WCR	5.9	(3.4)	
Investments in tangible and intangible fixed assets	(14.5)	(11.9)	-
<b>Cash flow from operating activities</b>	<b>22.7</b>	<b>31.5</b>	<b>+45%</b>
Acquisitions and impact of changes in the scope of consolidation	(196.7)	(20.8)	-
Share issue	20.3	-	-
Net change in debt/marketable securities	171.2	(2.3)	-
Dividends	(2.8)	(3.8)	-
<b>Cash flow from investment and financing activities</b>	<b>(8)</b>	<b>(26.9)</b>	<b>-</b>
Net change in cash position	14.7	4.6	-



## Financial position

in millions of euros

	2001	2002
Shareholders' equity	200	192
Net debt	153	134
Gearing	76.2%	69.7%
Net debt/EBITDA	2.99	2.31
EBIT interest cover	4.4x	7.5x



# Our ambition for 2003



## Ipsos confirms its strategy in 2003

### You don't change a winning strategy

- A single business: survey-based research
- Five specialisations
- A customer-focused organisation
- World-wide product ranges
- Innovative production resources
- The best team
- A strong global brand



## Ipsos maintains the initiative in 2003

- With our key clients
- On all our major markets
- In our business lines
- Through our management structure
- Via our corporate communication



## Initiative with our key clients

### Ipsos' organisation is focused on clients

- **KAM programme**
  - Initiated in 1999 and since managed by Marie-Christine Bardon
  - 10 global customers in 2002
  - Dedicated organisation for each customer, including a Global Account Director
- **2002: targets exceeded**
  - Revenues: 111 million euros / overall growth of +39%
  - Two thirds of Ipsos' organic growth
- **2003: programme extended to four new accounts**
  - GlaxoSmithKline, Mars Masterfood, Microsoft and Pepsico



## Initiative in major markets

- **North America, Latin America and Middle East**
  - Continuation of existing programme
- **Europe**
  - Growth and margins will progress
- **Asia**
  - A geographic zone to be reinforced



## Initiatives in Europe

- **A single management structure since March 2002**
  - Diagnosis: Ipsos' European companies are not sufficiently working together
- **First measures in 2002**
  - New management
    - in the UK, Germany and Spain
  - New regional management at Ipsos-ASI
  - Geographical expansion
    - Sweden: a leader in online research
    - Russia: a major market for the future



## Initiatives in Europe (2)

- **2003 plans to generate renewed growth**
  - Adoption of the world-wide KAM programme
  - Creation of Ipsos Interactive Services
  - Build-up of the business line-based organisation (in Germany, Spain, the UK, etc.)
  - Redefinition of inter-country financial relationships for international contracts
  - Creation of Ipsos Health via the UK business



## Initiatives in Asia

- **A single management structure since April 2002**
  - Objective: to build an integrated, active and profitable Asian network
- **2002: first steps**
  - Stronger position in China: Ipsos has become China's third-largest survey-based research company
- **2003 plans**
  - Maintain growth in China among customers covered by the KAM programme and other major local customers
  - Extend the Ipsos presence in the region
  - Set up Ipsos-ASI Asia



## Initiatives in our business lines: a management team and plan

- **Each business line now has its own management team**
  - Advertising Simon Kooyman, Jim Thompson
  - Marketing Jean-Michel Carlo, Gustavo Lohfeldt, Rupert Walters, Henri Wallard
  - Media Richard Silman
  - Public opinion Darrell Bricker, Pierre Giacometti
  - CSM-CRM Henri Wallard
- **A 2003 – 2006 plan for each business lines**
  - Global organisation
  - A range of international, recurrent and differentiating products
  - A marketing and commercial strategy
  - Dedicated staff and resources



## Initiatives in our business lines: Ipsos' plan in CSM-CRM

- A key specialisation for Ipsos
  - 1999: 21 million euros
  - 2002: 44 million euros
  - **2003: more than 50 million euros**
- A changing market
  - Consumer expectations are changing
  - Client interactions are more varied
  - Information on customers has increased
  - A demand for visibility
  - CRM ROI is paramount



## Initiatives in our business lines: Ipsos' plan in CSM-CRM (2)

- **A specialisation increase**
  - Via a global brand: **Ipsos Loyalty**
  - Dedicated teams in all major markets
  - An innovative offering as it integrates the differing components of the customer relationship
    - Measure quality perceived by customers
    - Understand customer satisfaction
    - Describe the drivers of customer loyalty and disloyalty
    - Integrating staff motivation into customer relationship management
    - Leveraging consumer database information
      - Surveys/Analysis/Models
    - Provide predictive tools to create loyalty strategies



## Initiatives in human resources

- **Ipsos is making the most of its internal resources**
  - A clear, codified and widely intelligible organisation
    - **Green Book** (Group governance and values)
  - All levels of management incentivised to achieve success...
    - Variable remuneration up 50% in 2002
  - ... and to contribute to enterprise value
    - Creation of the **Ipsos Partnership Fund (IPF)**
  - Intensified training programmes
    - Creation of the Ipsos Training Center
    - New leadership course for 80 managers
    - New management category associated : Young Managers
    - E-learning programme



## Initiatives in corporate communication (1)

- A new communications discourse
  - **Ipsos speakers**
    - Because Ipsos must speak out in each of its fields of expertise (and not just in the Public Opinion domain)
    - Because our expertise is now deployed in a growing number of countries
    - Because we must publicise the Ipsos know-how everywhere
    - Ipsos organises its discourse around each of its five business lines and names world-wide business spokespersons



## Initiatives in corporate communication (2)

- An organised discourse
    - **Ipsos Ideas**  
The new Ipsos publication  
5 times a year, one for each specialisation
      - May : Advertising  
“Advertisers, how to win more through better spending”
      - Summer 2003 : Opinion  
“World opinions : for or against war”
      - ...
- Regular meetings with Client/Press/Internal audiences



# A new corporate advertising campaign (1)





## A new corporate advertising campaign (2)

What at first seemed so attractive  
– a slight gap in the teeth or a beauty mark, for example –  
can lose its appeal when the thrill is gone.

What's true in love is also true in consumer behaviour.  
What your customers originally liked about your products  
could eventually be what turns them off.

To build a long-term relationship with people  
– who, let's face it, are fickle by nature –  
you need someone to help you accept them as they are.

[www.ipsos.com](http://www.ipsos.com)

**Nobody's unpredictable**



## Ipsos: Nobody's unpredictable

### 2003 targets

- Global organic growth of +8%
- Further double-digit revenue growth
  - in North America, Latin America and the Middle East
- Recovery in Europe
  - Growth  $\approx$  5%
- Creation of an active network in Asia-Pacific
- Increased profitability