



What do we see?

## 2007 full-year results

An impressive performance in a growing market



# Key figures

2007 results

Ipsos, a growth strategy

Outlook



## 2007 key figures

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*In millions of euros*

■ Revenue	927.2	+8.2%
■ Operating margin	90.6	+13.9%
■ Adjusted net profit <small>(attributable to the Group)</small>	57.1	+19.9%
■ Net profit <small>(attributable to the Group)</small>	46.7	+19.9%
■ Cash flow from operating activities	71.5	+49.8%



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## Significant earnings increase

<i>In millions of euros</i>	FY 2006	FY 2007	% change 2007/2006
Revenue	857.3	<b>927.2</b>	+8.2%
<b>Gross profit</b>	<b>513.1</b> <i>59.8%</i>	<b>561.5</b> <i>60.6%</i>	<b>+9.4%</b>
Share-based payments	(2.2)	(3.7)	+70.0%
<b>Operating margin</b>	<b>79.6</b> <i>9.3%</i>	<b>90.6</b> <i>9.8%</i>	<b>+13.9%</b>
Other non-recurring income and expenses	(2.2)	(2.6)	-
Amortisation of acquisition-related intangible assets	(0.6)	(0.8)	-
Finance costs	(11.3)	(11.3)	0%
Tax	(18.7)	(19.9)	+6.3%
Deferred taxes linked to goodwill	(3.6)	(3.3)	-
<b>Net profit (attributable to the Group)</b>	<b>38.9</b>	<b>46.7</b>	<b>+19.9%</b>
<b>Adjusted net profit (attributable to the Group)</b>	<b>47.6</b>	<b>57.1</b>	<b>+19.9%</b>



## Brisk growth across all regions

Contribution by geographic area	<b>2007 revenue</b> <i>(in millions of euros)</i>	<b>Contribution</b> <i>(as a %)</i>	<b>2007 organic growth</b>	<b>2006 organic growth</b>
Europe	449.1	48%	8.5%	2.5%
North America	285.2	31%	5%	8.5%
Latin America	101.1	11%	17%	14%
Asia-Pacific and Middle East	91.8	10%	18%	10%
<b>Annual revenue</b>	<b>927.2</b>	<b>100%</b>	<b>9.1%</b>	<b>6.5%</b>

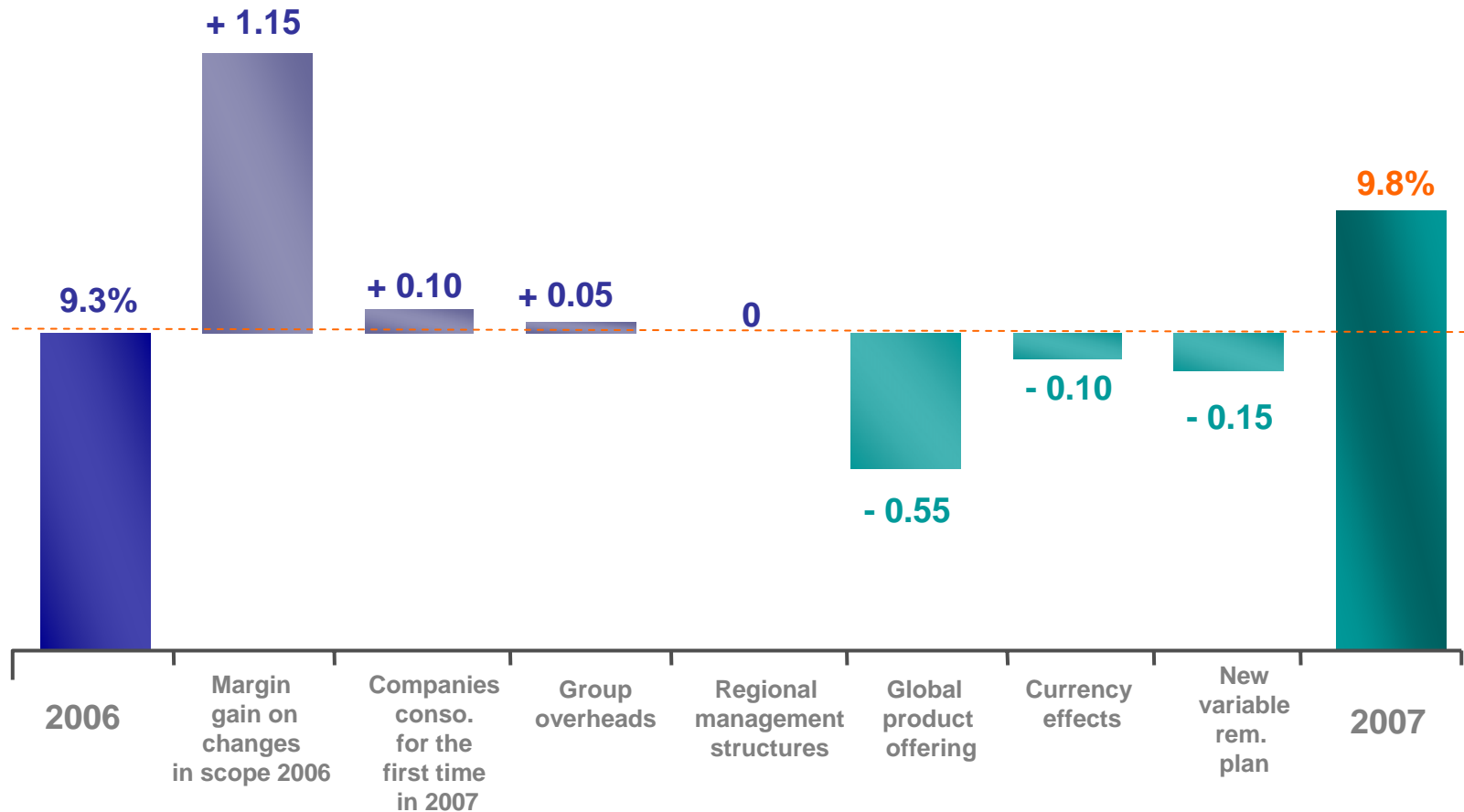


## ... and in all specialisations

Contribution by specialisation	<b>2007 revenue</b> <i>(in millions of euros)</i>	<b>Contribution</b> <i>(as a %)</i>	<b>2007 organic growth</b>	<b>2006 organic growth</b>
Advertising Research	199.7	22%	14.5%	12%
Marketing Research	445.0	48%	7%	1%
Media Research	66.7	7%	12%	10%
Opinion & Social Research	123.9	13%	9%	24%
Quality and client relationship management	91.9	10%	6%	8%
<b>Annual revenue</b>	<b>927.2</b>	<b>100%</b>	<b>9.1%</b>	<b>6.5%</b>



# Drivers of the improvement





## Steady improvement in cash flow

<i>In millions of euros</i>	2006	2007	
<b>Cash flow</b>	88.4	106.8	+20.9%
Change in the WCR	(16.8)	(9.6)	
Tax and interest expense	(23.9)	(25.7)	
<b>Cash flow from operating activities</b>	47.7	71.5	+49.8%
Purchases of PP&E and intangible assets	(15.3)	(15.7)	
Acquisitions	(39.0)	(27.7)	
<b>Cash flow from investing activities</b>	<b>(54.3)</b>	<b>(43.4)</b>	
Capital increase	2.1	9.8	
Net change in debt	(1.4)	(4.4)	
Dividends	(9.9)	(10.7)	
<b>Cash flow from financing activities</b>	<b>(9.2)</b>	<b>(5.3)</b>	
Cash at end of period	63.6	83.2	+30.8%



## A reinforced financial position

<i>In millions of euros</i>	<b>2006</b>	<b>2007</b>
Shareholders' equity	434.5	467.8
Net debt	191.3	159.7
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Gearing	44%	34%
Net debt/EBITDA	2.1x	1.5x
Interest cover (operating profit/interest expense)	7x	8x



## Shareholders sharing in Group's success

**Adjusted EPS of €1.78 and a dividend of €0.40**

	<b>2006</b>	<b>2007</b>	<b>Change 2007/2006</b>
EPS	1.23	1.46	+18.7%
<b>Adjusted EPS</b>	<b>1.50</b>	<b>1.78</b>	<b>+18.7%</b>
Dividend per share	<b>0.28</b>	<b>0.40</b>	<b>+42.9%</b>
Percentage of adjusted EPS paid out	18.7%	22.5%	



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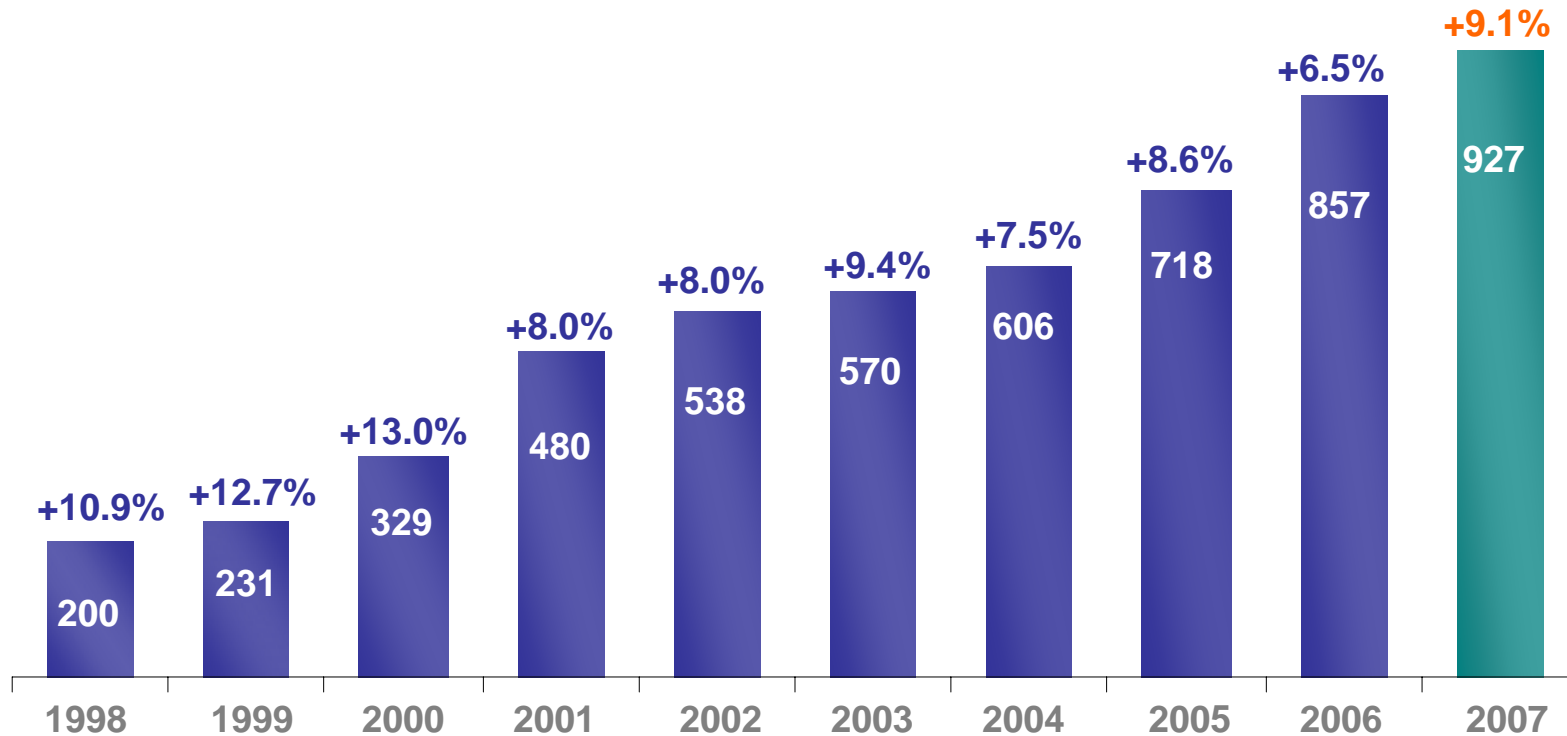


# Ipsos, an expansion strategy

In millions of euros

## Revenue trends

The % figures show organic growth





## Keys to growth

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Ipsos has enjoyed strong growth driven by:

- The market
- Developing countries
- Major clients
- Specialisations



## A supportive market

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- A market worth **\$24.6 billion** in 2006 and **\$27 billion** in 2007
- A market expanding more rapidly than the economy at large and than advertising spending

	<b>2006</b>	<b>2007</b>
■ GNP	+5.4%	+5.2%
■ Adspend	+5.0%	+5.5%
■ <b>Research market</b>	<b>+6.8%</b>	<b>+5.9%</b>

### Sources

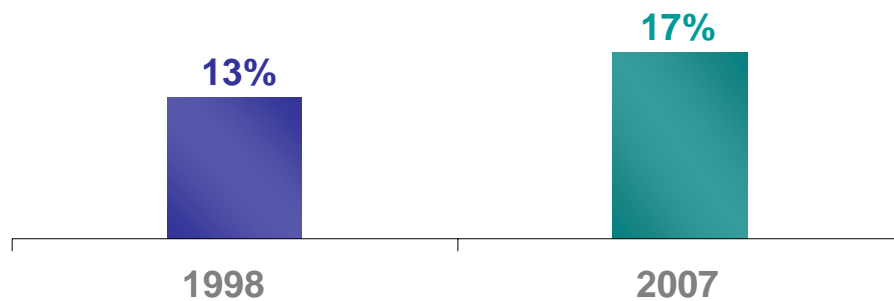
Advertising: Zenith Optimedia; Survey-based research: Esomar Industry Report 2007 for 2006 data; estimates for 2007



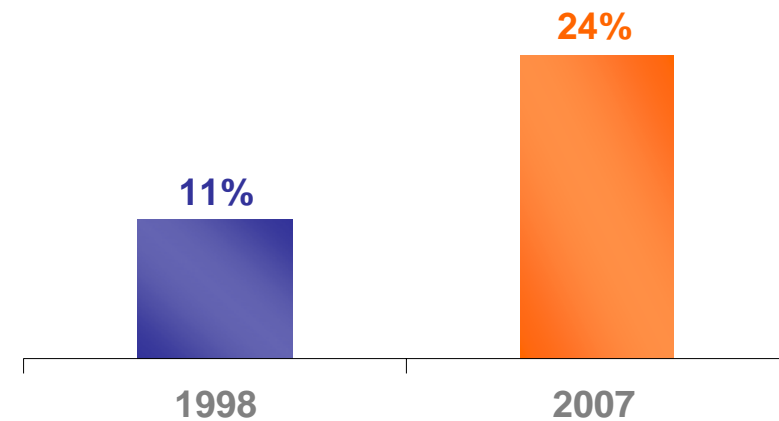
## Larger contribution from developing countries

- Developing countries are underpinning Ipsos' growth
  - 2007/2006 organic growth 20%
  - Contribution to organic growth 42%

Their share of the worldwide market



Their contribution to Ipsos' revenues





## Developing countries are underpinning future growth

- The research market is in a start-up phase

Share of spending on research/advertising expenditure	France	17%
	Germany	10%
	United Kingdom	9%
	Canada	6%
	<i>Global average</i>	<i>6%</i>
	US	5%
	Brazil	3%
	Russia	3%
	India	3%
	China	1%

Source: Esomar Industry Report 2007



## Ipsos, a leader in developing countries

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- Acquisitions completed in 2006-2007
  - Czech Republic and Slovakia      Tambor
  - Egypt      IMI
  - Peru, Bolivia      Apoyo
  - Turkey      KMG Research
  - Australia      Eureka
  - India      Indica Research
  - South Africa      Markinor



## Ipsos, a leader in developing countries

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- Ipsos' current positions

No. 1	No. 2	No. 3
Latin America	Turkey	Czech Republic
Brazil	Russia	Slovakia
Mexico	China	Poland
Argentina	Middle East	Ukraine
Peru	Venezuela	South Africa

- 2008/2011:
  - Further acquisitions
  - Organic growth in excess of 10%



## Clients, the engine of growth

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- A broad client base: over 5,000 clients
- An exclusive programme for 16 clients: **Global PartneRing**
- **The Global PartneRing clients are in great shape**
  - Together, these 16 clients weigh more than **€500 billion** in revenue
  - They are enjoying brisk business trends: **+10%** on average (2007/2006)
  - Their margins are high: **18%** on average (operating margin)
  - They devote a large proportion of their budget to marketing expenditure, frequently above 15%



## Global PartneRing, a growth booster

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- **€235 million** in 2007
  - organic growth of **16%**
  - **25%** of the Group's revenue
- **12%:** Ipsos' market share of research expenditure by PartneRing clients
- **2011 objectives:**
  - Increase the number of them to 20
  - Derive 30-35% of Group revenues from them.



## Specialisations, Ipsos' difference

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- Ipsos' objective
  - To be our customer's preferred research company in our chosen areas of specialisation
- Why be specialised?
  - Being the best in certain areas is better than being good at everything
- How can we be specialised?
  - Make choices/develop the offering
  - Build a global organisation based on specialisations
    - Dedicated and qualified teams
    - Management and execution responsibilities
    - Specific brands and action plans



## Benefits of specialisation

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- Produce the market
  - i.e. shape it around a “proprietary” offering
- Develop expert status
- Increase consistency from one country to the next
- Build the ability to sell at the right price



## Entrenchment of the five specialisations

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- **Five new brands**
  - Ipsos ASI – The Advertising Research Specialists
  - Ipsos Marketing – The Innovation and Brand Research Specialists
  - Ipsos MediaCT – The Media, Content and Technology Research Specialists
  - Ipsos Public Affairs – The Social Research and Reputation Specialists
  - Ipsos Loyalty – The Customer and Employee Research Specialists



## The three specialisation goals

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**Innovate/  
Renew**

**Execute  
properly**

**Train/  
Qualify**

**Survey  
offering**

**Research  
programmes**

**Teams**

**Expand the  
business**

**Secure  
loyalty**

**Satisfy**



## A revamped research offering: Ipsos ASI – Philips case study

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- Philips' request:

- A continuous evaluation programme covering its multimedia campaigns
- 11 product categories/10 markets

“It is essential that we manage how our advertising and media strategy are impacting the consumer at each stage of the Purchase Funnel”

- Ipsos' proposal

- 7 agencies competed during summer 2007; 2 were pre-selected for the pilot phase
- Ipsos ASI prevails with **Brand\*Graph 360 Multimedia Tracking®**
- The benefits of Brand\*Graph 360 Multimedia Tracking® :
  - measure and model the impact of the various media initiatives on the Philips brand, at various stages of the buying process – Purchase Funnel – = awareness, consideration, purchase intent, etc.
  - give specific and actionable recommendations concerning optimum allocation of their media budget



## A revamped research offering: Ipsos Marketing – InnoScreen®

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- Strong demand from our clients for research programmes enabling them to:
  - Test new product concepts  
AND at the same time measure their development potential
- 2006: Ipsos has launched InnoScreen® combining its expertise
  - Concept testing AND sales volume forecasting
- 2007: marketing to 6 large accounts/26 countries
  - Revenues of €5.5 million
- 2008 and beyond: 25% growth p.a.



## A revamped research offering: Ipsos MediaCT – Postar case study

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- Multi-year/6-year contract worth £10 million won by Ipsos in the UK
- Postar\*'s request:
  - “The very best in out-of-home accountability”
  - To make a significant investment in recognition of “the increasing breadth of the medium and growth off the out-of-home audience”
  - Provide “highly accurate measures of all out-of-home formats including new digital formats”
- Ipsos MediaCT's proposal
  - An extensive programme measuring the performance of outdoor, transport and indoor media (Tube, airports)

\*Representative body for outdoor advertising agencies



## A revamped research offering: Ipsos MediaCT – Postar case study

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- 10,000 respondents in 2008 → 20,000 from 2010
- All individual journeys by respondents are automatically detected using the latest GPS monitoring technology
  - Each respondent is equipped with a personal GPS system recording and time-dating journeys
- Specific modules for transportation (buses and taxis) and indoor media (subways and airports)
- James Whitmore, Postar's Managing Director, stated:

**“ We were impressed  
by the solutions they (Ipsos) were offering.”**



## A revamped research offering: Ipsos Public Affairs – Global @dvisor

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- Objective
  - The 1<sup>st</sup> international study measuring country risks and opportunities and positioning global brands
- Commercial target
  - All international businesses and institutions
  - Marketing model: subscription
- Methodology
  - 23,000 interviews in 23 countries/70% of global GNP
  - Online methodology
  - Data made available on a secure extranet
- Launched in mid-2007



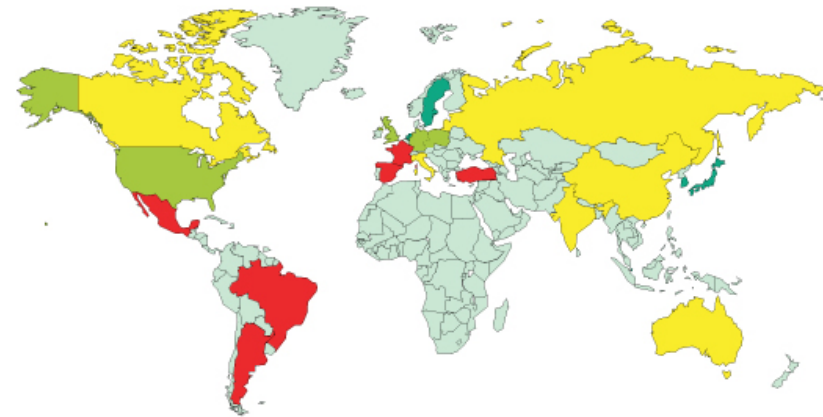
# A revamped research offering: Ipsos Public Affairs – Global @dvisor

## ■ Groups studied



## ■ Risks (October 2007)

On a global basis, the world of Reputational Risk looks like this



- Singapore, South Korea, Netherlands, Japan, Sweden
- Great Britain, Czech Republic, Germany, Poland, US
- Italy, Belgium, Australia, India, Canada, Russia, China
- Brazil, Spain, France, Mexico, Argentina, Turkey



## A revamped research offering: Ipsos Loyalty – PSA case study

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- Stronger client partnership
  - 1995 – 2005: Telephone surveys for Peugeot in 5 countries
  - 2005: Ipsos wins coordination of the survey in 26 countries
  - 2008: Ipsos handles coordination for Peugeot AND Citroën
  - 2008 – 2010: online migration
- An IT investment making possible a “100% digital” switchover
  - Integration with PSA’s information systems
  - Creation of an online survey platform  
Over 5 million e-mails p.a.
  - Results put online



## A revamped research offering: Ipsos Loyalty – **PSA case study**

- Mutual benefits
  - Savings for PSA
  - Multi-year partnership between PSA and Ipsos
  
- Recognition
  - Ipsos won PSA Peugeot Citroën 2008's **Supplier Awards**
    - 12 suppliers out of 800 landed a prize
  - 12 March: Award of the “**Jury's special prize - Best award**” for the contribution to the “breakthrough objectives” in PSA's Cap 2010 programme





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## Outlook for 2008 and beyond

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- **In 2008**
  - Organic growth at around the historic average
  - Improvement in the operating margin
  - Acquisitions in developing countries and business lines
  
- **2011 targets**
  - Growth p.a. at constant exchange rates:  
around 15% of which half through organic growth
  - Operating margin: 12%



# Nobody's Unpredictable