



Press Release

Ipsos reports consolidated results for 1st half of 2002

Strong growth in revenues: +13%
Net income up 29%
Improved operating profitability

Paris, September 25, 2002. Ipsos, a world leader in survey-based market research, reported a significant increase in consolidated results for the first half of 2002, with an improved profitability.

Business Growth

Consolidated revenues for the Paris-based Ipsos Group in the first half of the current financial year rose to 244.5 million euros, up 13% from the same period last year. Much of this increase can be attributed to strong organic growth: up 7.3% year-over year (constant exchange rates and constant perimeter), a rate that outpaces the average for the market research industry as well as the performance of Ipsos main worldwide research competitors.

Growth has been satisfactory in all Ipsos sectors of specialization except for media research, which is still affected by the drop in advertising revenues among media companies. Of particular note is the strong performance of the Group's advertising research division with an organic growth of 15%. The opinion and social research division and the marketing research division also fared well, with respective organic growth of 9% and 7%. Activity is also particularly strong in North America, with a 15% organic growth, and in Latin America, which has grown organically by 11%.

(M euros)	First half			Last year
	June 2002	June 2001	% Change	2001
Revenues	244.5	216.9	+13%	480.2
Gross Margin	144.3	126.0	+15%	272.0
Operating Profit	17.8	13.9	+27%	36.9
<i>Operating Profit / Revenues</i>	7.3%	6.4%		7.7%
<i>Operating Profit / Gross Margin</i>	12.3%	11.1%		13.6%
Net Interest charge	- 3.3	- 3.7	-9%	-8.8
Net income, Shareholders' part*	9.5	7.4	+29%	17.3

**Figures before goodwill amortization*



Sharp increase in profitability

Operating profit outpaced revenues at 17.8 million euros, up 27% over the first half of 2001, and now represents 7.3% of revenues, compared with 6.4% for the same period last year. This improvement is mainly related to the better profitability of the companies included in the 2001 consolidation perimeter, with especially a very strong increase in profit for the Ipsos-ASI division in all the countries where it is present.

Net interest charge stands at 3.3 million euros down by 9% compared to first half of 2001, thanks to a lower level of debt and to relatively low interest rates, particularly in the United States. Two thirds of the Ipsos debt has been raised in order to finance US acquisitions. They are denominated in US dollar with variable interest rates.

Effective tax level at 28% remains lower than common law tax rates.

In total, net income shareholders' part amounts to 9.5 million euros, up 29%.

Financial structure improvement

The company's financial net debt stands at 147 million euros, with a gearing of 79% to compare with 92% at June 30th 2001. The financial structure improvement is due to an increased operating cash flow standing at 17 million euros, up by 44% over the same period last year, and to higher EUR / USD exchange rate which positively impacts the Group's debt.

Considering all these elements, Ipsos has strong financial resources to pursue its internal developments and its programme of acquisitions.

Acquisitions

The Group has pursued its strategy of selective acquisitions in order to strengthen its geographical coverage and /or its key specialisations. The following have been included in the consolidation perimeter during the first half of 2002: Ipsos-Imri in Sweden and Ipsos-Vantis in the United-States, as well as the whole activity of Ipsos-Focus (UK) of which Ipsos acquired the remaining 50% shares.

The newly-acquired companies Sample-INRA (Germany), F-Squared (Russia, Poland and Ukraine) and Ipsos-Eureka and Intervjubolaget (Sweden) will be included in reporting in the second half.

Lastly, Ipsos announced on September 18 plans to acquire Lyncs in Japan and Feng & Associates Marketing Services (FAMS) in China. With these two acquisitions Ipsos will significantly increase its presence in the Asia-Pacific region. Japan, the largest economy in Asia, represents 8% of the worldwide research expenditures while China, the region's fastest growing economy, offers very high potential for future growth.

Prospects for the remainder of 2002

The Group's solid performance in 2002 shows the resiliency of the survey-based market research sector and Ipsos's continuing ability to grow its market shares. This is especially true in its advertising research practice as well as in marketing research to international companies, but also in North and Latin America. The Group's success is based in large part on its efforts in the following three strategic areas:



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- To establish leadership positions in key designated countries, especially in North America which accounts for 40% of the global research market, and more than 60% of global Key Accounts;
- To create a global organisation able to work seamlessly around the world with its Key Accounts;
- To continue to offer clients new global products and services to meet the demand of an ever-changing business and consumer marketplace.

The market research is traditionally highly seasonal, with increased business in the second half of the year. Ipsos growth will continue to outpace the industry as a whole for the remainder of the year. The Group's North American and Latin American operations will record double-digit growth, while Europe will improve its performance. On the basis of these prospects, the Ipsos co-chairmen feel confident in Ipsos's ability to reach 8% organic growth for the full year 2002, and improve its operating margins. For the period 2005-2006, they also confirm their commitment to reach revenues of 1 billion euros and an operating margin equal or superior to 10%.

Merger between Ipsos and LT Participations

The announced project of merging Ipsos SA and its holding company LT Participations that was to be approved by the general meetings of shareholders of both companies on September 30, 2002 is postponed.

Indeed, it appeared to the Boards of Directors of LT Participations and Ipsos, which met on Wednesday September 25, that the recent and harsh fall of the equity markets rendered this operation inappropriate. Aimed to simplify Ipsos Group's structure, this operation will be proposed to the shareholders of both companies as soon as the markets will have resumed certain stability. As the merger will be carried out transparently it will have no impact on the Ipsos financial statements once completed. Accordingly, the postponement of this operation does not have any impact on the Ipsos group accounts.

Appendix:

Consolidated balance sheet at 30 June 2002

Consolidated profit and loss account

Consolidated statement of cash flows

Ipsos, Profiling People

A worldwide group specializing in research for brands, companies, and institutions.

'Consumers, citizens and clients, we can be all of these in turn and at the same time.

*Ipsos researchers solve these psychological and sociological puzzles,
enabling us to identify what unites and what differentiates us as individuals.'*

At Ipsos, we call this approach *'Profiling people'*.

Since July 1, 1999, Ipsos has been listed on the Nouveau Marché of the Paris Stock Exchange, and is part of SRD, SBF 250 Index and Next Prime Index.

Sicovam code 7329, Reuters ISOS.LN, Bloomberg IPSO NM

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Consolidated balance sheet / Assets

	30/06/02	30/06/01	31/12/01
In thousand euros			
FIXED ASSETS			
<i>Intangible fixed assets</i>			
Start-up costs	93	400	417
Other intangible fixed assets	10 511	7 748	7 711
Goodwill	265 351	274 935	286 062
<i>Tangible fixed assets</i>	17 932	24 047	22 042
<i>Financial fixed assets</i>			
Non-consolidated participating interests	2 720	494	37
Companies accounted for using the equity method	310	243	277
Other financial fixed assets	2 571	1 229	2 013
TOTAL FIXED ASSETS	299 488	309 096	318 559
CURRENT ASSETS			
<i>Stocks and work in progress</i>			
Miscellaneous supplies	733	319	257
Surveys in progress	10 942	14 527	8 111
<i>Receivables</i>			
Trade receivables	109 340	118 719	115 634
Other receivables	16 852	31 461	23 496
Marketable securities	2 430	1 337	2 697
Cash	21 664	14 251	28 933
TOTAL CURRENT ASSETS	161 961	180 614	179 128
<i>Prepaid expenses, deferred taxes and other assets</i>	19 103	16 949	20 250
TOTAL ASSETS	480 552	506 659	517 937

Consolidated balance sheet / Liabilities & shareholders' equity

	30/06/02	30/06/01	31/12/01
In thousand euros	before appropriation of income		
SHAREHOLDERS' EQUITY			
Share capital	6 416	6 185	6 415
Premium	175 507	155 234	175 520
Other reserves (retained earnings)	-2 370	18 250	10 953
Net income for the period after minority interests	906	67	2 023
Equity attributable to the group	180 459	179 736	194 911
Minority interests in consolidated reserves	3 804	3 612	3 397
Minority interests in net income for the period	918	907	2 153
Minority interests	4 722	4 519	5 550
TOTAL SHAREHOLDERS' EQUITY	185 181	184 255	200 461
Provisions for liabilities and charges	12 820	5 596	13 884
LIABILITIES			
Long-term debt	171 407	185 502	184 448
Other liabilities			
Advances & progress payments from customers	3 519	8 483	4 844
Trade payables	41 727	47 738	49 647
Tax and employment-related liabilities	33 001	34 221	33 894
Other liabilities	17 928	29 194	12 849
TOTAL LIABILITIES	267 582	305 138	285 682
Prepaid income and other liabilities	14 969	11 670	17 910
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	480 552	506 659	517 937

Analytical Profit and Loss Account

In thousand euros	1st half 2002	1st half 2001	2001
Revenues	244 480	216 992	480 199
Direct costs	100 138	90 979	208 168
GROSS MARGIN	144 342	126 013	272 031
Payroll costs including statutory employee profit-sharing	85 410	72 868	160 063
General operating expenses	41 735	41 836	73 146
Other income and expense (net)	(562)	(2 625)	1 955
Total operating expenses	126 583	112 079	235 164
OPERATING PROFIT	17 759	13 934	36 867
Net financial expenses	(3 349)	(3 673)	(8 760)
NET PROFIT FROM ORDINARY ACTIVITIES OF CONSOLIDATED ENTITIES	14 410	10 261	28 107
Net exceptional expenses	(83)	(277)	(1 147)
PROFIT OF CONSOLIDATED ENTITIES BEFORE TAX	14 327	9 984	26 960
Participation des salariés			
Corporate income tax	3 971	1 739	6 490
PROFIT OF CONSOLIDATED ENTITIES AFTER TAX	10 356	8 245	20 470
Share of profit/ (losses) of companies accounted for using the equity method	39	21	(1 027)
Goodwill amortisation	8 571	7 292	15 267
NET PROFIT BEFORE MINORITY INTERESTS	1 824	974	4 176
Minority interests in profit of the year	918	907	2 153
NET PROFIT ATTRIBUTABLE TO THE GROUP	906	67	2 023
NET PROFIT ATTRIBUTABLE TO THE GROUP BEFORE THE IMPACT OF AMORTISATION OF GOODWILL ARISING ON ACQUISITION AND BUSINESS GOODWILL	9 477	7 359	17 290

Consolidated statement of cash flows

In thousand euros	1st half 2002	1st half 2001	2001
Operating activities			
Consolidated net profit attributable to the group	906	67	2 023
Non-monetary items with no cash impact			
Amortisation and depreciation	6 753	5 041	11 289
Share in losses/(profits) of companies accounted for using the equity method	(39)	(21)	1 027
Losses/(gains) on asset disposals	31	35	267
Amortisation of business goodwill and goodwill arising on acquisition	8 571	7 292	15 267
Movement in other provisions	212	24	670
Deferred taxation	(324)	(1 579)	(1 421)
Minority interests	918	907	2 153
Other items	(3)	(4)	
Operating cash flow before working capital items	17 025	11 762	31 275
Decrease/(increase) in stocks and work in progress	(3 658)	(6 155)	(13)
Decrease/(increase) in trade receivables	101	(8 112)	5 855
Decrease/(increase) in other receivables	4 792	(2 780)	(12 702)
Increase/(decrease) in trade payables	(4 341)	3 345	9 283
Increase/(decrease) in accrued interest on debt	44	926	672
Increase/(decrease) in other liabilities	(2 664)	2 272	2 834
Change in working capital needs	(5 726)	(10 504)	5 929
CASH PROVIDED BY OPERATING ACTIVITIES	11 299	1 258	37 204
INVESTING ACTIVITIES			
Acquisition of tangible and intangible fixed assets (excluding business goodwill)	(5 097)	(9 459)	(15 432)
Acquisition of business goodwill	(228)	(448)	(985)
Acquisition of non-consolidated participating interests	(2 693)	(358)	
Proceeds from disposals of tangible and intangible assets	52	829	963
Proceeds from disposals of long-term investments		1	
Decrease/(increase) in marketable securities	5	32 122	30 650
Decrease/(increase) in other long-term investments	(605)	(56)	(648)
Increase/(decrease) in amounts payable on fixed assets	5 134	(598)	(24 014)
Impact of changes in consolidation scope	(7 354)	(154 955)	(171 018)
CASH USED IN INVESTING ACTIVITIES	(10 786)	(132 922)	(180 484)
FINANCING ACTIVITIES			
Share issue	(12)	(219)	20 297
Issue of long-term debt	4 240	146 321	190 654
Repayment of long-term debt	(4 932)	(13 512)	(57 331)
Increase/(decrease) in bank overdrafts & short-term debt	1 271	10 436	13 243
Dividends paid to parent company shareholders	(2 165)	(2 334)	(2 313)
Dividends paid to minority shareholders of consolidated entities	(1 081)	(514)	(513)
CASH PROVIDED BY FINANCING ACTIVITIES	(2 679)	140 178	164 037
Opening cash	28 933	12 240	12 240
Impact of exchange rate fluctuations	(5 103)	(6 500)	(4 064)
Net change in cash	(2 166)	8 514	20 757
CLOSING CASH	21 664	14 254	28 933