



Ipsos

2000 annual results presentation

March 29th, 2001



## 2000 annual results

- A new worldwide leader
- In a healthy market
- A specialised company with an integrating strategy
- 2000 annual results in strong progress



A new worldwide leader



## A change of dimension

- Ipsos turnover will have more than doubled in three years

1999: + 16% 231 million euros

2000: + 43% 329 million euros

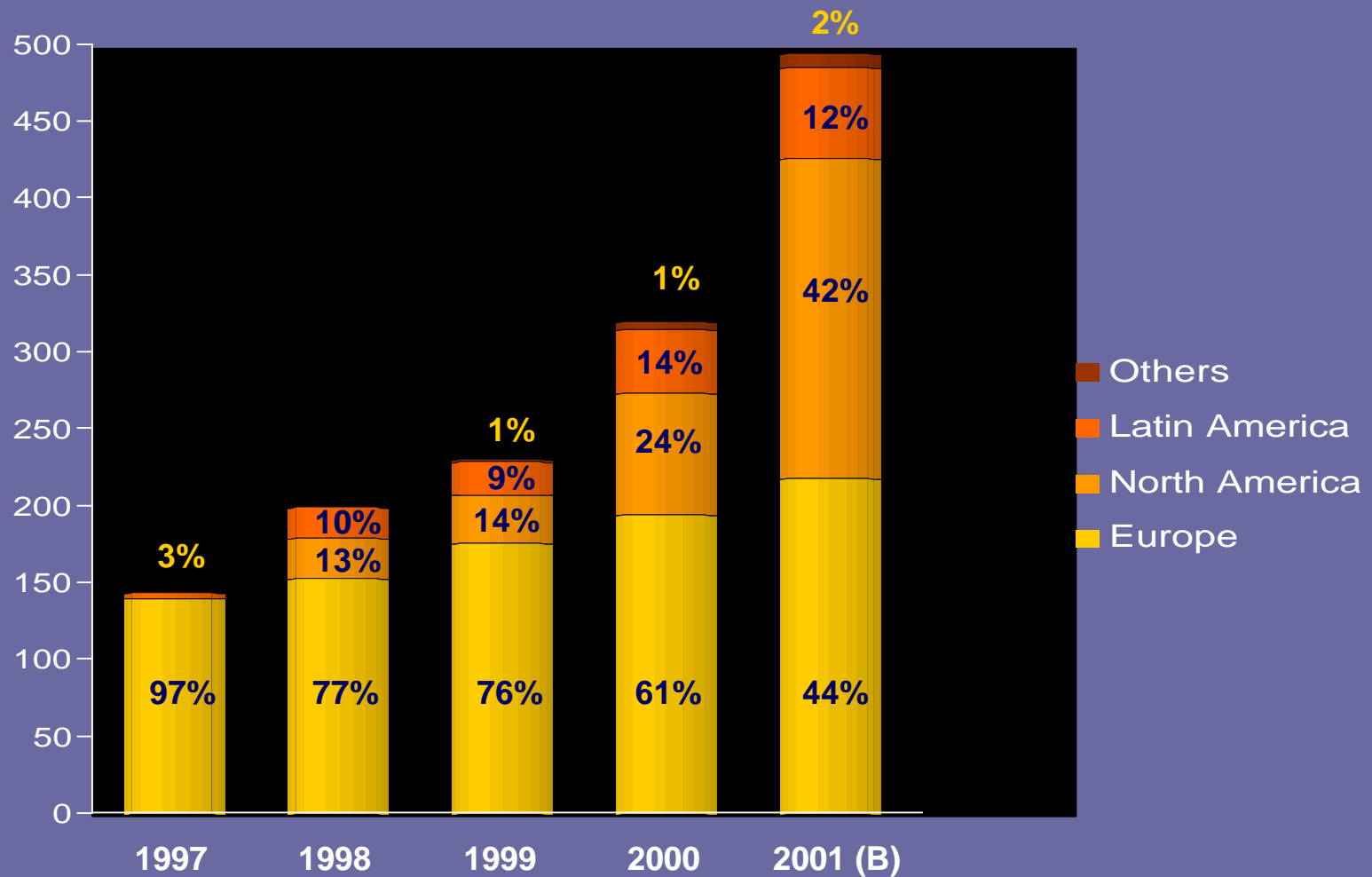
2001: + 50% about 500 million euros



# A new geographical balance

In M Euros

## Ipsos consolidated revenues





# A new leader in its core business : surveys

## The research market is segmented into panels and surveys

### Panels

Information gathered by  
systematic statements

**1/3 of the market**

A concentrated market  
Profitable where there is a  
monopoly  
Average growth  
Multiclients

### Major players

**VNU, IMS Health, IRI**  
... **80% of the market Panels**

And

**TNS, GfK, Observer**

### Surveys

Information gathered by surveys

**2/3 of the market**

The market is still fragmented

**Profitable where there is a  
leadership**

**Strong growth**

**Mono or multiclients**

### Major players

**Kantar, NFO, TNS, Ipsos, VNU**  
... **25% of the market Surveys**

And

**GfK, UIG, Westat**



## The research market

Rank	Companies		2000 Revenues (M\$)*
1	VNU (Nielsen)	USA	2,215
2	IMS (Health)	USA	1,255
3	The Kantar Group Ltd	UK	785
4	Taylor Nelson Sofres	UK	750
5	Interpublic (NFO)	USA	600
6	Information Resources Inc.	USA	530
7	GfK Group	Germ.	440
<b>8</b>	<b>Ipsos S.A.</b>	<b>France</b>	<b>400</b>
9	United Information Group Ltd	UK	270
10	Westat	USA	260

\*This proforma ranking includes all the acquisitions announced to February 28, 2001 (Ipsos estimates)



## A new worldwide leader in its core business: surveys

Rank	Companies		Revenues 2000 (M\$)* Surveys
1	The Kantar Group Ltd	UK	785
2	Interpublic (NFO)	USA	600
3	Taylor Nelson Sofres	UK	415
4	<b>Ipsos S.A.</b>	<b>France</b>	<b>400</b>
5	VNU (Nielsen)	USA	385
6	United Information Group Ltd	UK	270
7	Westat	USA	260
8	The Arbitron Co.	USA	207
9	GfK Group	Germ.	200
10	Maritz Marketing Research Inc.	USA	190

\*This proforma ranking includes all the acquisitions announced to February 28, 2001  
(Ipsos estimates)



# A healthy market

## A strongly increasing market

- About 9% growth per year
- A strongly increasing market due to :
  - the markets high level of competition
  - the development of research approaches integrating issues concerning Consumers, Customers and Citizens
  - the globalisation of markets and brands



# Faster than the advertising market

10 years average growth (1990 – 1999)

	Advertising market %	Research market %	Growth variation
USA	4,9	9,6	+4,7
UK	5,0	10,8	+5,8
Germany	6,1	10,5	+4,4
France	2,7	6,1	+3,4



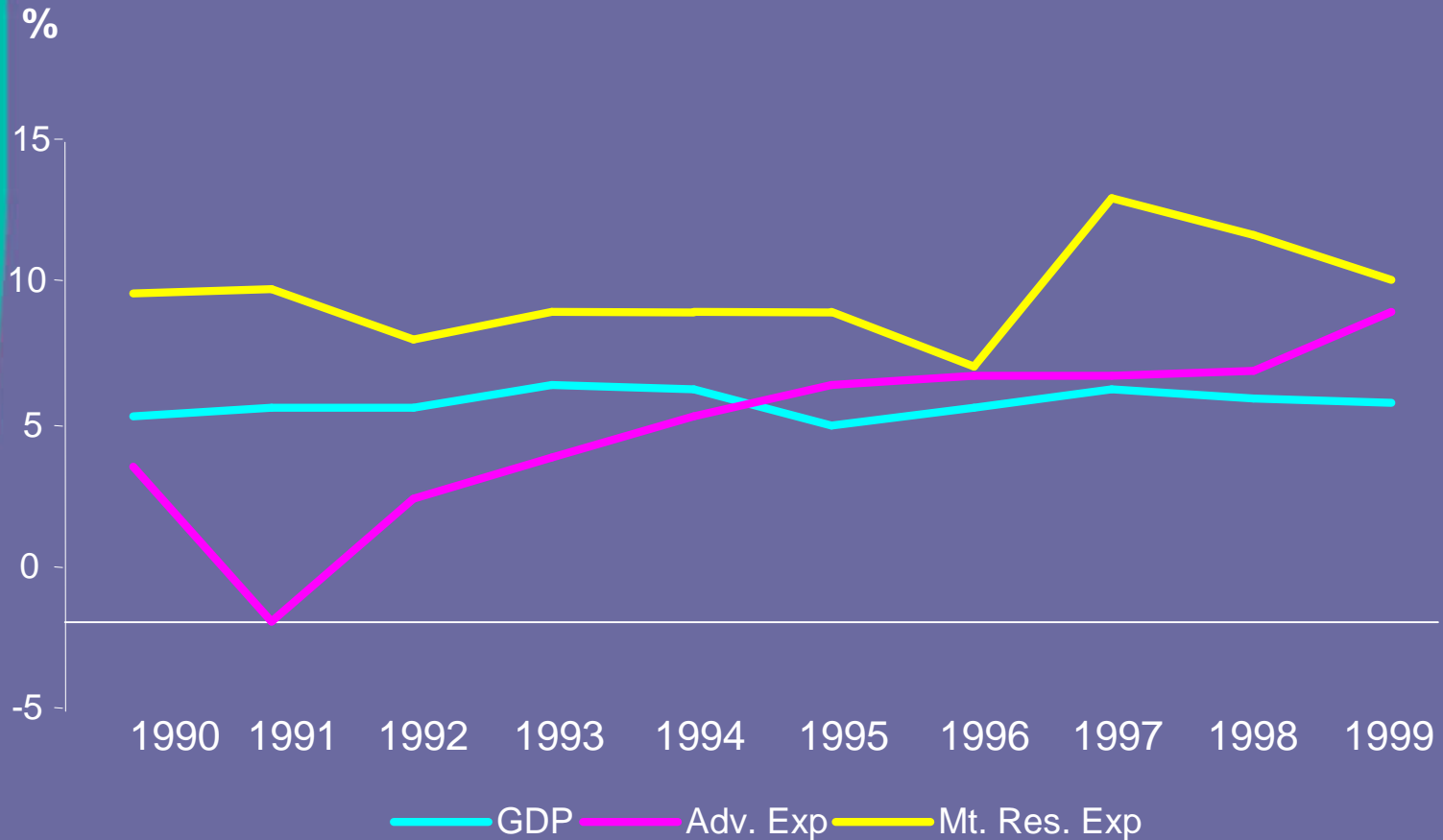
## A market creating its own rules

- **Companies in the world spend US\$ 500 billion in advertising**
  - to sell their products and services
- **And US\$ 15 billion in research**
  - to select their ideas
  - and reduce the risks



# A market not very cyclical: the American example

Annual growth rate



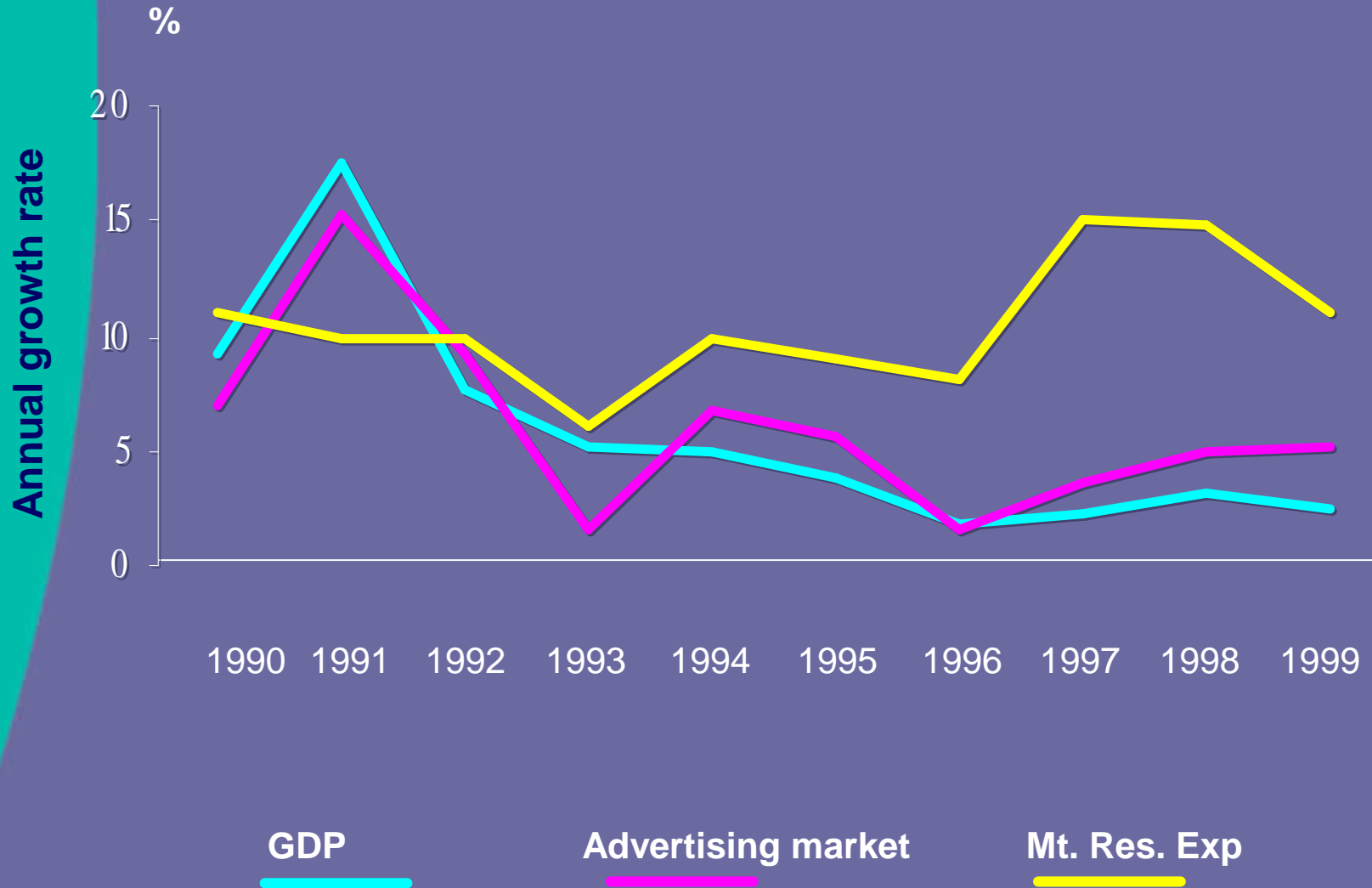
GDP

Advertising market

Market Research



# The German market example



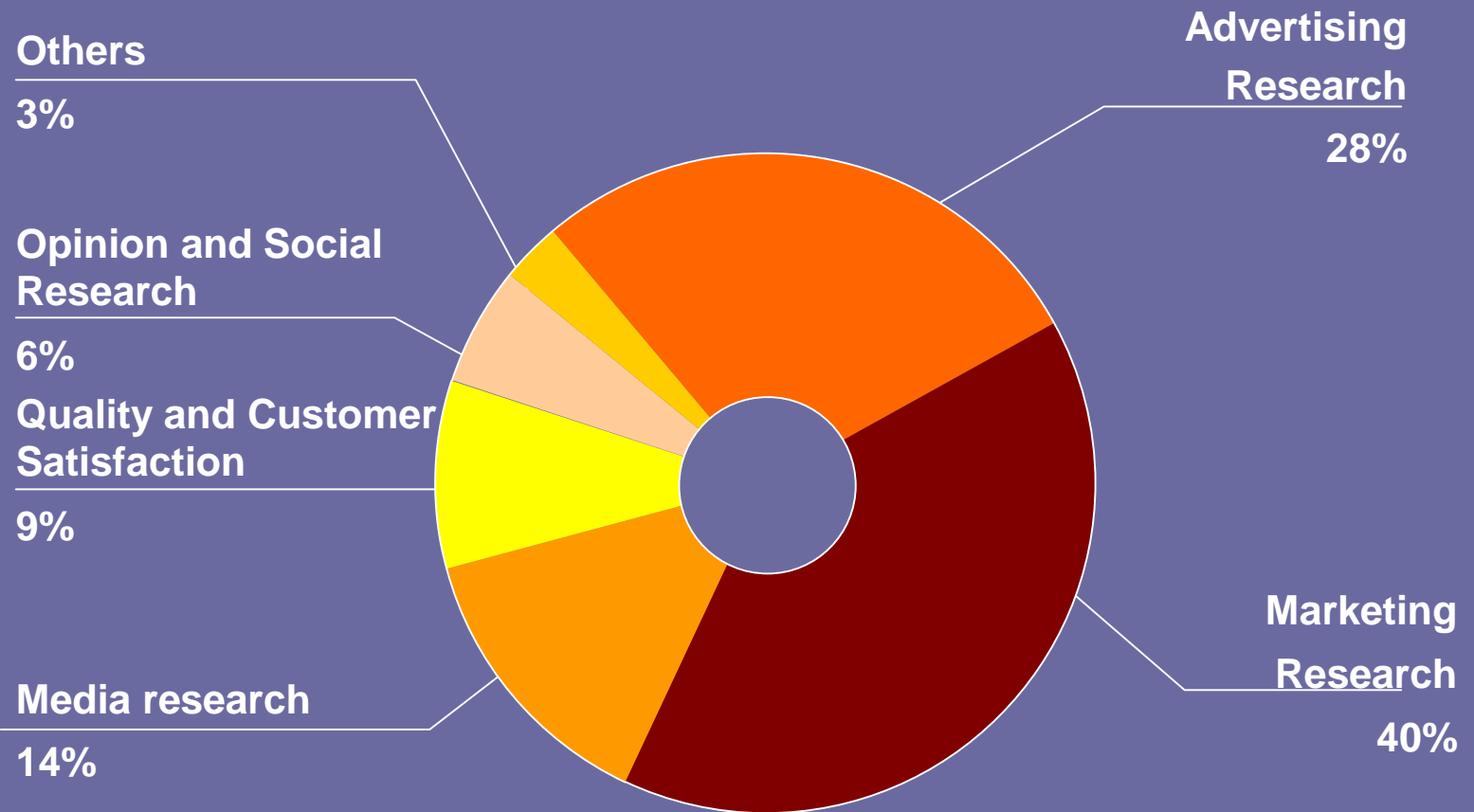


A specialised company with an  
integration strategy



# A specialised company

## 2000 consolidated revenues





# A blend of closely interwoven competencies

	Advertising	Marketing	Media	Opinion & Social Research	Quality & Customer Satisfaction
Europe	X	X X	X X	X	X
North America	X X	X X	X X	X	X
Latin America	X X	X X		X	X
Asia Pacific	X	X X X	X X	X X	X
	X	X X	X		

Year of integration or activity developments

X 1998

X 1999

X 2000

X 2001



# A controlled integration policy

## Ipsos North America example

*By Simon Kooyman*



## Importance of a strong presence in North America (1)

- **US consumer product companies remain a continuing source of World Brands**
  - adjustment to the European-style culture and differentiation influences
  - marketing to increasingly smaller geographic-lifestyle-lifestage segments
  - improved marketing-mix evaluation technics
- **Future profit improvement lies in :**
  - matching of demand forecasting and product/service delivery
  - increasingly differentiated and shorter cycle marketing plans



## Importance of a strong presence in North America (2)

- **US continues to be a source of marketing technology**
  - segmentation systems
  - marketing return-on-investment decisions
  - advertising and promotion effectiveness measurement
  - cross-over of consumer and entertainment products
  - development of new communication channels and media
  - customer relationship marketing
  - internet marketing



# Current competencies

	Ipsos-ASI	Ipsos-Reid	Ipsos-NPD
Advertising	X X		
Marketing		X	X
Media			
Opinion		X	
Customer Satisfaction			

X 1998

X 2000

X 2001



## Current Status and Value Drivers

- **Leading positions in US and Canada**
- **International customer relations**
- **Technologies and methodologies replicated in other Ipsos countries**
- **Similar data collection methods (ad hoc and access panels, off-line and on-line, mail-phone-mall)**
- **Ipsos value as marketing tool**



## Triggers of Profitability Growth

- Coordinated customer relations and business development
- Shared support systems
- Concentrated production functions
- Ipsos awareness beyond market research community
- Management capacity
- Further acquisitions and partnerships



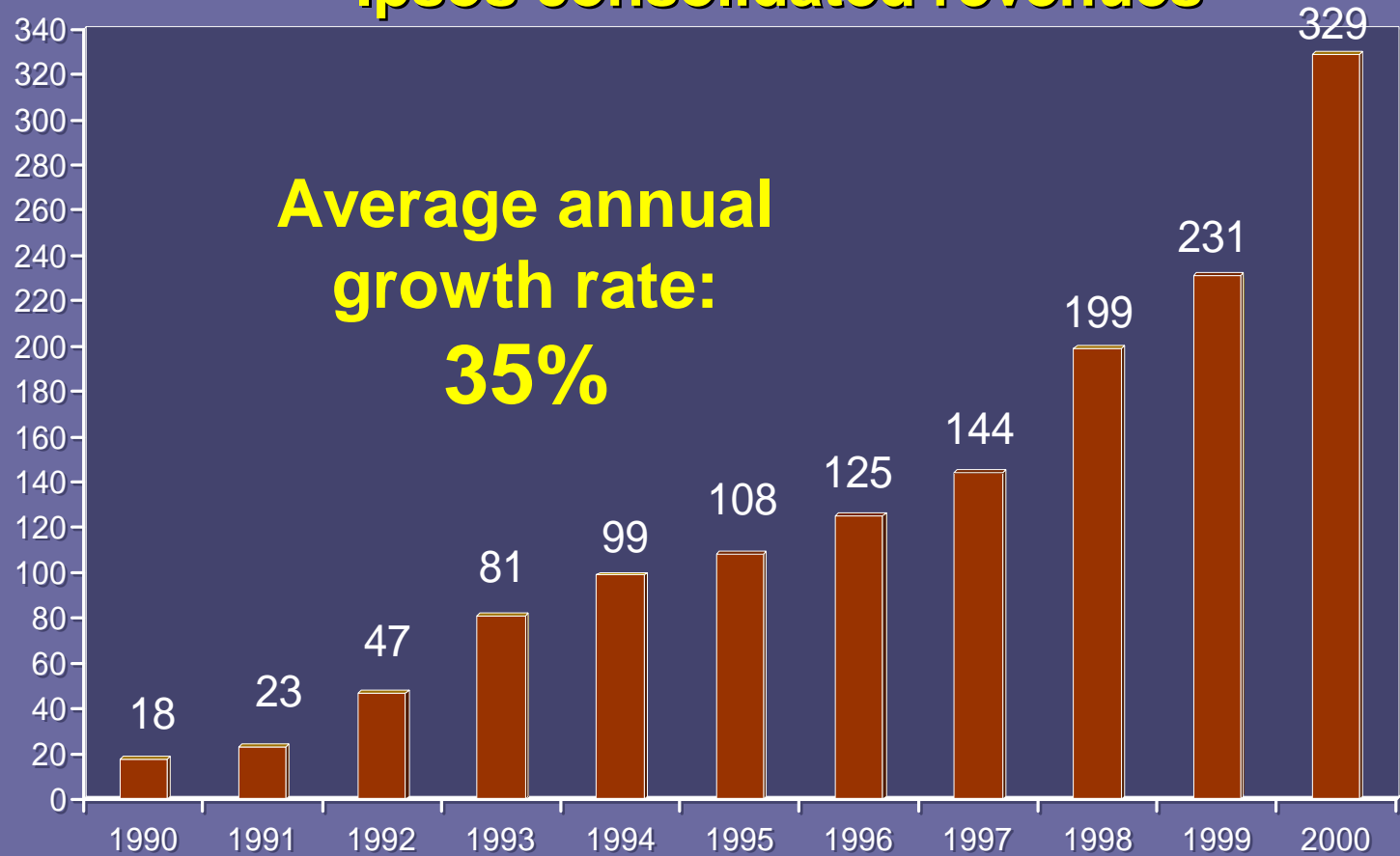
# 2000 annual results



# A continuous growth

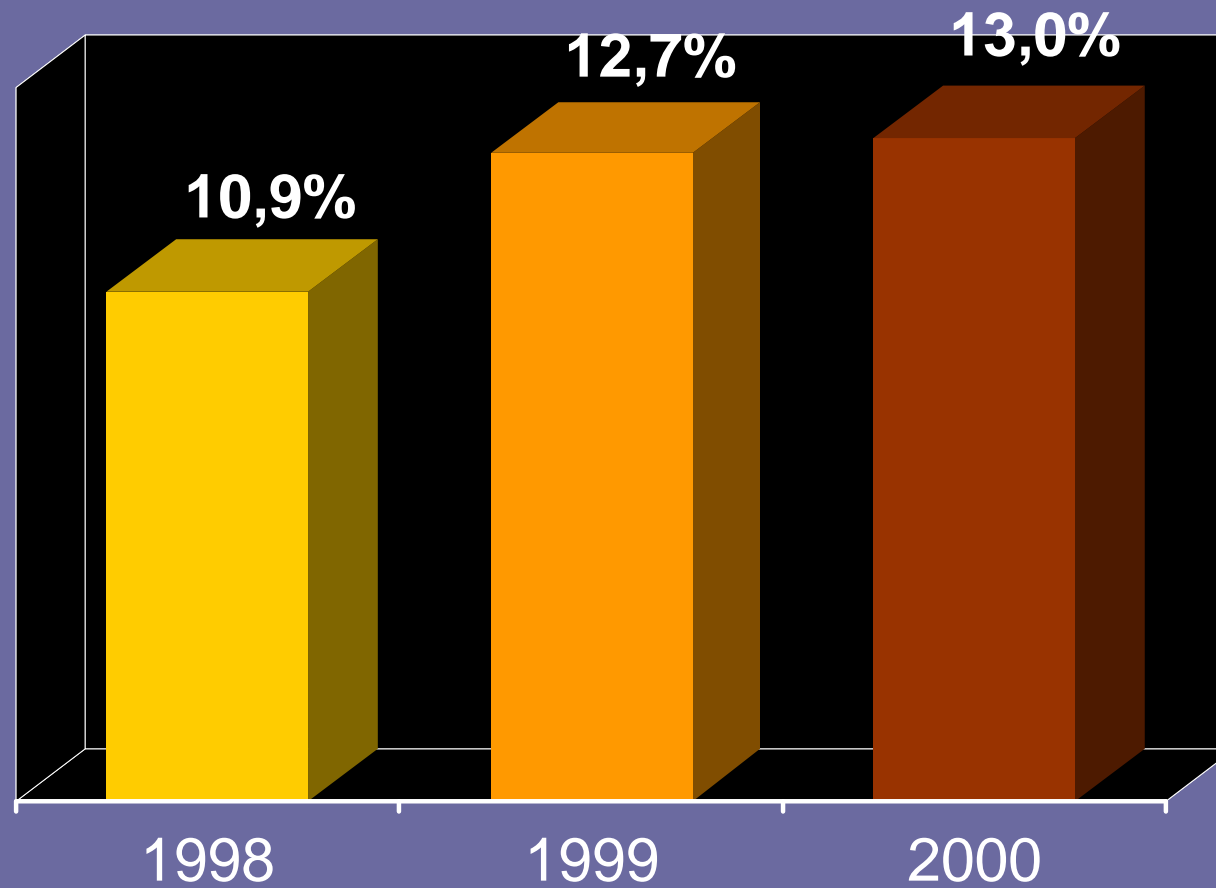
In M €

## Ipsos consolidated revenues





## An accelerated organic growth...





... in every business activities ...

	2000/ 1999	Organic growth*
Advertising research	+41%	+14%
Marketing research <i>of which qualitative studies</i>	+43% +24%	+8% +18%
Media research	+29%	+12%
Opinion & Social research	+77%	+15%
Quality & Customer Satisfaction	35%	+30%
<b>Total</b>	<b>+43%</b>	<b>+13%</b>

\* on a comparable basis



## ...in all markets

	2000/ 1999	Organic Growth*
Europe	+ 16%	+ 10,4%
North America	+ 145%	+ 12,0%
Latin America	+ 112%	+ 30,3%
Others	ns	ns
<b>Total</b>	<b>+ 43%</b>	<b>+ 13%</b>

\* on a comparable basis



## Strong improvements in results

In M €	1998	1999	2000	Var. 00/99
Revenues	199	231	329	+43%
Gross margin	110	127	183	+44%
Operating profit *	10.7	14.0	24.1	+72%
Financial results	-2.0	-1.8	-1.5	--
Exceptional results	-0.8	-0.4	-1.7	--
EBIT	7.9	11.8	20.9	+77%
<i>Companies at equity</i>	--	-0.7	-1.4	--
Net income, shareholders' part**	4.2	7.3	12.3	+69%

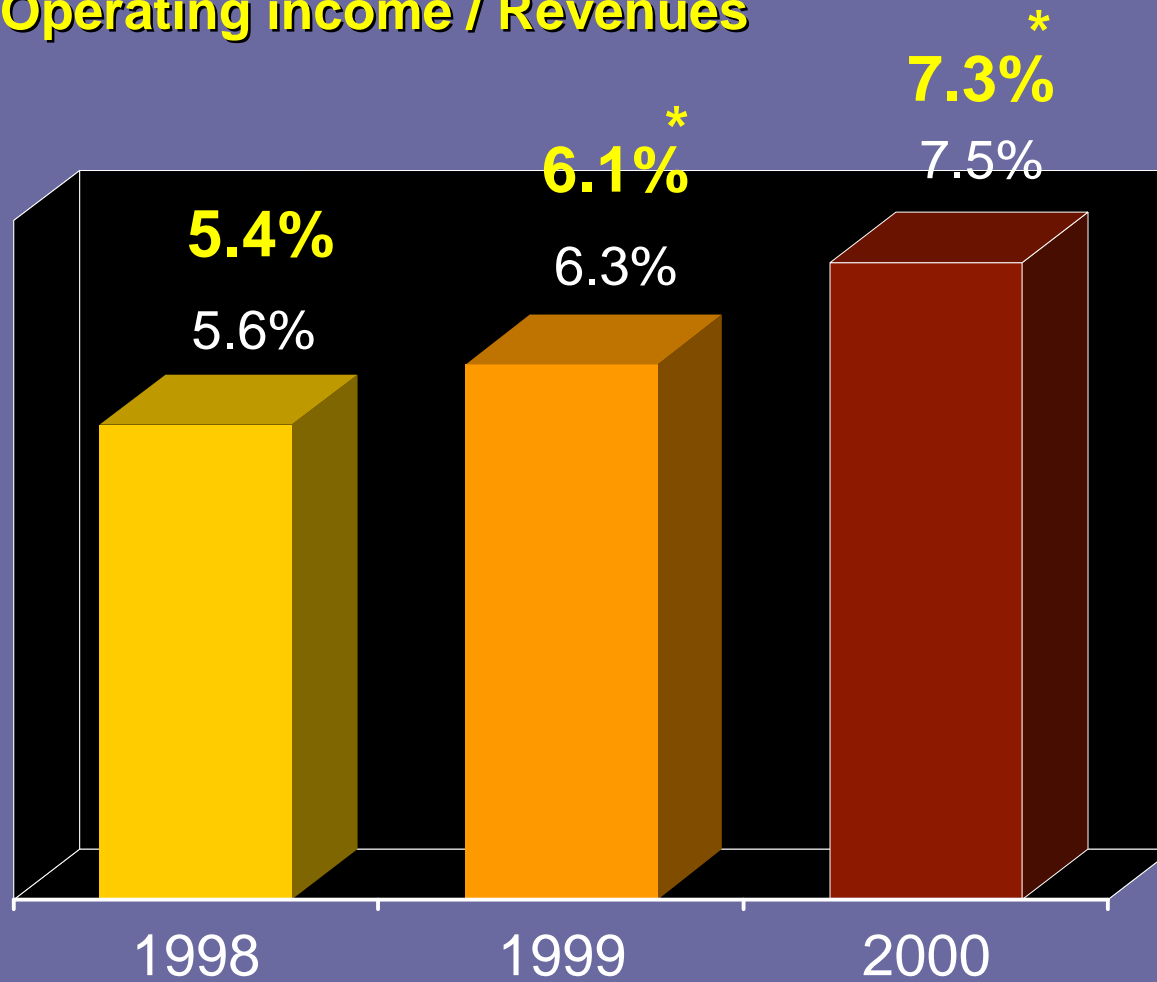
\* after employee profit sharing

\*\* before goodwill



# Strong increase in operating margin...

Operating income / Revenues



\* After employee profit sharing



## A sound financial position

In M €	1998	1999	2000
Shareholder's fund	36	61	177
Net Debts	32	24	12
Gearing	89%	39%	--
Operating cash flow	11	14	21
Financial charges coverage	x 5.6	x 8.1	x 16.1

**Capital increase, June 2000:  
110 m€ shares with subscription warrants**



# Conclusion



## Ipsos in 2001-2004

- A global player with a better geographic mix
- A better awareness of our name associated with our specialised business services
- A controlled use of the on-line technics



## Ipsos in 2001-2004

- **2001: confirmed objectives**
  - revenues : close to 500 M €, about +50% increase
  - operating margin (after profit sharing): 8%
- **2002-2004: a continuous growth**
  - revenues: + 20% per year in average of which >10% of organic growth
  - operating margin increased by 0.5 point a year



Ipsos